



Amica Guesthouse (Proprietary) Limited
Formerly Orban Investments One Hundred and Fifty-Five (Proprietary)
Limited
(Registration number 2004/358)
Financial statements
for the year ended 31 March 2018

Amica Guesthouse (Proprietary) Limited

Formerly Orban Investments One Hundred and Fifty-Five (Proprietary) Limited
(Registration number 2004/358)

Financial Statements for the year ended 31 March 2018

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Provision of accommodation and catering, and any other services related thereto
Directors	Irvinne Simataa Patrick Chizabulyo
Registered office	4 Mokke Street Windhoek Namibia
Business address	Amica Guesthouse Roterkam Street Rosh Pinah Namibia
Holding company	Skorpion Zinc (Proprietary) Limited incorporated in Namibia
Bankers	First National Bank of Namibia Limited
Auditor's	eVolve Audit Chartered Accountants (Namibia) Registered Auditors
Secretary	eVolve (Windhoek) Trust
Company registration number	2004/358
Tax reference number	3844198-01-1
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act, No 28 of 2004.

Amica Guesthouse (Proprietary) Limited

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(Registration number 2004/358)

Financial Statements for the year ended 31 March 2018

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Directors' Responsibilities and Approval

The directors are required by the Companies Act, No 28 of 2004, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 financial control established by the company 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 all employees are required to maintain the highest ethical standards in ensuring the company's business 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 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 company's cash flow forecast for the year to 31 March 2019 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future. This being said, the directors wish to draw attention to note 24 in the financial statements, where uncertainties regarding the going concern assumption have been disclosed in detail.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 4.

The financial statements set out on pages 7 to 25, which have been prepared on the going concern basis, were approved by the board on 25 April 2018 and were signed on its behalf by:

By Order of the Board



Irvinne Simataa



Patrick Chizabulyo

Rosh Pinah

Wednesday, 25 April 2018



D.S. Kotze t/a eVolve Audit
T : +264 85 550 4670
swakop@evolve.com.na
www.evolve.com.na

34 Rhode Allee Street
Swakopmund
Namibia
9000

PO Box 2655
Swakopmund
Namibia
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Independent Auditor's Report

To the shareholder of Amica Guesthouse (Proprietary) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Amica Guesthouse (Proprietary) Limited set out on pages 10 to 25, which comprise the Statement of Financial Position as at 31 March 2018, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Amica Guesthouse (Proprietary) Limited as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act, No 28 of 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those 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 in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other 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.

Material uncertainty related to going concern

We draw attention to note 24 in the Financial Statements, which indicates that the company incurred a net loss of N\$1 069 729 during the year ended 31 March 2018 and, as of that date, the company's current liabilities exceeded its total assets by N\$717 449. As stated in note 24, these events or conditions, along with other matters as set forth in note 24, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act, No 28 of 2004, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the 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, 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.

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Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those 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 in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other 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.

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In connection with our audit of the 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, 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.



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Independent Auditor's Report

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act, No 28 of 2004, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 company's ability 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among 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.

Report on other legal and regulatory requirements

During our audit we discovered that Value Added Tax ("VAT") was not correctly calculated nor sufficiently paid over in respect of certain input claims made by the company. We project that excessive input claims to the value of N\$ 102 157.09 were made. The necessary adjustments have been applied to the financial statements.



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Independent Auditor's Report

We wish to draw attention to the fact that a report in terms of Section 26(3) of the Public Accountants' and Auditors Act 51 of 1951 have been issued to management and said report was still in process of resolution at the time of our audit report. At the date of our report, management have responded to the circumstances in question to the extent that we believe the matter will be resolved to a sufficient extent within the 30-day reporting period as prescribed by the Act.

eVolve Audit
D.S. Kotze
Partner
Chartered Accountants (Namibia)
Registered Auditors

25 April 2018
Swakopmund

Amica Guesthouse (Proprietary) Limited

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(Registration number 2004/358)
Financial Statements for the year ended 31 March 2018

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Amica Guesthouse (Proprietary) Limited for the year ended 31 March 2018.

1. Incorporation

The company was incorporated on 19 July 2004 and obtained its certificate to commence business on the same day.

