nictus HOLDINGS LIMITED

Integrated Annual Report 2018

Philosophy

Nictus has been very successful in change initiatives. The challenge remains to reach a top level of **EXCELLENCE** throughout the organisation.

The philosophy and core focus will be to drive **EXCELLENCE** in every aspect of the organisation and through this establish Nictus as a leading entity.

VISION

Nictus is an independent diversified investment holding group that creates above average value for shareholders and other stakeholders through sustainable growth.

MISSION

With a culture of excellence and through a visionary and dynamic leadership we will achieve our vision through:

- Protecting our independence
- Expanding our business base throughout Namibia
- Growing a satisfied customer base
- Optimising all resources
- Being innovative and technology driven
- Being the preferred employer

CORE VALUES

- Teamwork
- Respect
- Adaptability
- Integrity
- Transparency
- Fanatic discipline
- Individual & collective ownership

Code of Conduct

I will,

- Treat others as I want to be treated by them, the golden rule.
- Always strive to do what is best for my Group, my country and my planet.
- Abide by the values, policies and procedures of the Group, the laws of my country and the universal human principles of all that is good and just.
- Be honest, reliable, fair, and open in everything I say, write and do and accept responsibility for the consequences.
- Protect the Group's assets, information and reputation.
- Value and respect the diversity of beliefs, cultures, convictions and habits of the people of our Group and the countries in which we operate.
- Disclose to the Group any real or perceived situations where my private interests or the interests of the members of my immediate or extended family or other persons close to me that may interfere with the interests of the Group.
- Not give or receive gifts or benefits in contravention of the policies of the Group and no gift, irrespective of the value, should influence me to change my business decision to the detriment of the Nictus Group.
- Seek new, better and more innovative ways to do my work and perform to the utmost of my abilities.
- Not remain silent in the face of dishonesty, malice, disrespect, intolerance or injustice.

Contents

EXCEPTIONAL WEALTH CREATOR

Highlights

- Group revenue decreased by 14% to N$ 832 million (2017: N$ 972 million)
- Group total assets increased by 5% to N$ 1,73 billion (2017: N$ 1,65 billion)
- Net worth per share increased to N$ 3.11 (2017: N$ 3.09)
- Dividend of 12 cents per share declared

Group Profile

The Nictus Group of Companies was founded in 1945 and was listed on the JSE in 1969. The company's main business operations were based in South West Africa. The main reason for the listing was to build equity to expand its operations into Southern Africa.

During 2012 Nictus Holdings Limited (better known today as Nictus Namibia) was unbundled from the JSE listed company, and on 21 September 2012 was primary listed on the Namibian Stock Exchange (NSX).

Nictus Namibia is the holding company of a group of companies, which retail motor vehicles, tyres, furniture and provides financial and insurance services in Namibia.

The group operates in three segments, namely retail, properties as well as insurance and finance.

TrenTyre at your service

TrenTyre Namibia is one of the largest tyre service providers in Namibia. It sells new multi-brand tyres, retreaded tyres, wheels and allied services to cater for its customer needs in various sectors of the Namibian economy.

nictus Quality • Value • Variety • Service

Nictus Furnishers has become a household name in the furniture business in Namibia.

AUAS MOTORS

The car people with the 6th sense

Auas Motors operates the Isuzu and Opel franchise throughout the whole of Namibia and also offers a wide selection of quality used vehicles. Auas is also the service agent for Chevrolet in Namibia.

The property segment consists of investment property companies located geographically all over the country since the group follows a strategy of doing business in our "own houses".

Hakos Capital *where people matter*

Hakos Capital and Finance provide financial assistance for the purchase of vehicles, tyres and accessories to all Auas Motors and Trentyre clients.

Corporate Guarantee

UNIQUELY ENABLING YOU TO DISSOLVE RISK

Corporate Guarantee is a specialist insurer; providing innovative risk management solutions as an alternative to conventional insurance.

Operations Footprint

	RETAIL			INSURANCE & FINANCE		PROPERTIES
Namibian Location	Nictus Furnishers	Auas Motors	Trentyre	Corporate Guarantee	Hakos Capital	
Oshakati			✓			
Ongwediva	✓	✓				✓
Ondangwa			✓			
Rundu			✓			✓
Tsumeb	✓	✓	✓	✓		✓
Otjiwarongo		✓	✓			
Swakopmund	✓	✓	✓	✓		✓
Walvis Bay	✓	✓	✓			✓
Windhoek	✓	✓	✓	✓	✓	✓
Gobabis		✓	✓			✓
Mariental		✓	✓			
Lüderitz			✓			
Keetmanshoop			✓			
Rosh Pinah			✓			

Group Structure

PROPERTY SEGMENT

- Acacia Properties
- Bel Development
- Bonsai Investments Nineteen
- Grenada Investments Two
- Hochland 7191
- Isuzu Truck (Namibia)
- Marulaboom Properties
- Mopanie Tree Properties
- Nictus Eiendomme
- Rubber Tree Properties
- Werda Weskusontwikkeling
- Willow Properties
- Yellow Wood Properties

RETAIL SEGMENT

- Auas Motors
- Nictus Furnishers
- Khomas Car Rental and Leasing
- NHL Tyre & Tire

INSURANCE & FINANCE SEGMENT

- Corporate Guarantee & Insurance Company of Namibia Limited
- Futeni Collections
- Karas Securities
- Hakos Capital & Finance

All the companies are registered as private companies, except Corporate Guarantee & Insurance Company of Namibia and Nictus Holdings.

Group Five Year Review

Figures in Namibia Dollar thousand	2018	2017	2016	2015	2014
Statements of Financial Position					
Assets					
Non-current assets	929,524	781,940	545,606	561,649	451,404
Current assets	803,834	869,419	1,068,481	804,180	732,808
Total assets	**1,733,358**	**1,651,359**	**1,617,077**	**1,365,829**	**1,184,212**
Liabilities					
Non-current liabilities	152,430	159,973	130,592	45,646	44,273
Current liabilities *	1,414,884	1,326,041	1,329,388	1,186,498	1,032,861
Total liabilities	**1,567,314**	**1,486,014**	**1,461,615**	**1,232,144**	**1,077,134**
Equity					
Stated Capital	129	129	129	129	129
Total non-distributable reserves	74,399	74,318	74,318	74,817	68,989
Retained income	91,516	90,898	81,015	58,739	37,960
Total equity	**166,044**	**165,345**	**155,462**	**133,685**	**107,078**
Total equity and liabilities	**1,733,358**	**1,651,359**	**1,617,077**	**1,365,829**	**1,184,212**

Statements of Profit or Loss and Other Comprehensive Income

Revenue	831,921	972,001	930,615	1,041,436	725,276
Cost of sales	(621,141)	(745,746)	(725,855)	(847,252)	(591,441)
Gross profit	**210,780**	**226,255**	**204,760**	**194,184**	**133,835**
Other income	48,181	51,590	44,533	44,582	37,963
Other operating gains (losses)	(1,933)	-	-	-	-
Other operating expenses	(240,251)	(246,160)	(217,877)	(199,005)	(140,694)
Operating profit / (loss)	**16,777**	**31,685**	**31,416**	**39,761**	**31,104**
Investment Income	2,538	6,471	4,359	2,592	6,380
Finance costs	(20,268)	(16,370)	(8,638)	(8,731)	(7,852)
Profit / (loss) before taxation	**(953)**	**21,786**	**30,451**	**33,622**	**29,632**
Taxation	6,551	(2,283)	(2,446)	(4,865)	(5,083)
Profit for the year	**5,598**	**19,503**	**28,005**	**28,757**	**24,549**

** Included in current liabilities is the insurance contract liability (refer Note 19). Premiums received under this liability are invested in terms of the insurance act enacted in Namibia with the result that certain investments are of a long term nature.*

Group Five Year Review (continued)

