



NAMIBIA MINEWORKERS INVESTMENT
HOLDINGS COMPANY (PTY) LTD

ANNUAL REPORT





OUR VISION,
MISSION
AND VALUES

VISION

To be the leading broad-based organization that strives to make a significant impact in the socio-economic development of Namibia.

MISSION

To optimize shareholder’s value through diligent investments

VALUES

Excellence
Prosperity
Integrity
Care

CORE VALUES	
Excellence	We are in pursuit of perfection in everything we do and therefore we embrace innovative ways to exceed expectations, together.
Prosperity	We are dedicated to improving lives and unlocking wealth for all our stakeholders.
Integrity	We are always honest and transparent in all our dealings, never compromising ethical business principles.
Care	We treat others as we would like to be treated and therefore we look after the wellbeing of all our stakeholders.

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OUR HISTORY

In the year 1997 the Mineworkers Union of Namibia (MUN) congress passed a resolution to establish a commercial arm to inter alia financially sustain its operational activities.

In July 1997, the National Executive Committee of the Mineworkers Union of Namibia (MUN) established the Namibia Miners Investment Trust (NAMIT). The beneficiaries of the Trust are defined as current and ex-mine and energy workers, their dependents, and the communities they hail from.

NAMIT in turn established and owns NAM-MIC 100%. The company was incorporated on the 15th July 1997 and commenced operating in September the same year.

NAM-MIC was created as the business vehicle to pursue business investment opportunities. Other than the initial seed capital, NAM-MIC has been raising all its capital on commercial terms.

Paying dividends to its shareholder is one of the many ways used by NAM-MIC to communicate its financial well-being and that of its investments. Declaration of dividends is a mechanism by which the company advances direct benefits to its shareholder.



CHAIRMAN'S REPORT

OVERVIEW

It gives me great pleasure to introduce to you the 2019/20 financial results. Overall, there was a slight increase in total assets by 3.9% to N\$495 million (2019: N\$476 million) compared to a decline of 13% (2018: N\$547.8 million) reported during the previous financial year. Our property portfolio constitutes about 7% of the total assets.

I'm also proud to report that, to date NAM-MIC has paid to the tune of N\$28.9 million to its shareholder as dividends as from 2014. As a corporate citizen, an amount of N\$662,448 was extended to various needy causes during the financial period in a form of donations/sponsorships.

OUTLOOK

Being a Broad-Based Empowerment group, has enabled us to penetrate the competitive unlisted investment environment and to become an investor and partner of choice in Namibia.

The years 2019/20 were crucial as it provided us with a turning point for NAM-MIC, it signalled the end of 2014-2019 Corporate Strategic Plan and beginning of the new five year (2020-2024) Corporate Strategic Plan. In the next five years we will focus on certain key priority areas such as affordable housing for sale to the members and the public which are currently underway at the Osona village, Okahandja. During the period, our focus will be on members beneficiation through the establishment of a special purpose vehicle (SPV) for members to participate in the equity of the company.

APPRECIATION

With many challenges awaiting us in 2021, I urge my fellow Directors to serve our shareholder with utmost diligence and dedication. Ours is a noble task which seek to impact the lives of so many Namibians.

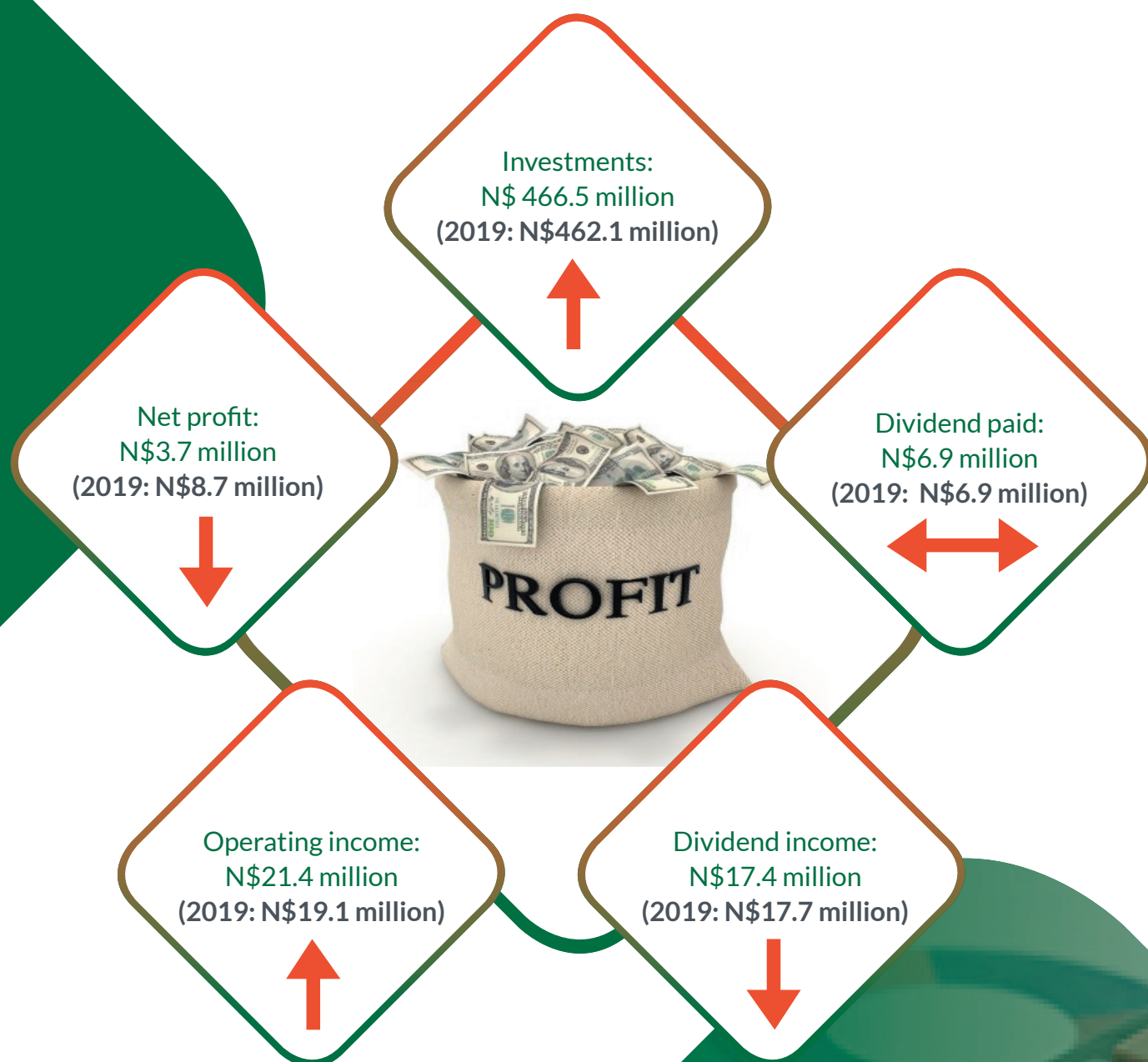
Lastly, I would like to extend my appreciation to Directors, our shareholder, management and staff for their cooperation, collaboration, participation and commitment and hard work during the 2019/20 financial years.



A handwritten signature in white ink, appearing to read 'J. Ndeutepo', with a large, stylized loop at the end.

CHAIRMAN
JOHANNES NDEUTEPO

FINANCIAL HIGHLIGHTS



CHIEF EXECUTIVE OFFICER'S REPORT

OVERVIEW

I am pleased to report that NAM-MIC's investments continued to yield positive results under the difficulty prevailing national economic circumstances exacerbated by the pandemic which hit our shores in March 2020. This is attributed to the investment culture of the company as enshrined in its vision, mission and values.



HOW DID OUR INVESTMENTS PERFORM?

Our assets increased by 3.9% to N\$495,317,106 million (2019: N\$476,698,874 million). During the 2020 financial period, NAM-MIC established a shoe manufacturing factory specialising in Gum boots and Safety shoes. NAM-MIC partnered and co-financed the investment with the well-known and reputable retailer, Cymot. Another notable investment was the increase in shareholding in Trip Investment Holdings (TIH) to 70% from 40%. TIH owns 40% shareholding in Trip Group well known as Trip Travel. This transaction resulted in an effective shareholding of 28% from 12% in Trip Group of Companies.

NAM-MIC FINANCIAL PERFORMANCE

Dividend income declined by 1.7% from N\$17.7 million to N\$17.4 million compared to a decline of 27.8% (2018: N\$24.5 million) for the previous financial year. Rental income declined by 46.8 % from N\$1.4 million to N\$0.769 million. The 2020 and 2019 financial years were characterized by low occupancy rate due to a slow-down in the Namibian economic growth. Overall operating income increased by 12% from N\$19.1 million to N\$21.4 million compared to a decline of 28% (2018: N\$26.8 million) for the prior financial year.

Operating expenses increased by 21% to N\$15.4 million (2019: N\$12.7 million) compared to an increase of 3.5 % (2018: N\$12.2 million) for the previous year. Net Profit declined by 57.2% from N\$8.7 million to N\$3.7 million compared to a decline of 43.7% (2018: N\$15.5 million) for the previous financial year.

WHAT IS OUR STRATEGIC FOCUS AND OUTLOOK FOR THE COMING YEAR?

We remain optimistic of the favourable economic climate that will support business growth and expansion in the coming years.

Our property portfolio experienced less favourable market conditions because of the substantial oversupply in the commercial market coupled with the economic slowdown experienced and the impact of the pandemic.

Through our property subsidiary Namprop, we have embarked on delivering affordable housing for our members and the public through the development of general and single residential houses at the Osona village in the Okahandja municipality.

We remain positive and confident that our investments will continue to yield the required returns despite low economic growth. Furthermore, it is no surprise that low economic growth will increase competition for quality deals thus drive up the unlisted asset prices over the medium term.

As part of our Stakeholder's relations which includes the empowerment of our shareholder beneficiaries, we will continue to support the empowerment transaction establishing the Special Purpose Vehicle (SPV) Namitvest aiming at extending direct benefits to beneficiaries. Beneficiaries would benefit by taking up direct shareholding in Namitvest. Namitvest had taken up an equity stake of 25% in Nam-mic Holdings. This leaves the balance of 75% shares being hold by Namit Trust.

Comprehensive information regarding the empowerment transaction would be available.

Furthermore the financial year 2022 would also be characterized with the inauguration of two of our properties in Windhoek West owned by Namibia Mineworkers Properties (Namprop). These properties had been named after the pioneering leaders of the company Nam-mic Holdings, namely Comrade John Shaetonhodi (Pioneering Chairman) and Comrade Jacob Nghifindaka (Pioneering Managing Director).



Comrade John
Shaetonhodi
(Pioneering Chairman)



Comrade Jacob
Nghifindaka
(Pioneering Managing
Director)



ACKNOWLEDGMENTS

I would like to extend my sincere appreciation to the shareholder, Board and staff for their collaboration, guidance, participation, commitment and hard work during the financial year.

Lastly, I would like to thank all our financiers, investees, business partners and tenants for the incredible sound business relationships maintained during the financial year under review. We are proud of the relationships that exist between our companies and stakeholders.

A handwritten signature in black ink, appearing to read 'Joshua Kaitungwa'.

CHIEF EXECUTIVE OFFICER
JOSHUA KAITUNGWA

CORPORATE STRATEGIC PLAN

The 2020-2024 Corporate Strategic Plan has Four Pillars, namely Profitability; Stakeholder Relations; Investment Excellence and People.

PROFITABILITY

F1: ENSURE PROFITABILITY
F2: SECURE FUNDING

PEOPLE

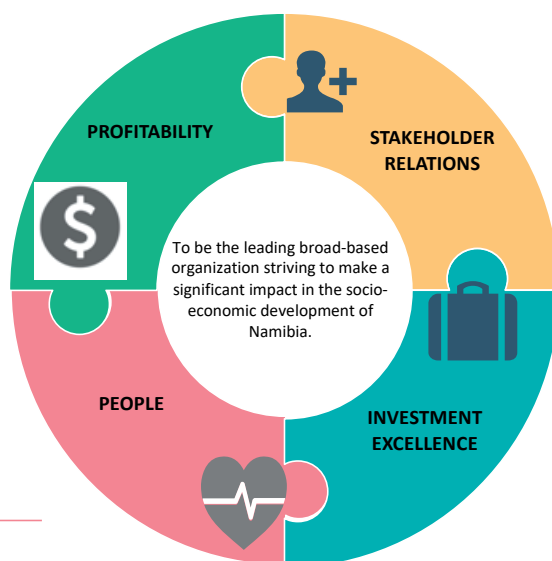
P1: BUILD HUMAN CAPACITY

STAKEHOLDER RELATIONS

S1: EMPOWER BENEFICIARIES
S2: DEVELOP STAKEHOLDER RELATIONS

INVESTMENT EXCELLENCE

I1: DIVERSIFY INVESTMENT PORTFOLIO
I2: ENSURE GOOD CORPORATE GOVERNANCE
I3: MITIGATE RISKS
I4: EMBRACE INNOVATIVE TECHNOLOGICAL SOLUTIONS



CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board composition during the period under review consisted of ten (10) directors which includes two (2) Independent Non-Executive Directors appointed based on their expertise. In compliance with corporate governance the Board comprises of four (4) sub-committees, namely the Audit and Investment Committee (AIC), Remuneration Committee (REMCO), Procurement Committee and Corporate Social Investment Committee (CSI).