2. Nature of business

Amica Guesthouse (Proprietary) Limited was incorporated in Namibia with interests in the services industry. The company operates in Namibia.

The core trading activities of the company are to provide accommodation and hospitality services.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act, No 28 of 2004. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

4. Share capital

Authorised			2018	2017
Ordinary shares			Number of shares	Number of shares
			4 000	4 000
Issued	2018	2017	2018	2017
Ordinary shares	N\$	N\$	Number of shares	Number of shares
	100	100	100	100

There have been no changes to the authorised or issued share capital during the year under review.

5. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of the Companies Act, No 28 of 2004. As this general authority remains valid only until the next AGM, the shareholder will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, up to a maximum of 100% of the company's issued share capital, under the control of the directors until the next AGM.

6. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass on the payment of dividends.

No dividends were declared or paid during the current or prior financial periods.

Amica Guesthouse (Proprietary) Limited

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Directors' Report

7. Directors

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Nationality	Changes
Irvinne Simataa	Chairperson	Non-executive	Namibian	
Andrew Schanknecht	Chief Executive Officer	Executive	South African	Resigned Wednesday, 04 October 2017
Patrick Chizabulyo	Chief Executive Officer	Executive	Namibian	Appointed Wednesday, 04 October 2017

The board expressed its sincere appreciation to the outgoing directors for their contributions during their respective periods of office.

8. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

9. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 March 2018, the company's investment in property, plant and equipment amounted to N\$135 184 (2017:N\$111 555), of which N\$25 860 (2017: N\$10 334) was added in the current year through additions.

10. Holding company

The company's holding company is Skorpion Zinc (Proprietary) Limited which holds 100% (2017 100%) of the company's equity. Skorpion Zinc (Proprietary) Limited is incorporated in Namibia.

11. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the company are unlimited. However, all borrowings by the company are subject to board approval as required by the board delegation of authority.

12. Special resolutions

No special resolutions, the nature of which might be significant to the shareholder in their appreciation of the state of affairs of the company were made by the company during the period covered by this report.

13. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

14. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

15. Auditors

eVolve Audit continued in office as auditors for the company for 2018.

At the AGM, the shareholder will be requested to reappoint eVolve Audit as the independent external auditors of the company and to confirm Mr D.S. Kotze as the designated lead audit partner for the 2019 financial year.

Amica Guesthouse (Proprietary) Limited

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Financial Statements for the year ended 31 March 2018

Directors' Report

16. Secretary

The company secretary is eVolve (Windhoek) Trust.

Postal address

P.O. Box 91563
Klein Windhoek
Windhoek
Namibia

Business address

4 Mokke Street
Klein Windhoek
Windhoek
Namibia

17. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on Wednesday, 11 April 2018. No authority was given to anyone to amend the financial statements after the date of issue.

18. Acknowledgements

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and consumers for their continued support of the company.

Amica Guesthouse (Proprietary) Limited

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Statement of Financial Position as at 31 March 2018

	Note(s)	2018 N\$	2017 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	2	135 184	111 555
Deferred tax		216 664	-
		<u>351 848</u>	<u>111 555</u>
Current Assets			
Inventories	5	63 051	64 245
Trade and other receivables	4	755 883	345 759
Cash and cash equivalents	6	282 022	33 138
		<u>1 100 956</u>	<u>443 142</u>
		<u>1 452 804</u>	<u>554 697</u>
Total Assets			
Equity and Liabilities			
Equity			
Share capital	7	100	100
Accumulated loss		(717 549)	(1 787 278)
		<u>(717 449)</u>	<u>(1 787 178)</u>
Liabilities			
Current Liabilities			
Trade and other payables	8	444 905	616 527
Loans from group companies	3	1 725 348	1 725 348
		<u>2 170 253</u>	<u>2 341 875</u>
		<u>1 452 804</u>	<u>554 697</u>
Total Equity and Liabilities			

Amica Guesthouse (Proprietary) Limited

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Statement of Comprehensive Income