	2018	2017	2016	2015	2014
Per share data (cents)					
Earnings per share	10,47	36,49	52,40	53,81	45,93
Headline earnings per share	13,57	29,98	49,90	52,66	6,85
Dividend per share	12,00	18,00	18,00	15,00	-
Net worth per share	310,69	309,38	290,89	250,14	200,36
Liquidity ratios					
Current ratio	0,57	0,66	0,80	0,67	0,71
Liability ratio	8,24	7,58	7,94	8,88	8,68
Borrowing ratio	0,80	0,87	0,85	0,55	0,88
Dividend cover (times)	1,13	1,67	2,77	3,51	-
Profitability and asset management					
Net operating profit to turnover (%)	2,32	3,93	4,20	4,04	5,17
Return on shareholders' equity (%)	3,37	11,80	18,01	21,51	22,93
Return on assets managed (%)	4,85	9,60	12,18	18,17	18,36
Net asset turn (times)	2,09	2,45	2,90	4,47	3,55
Debt leverage					
Interest cover	0,95	2,33	4,53	4,97	477,00
Namibian Stock Exchange performance					
Market price High (cents)	200	220	240	240	240
Market price Low (cents)	50	200	210	240	240
Market price at year end (cents)	180	200	210	240	240
Price earnings ratio	13,26	6,67	4,21	4,56	35,04
Earnings yield (%)	7,54	14,99	23,76	21,94	2,85
Market capitalisation (N$ '000)	96,198	106,887	112,231	128,264	128,264
Volume of shares traded ('000 shares)	982	262	2,472	2,500	2

Definitions of Ratios & Terms

1 EARNINGS PER SHARE
Profit or loss for the year after adjusting for outside shareholders' interest, divided by the weighted average number of shares in issue during the year.

2 WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE DURING THE YEAR
The number of shares determined by relating the number of days within the year that a particular number of shares have been entitled to share in earnings to the total number of days in the year.

3 HEADLINE EARNINGS PER SHARE
Headline earnings divided by the weighted average number of shares in issue during the year.

4 DIVIDENDS PER SHARE
Dividends for the year divided by the number of shares in issue at the date of each dividend declaration.

5 NET WORTH PER SHARE
Equity attributable to equity holders of the parent divided by the number of ordinary shares in issue at year-end.

6 CURRENT RATIO
Current asset to current liabilities.

7 LIABILITY RATIO
The sum of non-current interest-bearing borrowings and current liabilities to total equity and deferred taxation.

8 BORROWINGS RATIO
The sum of current and non-current interest-bearing borrowings to the sum of total equity and deferred taxation.

9 DIVIDEND COVER
Headline earnings divided by ordinary dividends paid in the current year.

10 OPERATING PROFIT TO TURNOVER
Operating profit before financing costs divided by revenue.

11 RETURN ON SHAREHOLDERS' EQUITY
Profit or loss attributable to the equity holders of the parent for the year expressed as a percentage of equity attributable to the equity holders of the parent.

12 RETURN ON ASSETS MANAGED
Operating profit before financing costs expressed as a percentage of average net assets.

13 AVERAGE NET ASSETS
The sum of net assets at the end of the current year and the previous year, divided by two.

14 NET ASSETS
Total assets less non-interest bearing debt and insurance contract liabilities also equivalent to total equity and liabilities plus current interest bearing liabilities.

15 NET ASSET TURN
Revenue divided by average net assets.

16 INTEREST COVER
Operating profit or loss before financing costs divided by financing costs.

17 PRICE EARNINGS RATIO
Market price at year end to headline earnings per share.

18 EARNINGS YIELD (%)
Headline earnings per share to market price at year end.

Board of Directors

Succession planning remains at the pinnacle of the Board's priority list. Talent pools are developed on an ongoing basis to stimulate our philosophy of promotion from within.

PJ de W Tromp

- B.Econ, EDP: USB, SMP: USB
- **Years of Service:** 15 years
- Group Managing Director
- **Member:** Investment Committee
- **Chairman:** Executive Committee

Gerard Swart

- CA (NAM), CA (SA)
- **Years of Service:** 2 years
- Independent Non-Executive Chairman

NC Tromp

- B.Com
- **Years of Service:** 44 years
- Non-Executive & Strategic Director
- **Chairman:** Investment Committee

JD Mandy

- CA (NAM), FCIS
- **Years of Service:** 2 years
- Independent Non-Executive Director
- **Chairman:** Audit Committee

FR van Staden

- CA (NAM), CA (SA)
- **Years of Service:** 24 years
- Executive Director
- **Managing Director:**
  Property Companies
  NHL Tyre & Tire
- **Chairman:** Risk Committee
- **Member:** Audit Committee
  Executive Committee

WO Fourie

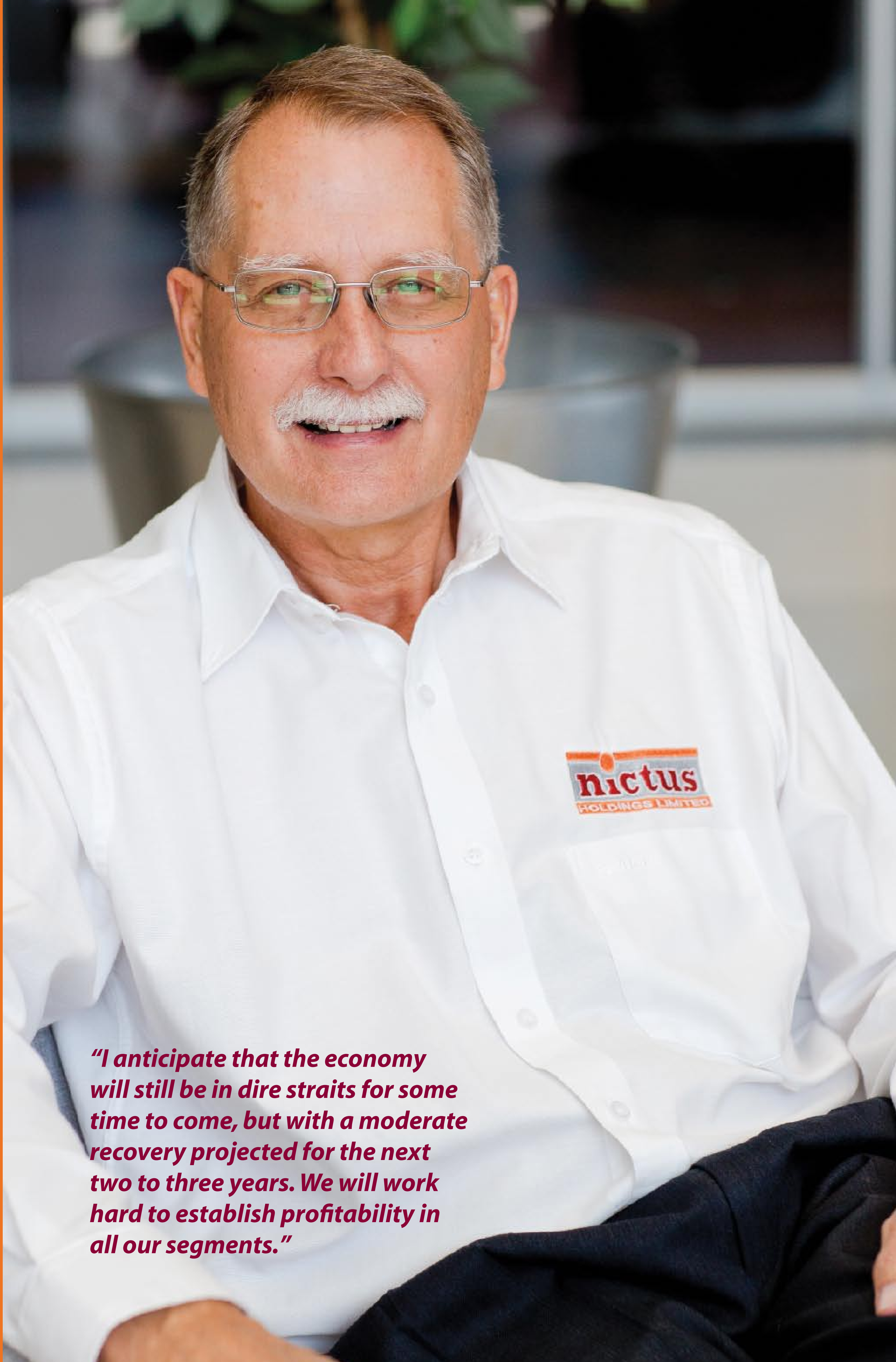
- CA (NAM), CA (SA)
- **Years of Service:** 11 years
- Executive Director
- **Managing Director:** Corporate Guarantee & Insurance Company
- **Member:** Investment Committee
  Risk Committee
  Executive Committee

