



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 2019

Amica Guesthouse (Proprietary) Limited

Formerly Urban Investments One Hundred and Fifty-Five (Proprietary) Limited

(Registration number: 2004/358)

Financial Statements for the year ended 31 March 2019

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	20 Andimba Toivo Ya Toivo Avenue Southern Industrial Area Windhoek Namibia
Business address	Amica Guesthouse Roterkam Street Rosh Pinah Namibia
Postal address	P.O. Box 91563 Klein Windhoek Windhoek Namibia
Holding company	Skorpion Zinc (Proprietary) Limited incorporated in Namibia
Bankers	First National Bank of Namibia Limited
Auditors	eVolve Audit Chartered Accountants (Namibia) Registered Auditors
Secretary	eVolve (Windhoek) Trust
Company registration number	2004/358
Tax identification number	03844198
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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Financial Statements for the year ended 31 March 2019

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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 auditors are 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.

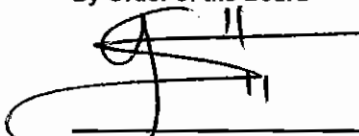
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control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

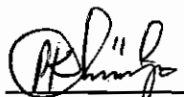
The directors have reviewed the company's cash flow forecast for the year to 31 March 2020 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 7.

The financial statements set out on page 9, which have been prepared on the going concern basis, were approved by the board on 08 May 2019 and were signed on its behalf by:

By Order of the Board



Ivonne Simataa

Patrick Chizabulyo

Rosh Pinah
08 May 2019

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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 2019.

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			2019	2018
			Number of shares	
Ordinary shares			4 000	4 000
Issued	2019	2018	2019	2018
	N\$	N\$	Number of shares	
Ordinary 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 annual general meeting, the shareholders 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 annual general meeting.

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.

7. 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.

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Financial Statements for the year ended 31 March 2019

Directors' Report

8. Directors

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

Directors	Office	Designation	Nationality
Irvinne Simataa	Chairperson	Executive	Namibian
Patrick Chizabulyo	Chief Executive Officer	Executive	Namibian

There have been no changes to the directorate for the period under review.

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 2019 the company's investment in property, plant and equipment amounted to N\$296 021 (2018: N\$135 184), of which N\$166 074 (2018: N\$25 860) was added in the current year through additions.

10. Holding company

The company's holding company is Skorpion Zinc (Proprietary) Limited which holds 100% (2018 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 shareholders 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 2019.

At the annual general meeting, the shareholders 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 2020 financial year.

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Financial Statements for the year ended 31 March 2019

Directors' Report

16. Secretary

The company secretary is eVolve (Windhoek) Trust.

Postal address

P.O. Box 91563
Klein Windhoek
Windhoek
Namibia

Business address

20 Andimba Toivo Ya Toivo Avenue
Southern Industrial Area
Windhoek
Namibia

17. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 18 April 2019. 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.



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Independent Auditor's Report

To the shareholders of Amica Guesthouse (Proprietary) Limited

Opinion

We have audited the financial statements of Amica Guesthouse (Proprietary) Limited set out on pages 9 to 24, which comprise the statement of financial position as at 31 March 2019, 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 2019, 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's total liabilities exceeded its total assets by N\$ 58 549. 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.

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.



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Independent Auditor's Report

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.



eVolve Audit
Registered Accountants & Auditors
Chartered Accountants (Namibia)

Per: D.S. Kotze
Partner

10 May 2019
Swakopmund

Amica Guesthouse (Proprietary) Limited

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Statement of Financial Position as at 31 March 2019