	Note(s)	2018 N\$	2017 N\$
Revenue	10	3 788 415	2 636 870
Cost of sales	11	(811 649)	(582 201)
Gross profit		2 976 766	2 054 669
Other income	12	92 558	1 927 354
Operating expenses		(2 203 452)	(2 118 373)
Operating profit	15	865 872	1 863 650
Investment revenue	13	79	71
Finance costs	14	(12 886)	(4 588)
Profit before taxation		853 065	1 859 133
Taxation	19	216 664	-
Profit for the year		1 069 729	1 859 133
Other comprehensive income		-	-
Total comprehensive income for the year		1 069 729	1 859 133

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Statement of Changes in Equity

	Share capital	Accumulated loss	Total equity
	N\$	N\$	N\$
Balance at 01 April 2016	100	(3 646 411)	(3 646 311)
Profit for the year	-	1 859 133	1 859 133
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1 859 133	1 859 133
Balance at 01 April 2017	100	(1 787 278)	(1 787 178)
Profit for the year	-	1 069 729	1 069 729
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1 069 729	1 069 729
Balance at 31 March 2018	100	(717 549)	(717 449)
Note(s)	7		

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Statement of Cash Flows

	Note(s)	2018 N\$	2017 N\$
Cash flows from operating activities			
Cash receipts from customers		3 378 291	2 640 961
Cash paid to suppliers and employees		(3 090 740)	(2 619 823)
Cash generated from operations	21	287 551	21 138
Interest income		79	71
Finance costs		(12 886)	(4 588)
Net cash from operating activities		274 744	16 621
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(25 860)	(10 334)
Total cash movement for the year		248 884	6 287
Cash at the beginning of the year		33 138	26 851
Total cash at end of the year	6	282 022	33 138

Amica Guesthouse (Proprietary) Limited

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Financial Statements for the year ended 31 March 2018

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act, No 28 of 2004. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	15
Office equipment	Straight line	15
Crockery and cutlery	Straight line	15

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

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Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

1.3 Tax

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

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Accounting Policies

1.6 Impairment of assets (continued)

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by services performed to date as a percentage of total services to be performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Notes to the Financial Statements

	2018 N\$	2017 N\$
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2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	10 057	(3 100)	6 957	10 057	(2 492)	7 565
Office and guesthouse equipment	251 094	(214 688)	36 406	225 314	(213 066)	12 248
Crockery and cutlery	91 821	-	91 821	91 742	-	91 742
Total	352 972	(217 788)	135 184	327 113	(215 558)	111 555

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	7 565	-	(608)	6 957
Office and guesthouse equipment	12 248	25 781	(1 623)	36 406
Crockery and cutlery	91 742	79	-	91 821
	111 555	25 860	(2 231)	135 184

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	230	8 043	(708)	7 565
Office and guesthouse equipment	35 625	1 105	(24 482)	12 248
Crockery and cutlery	90 556	1 186	-	91 742
	126 411	10 334	(25 190)	111 555

Property, plant and equipment encumbered as security

Property, plant and equipment are unsecured.

Depreciation rates

The depreciation methods and average useful lives of property, plant and equipment have been assessed as follows:

Furniture and fixtures	Straight line basis - years	15.00	6.66
Office and guesthouse equipment	Straight line basis - years	15.00	6.66
Crockery and cutlery	Straight line basis - years	15.00	6.66

Changes in estimates

The company reassesses the useful lives and residual values of items of property, plant and equipment at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

Registers with details of property, plant and equipment are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

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	2018 N\$	2017 N\$
3. Loans to (from) group companies		
Fellow subsidiaries		
Namzinc (Proprietary) Limited	<u>(1 725 348)</u>	<u>(1 725 348)</u>
<p>The unsecured loan has no fixed repayment terms and accrues interest at rates determined by the parties from time to time. The company does not have an unconditional right to defer settlement of the loan for at least twelve months after the reporting date.</p>		
4. Trade and other receivables		
Staff loans	4 025	4 025
Trade receivables	751 858	341 734
	<u>755 883</u>	<u>345 759</u>
<p>Trade and other receivables are unsecured.</p>		
5. Inventories		
Consumables	2 738	1 620
Merchandise	60 313	62 625
	<u>63 051</u>	<u>64 245</u>
Inventory pledged as security		
<p>Inventories are unsecured.</p>		
6. Cash and cash equivalents		
<p>Cash and cash equivalents consist of:</p>		
Bank balances	280 516	32 375
Cash on hand	1 506	763
	<u>282 022</u>	<u>33 138</u>
<p>Cash and cash equivalents are unsecured.</p>		
7. Share capital		
Authorised		
4 000 Ordinary shares of N\$ 1 each	<u>4 000</u>	<u>4 000</u>
Reconciliation of number of shares issued:		
Reported as at 01 March 2016	<u>100</u>	<u>100</u>
<p>Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.</p>		
Issued		
Ordinary	<u>100</u>	<u>100</u>