The Board is collectively accountable to the shareholder for the long-term success of the business and for the overall strategic direction and control of the company. The Boards' responsibilities are:

- Strategy and Management,
- Capital Management,
- Financial Reporting,
- Internal Control; and
- Delegation of Authority

AUDIT AND INVESTMENT COMMITTEE

The Audit and Investment Committee (AIC) is responsible for the following:

- Review the audited annual financial statements and accounting policies,
- Monitor the effectiveness of internal controls, assess the risks, consider the findings and recommendations of the auditors,
- Review corporate governance procedures,
- Recommending the appointment of the external auditors and ensure that there is appropriate independence relating to non-audit services such as taxation, technical and accounting,
- Identification of risks and recommendation of mitigating measures,
- The review and recommendation of group investment policy and procedures,
- Review of investment acquisitions and disposal proposals from management, and
- Review and monitoring the performance of existing investment portfolios including an assessment of the risks related to each investment.

REMUNERATION COMMITTEE

The Remuneration Committee (REMCO) is responsible for the following:

- Setting up of benefits and remuneration such as pension fund schemes and medical aid scheme of all staff,
- Appointment of management team,
- Setting up of performance management and remuneration incentive scheme, and
- Overall human resources and other employment related matters of the company.

PROCUREMENT COMMITTEE

The Procurement Committee is responsible for:

- Evaluation and decision-making process in obtaining the most favorable terms for acquisition of goods and services required by the company.

CORPORATE SOCIAL INVESTMENT COMMITTEE (CSI)

- The company's strategic objective with this activity is to communicate its Corporate Social Investment (CSI) through sponsoring relevant events and activities beneficial to the company and the recipients.
- The CSI activity helps the company in gaining exposure and awareness.



BOARD MEMBERS



Johannes (John) Ndeutepo
Chairman



Paulus Situmba
Vice-Chairman



Abiud Kapere
Director



Ndapandula Tshitayi
Director



Saara Kandapo
Director



Libertha Kapere
Director



Allen Kalumbu
Director



Shavuka Mbidhi
Director



Poco-key Mberiuana
Director



Penias (Jackie) Karumbo
Director



Joshua Kaitungwa
Chief Executive Officer

	Board	Audit & Investment Committee	Remuneration Committee	Procurement Committee	Corporate Social Investment Committee
Johannes Ndeutepo	Chairman	✓		✓	✓
Paulus Situmba	Vice Chairman		✓		
Ndapandula Tshitayi (Independent Director)	✓	Chairperson			
Shavuka Mbidhi	✓		Chairperson		
Abiud Kapere	✓	✓			
Saara Kandapo	✓	✓			
Penias Karumbo	✓	✓		✓	
Mayemelo Kalumbu	✓		✓		
Libertha Kapere (Independent Director)	✓		✓	✓	
Poco-key Mberiuana	✓		✓		

The Corporate Social Investment committee comprise of the chairperson of the board and any other two (2) directors and the chairperson is elected on ad-hoc basis.

TEAM



Joshua Kaitungwa
Chief Executive Officer



Janine Dealie
Executive Secretary



Joseph Mundia
Manager Investment and Finance



Fiina Andreas
Receptionist



Selma Ilinga
Accountant



Elia Nailenge
Business Development Officer



Robert Kabunga
Investment Analyst



Sonia Ndjambula
HR & Property Administration Officer



Trofimus Haiweka
Assistant Accountant



Lea Kambunga
Administrative Assistant



Lovisa Immanuel
Cleaner

INVESTMENT PORTFOLIO

The diversity of our investment portfolio ensures that we maximize the return on investment and remain attractive from both an investment and financing perspective. Our portfolio is spread across all the economic sectors, and these are in real estate and business services, hotels and restaurants, health, mining & quarrying, travelling, transport and communication and financial intermediation.



INVESTMENT PORTFOLIO (SUBSIDIARIES)



Namibia Mineworkers Properties(Pty) Ltd also known as Namprop, is a wholly owned subsidiary of NAM-MIC Holdings engaged in property development and management.



Office space

Erf 3713 c/o John Meinert & Hosea Kutako Street
Windhoek West



Office space

Erf 3710 office space Adler Street Windhoek West



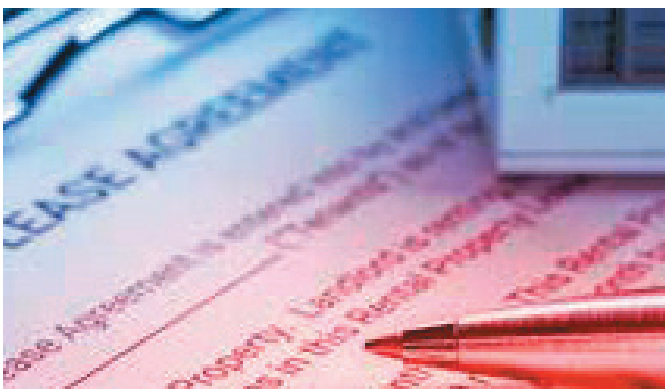
Office space

Erf 2531 Bach Street Windhoek West



Residential houses

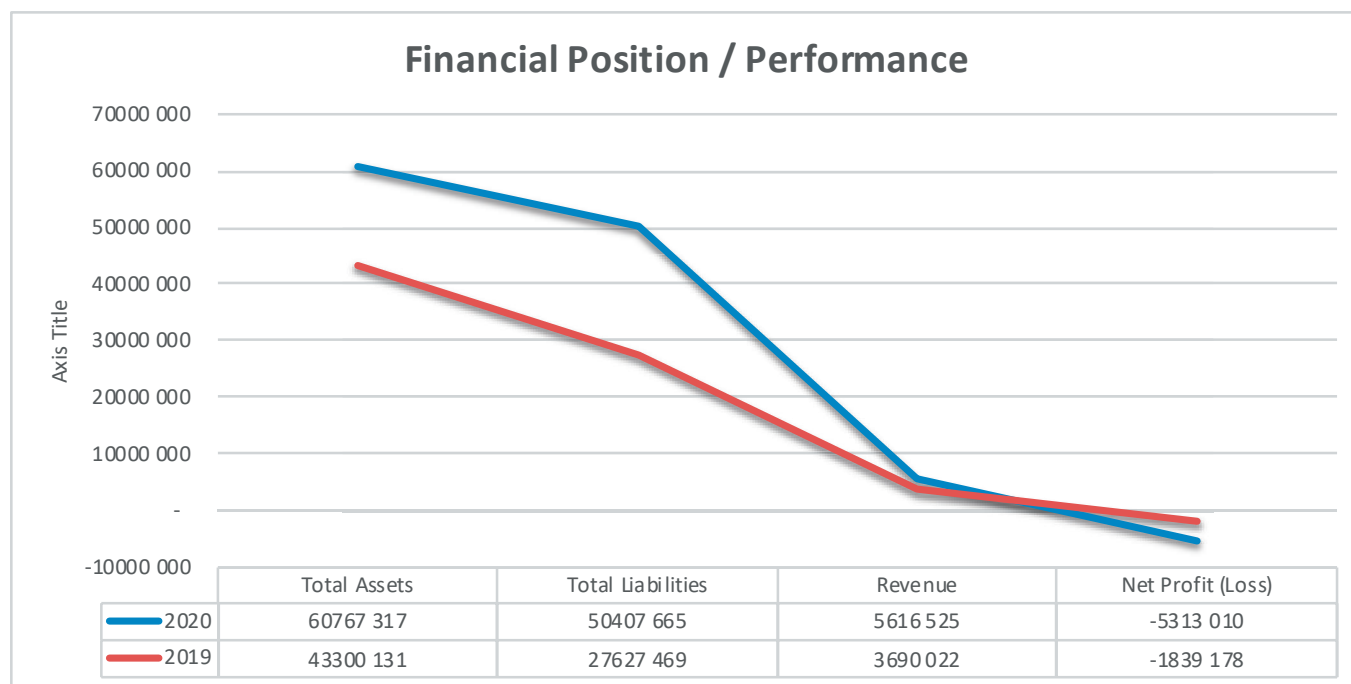
Development of 71 residential houses at Osona
Village Okahandja



Leased residential houses

Oranjemund

Financial Position / Performance



NAMPROP BOARD



Andreas Eiseb
Chairman



Poco-key Mberiuana
Director



Eliphas Kashindi
Director



Maria Shikongo
Director



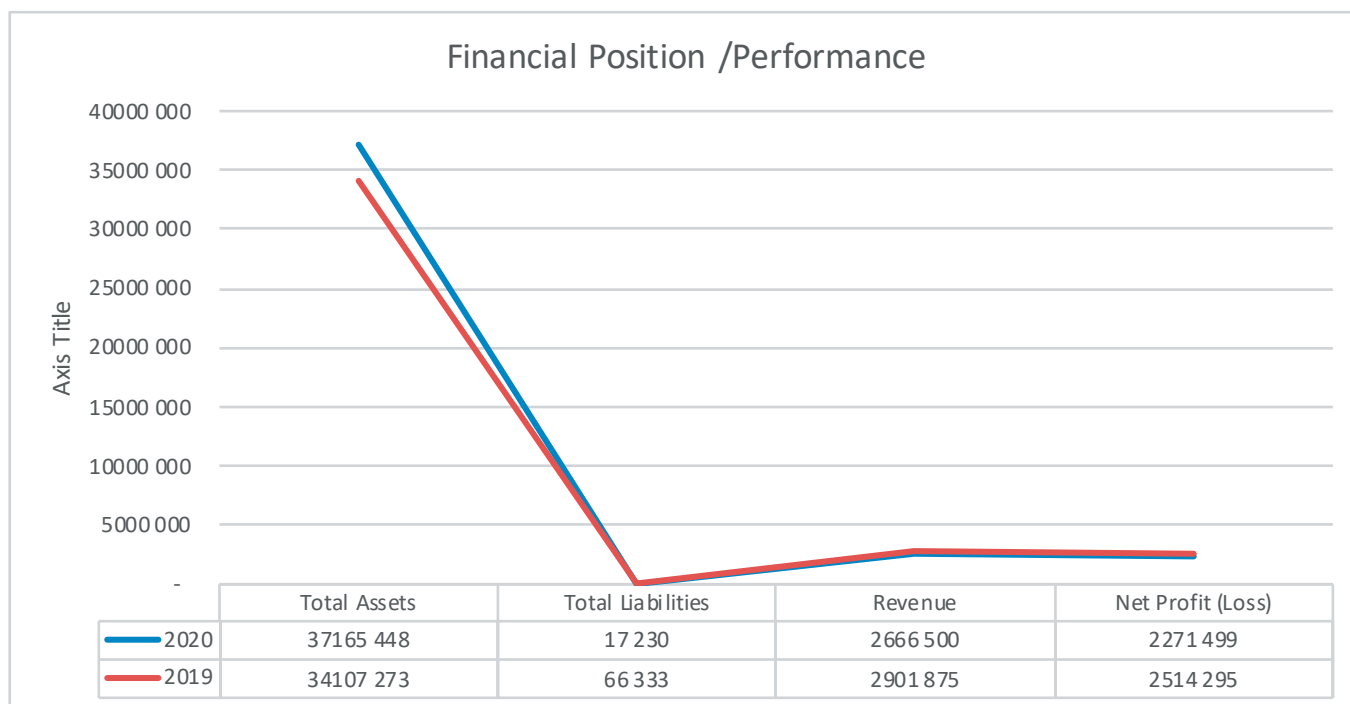
Joshua Kaitungwa
Chief Executive Officer

EKUYA INVESTMENTS (PTY) LTD

EKUYA INVESTMENT
(PTY) LTD

Ekuya is a wholly owned subsidiary of NAM-MIC Holdings and has 25% shareholding in Zeda Namibia and Zeda Car Rental.