Figures in Namibia Dollar	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	296 021	135 184
Deferred tax	4	-	216 664
		296 021	351 848
Current Assets			
Inventories	6	93 682	63 051
Trade and other receivables	5	1 629 043	745 062
Current tax receivable		10 452	-
Cash and cash equivalents	7	390 036	282 022
		2 123 213	1 090 135
Total Assets		2 419 234	1 441 983
Equity and Liabilities			
Equity			
Share capital	8	100	100
Retained income		(58 649)	(717 549)
		(58 549)	(717 449)
Liabilities			
Non-Current Liabilities			
Deferred tax	4	51 706	-
Current Liabilities			
Trade and other payables	9	700 729	434 084
Loans from group companies	3	1 725 348	1 725 348
		2 426 077	2 159 432
Total Liabilities		2 477 783	2 159 432
Total Equity and Liabilities		2 419 234	1 441 983

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Statement of Comprehensive Income

Figures in Namibia Dollar	Note(s)	2019	2018
Revenue	10	4 761 767	3 788 415
Cost of sales	11	(895 205)	(811 649)
Gross profit		3 866 562	2 976 766
Other income	12	-	92 558
Operating expenses		(2 795 544)	(2 203 452)
Operating profit	13	1 071 018	865 872
Investment revenue	16	-	79
Finance costs	17	(26 968)	(12 886)
Profit before taxation		1 044 050	853 065
Taxation	18	(385 150)	216 664
Profit for the year		658 900	1 069 729

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Statement of Changes in Equity

Figures in Namibia Dollar	Share capital	Retained income	Total equity
Balance at 01 April 2017	100	(1 787 278)	(1 787 178)
Profit for the year	-	1 069 729	1 069 729
Balance at 01 April 2018	100	(717 549)	(717 449)
Profit for the year	-	658 900	658 900
Balance at 31 March 2019	100	(58 649)	(58 549)
Note(s)	8		

Amica Guesthouse (Proprietary) Limited

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Financial Statements for the year ended 31 March 2019

Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	2019	2018
Cash flows from operating activities			
Cash receipts from customers		4 682 867	3 378 291
Cash paid to suppliers and employees		(4 360 047)	(3 090 740)
Cash generated from operations		322 820	287 551
Interest income		2 033	79
Finance costs		-	(12 886)
Tax paid	20	(127 232)	-
Net cash from operating activities		197 621	274 744
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(89 607)	(25 860)
Total cash movement for the year		108 014	248 884
Cash at the beginning of the year		282 022	33 138
Total cash at end of the year	7	390 036	282 022

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

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 assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. This includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term.

The useful lives of items of property, plant and equipment have been assessed 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

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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Accounting Policies

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.

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 without undue cost or effort 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 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.

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Accounting Policies

1.4 Leases (continued)

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.

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

Figures in Namibia Dollar

2019

2018

2. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	54 448	(5 355)	49 093	10 057	(3 100)	6 957
Office and guesthouse equipment	371 547	(217 670)	153 877	251 094	(214 688)	36 406
Crockery and cutlery	93 051	-	93 051	91 821	-	91 821
Total	519 046	(223 025)	296 021	352 972	(217 788)	135 184

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	6 957	44 391	(2 255)	49 093
Office and guesthouse equipment	36 406	120 453	(2 982)	153 877
Crockery and cutlery	91 821	1 230	-	93 051
	135 184	166 074	(5 237)	296 021

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
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

Property, plant and equipment encumbered as security

Property, plant and equipment are unsecured.

3. Loans to (from) group companies

Fellow subsidiaries

Namzinc (Proprietary) Limited	(1 725 348)	(1 725 348)
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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.