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	2018 N\$	2017 N\$
7. Share capital (continued)		
All shares rank equally with regard to the company's residual assets.		
The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the company.		
8. Trade and other payables		
Accrued employee costs	69 773	81 750
Deposits received	10 821	11 738
Receiver of Revenue - VAT and employees' tax	221 161	463 702
Trade payables	143 150	59 337
	<u>444 905</u>	<u>616 527</u>
9. Current tax payable (receivable)		
No provision was made for current tax payable (receivable) as the company had no taxable income and no provisional taxes were paid.		
10. Revenue		
Sale of goods	1 239 109	862 285
Rendering of services	2 549 306	1 774 585
	<u>3 788 415</u>	<u>2 636 870</u>
11. Cost of sales		
Sale of goods		
Cost of goods sold	<u>811 649</u>	<u>582 201</u>
12. Other income		
Recoveries	<u>92 558</u>	<u>1 927 354</u>
13. Investment revenue		
Interest revenue		
Bank	<u>79</u>	<u>71</u>
14. Finance costs		
Late payment of VAT	12 886	-
Trade and other payables	-	4 588
	<u>12 886</u>	<u>4 588</u>
15. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	<u>144 000</u>	<u>144 000</u>

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Notes to the Financial Statements

	2018 N\$	2017 N\$
15. Operating profit (continued)		
Other material and unusual operating expenses		
Bank charges	45 324	39 118
Cleaning	57 108	30 435
Depreciation on property, plant and equipment	2 231	25 190
Employee costs	1 134 131	1 250 458
Fines and penalties	41 525	-
General operating expenses	56 683	-
Impairments	40 730	-
Levies	51 291	37 471
Motor vehicle expenses and delivery charges	58 252	42 345
Municipal expenses	379 830	322 446
Subscriptions	48 839	49 917
Telephone and fax	22 989	22 204
	<u>1 134 131</u>	<u>1 250 458</u>
16. Employee cost		
The following items are included within employee benefits expense:		
Employee costs		
Basic salaries and wages	721 833	744 582
Bonuses	76 183	67 458
Cost of overtime labour	81 448	74 577
Funeral cover contributions	4 101	3 735
Housing allowances	40 768	54 810
Leave pay provision charge	(25 054)	32 945
Medical aid contributions	112 119	159 099
Pension fund contributions	55 247	58 149
Social Security Commission contributions	3 393	4 153
Other allowances	64 093	50 950
	<u>1 134 131</u>	<u>1 250 458</u>
17. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	<u>2 231</u>	<u>25 190</u>
Impairments		
Trade and other receivables	<u>40 730</u>	<u>-</u>
Total depreciation, amortisation and impairments		
Depreciation	2 231	25 190
Impairments	40 730	-
	<u>42 961</u>	<u>25 190</u>
18. Auditor's remuneration		
Fees (including disbursements)	62 810	106 000
Tax and secretarial services	3 715	6 145
	<u>66 525</u>	<u>112 145</u>

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Notes to the Financial Statements