Financial Position / Performance



EKUYA BOARD



Sackeus Aipinge
Chairman



Brain Tjihero
Director



Abiud Kapere
Director



Joshua Kaitungwa
Chief Executive Officer

John Shaetonhondi (resigned, 10 March 2020)

Fredrick Kashimba (resigned, 10 March 2020)

TALL GRASS RANCHES (PTY) LTD

Popularly known as UMTI Lodge and Conference Centre is situated 18 km north of Windhoek on the Windhoek – Okahandja Highway. NAM-MIC holds 55% and 45% is owned by Effort Investment (Pty) Ltd, the business arm of the Namibia Public Workers Union (NAPWU).



Facilities include accommodation, restaurant, bar, camping, swimming pool and catering for

- Corporate functions
- Private functions
- Conferences
- Weddings

NAM-MIC FINANCIAL SERVICES HOLDINGS (PTY) LTD



nam-mic

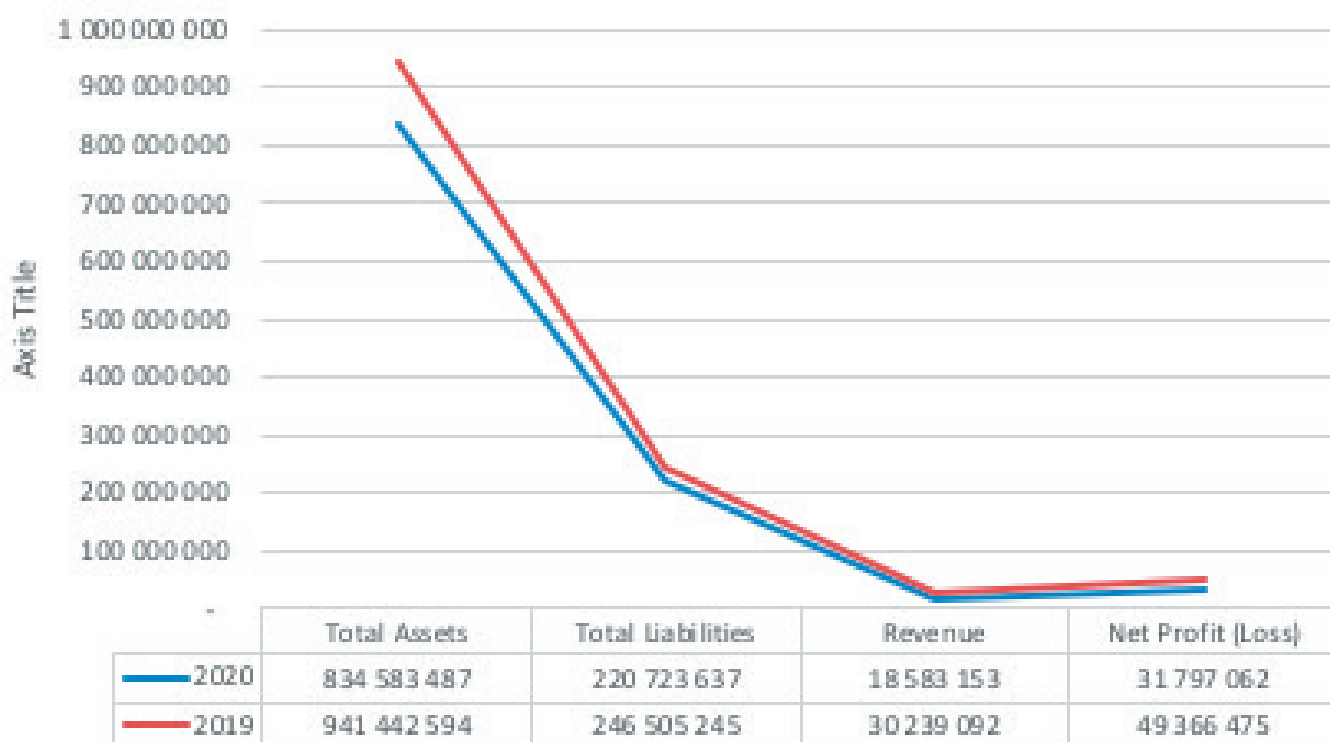
Financial Services Holdings (Pty) Ltd

Nam-mic Financial Services Holdings (NFSH) is a broad-based black economic empowerment company with interest in the financial sector. NFSH has two wholly owned subsidiaries, Nam-mic Financial Solutions and Nam-mic Payment Solutions.

NFSH is wholly owned by NUNW affiliated unions and NAM-MIC Holdings is the largest shareholder at 50.94% shareholding. NFSH has interest in Sanlam, Santam and Capricorn.



Financial Position / Performance



INVESTMENT PORTFOLIO (ASSOCIATES)

PREFERRED MANAGEMENT SERVICES (PTY) LTD

Preferred Management Services (Pty) Ltd (PMS) is involved in property and infrastructure development and project management services. PMS is the Fund Manager of the Preferred Investment Property Fund (PIPF) with funding from the Government Institutions Pension Fund (GIPF) for investment in infrastructure developments.

Beneficiaries:

Principal beneficiaries-GIPF subscribers (civil servants), Downstream beneficiaries – Local authorities, Property developers, and contractors



NAMIBIA EXCLUSIVE SAFARIS (PTY) LTD



Namibia Exclusive Safaris (NES) is a tourism business that focuses on promoting conservation, community development through eco-tourism and providing an exclusive wilderness experience to its clientele base. NES holds Concessions to operate tourism activities and to this end it has signed "Lodge Joint Venture Agreement".

The business is engaged in tourism and hospitality and boosts four exclusive accommodation facilities.

SORRIS SORRIS LODGE

Situated in the well known Damaraland in the Kunene region, this luxurious establishment offers a panoramic view over the Ugab River and the Brandberg Mountain.

OMATENDEKA LODGE

The lodge is located in the Kunene region and is set at the headwaters of the Hoanib River.

SHEYA SHUUSHONA LODGE

SheyaShuushona Lodge is situated outside the park on the north western boundary and awarded a 600 square km private concession inside the Etosha National Park.

KHAUDUM LODGE

The lodge is situated inside the Khaudum National Park covering both the Kavango East and West regions in the far North East Namibia.

EVI MINING COMPANY LTD

EVi Mining is a consortium of Namibian broad-based black economic empowerment companies with interest in mining and related activities. NAM-MIC is one of the largest shareholders. EVI Mining has interest in B2Gold Namibia through its wholly subsidiary EVI GOLD.

Other investments are in Ekango Salt Refiners (Pty) Ltd and Salt and Chemicals (Pty) Ltd, which are subsidiaries of Walvis Bay Salt Holdings Pty Ltd.

PRIMEHEALTH NAMIBIA (PTY) LTD

Primehealth Namibia is a medical aid fund administrator of the Public Service Medical Aid Scheme (PSEMAS). The fund is administered in association with Methealth Namibia Administrators (Pty) Ltd.

**TRIP TRAVEL (PTY) LTD**

Trip Travel is 100% wholly owned Namibian company offering a wide variety of services which includes air ticket and accommodation reservations, car hire, travel insurance, transfers, visas and more. Other Investments include the Shipwreck Lodge located at the Skeleton Coast.

**CROSSROADS DISTRIBUTION NAMIBIA (PTY) LTD**

Crossroad Namibia is one of the country's leading road transport operators, catering to a range of blue-chip clients including Chevron, Total Oil, Namibia Custom Smelters, Namib Mills and Trentyre.

**SKYNET WORLDWIDE EXPRESS NAMIBIA (PTY) LTD**

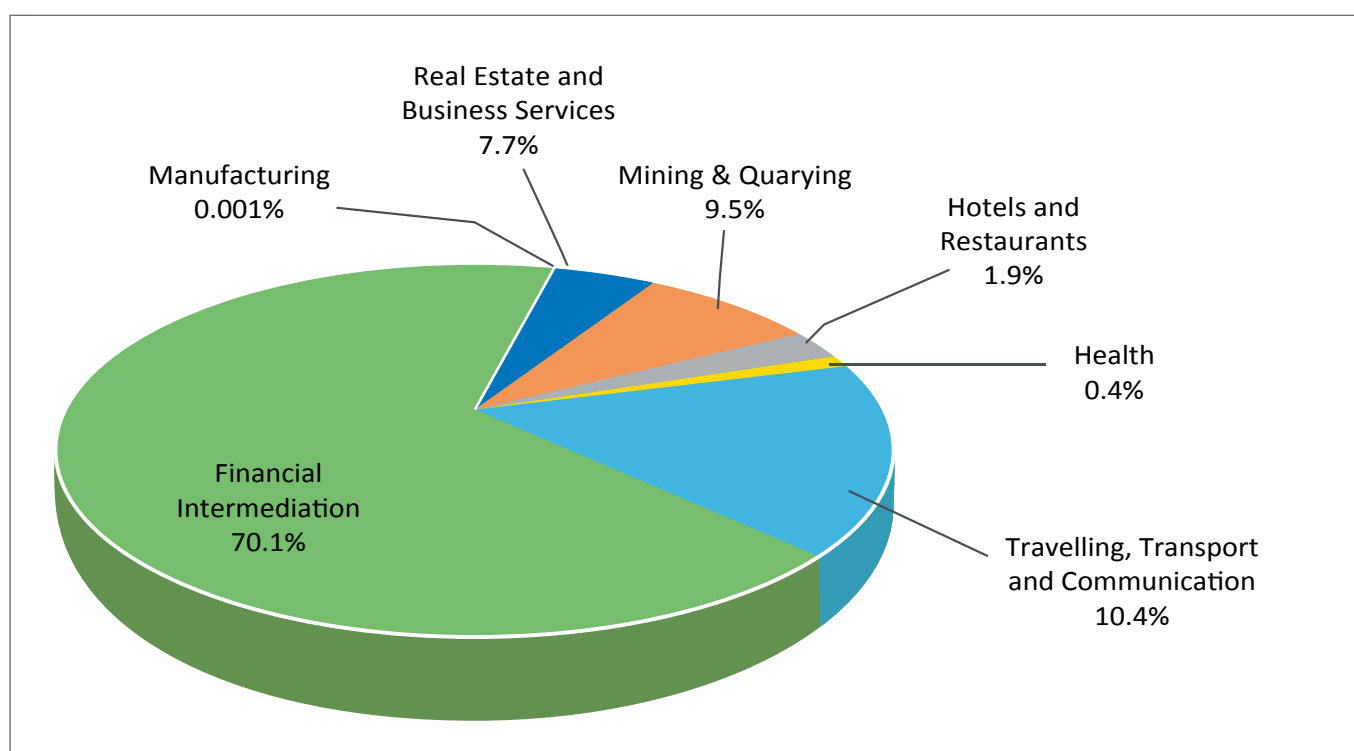
Skynet is an international distribution, logistics and e-commerce Solutions Company with presence in more than 209 countries around the world.

FINANCIAL REVIEW

As at 31 December 2020, the value of investments stood at N\$482.9 million compared to N\$504.7 million the prior year. The portfolio includes interests in the financial, real estate and business services, mining and quarrying, hotels and restaurants, health, manufacturing and travelling, transportation and communication sectors.

Our investment in the financial sector accounts for 70% of our total portfolio. This is attributable to Nam-mic Financial Services Holdings which has shareholding in Sanlam Namibia and Santam and Capricorn Investment Group.

Portfolio spread



BALANCE SHEET ANALYSIS

The balance sheet or statement of financial position reflects what the group owns, owes and the equity that is attributable to shareholders at 31 December 2020.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

NAM-MIC HOLDINGS (PTY) LTD

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

	% change	2020	2019
Assets			
Property, plant & equipment	532%	864 149,00	136 637,00
Investment property		34 809 806,00	34 231 080,00
Investments	-5%	448 138 931,00	470 565 938,00
Loans to group companies	62%	9 926 855,00	6 132 886,00
Current assets	145%	37 251 320,00	15 225 897,00
Total Assets		495 317 106,00	476 698 824,00
Equity and Liabilities			
Equity	-2%	451 365 620,00	459 038 635,00
Non-Current Liabilities	157%	34 019 452,00	13 233 439,00
Current Liabilities	124%	9 932 034,00	4 426 750,00
Total Equity & Liabilities		495 317 106,00	476 698 824,00

Total assets grew by 3.9% from N\$476 million to N\$495 million at group level. **Investments** declined by 4.3% from N\$504.7 million to N\$482.9 million. **Current assets** increased by 145% from N\$15.2 million to N\$ 37.2 million owing to an increase in cash and cash equivalent and reclassification of investment of Namibia Exclusive Safaris.

Loans to group companies increased by 62% from N\$6.1million to N\$9.9 million attributable to recapitalization and new investments. **Total liabilities** stood at N\$43.9 million from N\$17.6 million representing an increase of 140%. The contributing factor is loan facility of N\$26.8 million to the Namibia Mineworkers Properties (Pty) Ltd to develop 63 residential houses at the Osona village Okahandja. **Equity** stood at N\$451 million (2019: N\$459 million) representing a decline of 1.67%. The above has resulted in **Debt-to Equity ratio** of 9.7% compared to 3.8% from the previous financial period.