JJ Retief

- B.Compt
- **Years of Service:** 22 years
- Executive Director
- **Managing Director:** Nictus Furnishers
- **Member:** Risk Committee
  Executive Committee

GR de V Tromp

- CA (NAM), CA (SA)
- **Years of Service:** 3 years
- Non-Executive Director
- **Member:** Audit Committee



"I anticipate that the economy will still be in dire straits for some time to come, but with a moderate recovery projected for the next two to three years. We will work hard to establish profitability in all our segments."

Chairman's Report

The 2018 financial year was earmarked by a virtual stagnation in the economy mainly due to the moratorium on government spending. Many a project came to a complete standstill as there was almost no cash flow. The influence of this could be felt throughout the economy. The retail spending in the Namibian market consequently declined significantly. Other stalling factors were the negative perceptions about NEEEF as well as reduced spending on residential properties due to more stringent lending regulations. The whole debacle around the Steinhoff saga also impacted on the markets of the entire region.

The Nictus Group of Companies also did not escape these declining conditions unscathed.

SEGMENTS

The segment which performed best again was the insurance and finance segment. It was the major positive contributor to the overall profit of the group. Although this industry also suffered due to the waning economy we are optimistic that the insurance segment will continue to be a major profit contributor to the group's results.

In the retail segment we saw declines on all fronts. The motor industry's sales continued to decrease further and as predicted in last year's report, the full brunt of the consequence of the withdrawal of General Motors South Africa was experienced by us. We managed to stabilise the motor subsidiary with rigorous actions and are now well on the way to being profitable once more. The tyre subsidiary showed good results and contributed positively to the groups results. The furniture subsidiary was hardest hit by the negative economic environment and the downward spiral of disposable income of consumers. However, with our growth strategy in place in the furniture subsidiary, we anticipate positive results for the future.

The property segment also suffers from the same fate of diminishing revenue as the other segments, mainly because the majority of our properties are occupied by group companies, but we do have strategies in place to reduce this impact on our group results.

ECONOMIC OUTLOOK

I anticipate that the economy will still be in dire straits for some time to come, but with a moderate recovery projected for the next two to three years. We will work hard to establish profitability in all our segments and I foresee that these strategies will gradually show profits again - despite the difficult circumstances under which we are operating at present.

I would like to thank all involved in the group for their loyalty, dedication and support. Lastly, all glory to God, the Almighty, for guiding us and protecting us during the year.

Gerard Swart

Chairman of Nictus Holdings Limited

"I am confident that the necessary re-alignment put in place throughout the group will enable us to grow our profitability. Our strategies are in line with being an "Exceptional Wealth Creator"."

Managing Director's Report

Dear Stakeholders,

During the 2018 financial year the Nictus Holdings group had its own unique challenges that had to be converted into opportunities. We, as a group were not excluded from the effect of the economic meltdown that was felt in all of the sectors of the economy we are dealing in. The secret to survival is to be able to adapt and this was no easy task. The current economic situation in the country is, in my opinion, the "new normal" and the sooner we adapt and enforce change, the sooner we will see the situation improving. Although it was with much effort, we are thankful that we could maintain profitability within the current circumstances.

RETAIL SEGMENT

The retail segment was hardest hit and we had to make some major adjustments and realignments to ensure sustainability.

Driving our long-term growth strategy in Nictus furnishers still remains a priority, more so in the current circumstances. Attaining our ideal market share was systematically accomplished. A strategy which we will continue to employ in the coming years, with a major focus on economies of scale, will enable us to maintain our current structure and footprint.

We achieved a major turnaround in Trentyre compared to the previous financial year. Aligning our structure and optimizing our resources were some of the main contributors. The renewed focus on the core business of selling tyres, was attained and the management team put in a gigantic effort to effect this turnaround in such a short period.

The motor subsidiary, Auas Motors, subsequent to the withdrawal of General Motors (GM) during the current financial year could only absorb the full impact toward the last quarter of the financial year. The impact was significant, along with new imposed regulations that were enforced on the motor industry. We imposed drastic structural changes and realignments. However, this compelled us to revisit our strategy in the Namibian motor industry and we repositioned ourselves with a new set of objectives. We are confident that our current brands, Isuzu and Opel, are the partners which will be a force to be reckoned with. With Opel vehicles being assembled in Walvis Bay during the second half of the year, we are optimistic that this will indeed bring a new dimension to Auas Motors and will play a major role in propelling us to a new level of excellence.

INSURANCE AND FINANCE SEGMENT

Hakos Capital and Finance's performance was aligned with those of Auas Motors because of our strategy within the company. With vehicle sales reaching the levels of 2010/2011, this had an impact on the performance. With the extended period allowed for financing, we anticipated the long-term effect of the economic downturn and reacted in advance, and the real results will only be seen in about 18 months' time. Arrears are also seen to be increasing and this trend will be closely monitored and managed.

The insurance company performed above expectations compared to the retail segment. Share investments were very volatile and margins came under pressure due to various factors. This however, restated the relevance of our insurance products, especially with the economic meltdown, and we are satisfied with the results achieved under the current circumstances.

PROPERTY SEGMENT

The property companies performed on par during the year under review. With an imminent increased vacancy factor in the coming year, we will continue to optimize and reconstruct our premises and grow our portfolio within our set of guidelines.

EXPECTATIONS

I am confident that the necessary re-alignment put in place throughout the group will enable us to grow our profitability. Our strategies are in line with being an "Exceptional Wealth Creator" and will drive towards sustainable profitability in the coming year. I believe that we are at the bottom of the current cycle and that the group has achieved a major turnaround. The cash flow and profit forecasts look favourable and with reserves collected during the prosperous years, we decided to maintain the dividend of the previous year of 12 cents to show our commitment and confidence in our products and services while developing a sustainable dividend policy for the future. There are expected changes in regulatory requirements that could impact the group in the coming year.

All grace, glory and praise to our Heavenly Father that guided and braced us during this period. We remain dependent on His grace for the future.

Regards,

Philippus Tromp
Managing Director, Nictus Holdings Limited

Corporate Governance Report

The Board is committed to the highest standards of corporate governance as well as the integrity of the Group's integrated report. We accept the challenge to seek excellence and create a culture of performance in the establishment of structures and processes to discharge our responsibilities. We oversee compliance by constantly comparing ourselves against international best practices throughout the Group.

The Group endorses The NamCode, The Corporate Governance Code for Namibia as required by the NSX, which the board believes it has essentially achieved throughout the financial year. We account therefore in accordance with the International Financial Reporting Standards (IFRS) and do so in the format of integrated reporting, whilst an absolute compliance to the Companies Act of Namibia and the Namibian Stock Exchange (NSX) Listing Requirements is enshrined in our business moral.

We further acknowledge our responsibility, resulting from our fiduciary duties and duties of care, skill and diligence, to ensure that business within the Group is conducted with transparency, prudence, justice, accountability and integrity.