	2018 N\$	2017 N\$
19. Taxation		
Major components of the tax income		
Deferred		
Originating and reversing temporary differences	26 865	-
Benefit of unrecognised tax loss	(243 529)	-
	<u>(216 664)</u>	<u>-</u>
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	853 065	1 859 133
Tax at the applicable tax rate of 32% (2017: 32%)	272 981	594 923
Tax effect of adjustments on taxable income		
Non-taxable recoveries of tax account interest and penalties	(29 619)	(616 754)
Unrecognised deferred tax asset on tax losses	(477 438)	21 831
Previously unrecognised tax loss	17 412	-
	<u>(216 664)</u>	<u>-</u>
No provision was made for 2018 tax expense as the company had no taxable income. The estimated tax loss available for set off against future taxable income is N\$ 761 027 (2017: N\$ 1 596 659).		
20. Directors' remuneration		
No emoluments were paid to the directors or any individuals holding a prescribed office during the year.		
21. Cash generated from operations		
Profit before taxation	853 065	1 859 133
Adjustments for:		
Depreciation and amortisation	2 231	25 190
Interest received	(79)	(71)
Finance costs	12 886	4 588
Impairment loss	40 730	-
Changes in working capital:		
Inventories	1 194	(21 240)
Trade and other receivables	(450 854)	(47 885)
Trade and other payables	(171 622)	(1 798 577)
	<u>287 551</u>	<u>21 138</u>
22. Related parties		
Relationships		
Holding company		Skorpion Zinc (Proprietary) Limited
Fellow subsidiary		Namzinc (Proprietary) Limited

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	2018 N\$	2017 N\$
22. Related parties (continued)		
Members of key management		Irvinne Simataa Patrick Chizabulyo
Related party balances and transactions with entities with control, joint control or significant influence over the company		
Related party balances		
Loan accounts - Owing (to) by related parties		
Namzinc (Proprietary) Limited	(1 725 348)	(1 725 348)
Amounts included in Trade receivable (Trade Payable) regarding related parties		
- Receivables:		
Namzinc (Proprietary) Limited	598 846	253 268
Skorpion Zinc (Proprietary) Limited	12 766	43 123
- Payables:		
Namzinc (Proprietary) Limited	(12 000)	-
Related party transactions		
Purchases from (sales to) related parties		
Namzinc (Proprietary) Limited	(1 841 387)	(1 177 792)
Skorpion Zinc (Proprietary) Limited	(110 463)	(242 051)
Rent paid to (received from) related parties		
Namzinc (Proprietary) Limited	144 000	144 000

23. Change in estimate

Revision of the estimated penalties and interest payable on tax accounts

In prior years, penalties and interest accrued on VAT and employees' tax accounts were provided for. As at the end of the prior year, taxpayers in Namibia had the opportunity to apply for amnesty, whereby 100% of penalties in 80% of interest payable to the Receiver of Revenue, would be waived if certain requirements were met. The company met said requirements and committed itself to attend to these accounts within the amnesty period. In total, penalties and interest to the value of N\$ 2 020 092 have been recovered, of which N\$ 92 558 fell in the current financial year (2017: N\$ 1 927 534). Refer to note 12.

24. Going concern

We draw attention to the fact that at 31 March 2018, the company had accumulated losses of N\$ 717 549 and that the company's total liabilities exceed its assets by N\$ (717 449).

The 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.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

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	2018 N\$	2017 N\$
24. Going concern (continued)		
In addition to the above, the company's holding company provides unlimited financial surety to the company.		
25. Gains and losses on financial instruments		
Financial instruments not measured at fair value through profit or loss:		
Total interest income	79	71
Total interest expense	-	(4 588)
	<u>79</u>	<u>(4 517)</u>

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Notes to the Financial Statements

26. Categories of financial instruments

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2018						
Assets						
Non-Current Assets						
Property, plant and equipment	2	-	-	-	135 184	135 184
Deferred tax		-	-	-	216 664	216 664
		-	-	-	351 848	351 848
Current Assets						
Inventories	5	-	-	-	63 051	63 051
Trade and other receivables	4	755 883	-	-	-	755 883
Cash and cash equivalents	6	282 022	-	-	-	282 022
		1 037 905	-	-	63 051	1 100 956
Total Assets		1 037 905	-	-	414 899	1 452 804
Equity and Liabilities						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	7	-	-	-	100	100
Accumulated loss	7	-	-	-	(717 549)	(717 549)
		-	-	-	(717 449)	(717 449)
Total Equity		-	-	-	(717 449)	(717 449)
Liabilities						
Current Liabilities						
Loans from group companies	3	-	1 725 348	-	-	1 725 348
Trade and other payables	8	-	223 744	221 161	-	444 905
		-	1 949 092	221 161	-	2 170 253
Total Liabilities		-	1 949 092	221 161	-	2 170 253
Total Equity and Liabilities		-	1 949 092	221 161	(717 449)	1 452 804