INCOME STATEMENT ANALYSIS

The income statement or statement of comprehensive income reflects the revenue generated by the group from various sources, as well as the costs incurred in generating those revenues for the year ended 31 December 2020.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

NAM-MIC HOLDINGS (PTY) LTD

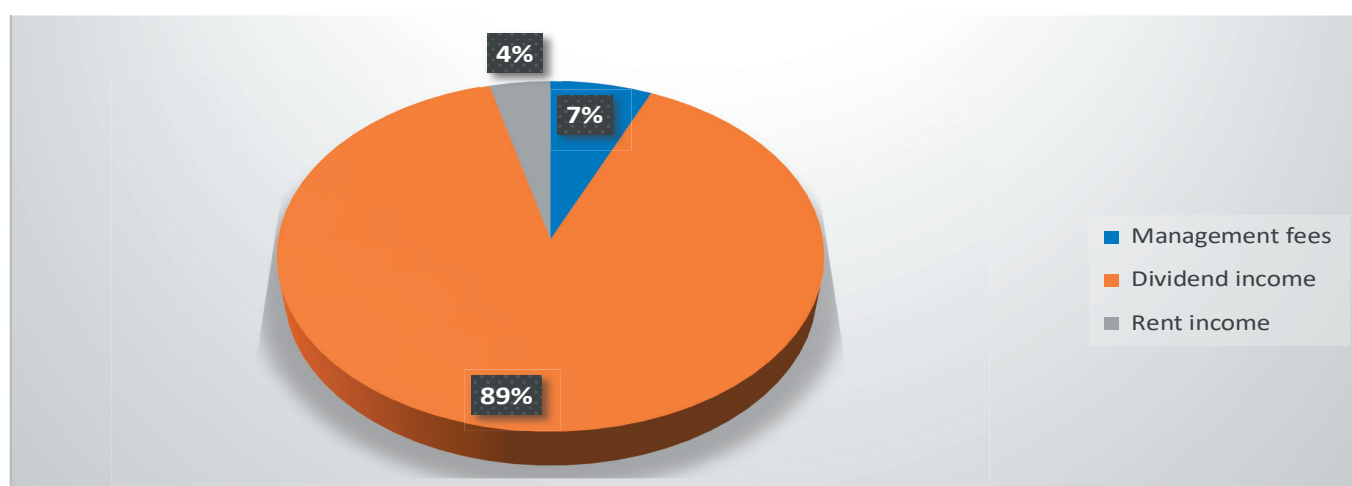
CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	% change	2020	2019
Revenue	7%	1 281 581,00	1 200 000,00
Operating income	12%	21 417 252,00	19 174 456,00
Fair value loss on investment property	222%	-2 600 000,00	-807 000,00
Administrative expenditure	14%	11 015 715,00	9 673 348,00
Operating profit	-55%	4 533 811,00	10 133 172,00
Investment income	17%	1 008 916,00	864 523,00
Finance costs	-20%	1 794 319,00	2 245 170,00
Profit for the year		3 748 408,00	8 752 525,00

Operating income: Overall, operating income increased by 12% from N\$19.1 million to N\$21.4 million compared to a decline of 28% (2018: N\$26.8 million) for the prior financial year. **Dividend income** declined by 1.7% from N\$17.7 million to N\$17.4 million compared to a decline of 27.8% (2018: N\$24.5 million) for the previous financial year. **Rental income** declined by 46.8 % from N\$1.4 million to N\$0.769 million compared to a decline of 36.0% (2018: N\$2.2 million) for the previous financial year. The 2020 and 2019 financial years were characterized by high occupancy rate due to a slow-down in the Namibian economy.

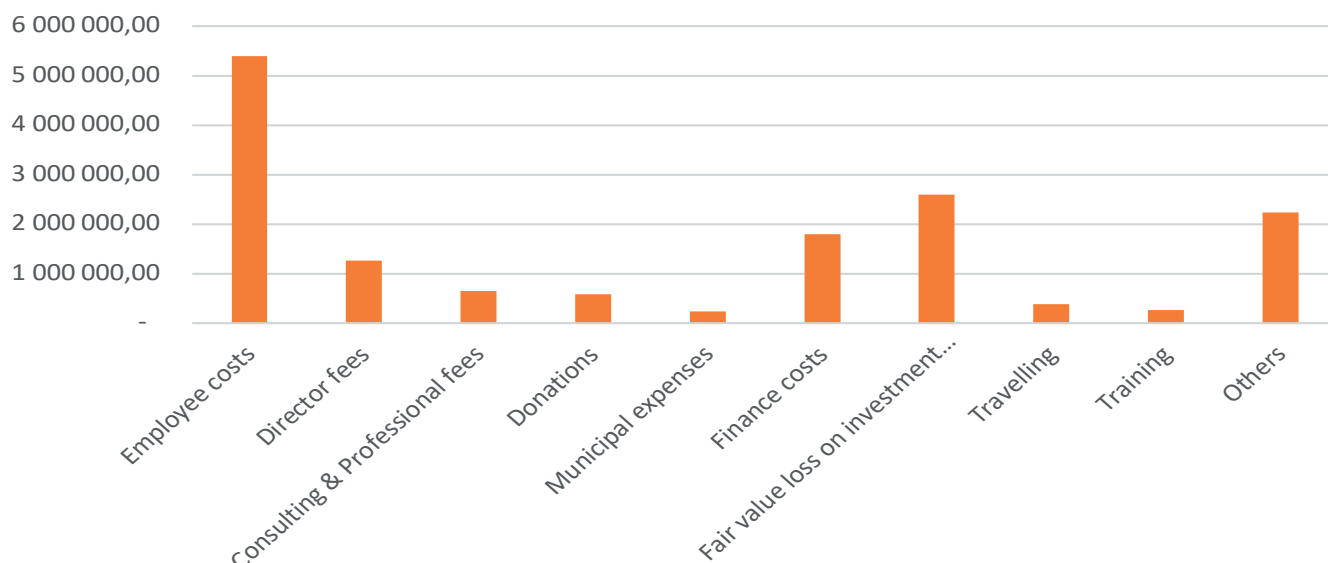
Management fee increased by 6.80% from N\$1.2 million to N\$1.28 million compared to an increase of 50.1% (2018: N\$0.796 million) for the previous financial year. **Finance income** increased by 16.70% from N\$0.864 million to N\$1 million compared to an increase of 76.2% (2018: N\$0.490 million) for the previous financial year.

Income Composition



Operating expenses increased by 21.1% from N\$12.7 million to N\$15.4 million compared to an increase of 3.5% from the previous financial period (2018: N\$12.2 million).

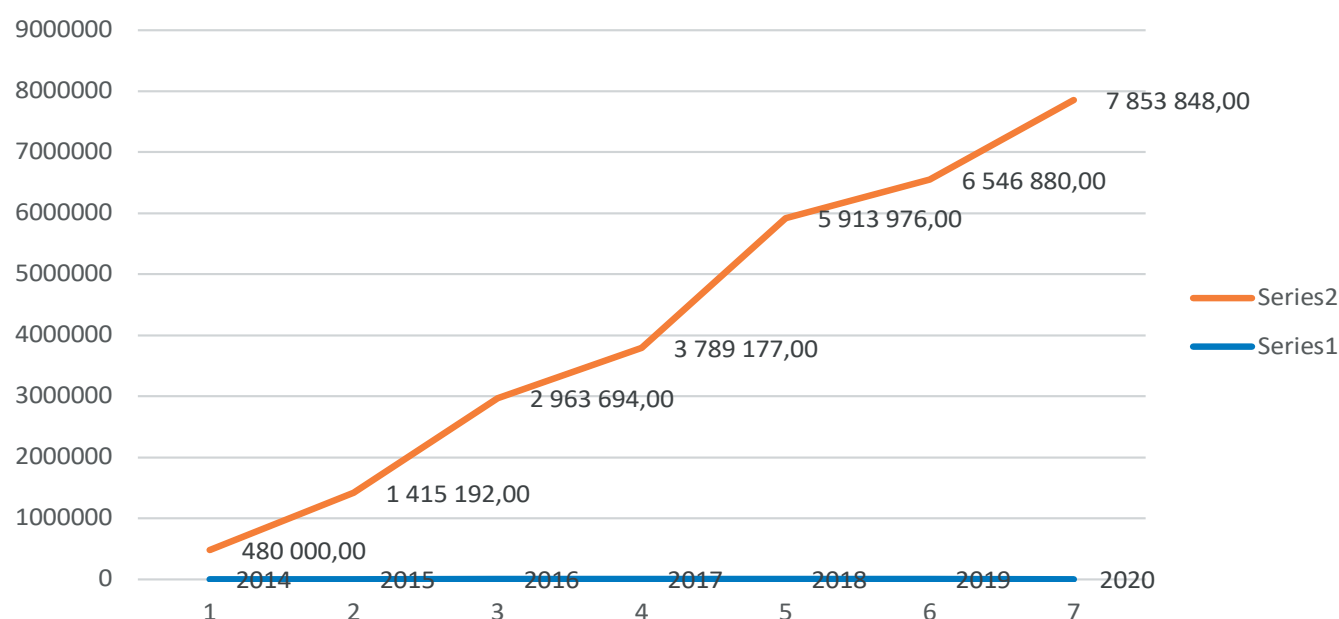
EXPENDITURES



Earnings before Interest Tax Depreciation and Amortization (EBITDA) declined by 49.3% from N\$11.1 million to N\$5.6 million compared to a decline of 39.4% (2018: N\$18.3 million). However, Net Profit declined by 57.2% from N\$8.7 million to N\$3.7 million compared to a decline of 43.7% (2018: N\$15.5 million) for the previous financial year.

To date NAM-MIC has paid dividend of N\$28,962,767 to the Trust, its shareholder. Included in the amount above is final dividend of N\$877,851 declared and paid in 2021, relating to the profit of 2020.

DIVIDEND PAID TO THE SHAREHOLDER



During the period June 2020 to July 2021, NAM-MIC provided financial assistance to Namibia Miners Trust (NAMIT) to the tune of N\$ 588,002.00 for office rental space. The contribution enabled NAMIT to carry out the data collection and registration of members and beneficiaries.

CORPORATE SOCIAL INVESTMENT (CSI) REPORT

The company is committed to its Corporate Social Responsibility by providing financial assistance to the previously disadvantaged communities and uplifting the standards of living of our people.

N\$662,448 FYE 2019 & 2020 in donations and sponsorships to educational, communities, families, and other groups

2020 Donations			
	Name of Beneficiary	Nature of Donation	Amount (N\$)
1.	Mineworkers Union of Namibia (MUN) Northern Region	Food parcels to families affected by COVID-19 in Otavi.	13,500.00
2.	Mineworkers Union of Namibia (MUN) Northern Region	Food parcels to families affected by COVID-19 in Opuwo.	13,200.00
3.	Mineworkers Union of Namibia (MUN) Southern Region	Food parcels to families affected by COVID-19 in Keetmanshoop.	44,999.10
4.	Mineworkers Union of Namibia (MUN) Central Region	Food parcels to families affected by COVID-19 in Windhoek.	73,458.00
5.	Mineworkers Union of Namibia (MUN)	Supply of face Masks to members of MUN.	373,100.00
6.	Mineworkers Union of Namibia (MUN) Head Office	Supply of T-shirts for the May Day celebration.	37,440.00
7.	Namibia University of Science and Technology-Mining and Process Engineering Society (NUST-MPESS)	Donation towards Education Tour to South Africa.	10, 000.00
8.	Katutura Expo	Donation towards hosting of the Katutura Expo.	20, 000.00
Total			585,697.00

2019 Donations			
	Name of Beneficiary	Nature of Donation	Amount (N\$)
1.	Mineworkers Union of Namibia (MUN) Head Office	Supply of T-shirts for the May Day celebration.	50,000.00
2.	National Union of Namibia Workers (NUNW).	Donation towards May Day celebration	16,750.00
3.	Oonte OVC Organisation Ondangwa	Donation towards 10th Anniversary celebration	10,000.00
Total			76,750.00

NAM-MIC (PTY) LTD GROUP

ANNUAL

FINANCIAL

STATEMENTS

for the year ended 31 December 2020

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NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES**GENERAL INFORMATION****31 DECEMBER 2020**

COUNTRY OF INCORPORATION	Namibia
COMPANY REGISTRATION NUMBER	97/223
NATURE OF BUSINESS	To acquire immovable and moveable property of any nature and kind whatsoever and wheresoever situate, to develop or in any manner deal therewith. To engage in investments and to engage in any other business which may seem directly or indirectly conducive thereto.
DIRECTORS	Johannes Heinne H N Ndeutepo (Appointed 20/09/2014) Paulus Situmba (Appointed 20/09/2014) Shavuka Ligameneni Mbidhi (Appointed 20/09/2014) Abiud Kapere (Appointed 29/11/2019) Poco-Key Mujame Mberiuana (Appointed 29/11/2019) Saara Namutenya Kandapo (Appointed 29/11/2019) Mayemelo Kalumbu (Appointed 29/11/2019) Penias Karumbo (Appointed 29/11/2019) Ndapandula Josephine Tshitayi (Appointed 06/06/2020) Libertha Dewina Kapere (Appointed 06/06/2020)
SECRETARY	Acsec Professional Services Close Corporation
BUSINESS AND POSTAL ADDRESS	Adler Street P O Box 2364 Windhoek 10005 Namibia
BANKERS	Bank Windhoek Limited
AUDITOR	Grant Thornton Neuhaus

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

STATEMENT OF RESPONSIBILITIES AND APPROVAL

31 DECEMBER 2020

The directors are required by the Companies Act of Namibia, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company and the group as at 31 December 2020 and the results of its operations and cash flows for the year then ended, in conformity with IFRS for SMEs. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS for SMEs and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal annual financial control established by the company and the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and the group and all employees are required to maintain the highest ethical standards in ensuring the business of the company and the group is conducted in a manner that in all reasonable circumstances is above reproach.