BOARD OF DIRECTORS

The Board has adopted the ideal future, mission and core values of the Nictus Group ("Nictus") and sets an example by actively pursuing to act within the ambit of its code of conduct. The ethical approach is further established with the appointment of its experienced executives, pursuing to achieve sustainable economic, social and environmental performance in a corporate responsible manner. The Board, with the assistance of management, requires all employees to sign the code of conduct as undertaking to conform thereto. This creates an awareness of Nictus' moral and ethical compliance requirements amongst employees, and cultivates a culture of performance and ethical conduct. The Board believes that a strong ethical culture is key in building strong and lasting stakeholder relationships and an internal talent pool to ensure growth and sustainability through appropriate succession planning.

With the assistance of the Company Secretary, an outsourced function to Veritas Board of Executors (Pty) Ltd, the Board gathers its own insights into the corporate governance of the Group and utilises these insights, together with reports received, to ultimately and effectively take responsibility for the corporate governance of the Group.

Strategy, risk, performance and sustainability, based on an ethical foundation, are all key matters in the integrated business plan of Nictus. These factors are examined in detail to determine their individual and combined effects on the business and drive a strategy that will create exceptional value for shareholders and other stakeholders alike.

Directors are required to act in the best interest of the Company and Group at all times.

Solvency and liquidity are monitored on a daily basis and the going concern and solvency analysis of Nictus is executed by the Audit Committee in terms of the Companies Act. Business rescue or turnaround mechanisms would be considered by the Board should the Company or any of its subsidiaries become financially distressed.

The Chairman of the Board is an Independent Non-executive Director. The Managing Director's mandate is detailed in the business plan, wherein the framework for the delegation of authority is contained. The Board boasts a spread of skills and a wealth of experience. The Board consists of equal amount of executive and non-executive directors; of which 50% of non-executives are independent. The Board is committed to facilitate a balance of authority and power and believes that, in terms of expertise and experience, an effective composition is achieved. Board decisions are rigorously deliberated and based on the consensus principle.

The appointment of directors is a formal process which is overseen by the Audit Committee. The induction process is managed by the Chairman and Managing Director with the guidance of the Company Secretary. Directors are exposed to various development programs. Nictus is committed to the appointment of suitably skilled and experienced Directors. Board members are expected to stay abreast with economic, social, statutory and environmental trends and changes within, and outside of the Group to ensure appropriate and timely response to, and compliance with an ever-changing environment.

Internal evaluations of the Board, its Committees and individual Directors are conducted annually and consideration is given to outsource such evaluations as and when the Board deems necessary.

The Board is assisted in fulfilling its duties by well-structured Board Committees and a competent, suitably qualified and experienced Company Secretary. A governance framework exists between the Holding Company and its subsidiary Boards, whilst it has a healthy representation on all subsidiary Boards. Board Committees, appropriately constituted, comprise members of the Board and their authority, objectives and functions are governed by clearly defined terms of reference, mandates and charters, subject to annual revision. Board Committees report directly to the Board.

Directors and Executives are remunerated in accordance with the approved remuneration policy. Remuneration is based on a fair and responsible combination of factors, including performance, market research and incentives to ensure long-term value for the Group. Nictus' remuneration policy is contained in the integrated report and tabled for shareholders' approval at the Annual General Meeting.

The composition of the Board, its Committees and attendance at meetings are summarised in the following table:

Name	Status	Board	Audit Committee	Investment Committee	Risk Committee
PJ de W Tromp	Group Managing Director	5/5	2/2[2]	√ 7/7	
WO Fourie	Executive	5/5		√ 7/7	√ 2/2
NC Tromp	Non-executive	5/5		C √ 7/7	
FR van Staden	Executive	4/5	√ 2/2	1/7[2]	C √ 2/2
JJ Retief	Executive	5/5		1/7[2]	√ 2/2
GR de V Tromp	Non-executive	5/5	√ 2/2		
Gerard Swart[1]	Independent Non-executive Chairman	5/5			
JD Mandy	Independent Non-executive	5/5	C √ 2/2		

"√" indicates Board Committee membership, "C" indicates Board Committee Chairman. The figures in each column indicate the number of meetings attended out of the maximum number of meetings held.

[1] Appointed as Independent Non-Executive Chairman 4 April 2017.
[2] Attended meeting/s by invitation.

AUDIT COMMITTEE

Nictus has an effective Audit Committee which meets at least bi-annually to fulfil its duties. The performance of the Audit Committee is periodically assessed and reviewed by the Board. The Committee is chaired by a suitably skilled and experienced Independent Non-executive Director and further consists of a suitably skilled and experienced Non-Executive and Executive Director. The external and internal auditors attend the meetings by invitation.

The Audit Committee assists the Board to fulfil its oversight and reporting responsibilities and provides oversight of the integrated reporting activities to ensure the balance, transparency and integrity of the report. Nictus has developed a combined assurance model which provides a coordinated approach to assurance activities in respect of key risks facing Nictus, with oversight by the Audit Committee. A review of the finance function is conducted by the Audit Committee annually in terms of resources, expertise and experience. The Audit Committee reviews the system of internal control and maintains effective working relationships with the Board, management, internal- and external audit.

The Audit Committee is responsible for the appointment, performance assessment and dismissal of the internal auditor, who has an open line of communication with, and unrestricted access to the Committee. Internal audits' coverage plan is risk-based and is approved by the Audit Committee annually. The internal audit function forms an important part of the risk management process and is considered in the process of compilation of the risk report which is presented to the Board for further evaluation.

The Audit Committee oversees the external audit activities, including the recommendation of the appointment, the assessment of required qualifications, independence, audit approach and methodology, reporting and performance evaluation of the auditors.

The Audit Committee reports to the Board as well as to the shareholders on how it has discharged its duties.

GOVERNANCE OF RISK

The Risk Committee has the objective to attend to the overview and monitoring of Nictus' risk management processes. The Risk Committee reports to the Board and Audit Committee on work undertaken in establishing and maintaining the understanding of the risks that need to be addressed and the adequacy of actions taken by management to adequately address such risk areas.

The Board considers and determines the levels of risk tolerance as well as risk appetite during its periodic review of the Group's risk profile. This risk profile determines the ambit within which management is allowed to take on risk-inclined projects. The Board has appointed the Risk Committee to assist in carrying out its risk responsibilities by providing oversight of Nictus' risk management activities.

The Board has delegated the responsibility to design, implement and monitor Nictus' risk management plan to the Group risk management team assisted by the Risk Committee.

Management performs risk assessments on a continual basis and provides regular feedback to the Risk Committee and the Board. A wealth of knowledge and experience of members together with Nictus' framework and risk methodology increase the probability of anticipating unpredictable risks.

Nictus' risk methodology includes the consideration and implementation of appropriate risk responses to identified risks, based on the strategic objectives of the Group.

Risk monitoring is achieved at Nictus through a combination of daily and periodic activities undertaken by management at various levels in the organisation, culminating in the activities of the Group risk management team and Risk Committee, which oversee the risk management process of Nictus.

Assurance regarding the effectiveness of the risk management process is provided by both management and internal audit to the Audit Committee and Board.

INFORMATION TECHNOLOGY ("IT") GOVERNANCE

The Board is responsible for IT governance. The Group's IT manager and consultants provide continuous feedback, through the Group Managing Director, to the Audit Committee and Board on IT governance matters. The Board delegated the responsibility for the implementation of an IT governance framework and, after careful monitoring of the effectiveness of this function, decided to dissolve the IT Committee during the year under review. Policies established, implemented and its application are monitored by the Board.

Nictus promotes an ethical IT governance culture and a common IT language. IT is aligned with the performance and sustainability objectives of Nictus from a safeguarding, strategic and business process perspective. There are also processes to identify and exploit opportunities to improve performance and sustainability through the use of IT. All IT matters are referred to the Group's IT manager and consultants who advise on the most appropriate technological solutions for the Group. Decisions are taken by the Board. Post implementation audits are conducted on significant IT projects. The Group Managing Director presents to the Audit Committee and Board regarding the value delivered by IT investment. Risk management teams ensure that IT risk management is aligned with Nictus' risk management process. Feedback on IT risks, business continuity and disaster recovery is provided by the Group's IT manager and consultants, through the Group Managing Director to the Audit Committee and the Board. Management has processes to identify and comply with relevant IT laws and standards.