4. Deferred tax

Deferred tax liability	(56 539)	(36 640)
Deferred tax asset	4 833	253 304
Total net deferred tax (liability) asset	(51 706)	216 664

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Notes to the Financial Statements

Figures in Namibia Dollar	2019	2018
4. Deferred tax (continued)		
The major components of the deferred tax balance are as follows:		
Deferred tax liability		
Arising as a result of temporary differences on:		
Property, plant and equipment	(56 539)	(36 640)
Deferred tax asset		
Arising as a result of temporary differences on:		
Trade receivables	4 833	9 775
Deferred tax balance from temporary differences other than unused tax losses	4 833	9 775
Tax losses available for set off against future taxable income	-	243 529
Total deferred tax asset	4 833	253 304
Reconciliation of deferred tax asset/(liability)		
At beginning of year	216 664	-
Recognised in profit or loss:		
Benefit of previously unrecognised tax loss	(243 529)	243 529
Movement in temporary differences on property, plant and equipment	(24 841)	(26 865)
At end of year	(51 706)	216 664
5. Trade and other receivables		
Staff loans	4 025	4 025
Trade receivables	1 625 018	741 037
	1 629 043	745 062
Trade and other receivables pledged as security		
Trade and other receivables are unsecured.		
6. Inventories		
Consumables	2 645	2 738
Merchandise	91 037	60 313
	93 682	63 051
Inventory pledged as security		
Inventories are unsecured.		
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	375 954	280 516
Cash on hand	14 082	1 506
	390 036	282 022

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Notes to the Financial Statements

Figures in Namibia Dollar	2019	2018
7. Cash and cash equivalents (continued)		
Cash and cash equivalents are unsecured.		
8. Share capital		
Authorised		
4 000 ordinary shares of N\$ 1 each	4 000	4 000
Reconciliation of number of shares issued:		
Reported as at the beginning of the year	100	100
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.		
Issued		
Ordinary	100	100
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.		
9. Trade and other payables		
Accrued employee costs	102 471	69 773
Receiver of Revenue - VAT and employees' tax	467 324	221 161
Trade payables	130 934	143 150
	700 729	434 084
10. Revenue		
Sale of goods	1 435 551	1 239 109
Rendering of services	3 326 216	2 549 306
	4 761 767	3 788 415
11. Cost of sales		
Sale of goods		
Cost of goods sold	895 205	811 649
12. Other income		
Recoveries	-	92 558
13. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	144 000	144 000

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Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Namibia Dollar	2019	2018
13. Operating profit (continued)		
Bank charges	48 447	45 324
Cleaning and housekeeping	108 312	57 108
Depreciation on property, plant and equipment	5 237	2 231
Employee costs	1 590 728	1 134 131
Fines and penalties	114 602	41 525
General expenses	11 869	56 683
Impairments	(20 591)	40 730
Levies	66 379	51 291
Motor vehicle expenses and delivery charges	53 434	58 252
Municipal expenses	395 211	379 830
Subscriptions	68 607	48 839
Training	74 324	7 863
	<u>1 590 728</u>	<u>1 134 131</u>
14. Employee cost		
The following items are included within employee benefits expense:		
Employee costs		
Basic salaries and wages	896 414	721 833
Bonuses	148 667	76 183
Cost of overtime labour	114 768	81 448
Funeral cover contributions	6 960	4 101
Housing allowances	58 354	40 768
Leave pay provision charge	34 661	(25 054)
Medical aid contributions	148 477	112 119
Other allowances	81 551	64 093
Pension fund contributions	72 001	55 247
Social Security Commission contributions	15 073	3 393
VET levy	13 802	-
	<u>1 590 728</u>	<u>1 134 131</u>
15. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	<u>5 237</u>	<u>2 231</u>
Impairments		
Trade and other receivables	<u>(20 591)</u>	<u>40 730</u>
Total depreciation, amortisation and impairments		
Depreciation	5 237	2 231
Impairments	(20 591)	40 730
	<u>(15 354)</u>	<u>42 961</u>
16. Investment revenue		
Interest revenue		
Bank	<u>-</u>	<u>79</u>