The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

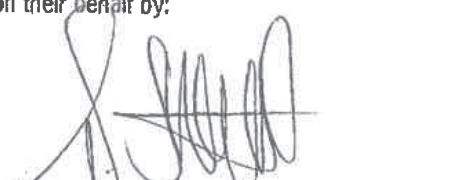
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the cash-flow forecasts for the year to 31 December 2021 and, in the light of these reviews and the current financial position of the company and the group, they are satisfied that the company and the group have or have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the annual financial statements of the company and the group. The annual financial statements have been examined by the external auditors of the company and the group and their report is presented on pages 4 to 5.

The annual financial statements, set out on pages 6 to 30, which have been prepared on the going-concern basis, were approved by the directors on 26 JUNE 2021 and are signed on their behalf by:


DIRECTOR


DIRECTOR



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

12th Floor
Sanlam Centre
Independence Avenue
P O Box 2558
Windhoek
10005
Namibia

T (+264-61) 381200

F (+264-61) 227879

E angela.pretorius@na.gt.com

Opinion

We have audited the consolidated and separate financial statements of NAM-MIC (Proprietary) Limited and its subsidiaries, set out on pages 8 to 30, which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the company and its subsidiaries as at 31 December 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Companies Act of Namibia.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company and its subsidiaries in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

We draw attention to the fact that we did not obtain sufficient appropriate audit evidence, that the work performed by the component auditor for the subsidiaries, Ekuya Investments (Proprietary) Limited and Namibia Mineworkers Properties (Proprietary) Limited, fully complied with IFRS for SMEs, as the financial statements were completed in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium-sized Entities. We further draw attention to the fact that the subsidiary, Tall Grass Ranches (Proprietary) Limited is not consolidated as insufficient accounting information as at 31 December 2020 was available at the time of completing the consolidated financial statements.

Our opinion is not modified in respect of the above matters.

Other information

The directors are responsible for the other information, which comprises the directors' report as set out on pages 6 to 7.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance or conclusion thereon. In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES**INDEPENDENT AUDITOR'S REPORT (Contd)****31 DECEMBER 2020****Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the ability of the group and the company to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the directors either intend to liquidate the group and or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also -

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of group's and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group and or the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company and its subsidiaries or business activities of the company and its subsidiaries to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Supplementary information

The supplementary schedule, set out on pages 31 to 32, does not form part of the financial statements and is presented as additional information. We have not audited the schedule and accordingly, we do not express an opinion thereon.


GRANT THORNTON NEUHAUS

Registered Accountants and Auditors

Chartered Accountants (Namibia)

Per: C Crous (Partner)

Windhoek

26 JUNE 2021

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS

31 DECEMBER 2020

The directors herewith present their annual report, which forms part of the audited annual financial statements of the company and its subsidiaries for the year ended 31 December 2020.

INVESTMENT PROPERTY AND PLANT AND EQUIPMENT

The investment property is stated at fair value.

Plant and equipment to the value of N\$799 463 (2019 : N\$24 421) for the group was acquired during the year under review. Otherwise, no further major changes occurred in the nature of the plant and equipment or in the policy regarding its use.

SHARE CAPITAL

The company was incorporated on 15 July 1997 with an authorised share capital of 4 000 000 ordinary par value shares of N\$0,01 each of which all the shares had been issued.

STATE OF AFFAIRS AND RESULTS

All matters material to the appreciation of the state of the affairs and results of the company and its subsidiaries are disclosed in the annual financial statements and do not require further comment or explanation.

The results are attributable to the main activities of the company and its subsidiaries.

GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

COVID-19 PANDEMIC

On 11 March 2020, the World Health Organisation (WHO) declared COVID-19, a disease caused by the novel coronavirus, a pandemic. The outbreak of the global disease resulted in government restrictions, including quarantine which had an adverse impact on the business, financial conditions and operating results of the company and its subsidiaries.

The extent of the impact of COVID-19 on the group's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related restrictions, all of which are highly uncertain and cannot be predicted.

DIVIDENDS

The company declared and paid dividends, amounting to N\$6 975 998 (2019 : N\$6 546 880), in respect of the year ended 31 December 2020.

The group declared and paid dividends, amounting to N\$6 975 998 (2019 : N\$6 546 880), in respect of the year ended 31 December 2020.

Contd/. . .

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES**REPORT OF THE DIRECTORS (Contd)****31 DECEMBER 2020****BOARD OF DIRECTORS**

Ndapandula Josephine Tshitayi and Libertha Dewina Kapere were appointed as directors on 6 June 2020.

No other changes occurred in the composition of the board and the directors at the end of the financial year and at the date of this report, are as stated under General Information on page 2.

SECRETARY

Acsec Professional Services Close Corporation acts as the secretary of the company and its subsidiaries and its postal and business addresses are as follows:

P O Box 24305
Windhoek
10005
Namibia

129 Hosea Kutako Drive
Windhoek

SUBSIDIARIES

	Issued share capital and proportion held		Shares at cost	
	N\$	%	2020 N\$	2019 N\$
Alberts Investments (Pty) Ltd	100	100	100	100
Ekuya Investments (Pty) Ltd	100	100	100	100
Namibia Mineworkers Properties (Pty) Ltd	100	100	100	100
Tall Grass Ranches (Pty) Ltd	55	55	55	55
NAM-MIC Fishing Enterprises (Pty) Ltd	100	100	100	100

Alberts Investments (Pty) Ltd and NAM-MIC Fishing Enterprise (Pty) Ltd did not trade during the year under review.

EVENTS SUBSEQUENT TO THE YEAR-END

The evolution of the COVID-19 pandemic is closely monitored by management, including how it will affect the normal business operations of the company and its subsidiaries, the economy and the general population.

The directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affects the financial position of the company and its subsidiaries or the results of their operations.

WINDHOEK

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NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		GROUP		COMPANY	
	Notes	2020 N\$	2019 N\$	2020 N\$	2019 N\$
ASSETS					
Non-current assets		458 065 786	461 472 927	444 004 415	457 145 061
Plant and equipment	3	864 149	136 637	86 692	127 131
Investment property	4	34 809 806	34 231 080	-	-
Investments in subsidiaries	5	892 663	1 862 152	48 259 934	51 606 346
Loans to group companies	6	9 926 855	6 132 886	20 835 976	20 330 412
Investments in associates	7	402 799 424	412 664 651	366 048 924	378 635 651
Other financial assets	8	8 772 889	6 445 521	8 772 889	6 445 521
Current assets		37 251 320	15 225 897	11 885 647	6 728 857
Inventories	9	518 827	-	-	-
Trade and other receivables	10	10 744 341	9 896 412	1 270 978	1 772 428
Investments held for sale	11	7 625 855	-	7 625 855	-
Loan to third party	12	1 735 134	817 101	1 735 134	817 101
Cash and cash equivalents	13	16 627 163	4 512 384	1 253 680	4 139 328
TOTAL ASSETS		495 317 106	476 698 824	455 890 062	463 873 918
EQUITY AND LIABILITIES					
Equity		451 365 620	459 038 635	450 753 008	459 069 226
Share capital	14	40 000	40 000	40 000	40 000
Revaluation reserve		11 502 674	11 502 674	-	-
Non-distributable reserve		367 179 072	371 624 497	379 219 438	388 754 285
Accumulated profit		72 643 874	75 871 464	71 493 570	70 274 941
Total attributable to owners of parent		451 365 620	459 038 635	450 753 008	459 069 226
Non-controlling interest		-	-	-	-
Non-current liabilities					
Interest-bearing borrowings	17	34 019 452	13 233 439	-	2 465 049
Current liabilities		9 932 034	4 426 750	5 137 054	2 339 643
Trade and other payables	15	3 533 159	1 126 557	2 465 128	148 661
Provisions	16	222 151	-	222 151	-
Short-term interest-bearing borrowings	17	6 176 724	3 300 193	2 449 775	2 190 982
TOTAL EQUITY AND LIABILITIES		495 317 106	476 698 824	455 890 062	463 873 918

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	GROUP		COMPANY	
		2020 N\$	2019 N\$	2020 N\$	2019 N\$
Revenue	19	1 281 581	1 200 000	1 293 144	1 371 028
Cost of sales		(4 946 860)	(1 037 654)	-	-
Gross profit		(3 665 279)	162 346	1 293 144	1 371 028
Operating income	20	21 417 252	19 174 456	16 635 888	18 190 123
Other income		397 553	1 277 327	14 706	23 763
Fair value loss on investment property		(2 600 000)	(807 609)	-	-
Administrative expenditure		(11 015 715)	(9 673 348)	(10 803 913)	(8 734 610)
Operating profit	21	4 533 811	10 133 172	7 139 825	10 850 304
Finance income	22	1 008 916	864 523	1 489 524	1 375 409
Finance costs	22	(1 794 319)	(2 245 170)	(434 722)	(785 719)
Profit for the year		3 748 408	8 752 525	8 194 627	11 439 994
Share of loss from Joint Venture		-	-	-	-
Profit for the year		3 748 408	8 752 525	8 194 627	11 439 994
Other comprehensive (loss)/income					
- Fair value (losses)/gains		(4 445 425)	(68 648 703)	(9 534 847)	(71 311 576)
		(697 017)	(59 896 178)	(1 340 220)	(59 871 582)
Profit attributable to:					
Owners of the parent company		(697 017)	(59 896 178)	(1 340 220)	(59 871 582)
Non-controlling interest		-	-	-	-
		(697 017)	(59 896 178)	(1 340 220)	(59 871 582)

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital N\$	Revaluation reserve N\$	Non-distributable reserve N\$	Accumulated profit N\$	Total attributable to owners of the parent company N\$	Non-controlling interest N\$	Total equity N\$
GROUP							
Balance at 31 December 2018	40 000	11 502 674	440 273 200	73 665 819	525 481 693	-	525 481 693
Profit for the year	-	-	-	8 752 525	8 752 525	-	8 752 525
Other comprehensive loss	-	-	(68 648 703)	-	(68 648 703)	-	(68 648 703)
Dividends	-	-	-	(6 546 880)	(6 546 880)	-	(6 546 880)
Balance at 31 December 2019	40 000	11 502 674	371 624 497	75 871 464	459 038 635	-	459 038 635
Profit for the year	-	-	-	3 748 408	3 748 408	-	3 748 408
Other comprehensive loss	-	-	(4 445 425)	-	(4 445 425)	-	(4 445 425)
Dividends	-	-	-	(6 975 998)	(6 975 998)	-	(6 975 998)
Balance at 31 December 2020	40 000	11 502 674	367 179 072	72 643 874	451 365 620	-	451 365 620
COMPANY							
Balance at 31 December 2018	40 000	-	460 065 861	65 381 827	525 487 688	-	525 487 688
Profit for the year	-	-	-	11 439 994	11 439 994	-	11 439 994
Other comprehensive loss	-	-	(71 311 576)	-	(71 311 576)	-	(71 311 576)
Dividends	-	-	-	(6 546 880)	(6 546 880)	-	(6 546 880)
Balance at 31 December 2019	40 000	-	388 754 285	70 274 941	459 069 226	-	459 069 226
Profit for the year	-	-	-	8 194 627	8 194 627	-	8 194 627
Other comprehensive loss	-	-	(9 534 847)	-	(9 534 847)	-	(9 534 847)
Dividends	-	-	-	(6 975 998)	(6 975 998)	-	(6 975 998)
Balance at 31 December 2020	40 000	-	379 219 438	71 493 570	450 753 008	-	450 753 008