IT systems and processes have been developed for managing information assets effectively, including personal information. This includes information security, information management and privacy. The information security strategy has been approved by the Board and delegated to management for implementation. The Risk Committee and Audit Committee, which assist the Board in risk management, has oversight of IT risks, IT controls and related combined assurance, including financial reporting matters. Technology is used to continuously improve efficiency.

COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

Nictus has a compliance culture, which supports efforts to identify and comply with applicable laws and regulations. Compliance also forms part of Nictus' code of conduct. The Board, Risk Committee and Audit Committee are made aware of new laws and regulations or changes that effect Nictus by the Company Secretary and NSX sponsors. A compliance function is implemented and the risk of non-compliance forms part of the risk management process. Material aspects of non-compliance would be disclosed in the integrated report if applicable. The Company Secretary acts as legal compliance officer. Legal compliance works closely with ethics and risk management and the head of the legal function is the Company Secretary who attends Board and Audit Committee meetings.

INTERNAL AUDIT

Nictus has an effective risk based internal audit function, with a charter approved by the Board. Internal audit focuses on governance, risk management, the internal control framework, and follows a systematic approach and investigates and reports on fraud, corruption, unethical behaviour and irregularities.

Internal audit is independent and objective and its audit plan is informed by the strategy and risks of Nictus and its subsidiaries. Internal audit provides a written assessment of the effectiveness of Nictus' systems of internal control and risk management, including an assessment of the financial controls, to the Audit Committee and Board. Controls and a framework for governance, risk and compliance, have been established over financial, operational, compliance and sustainability matters. Internal audit is integral to the combined assurance model, both as a coordinator and assurance provider. The Audit Committee oversees the internal audit activity, including review and approval of the internal audit plan, evaluation of internal audit performance and review of reports submitted by internal audit to the Audit Committee. The Audit Committee is responsible for the appointment and dismissal of the internal auditor.

Internal audit is strategically positioned to achieve its objectives, is independent, objective and reports functionally to the Audit Committee and administratively to the Group Managing Director. The internal auditor does not have a standing invitation to all Executive Committee meetings, but is however briefed on strategic and risk related developments by senior executives who do attend, and has access to minutes of meetings. The internal auditor attends Audit Committee meetings by invitation and meets frequently with senior executives. Internal audit is appropriately skilled, experienced and resourced to fulfil its mandate.

GOVERNING STAKEHOLDER RELATIONSHIPS

The integrated report, as well as the Group business plan, reflects the interests of the Groups' stakeholders and key actions to maintain positive perceptions about the Group and its activities. The Board considers on a continuous basis the feedback regarding the perceptions of particular stakeholder groups. The Board has tasked management to manage stakeholder relationships, including identifying important stakeholder groups, and the developing of strategies and policies to manage these relationships effectively. Constructive stakeholder engagement within the Group is facilitated through formal and informal mechanisms and shareholders are encouraged to attend the Company's Annual General Meeting. Nictus strives to achieve an appropriate balance between various stakeholder groups' interests and expectations, in making decisions in the best interest of the Company and ultimately its Shareholders, who are treated equitably. Nictus is committed to transparent and effective communication with all stakeholder groups. Such communication takes place through formal and informal channels and through general as well as direct communication initiatives, including community, Group and individual meetings.

Nictus endeavours to resolve disputes in an effective and efficient manner, through partially formalised processes and management action.

INTEGRATED REPORTING AND DISCLOSURE

The Board, assisted by the Audit Committee and Management, has established appropriate controls and processes to gather, review and report adequate information regarding Nictus' financial- and sustainability performance in the integrated report.

BOARD COMMITTEES

The Board has established committees, which operate within approved mandates or charters, to assist it to fulfil its duties. The Board committees are as follows:

- **Audit Committee**

  The Audit Committee consists of an Independent Non-executive Director, a Non-executive Director and an Executive Director, and discharges its duties as set out in its Charter. The Audit Committee also assumes a nomination function. With the assistance of the Risk Committee, extensive risk identifying procedures are followed to identify, evaluate and manage business risks. The Audit Committee reviews the risk management report which is passed on to the Board for consideration and recommendation. The Committee meets at least bi-annually.

  The external and internal auditors attend the meeting by invitation and have unrestricted access to the Chairman and members of the Audit Committee.

- **Executive Committee**

  The Executive Committee comprises the Group Managing Director, heads of subsidiaries within the Group, the Group IT Manager and Group Chief Financial Officer. The Committee meets as and when required by the Group Managing Director and has its purpose to advise the Group Managing Director in order to strategically engage management and to promote and facilitate high-level, fast decision making.

- **Risk Committee**

  The Risk Committee consists of three Executive Directors, who attend to the overview and monitoring of the Groups' risk management process by reviewing and assessing the effectiveness of risk management and control processes within the Group. The Committee reports its findings to the Board. Extensive risk identifying procedures are followed, with input from all operational subsidiaries, to identify, quantify and manage business-threatening risks. The Risk Committee compiles the risk management report, which is presented to the Audit Committee for evaluation and to determine the adequacy of risk controls.

- **IT Committee**

  The Board decided to dissolve the IT Committee during the year under review.

- **Investment committee**

  The Investment Committee is chaired by a Non-executive Director, and further consists of the Group Managing Director and another Executive Director. The insurance and finance segment is, as a rule, represented on all Investment Committee meetings. The function of the Investment Committee is to evaluate and advise the Board on all Group and subsidiary investments of substantial monetary value or business importance, including involvement in the formulation of investment policies, principles and practices to achieve optimum return on investments.

Remuneration Report

REMUNERATION POLICY

The Group's remuneration policy reflects the recommendations of the NamCode. It aims to attract and retain those people that will support and contribute to achieving the Group's results and performance.

The policy, philosophy and strategy are encapsulated in the following:

Remuneration should:

- contribute towards attracting and retaining motivated and loyal staff;
- reflect a direct correlation with the vision and results of the Group;
- be reviewed and benchmarked annually;
- support the strategy of the Group; and
- reward performance and motivate staff.

STRUCTURE OF EXECUTIVE REMUNERATION

Total cost-to-company forms the basis of the remuneration package for senior management and executive directors. The package consists of a cash component and benefits. Remuneration is linked to challenging long and short term financial and non-financial performance and sustainable profits attributable to shareholders.

- Long-term incentive remuneration is based on retaining employees and meeting performance levels over a rolling three year period;
- Short-term incentive remuneration is based on meeting performance levels during the year in terms of guidelines established by the Board.

The packages are reviewed and benchmarked against independent comparable market data in order to also recognise a differentiation between high, average and under performers.

The total remuneration package evaluation is undertaken annually.

INCENTIVE BONUS PLAN

The executive directors and senior management participate in an incentive bonus plan which is based on the achievement of predetermined targets. These are based on targets set in each specific segment in order to achieve the Groups' targets.

SHARE INCENTIVE SCHEME

Annually the Board considers the granting of options to the executive directors and senior management. Those who qualify participate in the Groups' share option and incentive scheme, which is designed to recognise the contribution of senior staff to the growth in the value of the Groups' equity and to retain key employees. Within the limits imposed by the Company's shareholders, options are allocated to the executive directors and senior staff in proportion to their contribution to the business as reflected by their seniority and the Groups' performance. The options are allocated at a price determined by the directors, in terms of a resolution and the applicable NSX rules.

At 31 March 2018 no share options were outstanding or issued that could be taken up by employees or directors.

VESTING OF THE OPTIONS

The options granted would vest after stipulated periods and are exercisable over a five-year period in terms of the trust deed.

RETIREMENT BENEFITS

A total cost-to-company approach to remuneration packages is followed and no retirement benefits are offered by the Group. Employees are encouraged to make provision for retirement and assistance is offered where the need arises.

EXECUTIVE SERVICE CONTRACTS

Executive directors have consultation agreements with current notice periods of 90 days. The current retirement age is set at 60 years. No contractual entitlements on termination of employment exist but compliance to the relevant labour acts is ensured.