Amica Guesthouse (Proprietary) Limited

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Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Namibia Dollar	2019	2018
17. Finance costs		
Late payment of tax	26 942	12 886
Trade and other payables	26	-
	26 968	12 886
18. Taxation		
Major components of the tax expense (income)		
Current taxation		
Local normal tax - year	116 780	-
Deferred taxation		
Local deferred tax - current year	268 370	(216 664)
	385 150	(216 664)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	1 044 050	853 065
Tax at the applicable tax rate of 32% (2018: 32%)	334 096	272 981
Tax effect of adjustments on taxable income		
Exempt income		
Non-taxable recoveries of tax account interest and penalties	-	(29 619)
	-	(29 619)
Non-deductible expenses		
Non-deductible tax account interest and penalties	51 054	-
	51 054	-
Other		
Effect of previously unrecognised tax losses	-	(460 026)
	-	(460 026)
	385 150	(216 664)
19. Auditors' remuneration		
Fees (including disbursements)	35 811	62 810
Tax and secretarial services	6 877	3 715
	42 688	66 525
20. Tax paid		
Current tax for the year recognised in profit or loss	(116 780)	-
Balance at end of the year	(10 452)	-
	(127 232)	-

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Notes to the Financial Statements

Figures in Namibia Dollar 2019 2018

21. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

22. Gains and losses on financial instruments

Financial instruments not measured at fair value through profit or loss:

Total interest income	-	79
Total interest expense	(26)	-
	<u>(26)</u>	<u>79</u>

23. Related parties

Relationships

Holding company	Skorpion Zinc (Proprietary) Limited
Fellow subsidiary	Namzinc (Proprietary) Limited
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)
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Amounts included in Trade receivable (Trade Payable) regarding related parties

- Receivables:

Namzinc (Proprietary) Limited	849 224	598 846
Skorpion Zinc (Proprietary) Limited	580 643	12 766

- Payables:

Namzinc (Proprietary) Limited	-	(12 000)
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Related party transactions

Purchases from (sales to) related parties

Namzinc (Proprietary) Limited	(1 937 392)	(1 841 387)
Skorpion Zinc (Proprietary) Limited	(693 003)	(110 463)

Rent paid to (received from) related parties

Namzinc (Proprietary) Limited	144 000	144 000
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24. Going concern

We draw attention to the fact that at 31 March 2019, the company had accumulated losses of N\$ 58 649 and that the company's total liabilities exceed its assets by N\$ 58 549.

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Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Namibia Dollar

2019

2018

24. Going concern (continued)

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.

In addition to the above, the company's holding company provides unlimited financial surety to the company

Amica Guesthouse (Proprietary) Limited

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Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

25. 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 - 2019						
Assets						
Non-Current Assets						
Property, plant and equipment	2	-	-	-	296 021	296 021
Deferred tax	4	-	-	-	4 833	4 833
		-	-	-	300 854	300 854
Current Assets						
Inventories	6	-	-	-	93 682	93 682
Current tax receivable		-	-	-	10 452	10 452
Trade and other receivables	5	1 629 043	-	-	-	1 629 043
Cash and cash equivalents	7	390 036	-	-	-	390 036
		2 019 079	-	-	104 134	2 123 213
Total Assets		2 019 079	-	-	404 988	2 424 067
Equity and Liabilities						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	8	-	-	-	100	100
Accumulated loss	8	-	-	-	(58 649)	(58 649)
		-	-	-	(58 549)	(58 549)
Total Equity		-	-	-	(58 549)	(58 549)
Liabilities						
Non-Current Liabilities						
Deferred tax	4	-	-	-	51 706	51 706
Current Liabilities						
Loans from group companies	3	-	1 725 348	-	-	1 725 348
Trade and other payables	9	-	233 405	467 324	-	700 729
		-	1 958 753	467 324	-	2 426 077
Total Liabilities		-	1 958 753	467 324	51 706	2 477 783
Total Equity and Liabilities		-	1 958 753	467 324	(6 843)	2 419 234

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Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