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Notes to the Financial Statements

26. Categories of financial instruments (continued)

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2017						
Assets						
Non-Current Assets						
Property, plant and equipment	2	-	-	-	111 555	111 555
Current Assets						
Inventories	5	-	-	-	64 245	64 245
Trade and other receivables	4	345 759	-	-	-	345 759
Cash and cash equivalents	6	33 138	-	-	-	33 138
		378 897	-	-	64 245	443 142
Total Assets		378 897	-	-	175 800	554 697
Equity and Liabilities						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	7	-	-	-	100	100
Accumulated loss	7	-	-	-	(1 787 278)	(1 787 278)
		-	-	-	(1 787 178)	(1 787 178)
Total Equity		-	-	-	(1 787 178)	(1 787 178)
Liabilities						
Current Liabilities						
Loans from group companies	3	-	1 725 348	-	-	1 725 348
Trade and other payables	8	-	152 825	463 702	-	616 527
		-	1 878 173	463 702	-	2 341 875
Total Liabilities		-	1 878 173	463 702	-	2 341 875
Total Equity and Liabilities		-	1 878 173	463 702	(1 787 178)	554 697

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Detailed Income Statement

	Note(s)	2018 N\$	2017 N\$
Revenue			
Sale of goods		1 239 109	862 285
Rendering of services		2 549 306	1 774 585
	10	<u>3 788 415</u>	<u>2 636 870</u>
Cost of sales			
Opening stock		(64 245)	(43 005)
Purchases		(810 455)	(603 441)
Closing stock		63 051	64 245
	11	<u>(811 649)</u>	<u>(582 201)</u>
Gross profit		2 976 766	2 054 669
Other income			
Interest received	13	79	71
Recoveries		92 558	1 927 354
		<u>92 637</u>	<u>1 927 425</u>
Expenses (Refer to page 27)		(2 203 452)	(2 118 373)
Operating profit	15	865 951	1 863 721
Finance costs	14	(12 886)	(4 588)
Profit before taxation		853 065	1 859 133
Taxation	19	216 664	-
Profit for the year		<u>1 069 729</u>	<u>1 859 133</u>

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Detailed Income Statement

	Note(s)	2018 N\$	2017 N\$
Operating expenses			
Accounting fees		-	2 453
Advertising		6 931	17 708
Auditors remuneration	18	66 525	112 145
Bank charges		45 324	39 118
Cleaning		57 108	30 435
Depreciation, amortisation and impairments	17	42 961	25 190
Employee costs	16	1 134 131	1 250 458
Entertainment		4 580	-
Fines and penalties		41 525	-
Gas		8 737	7 556
General expenses		56 683	2 320
Lease rentals on operating lease		144 000	144 000
Levies		51 291	37 471
Motor vehicle expenses and delivery charges		58 252	42 345
Municipal expenses		379 830	322 446
Printing and stationery		12 911	10 130
Repairs and maintenance		5 189	2 467
Royalties and license fees		7 783	10
Subscriptions		48 839	49 917
Telephone and fax		22 989	22 204
Training		7 863	-
		<u>2 203 452</u>	<u>2 118 373</u>

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Tax Computation

	N\$
Net income per income statement	853 065
Non-deductible/Non taxable items	
Non-taxable recoveries - tax account interest and penalties	(92 558)
Non-deductible interest on the late payment of VAT	12 886
Non-deductible fines on the late payment of VAT	41 525
	<u>(38 147)</u>
Temporary differences	
Depreciation charge for accounting purposes	2 231
Wear and tear allowances for income tax purposes	(12 064)
Provision for doubtful debts - prior year	-
Provision for doubtful debts - current year	40 730
25% allowance on provision for doubtful debts - prior year	-
25% allowance on provision for doubtful debts - current year	(10 183)
	<u>20 714</u>
Taxable income for 2018	835 632
Assessed loss brought forward	(1 596 659)
Tax loss carried forward	<u>(761 027)</u>
Tax thereon @ 32%	-