SUCCESSION PLANNING

The executive committee continuously review the position throughout the Group and is informed of senior level requirements. The objective is to ensure continuity is provided, to develop a pool of individuals with potential and to cater for development and future placement.

BOARD EVALUATION PROCESS

A participative internal evaluation of the Boards' performance and the structural environment is undertaken annually.

Overall, the Board was considered to be balanced and effective. In spite of continuous progress made during the year under review, there will always remain areas for improvement.

NON-EXECUTIVE DIRECTORS

Non-executive directors are expected to perform the tasks and duties normally associated with the position of a non-executive director as defined in the Companies Act, the NamCode and articles of association of the company. The Board and each committee has a charter which sets out the responsibilities of the board and the respective sub-committees.

Non-executive directors are expected to provide leadership, expertise and knowledge on strategy and business and contribute to the planning of the Group.

Non-executive directors are compensated based on their contribution to the Group and are remunerated for their services on the basis of attendance at Board- and Board committee meetings.

Annual fees payable to independent non-executive directors for the period ended 31 March 2019 are to be approved by the shareholders on 30 August 2018. Fees for the period commencing 1 April 2018 were recommended after having been considered by the Board.

The detailed remuneration paid to directors is set out in Note 32 of the annual report.

Group Value Added Statement

Figures in Namibia Dollar thousand	2018	2017

The value added statement shows the total wealth created, how it was distributed to meet certain obligations and reward those responsible for its creation, and the portion retained for the continued operation and expansion of the Group.

VALUE ADDED

Value added by operating activities

Revenue	831,921	972,001
Cost of materials and services	(757,751)	(893,548)
Other income	19,123	18,706
Investment income from operations	29,058	32,884
	122,351	**130,043**

VALUE DISTRIBUTED

To Pay Employees

Salaries, wages, medical and other benefits	98,979	92,988

To Pay Providers of Capital

Finance costs	20,268	16,370

To be retained in the business for expansion and future wealth creation:

Value reinvested

Depreciation, amortisation and impairments	4,057	3,465
Deferred tax	(6,551)	(2,283)
	(2,494)	**1,182**

Value retained

Retained profit	5,598	19,503

Total Value Distributed	**122,351**	**130,043**

Value added represents the additional wealth which the Group has been able to create by its own and employees efforts.

Direct and indirect taxes

Value added tax (net payment)	8,286	15,786
Import VAT paid	56,736	104,076
Pay As You Earn	16,043	15,133
	81,065	134,995

Financial Contents

The Reports and Statements set out below comprise the Annual Financial Statements presented to the Shareholders.

Annual Financial Statements

TAKING ACTION WITH A STRATEGIC FOCUS

Directors' Responsibilities & Approval

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group as at the end of the financial year ended 31 March 2018 and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards 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 Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the Group 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 Group has or has access to adequate resources to continue in operational existence for the foreseeable future. The directors have made an assessment of the Group's and Company's ability to continue as a going concern and there is no reason to believe that the businesses will not be going concerns in the year ahead.

The external auditors are responsible for independently auditing and reporting the annual financial statements are fairly presented within the applicable financial reporting framework. The annual financial statements have been examined by the Group's external auditors and their report is presented on page 22 to 24.

The annual financial statements set out on pages 25 to 77, which have been prepared on the going concern basis, were approved by the board on 07 June 2018 and were signed on its behalf by:

PJ de W Tromp
Managing Director

JD Mandy
Chairman: Audit Committee

Independent Auditor's Report

SGA
Chartered Accountants & Auditors

TO THE SHAREHOLDERS OF NICTUS HOLDINGS LTD

OPINION

We have audited the annual financial statements of Nictus Holdings Ltd and its subsidiaries set out on pages 25 to 77, which comprise the directors' report, the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Nictus Holdings Ltd and its subsidiaries as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

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 annual 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, which required significant auditor attention in performing the audit of the consolidated or separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon.

Key Audit Matter	How the matter was addressed in the audit
Recognition of Revenue, completeness and accuracy Insurance revenues, which are recognized in the financial statements of the subsidiary and the consolidated financial statements, are material and comprise of net premiums received. Due to the complexity of the composition of insurance revenue, it was considered a key audit matter.	During the audit we satisfactorily determined the accuracy, completeness and occurrence of revenue through significant substantive testing.
Insurance contract provisions Insurance contract provisions are some of the contra entries to the revenue receivable and are also considered a key audit matter.	The accuracy and completeness of insurance contract provisions was satisfactorily tested through significant substantive testing.
Valuation of properties Properties comprise a significant portion of the value of the assets of the group. The properties are classified as investment property in the individual company financial statements and mainly as owner-occupied in the consolidated financial statements. The directors annually perform a valuation of the properties according to a valuation model where the following is considered: • Valuations from external qualified valuator; • Going concern; • Growth anticipation; The Directors' calculation of the value of each property is determined as a combination of the replacement value and capitalization income value.	The accuracy of the valuation of the properties was satisfactorily tested through significant substantive testing.

Annual Financial Statements

Independent Auditor's Report (continued)

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Value Added Statement and Five Year Financial Review as set out on pages 19 and 4 to 5 which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 ANNUAL FINANCIAL STATEMENTS

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

In preparing the annual 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 ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the annual 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 director.

- Conclude on the appropriateness of the director's 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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and the business activities within the company to express an opinion on the annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, 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.

SGA
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: R Cloete
Partner

Windhoek, Namibia
08 June 2018

Directors' Report

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year.

The Group recorded a net profit after tax for the year ended 31 March 2018 of N$ 5,6 million (2017: N$ 19,5 million). This represented a decrease of 71% from the net profit after tax of the prior year.

The Company recorded a net profit after tax for the year ended 31 March 2018 of N$ 54,5 million (2017: N$ 59,9 million) - which include dividends from subsidiaries of N$ 61,8 million (2017: N$ 53,3 million).

Group revenue for the year ended 31 March 2018 decreased by 14% to N$ 832 million from N$ 972 million in 2017.

The Company recorded revenue for the year of N$ 91,7 million (2017: N$ 89,4 million). This represents a increase of 2,6%.

The Group's assets increased by 5% from N$ 1,65 billion the prior year to N$ 1,73 billion at 31 March 2018.

The Company's assets increased by 20,6% from N$ 259,6 million the prior year to N$ 313,2 million at 31 March 2018.

2. INTERESTS IN SUBSIDIARIES

Details of material interests in subsidiary companies are presented in the annual financial statements in Note 6.

The interest of the Company in the profits and losses of its subsidiaries for the year ended 31 March 2018 are as follows:

	2018	2017
	N$ '000	**N$ '000**
Subsidiaries Total profits after income tax	10,545	15,027

3. SEGMENTAL ANALYSIS

The detailed segmental analysis is included in Note 37 of the annual financial statements.

4. DIRECTORATE

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

Directors	Citizenship	Date of Appointment
Executive Directors		
PJ De W Tromp (Managing director)	Namibian	1 October 2009
WO Fourie	Namibian	1 July 2010
JJ Retief (resigned 1 June 2018)	Namibian	1 October 2009
FR van Staden	Namibian	1 October 2009
Non-executive directors		
GR de V Tromp	Namibian	1 October 2015
NC Tromp	Namibian	18 May 2012
Independent non-executive directors		
Gerard Swart (Chairman)	Namibian	1 April 2016
JD Mandy	Namibian	1 April 2016

5. DIVIDENDS

Ordinary dividends of 12 cents per share (N$ 6,4 million) was declared and paid by the Company on 17 July 2017.

Final dividend of 12 cents per share (N$ 6,4 million) was approved by the Board on 7 June 2018, in respect of the year ended 31 March 2018. The dividend will be declared out of retained earnings on 28 June 2018. The dividend has not been provided for and there are no accounting implications for the current financial year.