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	GROUP		COMPANY	
		2020 N\$	2019 N\$	2020 N\$	2019 N\$
Operating activities					
Cash receipts from customers		22 861 069	19 258 680	18 445 188	19 099 243
Cash paid to suppliers and employees		(14 393 310)	(10 000 191)	(8 198 685)	(8 723 214)
Cash generated from operations	A	8 467 759	9 258 489	10 246 503	10 376 029
Finance income		1 008 916	864 523	1 489 524	1 375 409
Finance charges		(1 794 319)	(2 245 170)	(434 722)	(785 719)
Net cash inflow from operating activities		7 682 356	7 877 842	11 301 305	10 965 719
Investing activities					
Proceeds on sale of plant and equipment		-	1 251 305	-	-
Additions to plant and equipment		(799 463)	(24 421)	(26 171)	(24 421)
Additions to investment property		(3 178 726)	(938 689)	-	-
Acquisition of other financial assets		(3 554 931)	-	(3 554 931)	-
Net cash (outflow) from investing activities		(7 533 120)	288 195	(3 581 102)	(24 421)
Financing activities					
Loans (made to) group companies		(3 802 975)	(2 991 156)	(505 564)	(7 128 419)
Loan (made to) third party		(918 033)	(817 101)	(918 033)	(817 101)
Interest-bearing borrowings raised/(repaid)		23 662 549	(4 078 892)	(2 206 256)	(3 097 742)
Dividends paid		(6 975 998)	(6 546 880)	(6 975 998)	(6 546 880)
Net cash (outflow) from financing activities		11 965 543	(14 434 029)	(10 605 851)	(17 590 142)
Net movement in cash and cash equivalents		12 114 779	(6 267 992)	(2 885 648)	(6 648 844)
Change in cash and cash equivalents					
Balance at beginning of the year		4 512 384	10 780 376	4 139 328	10 788 172
Net movement		12 114 779	(6 267 992)	(2 885 648)	(6 648 844)
Balance at end of the year		16 627 163	4 512 384	1 253 680	4 139 328
The balance comprises:					
Cash at bank and on hand		16 627 163	4 512 384	1 253 680	4 139 328
NOTA A: Reconciliation of profit for the year to cash generated from operations					
Profit for the year		3 748 408	8 752 525	8 194 627	11 439 994
Adjusted for:					
• Provisions		222 151		222 151	-
• Depreciation		71 951	95 513	66 610	90 173
• Impairment of loan in Joint Venture		-	377 238	-	-
• Fair value loss on investment property		2 600 000	807 609	-	-
• Profit on sale of plant and equipment		-	(1 251 305)	-	-
• Finance income		(1 008 916)	(864 523)	(1 489 524)	(1 375 409)
• Finance costs		1 794 319	2 245 170	434 722	785 719
Operating profit before working capital changes		7 427 913	10 162 227	7 428 586	10 940 477
Working capital changes:					
• (Increase) in inventories		(518 827)	-	-	-
• (Increase) in receivables		(847 929)	(1 141 798)	501 450	(485 671)
• Increase in payables		2 406 602	238 060	2 316 467	(78 777)
Cash generated from operations		8 467 759	9 258 489	10 246 503	10 376 029

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

1. GENERAL INFORMATION

NAM-MIC (Proprietary) Limited is a limited company, incorporated in the Republic of Namibia.

The address of its registered office and principal place of business is as stated under General Information on page

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements of the company and its subsidiaries for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act of Namibia. These financial statements are presented in Namibia Dollar, the currency unit of Namibia, which is also the functional currency of the parent company.

The principal accounting policies that have been used in the preparation of these financial statements are summarised below.

2.1 Basis of consolidation

The group financial statements consolidate those of the parent company and all of its subsidiary undertakings. NAM-MIC (Proprietary) Limited obtains and exercises control through ownership of more than half of the voting rights.

Unrealised gains and losses on transactions between group companies are eliminated. When unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment. Amounts reported in financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition or up to the effective date of disposal as applicable.

Non-controlling interests represent the portion of the subsidiary's profit or loss and net assets not held by the group. Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions. Any difference between the consideration exchanged and the amount of the change in the non-controlling interests in subsidiaries is recorded in equity attributable to the owners of the parent.

2.2 Business combinations

The group applies the acquisition method in accounting for business combinations. The consideration transferred by the group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the

- fair value of consideration transferred,
- the recognised amount of any non-controlling interest in the acquiree, and
- acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets.

If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

2.3 Plant and equipment

Items of plant and equipment are carried at acquisition cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight line basis to write down the cost less estimated residual value of plant and equipment other than freehold land. The periods generally applicable are:

• Furniture and fixtures	5 years
• Motor vehicles	5 years
• Office equipment	5 years
• Computer equipment	5 years
• Computer software	3 years
• Other assets	3 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually, whether or not the asset is revalued.

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'other income' or 'other expenses'.

2.4 Investment property

Investment property is a property held to earn rentals and for capital appreciation and is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property, will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Subsequent expenditure relating to investment property that has been recognised is added to the carrying amount of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the enterprise. All other subsequent expenditure is expensed in the period in which it is incurred.

- Fair value

At year-end, the investment property is stated at fair value. A gain or loss arising from a change in fair value, is included in the profit or loss for the period in which it arises.

2.5 Investments in subsidiaries

Investments in subsidiaries are accounted for at fair value.

Any goodwill or fair value adjustment attributable to the company's shares in the subsidiaries are not recognised separately and are included in the amount recognised as investments in subsidiaries.

2.6 Investments in associates

Associates are those entities over which the group is able to exert significant influence but which are neither subsidiaries nor investments in joint ventures. The group has elected to account for these investments at fair value. There are no published price quotations available for them.

2.7 Investments

Investments are accounted for in the separate financial statements of the group at cost, while income is recognised to the extent that it has been received or accrued to the investor.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

2.8 Impairment testing of plant and equipment and investments in subsidiaries and associates

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are largely independent cash-inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from the synergies of the related business combination.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss for the amount by which the asset or cash-generating units' carrying amount exceeds its recoverable amount. Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently assessed for indications that an impairment loss previously recognised may no longer exist. In that case the previous impairment loss is reversed through profit or loss.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the asset or cash-generating unit's recoverable amount exceeds its carrying amount.

2.9 Inventories

Inventories have been valued at the lower of cost and net realisable value and comprise development costs.

2.10 Financial instruments

Financial assets

- Loans to subsidiaries and group companies, trade and other receivables and cash and cash equivalents

These financial assets are recognised initially at the transaction price.

Subsequently, they are measured at amortised cost using the effective interest method, less provision for impairment. Sales are made on normal credit terms and trade receivables do not bear interest.

Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognised in profit or loss.

- Investments in equity securities, investments in subsidiaries and other investments

These financial assets are recognised initially at the transaction price.

After initial recognition, investments in equities that are publicly traded or for which the fair value can be measured reliably, are measured at fair value with changes in fair value recognised in profit or loss. Other equity investments are measured at cost less any impairment.

Financial liabilities

- Borrowings and trade and other payables

These financial liabilities are recognised initially at the transaction price.

After initial recognition, they are measured at amortised cost using the effective interest method. Trade payables are on normal credit terms and do not bear interest.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

2.11 Equity

Share capital represents the nominal value of shares that have been issued.

The non-distributable reserve within equity comprise gains and losses due to the revaluation of investments.

Accumulated profit includes all current and prior period retained profits and losses.

Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the year-end date.

All transactions with owners of the parent are recorded separately within equity.

2.12 Revenue and operating income

Revenue and operating income comprises management fees, dividend income and rental income.

Revenue is measured by reference to the fair value of consideration received or receivable by the company and its subsidiaries for services rendered, excluding VAT, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the group's different activities has been met. These activity-specific recognition criteria are based on the services rendered to the customer.

- Management fees

Revenue from the rendering of services, is recognised when the company and its subsidiaries have transferred to the customer the significant risks and rewards of the services provided. This is generally when the customer has approved the services that have been provided.

- Dividend income

Dividend income is recognised at the time the right to receive payment is established.

- Rental income

Rental income from operating leases is recognised as incurred in terms of the lease agreement.

2.13 Borrowing costs

Borrowing costs are recognised initially at the transaction price, that is, the present value of cash payable to the bank, including transaction costs. Borrowings are subsequently stated at amortised cost.

Borrowings are classified as current liabilities unless the company and its subsidiaries have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.14 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

2.15 Defined contribution plan and short-term employee benefits

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The group has no further payment obligations once the contributions have been paid.

Remuneration of employees is charged to profit or loss. Short-term employee benefits, including holiday entitlement, are those that are expected to be settled completely within 12 months after the end of the reporting period in which the services have been rendered. Short-term employee benefit obligations are measured on an undiscounted basis and are charged to profit or loss as the related service is provided. An accrual is recognised for accumulated leave, incentive bonuses and other employee benefits when the group has a present legal or constructive obligation as a result of past service provided by the employee, and a reliable estimate of the amount can be made.

2.16 Interest recognition

Interest income is recognised on an accrual basis using the effective interest method. Interest expense is recognised on the basis of the effective interest method.

2.17 Provisions and contingencies

Provisions are recognised where the group has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised, but are disclosed in the financial statements.

2.18 Rentals payable

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Inflationary adjustments are not straight-lined.

2.19 Operating leases

Leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

2.20 Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the leased asset to the subsidiaries of the company. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental costs, if any. A corresponding amount is recognised as a finance lease liability.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the subsidiaries of the company. The corresponding finance lease liability is reduced by lease payments less finance charges, which are expensed as part of finance costs.

The interest element of lease payments is calculated using the effective interest method to represent a constant proportion of the capital balance outstanding and is charged to profit and loss over the period of the lease.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

2.21 Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except for the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income;
- a transaction or event which is recognised, in the same or a different period, directly in equity; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

2.22 Value-added tax

Revenues, expenses and assets are recognised net of the amount of value-added tax except:

- where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.23 Significant accounting judgements, estimates and assumptions

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual outcomes may differ. The estimates considered most significant are discussed below.

- Asset lives and residual values

Plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Market value of investment property

The directors revalue the investment property to fair value on a regular basis. General trends in the property market are taken into account and an estate agent is requested to give an indication of the market value.

Sources of estimation uncertainty:

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date that management has assessed as having a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

3. PLANT AND EQUIPMENT

	GROUP						
	Furniture and fixtures NS	Motor vehicles NS	Office equipment NS	Computer equipment NS	Computer software NS	Other assets NS	T o t a l NS
Carrying amount at 31 December 2019	80 428	-	5 309	45 971	4 929	-	136 637
At cost	412 509	-	23 090	236 939	33 342	-	705 880
Accumulated depreciation	(332 081)	-	(17 781)	(190 968)	(28 413)	-	(569 243)
Additions	39 566	532 261	10 318	70 518	-	146 800	799 463
Depreciation	(47 442)	-	(2 564)	(17 016)	(4 929)	-	(71 951)
Carrying amount at 31 December 2020	72 552	532 261	13 063	99 473	-	146 800	864 149
At cost	452 075	532 261	33 408	307 457	33 342	146 800	1 505 343
Accumulated depreciation	(379 523)	-	(20 345)	(207 984)	(33 342)	-	(641 194)
Carrying amount at 31 December 2018	148 324	-	6 208	46 423	6 774	-	207 729
At cost	412 509	-	20 847	214 761	33 342	-	681 459
Accumulated depreciation	(264 185)	-	(14 639)	(168 338)	(26 568)	-	(473 730)
Additions	-	-	2 243	22 178	-	-	24 421
Depreciation	(67 896)	-	(3 142)	(22 630)	(1 845)	-	(95 513)
Carrying amount at 31 December 2019	80 428	-	5 309	45 971	4 929	-	136 637
At cost	412 509	-	23 090	236 939	33 342	-	705 880
Accumulated depreciation	(332 081)	-	(17 781)	(190 968)	(28 413)	-	(569 243)

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

	GROUP		COMPANY	
	2020 N\$	2019 N\$	2020 N\$	2019 N\$
5. INVESTMENTS IN SUBSIDIARIES				
Tall Grass Ranches (Pty) Ltd	892 463	1 861 952	892 463	1 861 952
Namibia Mineworkers Properties (Pty) Ltd	-	-	10 218 932	15 703 254
NAM-MIC Fishing Enterprise (Pty) Ltd	100	100	100	100
Alberts Investments (Pty) Ltd	100	100	100	100
Ekuya Investments (Pty) Ltd	-	-	37 148 339	34 040 940
Present value of investments	892 663	1 862 152	48 259 934	51 606 346

NAM-MIC Fishing Enterprise (Pty) Ltd and Alberts Investments (Pty) Ltd are dormant entities. No financial information could be obtained.