25. 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 - 2018						
Assets						
Non-Current Assets						
Property, plant and equipment	2	-	-	-	135 184	135 184
Deferred tax	4	-	-	-	253 304	253 304
		-	-	-	388 488	388 488
Current Assets						
Inventories	6	-	-	-	63 051	63 051
Trade and other receivables	5	745 062	-	-	-	745 062
Cash and cash equivalents	7	282 022	-	-	-	282 022
		1 027 084	-	-	63 051	1 090 135
Total Assets		1 027 084	-	-	451 539	1 478 623
Equity and Liabilities						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	8	-	-	-	100	100
Accumulated loss	8	-	-	-	(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	9	-	212 923	221 161	-	434 084
		-	1 938 271	221 161	-	2 159 432
Total Liabilities		-	1 938 271	221 161	-	2 159 432
Total Equity and Liabilities		-	1 938 271	221 161	(717 449)	1 441 983

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Financial Statements for the year ended 31 March 2019

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2019	2018
Revenue			
Rendering of services		3 326 216	2 549 306
Sale of goods		1 435 551	1 239 109
	10	<u>4 761 767</u>	<u>3 788 415</u>
Cost of sales			
Opening stock		(63 051)	(64 245)
Purchases		(925 836)	(810 455)
Closing stock		93 682	63 051
	11	<u>(895 205)</u>	<u>(811 649)</u>
Gross profit		3 866 562	2 976 766
Other income			
Interest received	16	-	79
Recoveries		-	92 558
		<u>-</u>	<u>92 637</u>
Expenses (Refer to page 26)		(2 795 544)	(2 203 452)
Operating profit	13	1 071 018	865 951
Finance costs	17	(26 968)	(12 886)
		<u>1 044 050</u>	<u>853 065</u>
Profit before taxation		1 044 050	853 065
Taxation	18	(385 150)	216 664
		<u>658 900</u>	<u>1 069 729</u>

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Financial Statements for the year ended 31 March 2019

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2019	2018
Operating expenses			
Accounting fees		2 275	-
Advertising		18 283	6 931
Auditors' remuneration	19	42 688	66 525
Bank charges		48 447	45 324
Cleaning and housekeeping		108 312	57 108
Depreciation, amortisation and impairments	15	(15 354)	42 961
Employee costs	14	1 590 728	1 134 131
Entertainment		5 245	4 580
Fines and penalties		114 602	41 525
Gas		10 198	8 737
General expenses		11 869	56 683
Lease rentals on operating lease		144 000	144 000
Levies		66 379	51 291
Motor vehicle expenses and delivery charges		53 434	58 252
Municipal expenses		395 211	379 830
Printing and stationery		8 428	12 911
Repairs and maintenance		13 423	5 189
Royalties and license fees		7 541	7 783
Staff uniforms		4 943	-
Subscriptions		68 607	48 839
Telephone and fax		21 961	22 989
Training		74 324	7 863
		2 795 544	2 203 452

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Tax Computation

	N\$
Net income per income statement	1 044 050
Non-deductible/Non-taxable items	
Non-deductible VAT inputs in cost of sales	18 027
Non-deductible interest on the late payment of VAT	26 942
Non-deductible fines on the late payment of VAT	114 573
	<u>159 542</u>
Temporary differences	
Depreciation charge for accounting purposes	5 237
Wear and tear allowances for income tax purposes	(67 422)
Provision for doubtful debts - prior year	(40 730)
Provision for doubtful debts - current year	20 139
25% allowance on provision for doubtful debts - prior year	10 183
25% allowance on provision for doubtful debts - current year	(5 035)
	<u>(77 628)</u>
Taxable income for 2019	1 125 964
Assessed loss brought forward	(761 027)
Taxable income	<u>364 937</u>
Tax thereon @ 32%	116 780
Tax liability	
	N\$
Tax owing/(prepaid) for the current year	
Normal tax	
Per calculation	116 780
1st provisional payment	(31 840)
2nd provisional payment	(95 392)
	<u>(10 452)</u>
Amount owing/(prepaid) at the end of year	<u>(10 452)</u>



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