Last date to trade ordinary shares "cum" dividend	Friday 13 July 2018
Ordinary shares trade "ex" dividend	Monday 16 July 2018
Report date	Friday 20 July 2018
Payment/issue date	Monday 23 July 2018

Share certificates may not be dematerialised between Monday 16 July and Friday 20 July 2018 both days inclusive.

6. SHAREHOLDING AND MANAGEMENT OF THE GROUP

Public and non-public shareholding	Number of shareholdings	%	Number of shares	%
Non-public shareholders: Directors and associates	12	1.94	34,872,083	65.25
Non-public shareholders: Strategic holdings (more than 5%)	2	0.32	8,025,455	15.02
Public shareholders	605	97.74	10,545,962	19.73
	619	**100**	**53,443,500**	**100**

Distribution of shareholders per category	Number of shareholdings	%	Number of shares	%
Banks, Brokers, Nominees and Trusts	49	7.93	28,025,255	52.44
Close Corporations	3	0.48	86,402	0.16
Individuals	534	86.27	4,189,374	7.84
Insurance companies	2	0.32	491,172	0.92
Other Corporations	7	1.13	230,743	0.43
Private Companies	21	3.39	19,982,739	37.39
Public Companies	3	0.48	437,815	0.82
	619	**100**	**53,443,500**	**100**

Shareholders, other than directors with an interest above 5% of issued share capital	Number of shares	%
Landswyd Beleggings (Pty) Ltd	14,760,267	27.26
Nico Tromp Trust	5,625,000	10.53
Saffier Trust	5,625,000	10.53
MRT Trust	5,200,000	9.73
KCB Trust	2,825,455	5.29

6. SHAREHOLDING AND MANAGEMENT OF THE GROUP (continued)

Directors' interest in share capital	Number of shares	%
Directors' direct interest		
GR de V Tromp	2,531	-
Directors' indirect interest		
WO Fourie	1,655,055	3.10
JJ Retief	1,146,415	2.15
FR van Staden	1,439,427	2.69
NC Tromp, PJ de W Tromp, GR de V Tromp *	30,628,655	57.31
	34,872,083	**65.25**

*Including, but not limited to investments in or via Trusts

The register of interests of directors and others in shares of the company is available to the shareholders on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

Management of the Group

Various agreements have been executed with entities in which Messrs NC Tromp (Tromp Consulting International (Pty) Ltd), FR van Staden (Premier Services (Pty) Ltd), JJ Retief (H&Z Properties (Pty) Ltd), PJ de W Tromp (Nature Unlimited Consultations (Pty) Ltd) and WO Fourie (Haida Investment (Pty) Ltd) have material interest, which supplies managerial services.

7. STATED CAPITAL

There have been no changes to the authorised or issued share capital during the year under review. The unissued ordinary shares remain under the control of the directors with the authority to allot and issue such shares at their sole discretion until the next annual general meeting of the shareholders of Nictus Holdings Limited.

8. 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 other than the declaration of the dividend and the resignation of JJ Retief as director with effect from 1 June 2018.

9. AUDITORS

At the annual general meeting, the shareholders will be requested to reappoint SGA Chartered Accountants and Auditors (Namibia) as the independent external auditors of the company and to confirm Mrs R Cloete as the designated lead audit partner for the 2019 financial year.

10. SECRETARY

The company secretary is Veritas Board of Executors (Pty) Ltd.

Business and Postal address: 1st Floor
Nictus Building
140 Mandume Ndemufayo Avenue, Windhoek
Private Bag 13231
Namibia

Statements of Financial Position

for the year ended 31 March 2018

Figures in Namibia Dollar thousand	Note(s)	Group		Company	
		2018	2017	2018	2017
Assets					
Non-Current Assets					
Property, plant and equipment	3	340,220	350,886	4,570	3,518
Investment property	4	43,350	25,275	9,000	11,700
Intangible assets	5	2,187	850	139	-
Investments in subsidiaries	6	-	-	136,745	131,745
Investments	7	533,873	399,492	5,772	6,670
Deferred tax	8	9,894	5,437	924	-
		929,524	**781,940**	**157,150**	**153,633**
Current Assets					
Inventories	9	127,655	162,469	-	-
Loans to related parties	10	-	-	140,933	100,955
Trade and other receivables	11	259,431	357,432	14,107	4,641
Investments	7	22,513	12,497	-	-
Current tax receivable		20	31	-	-
Cash and cash equivalents	12	394,215	336,990	1,064	405
		803,834	**869,419**	**156,104**	**106,001**
Total Assets		**1,733,358**	**1,651,359**	**313,254**	**259,634**
Equity and Liabilities					
Equity					
Stated Capital	13	129	129	129	129
Total non-distributable reserves	14 & 15	74,399	74,318	-	-
Retained income		91,516	90,898	180,398	131,973
		166,044	**165,345**	**180,527**	**132,102**
Liabilities					
Non-Current Liabilities					
Loans from related parties	10	-	-	-	15,000
Interest bearing loans and borrowings	16	121,966	128,002	-	-
Deferred tax	8	30,464	31,971	-	610
		152,430	**159,973**	**-**	**15,610**
Current Liabilities					
Trade and other payables	17	69,553	80,707	5,825	4,767
Loans from related parties	10	40,051	40,591	107,105	74,688
Interest bearing loans and borrowings	16	26,683	39,871	19,797	32,467
Provisions	18	2,286	3,364	-	-
Insurance contract liabilities	19	1,276,311	1,161,508	-	-
		1,414,884	**1,326,041**	**132,727**	**111,922**
Total Liabilities		**1,567,314**	**1,486,014**	**132,727**	**127,532**
Total Equity and Liabilities		**1,733,358**	**1,651,359**	**313,254**	**259,634**

Statements of Profit / Loss & Other Comprehensive Income

for the year ended 31 March 2018

Figures in Namibia Dollar thousand	Note(s)	Group 2018	Group 2017	Company 2018	Company 2017
Revenue	20	831,921	972,001	91,769	89,411
Cost of sales		(621,141)	(745,746)	-	-
Gross profit		**210,780**	**226,255**	**91,769**	**89,411**
Other income	21	19,123	18,706	175	2,698
Fair value adjustment	22	(1,933)	-	(2,700)	-
Investment income from operations	23	29,058	32,884	(571)	(699)
Administrative expenses		(68,412)	(61,011)	(12,106)	(9,047)
Operating expenses		(171,839)	(185,149)	(12,249)	(10,021)
Operating profit	24	**16,777**	**31,685**	**64,318**	**72,342**
Investment income	23	2,538	6,471	718	926
Finance costs	25	(20,268)	(16,370)	(12,004)	(12,889)
(Loss) / profit before taxation		**(953)**	**21,786**	**53,032**	**60,379**
Taxation	26	6,551	(2,283)	1,535	(519)
Profit for the year		**5,598**	**19,503**	**54,567**	**59,860**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains on property revaluation		1,828	-	-	-
Income tax relating to items that will not be reclassified		(585)	-	-	-
Total items that will not be reclassified to profit or loss		**1,243**	**-**	**-**	**-**
Other comprehensive income for the year net of taxation	27	**1,243**	**-**	**-**	**-**
Total comprehensive income for the year		**6,841**	**19,503**	**54,567**	**59,860**
Per share information					
Basic earnings per share (cents)	38	10.47	36.49		
Diluted earnings per share (cents)	38	10.47	36.49		

Statements of Changes in Equity

for the year ended 31 March 2018

Figures in Namibia Dollar thousand	Stated capital	Revaluation reserve	Insurance contingency reserve	Retained income	Total equity
GROUP					
Balance at 01 April 2016	**129**	**58,767**	**15,551**	**81,015**	**155,462**
Profit for the year	-	-	-	19,503	19,503
Total comprehensive income for the year	**-**	**-**	**-**	**19,503**	**19,503**
Dividends paid	-	-	-	(9,620)	9,620
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(9,620)**	**9,620**
Balance at 01 April 2017	**129**	**58,767**	**15,551**	**90,898**	**165,345**
Profit for the year	-	-	-	5,598	5,598
Other comprehensive income	-	1,243	-	-	1,243
Total comprehensive income for the year	**-**	**1,243**	**-**	**5,598**	**6,841**
Tranfer of revaluation reserve to retained income		(1,162)		1,162	-
Prescribed dividends	-	-	-	271	271
Dividends paid	-	-	-	(6,413)	(6,413)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(1,162)**	**-**	**(4,980)**	**(6,142)**
Balance at 31 March 2018	**129**	**58,848**	**15,551**	**91,516**	**166,044**
Note(s)	13	14&27	15	27	