Tall Grass Ranches (Pty) Ltd

The valuation of the investment is based on the average of the market value of buildings as per the valuation report and net assets as per the 28 February 2019 draft financial statements. The 2019 and 2020 audited financial statements were not available.

6. LOANS TO GROUP COMPANIES

The following loans are unsecured and have no fixed terms for repayment but, by their nature, should be regarded as long-term:

6.1 Long-term loans to subsidiaries	7 426 855	6 132 644	18 335 976	20 330 170
Namibia Mineworkers Properties (Pty) Ltd - Fixed rate of 5% interest per annum	-	-	2 187 108	2 080 658
Namibia Mineworkers Properties (Pty) Ltd (Osona) - Fixed rate of 5% interest per annum	-	-	8 722 013	12 116 868
Desert Engineering Services (Pty) Ltd - Interest-free	-	9 603	-	9 603
Tall Grass Ranches (Pty) Ltd - Fixed rate of 7,5% interest per annum	7 426 855	6 123 041	7 426 855	6 123 041
6.2 Long-term loan to associate	2 500 000	242	2 500 000	242
E V I Mining Company Limited - interest-free	-	242	-	242
Ndalishi Group (Pty) Ltd - interest-free	2 500 000	-	2 500 000	-
Total loans receivable	9 926 855	6 132 886	20 835 976	20 330 412

These loans were granted in terms of Section 234(4)(a) of the Companies Act of Namibia.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

	GROUP		COMPANY	
	2020 N\$	2019 N\$	2020 N\$	2019 N\$
7. INVESTMENTS IN ASSOCIATES				
At fair value				
Crossroads Distribution Namibia (Pty) Ltd	9 861 901	9 784 897	9 861 901	9 784 897
E V I Mining Company Limited	42 576 999	30 148 094	42 576 999	30 148 094
Preferred Management Services (Pty) Ltd	907 761	630 077	907 761	630 077
Desert Engineering Services (Pty) Ltd	1 333	1 333	1 333	1 333
Namhealth Holdings (Pty) Ltd	22	22	22	22
Skynet Worldwide Express Namibia (Pty) Ltd	300	300	300	300
Namibia Exclusive Safaris (Pty) Ltd	-	7 625 855	-	7 625 855
Ndalishi Group (Pty) Ltd	400	-	400	-
Zeda Car Rental Namibia (Pty) Ltd	10 480 000	10 480 000	-	-
Zeda Namibia (Pty) Ltd	26 270 500	23 549 000	-	-
Nam-Mic Financial Services Holdings (Pty) Ltd	312 700 208	330 445 073	312 700 208	330 445 073
Total	402 799 424	412 664 651	366 048 924	378 635 651

Nam-Mic Financial Services Holdings (Pty) Ltd

The investment has been ceded to Bank Windhoek Limited in favour of the loans as stated in note 17.

A fair value loss of N\$17 744 865 has been recorded and recognised under the statement of profit or loss and other comprehensive income during the year under review (2019 : N\$24 945 887).

Namibia Exclusive Safaris (Pty) Ltd

The company has been classified as an investment held for sale as stated in note 11.

8. OTHER FINANCIAL ASSETS

Investments and shares, at fair value

Bank Windhoek Ltd	1 030 467	1 235 448	1 030 467	1 235 448
Trip (Pty) Ltd	5 966 918	3 588 786	5 966 918	3 588 786
Primehealth Namibia (Pty) Ltd	1 771 839	1 617 622	1 771 839	1 617 622
Karas Mineral Holdings (Pty) Ltd	2 615	2 615	2 615	2 615
Tuyeni Transport Services (Pty) Ltd	10	10	10	10
Nangua Ventures (Pty) Ltd	200	200	200	200
Namibia Tech Engineering (Pty) Ltd	240	240	240	240
Okakoverua Coast Diamonds (Pty) Ltd	600	600	600	600
Total	8 772 889	6 445 521	8 772 889	6 445 521

Trip (Pty) Ltd

The company holds 70% interest in Trip Investment Holdings (Pty) Ltd, which holds 40% shares in Trip (Pty) Ltd. NAM-MIC Holdings (Pty) Ltd, therefore, has a 28% interest in Trip (Pty) Ltd. The additional 16% interest was purchased for N\$3 554 688. The amount of N\$2 110 352 was paid on 16 April 2021, to Engelbrecht Trust. A payable is raised at year-end as stated in note 15.

Primehealth Namibia (Pty) Ltd

The valuation of the investment is based on the audited financial statements for the year ended 31 March 2020, because the financial information as at 31 December 2020 was not provided.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

	GROUP		COMPANY	
	2020 N\$	2019 N\$	2020 N\$	2019 N\$
9. INVENTORIES				
Land and development costs	518 827	-	-	-

Development of Erf No. 40 was completed at year-end, but remained unsold and still on the market subsequent to the year-end.

10. TRADE AND OTHER RECEIVABLES

Trade debtors	444 345	250 440	630 728	758 876
Less: Provision for doubtful debts	-	-	(612 612)	-
Net trade debtors	444 345	250 440	18 116	758 876
Deposits	5 509	65 896	119 351	65 896
VAT control account	1 549 920	962 141	820 468	626 005
Prepayments: Osona Village	2 859 500	8 375 797	-	79 513
Prepayments: Other	5 572 024	-	-	-
Accrued revenue	313 043	-	313 043	-
Recoveries receivable	-	242 138	-	242 138
Total receivables	10 744 341	9 896 412	1 270 978	1 772 428

11. INVESTMENT HELD FOR SALE

At fair value

• Namibia Exclusive Safaris (Pty) Ltd	7 625 855	-	7 625 855	-
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On 14 August 2019, an agreement was reached with Mr V Azevedo to buy the entire 15% interest in the above-mentioned entity. Management is confident the sale will be completed by 31 December 2021.

12. LOAN TO THIRD PARTY

Unsecured loan

Effort Investments (Pty) Ltd	1 735 134	817 101	1 735 134	817 101
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The loan bears interest at prime plus 2% per annum, is repayable within six months and, therefore by its nature, should be regarded as short-term.

Interest of N\$133 112 was received on the above loan during the year under review (2019 : N\$32 712).

The above loan was granted in terms of Section 234(4)(a) of the Companies Act of Namibia.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

	GROUP		COMPANY	
	2020 N\$	2019 N\$	2020 N\$	2019 N\$
13. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents include the following components:				
Cash at bank				
• Current account	15 710 349	923 781	342 300	550 750
• Notice deposit account	74 883	74 104	74 883	74 104
• Corporate Fund account	835 422	3 514 391	835 422	3 514 391
Cash on hand				
• Petty cash and deposits received	6 509	108	1 075	83
Total	16 627 163	4 512 384	1 253 680	4 139 328

Cash at bank earns interest at floating rates based on daily bank deposit rates.

14. SHARE CAPITAL

The share capital consists only of fully paid ordinary shares with a par value of N\$0,01. All ordinary shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholder's meetings of the company and its subsidiaries.

Authorised and issued

4 000 000 Shares at N\$0,01 each	40 000	40 000	40 000	40 000
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15. TRADE AND OTHER PAYABLES

Trade payables	508 640	164 199	239 776	34 234
Other payables	2 804 377	618 247	2 110 352	-
Deposits	105 142	229 684	-	-
Income received in advance	115 000	114 427	115 000	114 427
Total payables	3 533 159	1 126 557	2 465 128	148 661

16. PROVISIONS

Current liability

Severance pay	176 231	-	176 231	-
Leave pay	45 920	-	45 920	-
Carrying amount	222 151	-	222 151	-

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

	GROUP		COMPANY	
	2020 N\$	2019 N\$	2020 N\$	2019 N\$
17. INTEREST-BEARING BORROWINGS				
Bank Windhoek Limited				
• Namibia Mineworkers Properties (Pty) Ltd	2 979 053	3 255 957	-	-
The loan bears interest at prime plus 1% and is repayable in instalments of N\$38 148 as per the agreement.				
• Namibia Mineworkers Properties (Pty) Ltd	2 699 907	2 873 677	-	-
The loan bears interest at prime plus 0,5% and is repayable within 180 months.				
• Namibia Mineworkers Properties (Pty) Ltd	1 880 841	2 099 726	-	-
The loan bears interest at prime plus 1% and is repayable within 120 months.				
• Namibia Mineworkers Properties (Pty) Ltd	27 041 261	-		
The loan bears interest at prime plus 1% and is repayable within 42 months.				
• Select Properties (Pty) Ltd	3 145 339	3 648 241	-	-
The loan bears interest at the prime lending rate and is repayable within 180 equal instalments of N\$69 039.				
• NES CL-40000047908	2 449 775	4 656 031	2 449 775	4 656 031
The loan bears interest at 8,39% (2019: 11,25%) and instalments are to be effected semi-annually and is repayable within five years. The loan is secured as stated in note 7.				
	40 196 176	16 533 632	2 449 775	4 656 031
Less: Portions repayable within 12 months	(6 176 724)	(3 300 193)	(2 449 775)	(2 190 982)
Total interest-bearing borrowings	34 019 452	13 233 439	-	2 465 049

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

	GROUP		COMPANY	
	2020 N\$	2019 N\$	2020 N\$	2019 N\$
18. FINANCIAL ASSETS AND LIABILITIES				
Financial assets				
Measured at fair value				
• Investments in subsidiaries	892 663	1 862 152	48 259 934	51 606 346
• Investments in associates	402 799 424	412 664 651	366 048 924	378 635 651
• Other financial assets	8 772 889	6 445 521	8 772 889	6 445 521
• Investment held for sale	7 625 855	-	7 625 855	-
Measured at amortised cost				
• Loans to group companies	9 926 855	6 132 886	20 835 976	20 330 412
• Trade and other receivables	444 345	250 440	18 116	758 876
• Loan to third party	1 735 134	817 101	1 735 134	817 101
• Cash and cash equivalents	16 627 163	4 512 384	1 253 680	4 139 328
Total financial assets	448 824 328	432 685 135	454 550 508	462 733 235
Financial liabilities				
Measured at amortised cost				
• Interest-bearing borrowings	40 196 176	16 533 632	2 449 775	4 656 031
• Trade and other payables	3 533 159	1 126 557	2 465 128	148 661
• Provisions	222 151	-	222 151	-
Total financial liabilities	43 951 486	17 660 189	5 137 054	4 804 692
19. REVENUE				
Management fees	1 281 581	1 200 000	1 293 144	1 371 028
20. OPERATING INCOME				
Dividend income	17 416 667	17 729 415	16 635 888	18 190 123
Rent received	769 264	1 445 041	-	-
Capital profit on sale of property	3 231 321	-	-	-
	21 417 252	19 174 456	16 635 888	18 190 123
21. OPERATING PROFIT				
The operating profit is stated after taking into account the following:				
Expenditure				
Auditor's remuneration	175 605	142 380	110 850	100 380
Consulting and professional fees	649 047	254 310	227 574	165 580
Depreciation	71 951	95 513	66 610	90 173
Employee costs	5 387 977	4 760 683	5 386 895	4 760 683
Lease rentals on property	-	-	1 267 633	944 766

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

	GROUP		COMPANY	
	2020 N\$	2019 N\$	2020 N\$	2019 N\$
22. FINANCE INCOME AND FINANCE COSTS				
Finance income				
Interest received from group loans	812 031	400 838	1 314 596	997 487
Interest received on bank accounts	179 769	371 783	174 928	334 930
Other interest received	17 116	91 902	-	42 992
Finance income	1 008 916	864 523	1 489 524	1 375 409
Finance costs				
Bank loans	1 794 319	2 245 170	434 722	785 719
23. DIRECTORS' EMOLUMENTS				
Non-executive directors				
Fees for services and special services	1 263 289	1 230 216	962 445	955 894
For special services rendered	12 000	-	12 000	-
Travelling and accommodation	423 463	396 574	423 463	396 574
	1 698 752	1 626 790	1 397 908	1 352 468
24. TAXATION				
Calculated tax loss	32 087 085	33 431 536	32 087 085	33 431 536

No provision for current taxation has been made as no such liability is anticipated. The utilisation of the calculated tax loss is dependent on the group earning sufficient future taxable income.

25. CONTINGENT LIABILITIES

Operating lease commitments as lessee

The company leases property under an operating lease.

The company's operating lease does not contain any contingent rent clauses or any renewal or purchase options. The lease contains an escalation clause such that lease payments will increase annually in line with the general inflation index in Namibia.

Lease payments recognised as an expense during the year amounted to N\$1 267 633 (2019 : N\$944 766).

26. DEFINED CONTRIBUTION PLAN

The group continues to contribute to the Namflex Pension Fund - Mineworkers Union of Namibia, which is a defined contribution plan. These funds are registered under and governed by the Pension Funds Act, 1956 as amended. All eligible employees are members of the fund. The fund provides death, disability and retirement benefits. The employer and the members of the fund contribute between 5% and 7,5% of the pensionable salaries of the members. The group contributes a further 2,64% of pensionable salaries for life insurance and disability benefits.

The assets of these schemes are held in administered trust funds separated from the group's assets. The group has no exposure to any post retirement medical obligations.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

27. RELATED PARTY TRANSACTIONS

The related parties include the subsidiaries, directors, shareholder, associates and other related parties.

All transactions with related parties occurred under terms no less favourable than those arranged with third parties and none of the transaction incorporate special terms and conditions.

Outstanding balances were unsecured and are usually settled in cash.

27.1 Related party relationships

Related party	Relationships
Johannes Heinne H N Ndeutepo	Director
Paulus Situmba	Director
Shavuka Ligameneni Mbidhi	Director
Abiud Kapere	Director
Poco-Key Mujame Mberiuana	Director
Saara Namutenya Kandapo	Director
Mayemelo Kalumbu	Director
Penias Karumbo	Director
Ndapandula Josephine Tshitayi	Director
Libertha Dewina Kapere	Director
Namibia Miners Investment Trust	Shareholder
Crossroads Distribution Namibia (Pty) Ltd	Associate
Desert Engineering Services (Pty) Ltd	Associate
E V I Gold (Pty) Ltd	Associate
E V I Mining Company Limited	Associate
Namhealth Holdings (Pty) Ltd	Associate
Namibia Exclusive Safaris (Pty) Ltd	Associate
Namibia Mineworkers Properties (Pty) Ltd (Osona)	Associate
Nam-Mic Financial Services Holdings (Pty) Ltd	Associate
Ndalishi Group (Pty) Ltd	Associate
Preferred Management Services (Pty) Ltd	Associate
Primehealth Namibia (Pty) Ltd	Associate
Skynet Worldwide Express Namibia (Pty) Ltd	Associate
Trip (Pty) Ltd	Associate
Alberts Investments (Pty) Ltd	Subsidiary
Ekuya Investments (Pty) Ltd	Subsidiary
Namibia Mineworkers Properties (Pty) Ltd	Subsidiary
Tall Grass Ranches (Pty) Ltd	Subsidiary
NAM-MIC Fishing Enterprise (Pty) Ltd	Subsidiary

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

27. RELATED PARTY TRANSACTIONS (Contd)

27.2 The following information relates to the financial interest of the company in its subsidiaries:

	Total issued ordinary shares		Company's proportion	
	2020	2019	2020	2019
Alberts Investments (Pty) Ltd	100	100	100%	100%
Ekuya Investments (Pty) Ltd	100	100	100%	100%
Namibia Mineworkers Properties (Pty) Ltd	100	100	100%	100%
NAM-MIC Fishing Enterprise (Pty) Ltd	100	100	100%	100%
Tall Grass Ranches (Pty) Ltd	55	55	55%	55%

	Shares at cost N\$	Loans (from)/to subsidiaries		Company's share of profit/(loss)	
		2020 N\$	2019 N\$	2020 N\$	2019 N\$
Alberts Investments (Pty) Ltd	100	-	-	-	-
Ekuya Investments (Pty) Ltd	100	-	-	2 451 721	2 514 295
Namibia Mineworkers Properties (Pty) Ltd	4 000	-	-	(6 043 870)	(223 960)
NAM-MIC Fishing Enterprise (Pty) Ltd	100	-	-	-	-
Tall Grass Ranches (Pty) Ltd	55	7 426 855	6 123 041	-	-

Nature of business:

Alberts Investments (Pty) Ltd

- Dormant investment company.

Ekuya Investments (Pty) Ltd

- Investment in various sectors

Namibia Mineworkers Properties (Pty) Ltd

- To do general business in property market as well as rental and wholesale, leisure and entertainment centres including investment as a holding company and related activities.

Tall Grass Ranches (Pty) Ltd

- Lodge operating company, trading as Umti Lodge.

NAM-MIC Fishing Enterprise (Pty) Ltd

- Dormant fishing company.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

		GROUP		COMPANY	
		2020 N\$	2019 N\$	2020 N\$	2019 N\$
27.	RELATED PARTY TRANSACTIONS (contd)				
27.3	Transactions with related parties				
	Emoluments to non-executive directors	1 263 289	1 230 216	962 445	955 894
	Ekuya Investment (Pty) Ltd				
	• Management fees received	-	-	180 101	171 028
	• Dividend income received	-	-	1 885 721	3 362 583
	E V I Mining Company Limited				
	• Management fees received	1 113 043	1 200 000	1 113 043	1 200 000
	• Interest received on loan	-	46 910	-	46 910
	• Dividend income received	5 366 900	1 088 878	5 366 900	1 088 878
	Namibia Mineworkers Properties (Pty) Ltd				
	• Interest received on loan	-	-	106 450	101 269
	• Lease rentals on property	-	-	1 267 633	944 766
	Namibia Mineworkers Properties (Pty) Ltd (Osona)				
	• Interest received on loan	-	-	571 043	495 380
	Tall Grass Ranches (Pty) Ltd				
	• Interest received on loan	482 743	321 216	482 743	321 216
	Nam-Mic Financial Services Holdings (Pty) Ltd				
	• Dividend income received	8 565 385	12 719 458	8 565 385	12 719 458
	Primehealth Namibia (Pty) Ltd				
	• Dividend income received	513 700	467 000	513 700	467 000
	Crossroads Distribution Namibia (Pty) Ltd				
	• Dividend income received	64 456	271 476	64 456	271 476
	Trip (Pty) Ltd				
	• Dividend income received	-	108 291	-	108 291
	Preferred Management Services (Pty) Ltd				
	• Dividend income received	200 000	120 000	200 000	120 000
27.4	Non-current aggregate amounts receivable				
	Subsidiaries				
	• Namibia Mineworkers Properties (Pty) Ltd	-	-	2 187 108	2 080 658
	• Tall Grass Ranches (Pty) Ltd	7 426 855	6 123 041	7 426 855	6 123 041
	Associates				
	• Namibia Mineworkers Properties (Pty) Ltd (Osona)	-	-	8 722 013	12 116 868
	• Desert Engineering Services (Pty) Ltd	-	9 603	-	9 603
	• E V I Mining Company Limited	-	242	-	242
	• Ndalishi Group (Pty) Ltd	2 500 000	-	2 500 000	-

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Contd)

31 DECEMBER 2020

	GROUP		COMPANY	
	2020 N\$	2019 N\$	2020 N\$	2019 N\$
27. RELATED PARTY TRANSACTIONS (contd)				
27.5 Current aggregate amounts receivable				
Subsidiaries				
• Tall Grass Ranches (Pty) Ltd	47 351	41 601	47 351	41 601
• Ekuya Investments (Pty) Ltd	17 495	66 355	17 495	66 355
Associates				
• Namibia Mineworkers Properties (Pty) Ltd (Osona)	565 262	646 910	565 262	646 910
• Crossroads Distributions Namibia (Pty) Ltd	695	4 009	695	4 009
27.6 Current aggregate amounts payable				
Associates				
• E V I Mining Company Limited	75	114 426	75	114 426
• E V I Gold (Pty) Ltd	115 000	-	115 000	-
Subsidiaries				
• Tall Grass Ranches (Pty) Ltd	-	-	51 664	-
• Namibia Mineworkers Properties (Pty) Ltd	-	-	154 730	-

27.7 **Investments in related parties**

Refer to note 5, note 7 and note 8 for investments held in subsidiaries, associates and other financial assets.

28. COMMITMENTS

Company facilities

The company has a direct short-term facility in the amount of N\$2 000 000 with Bank Windhoek Ltd, which is secured by the investment in Nam-Mic Financial Services Holdings (Pty) Ltd (see note 7).

Group suretyships

The group has signed suretyships for its associates and subsidiaries in favour of Bank Windhoek Ltd and Nedbank Namibia Ltd as follows:

- Select Properties (Pty) Ltd

Unlimited suretyship for first and second continuing mortgage bonds over Erf No. 3713, Windhoek.

- Namibia Mineworkers Properties (Pty) Ltd

Limited suretyship of N\$8 900 000 for first and second covering mortgage bond over Erf No. 3710, Windhoek.

Limited suretyship of N\$2 650 000 for first covering mortgage bond over Erf No. 2531, Windhoek.

- Ekuya Investments (Pty) Ltd

Limited suretyship of N\$37 500 000 in favour of Nedbank Namibia Ltd for loan advanced to Zeda Namibia (Pty) Ltd.

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

ADDITIONAL INFORMATION

DETAILED STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020

	GROUP		COMPANY	
	2020 N\$	2019 N\$	2020 N\$	2019 N\$
REVENUE	1 281 581	1 200 000	1 293 144	1 371 028
COST OF SALES	(4 946 860)	(1 037 654)	-	-
GROSS PROFIT	(3 665 279)	162 346	1 293 144	1 371 028
OTHER INCOME	22 823 721	21 316 306	18 140 118	19 589 295
Dividend income	17 416 667	17 729 415	16 635 888	18 190 123
Rent received	769 264	1 445 041	-	-
Capital profit on sale of property	3 231 321	-	-	-
Interest received	1 008 916	864 523	1 489 524	1 375 409
Profit on disposal of plant and equipment	-	1 251 305	-	-
Sundry income	397 553	26 022	14 706	23 763
TOTAL INCOME	19 158 442	21 478 652	19 433 262	20 960 323
EXPENDITURE	(15 410 034)	(12 726 127)	(11 238 635)	(9 520 329)
Accommodation	133 847	194 559	133 847	194 559
Accounting fees	-	20 700	-	-
Advertising	54 143	110 476	39 908	92 729
AGM Fees	33 680	49 160	33 680	49 160
Auditor's remuneration	175 605	142 380	110 850	100 380
Bad debts	9 603	40 891	9 603	-
Bank charges	267 971	56 755	37 472	34 401
Cleaning	65 580	75 483	-	-
Commission paid	-	49 309	-	-
Computer and software maintenance	96 125	-	95 069	93 365
Consulting and professional fees	649 047	254 310	227 574	165 580
Depreciation	71 951	95 513	66 610	90 173
Directors' emoluments	1 263 289	1 230 216	962 445	955 894
Donations	585 698	76 750	585 698	76 750
Doubtful debt provision	-	-	612 612	-
Employee costs	5 387 977	4 760 683	5 386 895	4 760 683
Entertainment	116 432	101 126	112 569	94 206
Fair value loss on investment property	2 600 000	807 609	-	-
General expenses	15 734	32 000	9 234	32 000
Impairment of loan in Joint Venture	-	377 238	-	-
Insurance	86 034	72 012	69 027	72 012
Insurance - Escrow	42 005	41 500	-	-
Interest paid	1 794 319	2 245 170	434 722	785 719
Lease rentals on property	-	-	1 267 633	944 766
Legal fees	77 940	19 675	22 717	3 000

Contd/. . . .

NAM-MIC (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

ADDITIONAL INFORMATION

DETAILED STATEMENTS OF PROFIT OR LOSS (Contd)
FOR THE YEAR ENDED 31 DECEMBER 2020

	GROUP		COMPANY	
	2020 N\$	2019 N\$	2020 N\$	2019 N\$
EXPENDITURE (contd)				
Lost items	-	9 148	-	9 148
Management fees	35 380	25 655	-	-
Meeting expenses	81 000	124 597	65 976	113 453
Municipal expenses	243 391	329 775	-	-
Office consumables	13 779	4 326	-	-
Postage	448	546	448	546
Printing and stationery	130 700	120 755	130 700	120 755
Repairs and maintenance - Equipment	-	153 992	-	5 676
Repairs and maintenance - Other	136 492	93 365	-	-
Secretarial fees	30 863	18 229	21 480	11 233
Security	191 960	219 178	-	-
Seminars	268 632	242 868	268 632	242 868
Staff welfare	15 650	37 971	15 650	37 971
Subscriptions	44 700	14 994	44 700	14 994
Sundry expenses	37 624	21 322	37 624	21 322
Telephone and fax	112 168	87 103	112 168	87 103
Training	2 000	67 044	2 000	67 044
Travelling	382 547	270 437	321 092	242 839
Valuation fees	155 720	31 307	-	-
PROFIT for the year before taxation	3 748 408	8 752 525	8 194 627	11 439 994

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