Figures in Namibia Dollar thousand	Stated capital	Retained income	Total equity
COMPANY			
Balance at 01 April 2016	**129**	**81,733**	**81,862**
Profit for the year	-	59,860	59,860
Total comprehensive income for the year	**-**	**59,860**	**59,860**
Dividends paid	-	(9,620)	(9,620)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(9,620)**	**(9,620)**
Balance at 01 April 2017	**129**	**131,973**	**132,102**
Profit for the year	-	54,567	54,567
Total comprehensive income for the year	**-**	**54,567**	**54,567**
Prescribed dividends	-	271	271
Dividends paid	-	(6,413)	(6,413)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(6,142)**	**(6,142)**
Balance at 31 March 2018	**129**	**180,398**	**180,527**
Note(s)	13	27	

Statements of Cash Flows

for the year ended 31 March 2018

Figures in Namibia Dollar thousand	Note(s)	Group 2018	Group 2017	Company 2018	Company 2017
Cash flows from operating activities					
Cash generated from operations	28	258,148	109,064	59,244	72,753
Interest income		2,538	6,471	719	926
Finance costs		(20,268)	(16,370)	(12,004)	(12,889)
Net cash from operating activities		**240,418**	**99,165**	**47,959**	**60,790**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(11,217)	(44,127)	(1,419)	(1,624)
Proceeds on disposal of property, plant and equipment	3	788	3,751	4	-
Purchase of investment property	4	(497)	(7,275)	-	-
Purchase of intangible assets	5	(1,693)	(322)	(139)	-
Acquisition of subsidiary	39	-	(18,000)	-	(18,000)
(Increase) / decrease of investments		(144,397)	(175,798)	898	(14,343)
Proceeds on disposal of unlisted investments		-	3,316	-	3,316
Increase of investment in subsidiaries	6	-	-	(5,000)	-
Net cash from investing activities		**(157,016)**	**(238,455)**	**(5,656)**	**(30,651)**
Cash flows from financing activities					
Repayment / (proceeds) from interest bearing loans and borrowings	29	(19,224)	21,603	(12,670)	(6,371)
Dividends paid	30	(6,413)	(9,620)	(6,413)	(9,620)
Loans advanced to related parties	29	(540)	(1,702)	(39,978)	(14,854)
Proceeds from loans from group companies	29	-	-	17,417	3,846
Net cash from financing activities		**(26,177)**	**10,281**	**(41,644)**	**(26,999)**
Total cash movement for the year		**57,225**	**(129,009)**	**659**	**3,140**
Cash at the beginning of the year		336,990	465,999	405	(2,735)
Total cash at end of the year	12	**394,215**	**336,990**	**1,064**	**405**

Significant Accounting Policies

Corporate information

Nictus Holdings Limited (the Company) is a public company incorporated and domiciled in Namibia. The annual financial statements for the year ended 31 March 2018 comprise the Company and its subsidiaries (together referred to as the Group).

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and the Companies Act of Namibia.

The financial statements have been prepared on the historic cost convention, except for the following material items in the statement of financial position:

- the measurement of land and buildings held for administrative purposes are stated at revalued amounts;
- financial instruments classified at fair value through profit or loss are stated at fair value;
- available-for-sale financial assets are measured at fair value; and
- unlisted investments are measured at fair value.

They are presented in Namibia Dollars, which is the group and company's functional currency.

These accounting policies are consistent with the previous year, other than new standards and interpretations adopted and described in Note 2.1.

1.2 Significant judgements and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Key sources of estimation uncertainty

Loans and receivables

The Group assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

Allowance for slow moving, damaged and obsolete inventory

The Group assesses its inventory for impairment at each reporting date.

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Allowance for slow moving, damaged and obsolete inventory is included in the inventory balance at the reporting date.

Fair value adjustment of investment properties and land and buildings

The Group's Board of directors value the Group's investment property portfolio on an annual basis. The fair values are based on valuations and other market information that take into consideration the estimated rental value and replacement value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. Should any of the assumptions used in the valuation calculation change, it could have a material impact on the results of the Group.

Residual values and useful lives of property, plant and equipment and intangible assets

The residual value of items of property, plant and equipment and intangible assets is the estimated amount for which the item could be exchanged at the end of its useful life between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period, based on factors including wear and tear, technological obsolescence and usage requirements.

1.2 Significant judgements and estimates (continued)

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Insurance provisions and liabilities

The classification of insurance contracts are disclosed in detail in Note 1.19

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability. Refer Note 8 – Deferred tax.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

1.3 Consolidation

Basis of consolidation

The annual financial statements incorporate the financial statements of the Company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The results of subsidiaries are included in the annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries in the Company financial statements

In the Company's financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use which are expected to be used for more than one year.

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 Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

1.4 Property, plant and equipment (continued)

Property, plant and equipment is carried at revalued amounts, determined from market-based evidence by appraisals undertaken by professional valuers less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Formal revaluation are performed annually such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

Revaluation are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Revaluation are performed annually by the board of directors. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

Subsequent costs

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 Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term if ownership will not pass. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The estimated useful lives for current and comparative years for items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Plant and machinery	Straight line	3 to 20 years
Motor vehicles	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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.

1.5 Investment property

Investment property is initially recognised at cost and subsequently measured at fair value. Investment property is property held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or for administration purposes.

1.6 Intangible assets

Computer software

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is provided to write down the intangible assets, on a straight line basis in profit or loss over their estimated useful lives, to their residual values from the date they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Item	**Useful life**
Computer software	3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

1.7 Financial instruments

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - held for trading
- Financial assets at fair value through profit or loss - designated
- Held-to-maturity investment
- Loans and receivables
- Financial liabilities at fair value through profit or loss - held for trading
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

The Group does not deal in derivatives, as derivatives do not form part of the company's investment strategy.

Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:

- in rare circumstances
- if the asset met the definition of loans and receivables and the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

No other reclassifications may be made into or out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised when, and only when, the Group becomes party to the contractual provisions of the particular instrument.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include dividends and interest.

1.7 Financial instruments (continued)

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

Loans and receivables

Loans and receivables are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses.

Loans to- and investments in preference shares of related parties are classified as loans and receivables.

Trade and other receivables

Trade and other receivables are measured at amortised cost less impairment losses. Trade and other receivables that are of a short-term nature are not discounted due to the insignificance of the difference between the transaction price and fair value.

Trade and other receivables are classified as loans and receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Loans from related parties are classified as financial liabilities at amortised cost.

Trade and other payables

Trade and other payables are carried at amortised cost using the effective interest rate method. Trade and other payables that are of a short-term nature are not discounted due to the insignificance of the difference between the transaction price and fair value.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Fair value hierachy

For investments recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

The fair values of quoted investments are based on current quoted closing prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Offset

Financial assets and financial liabilities are offset against each other only when a legally enforceable right exists to set off the recognised amounts, and the Group intends to either settle on net basis, or to realise the assets and settle the liabilities simultaneously.

1.7 Financial instruments (continued)

Loans to (from) group companies

These include loans to and from the holding company, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Investment in debt and equity securities

Investments at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated as at fair value through profit or loss if the Group manage such investments and make purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Listed investments held by the Group are classified as at fair value through profit or loss. The fair values are calculated by reference to stock exchange market prices and / or market value of government bonds at the close of business on the reporting date.

Unlisted investments consists of shares in private companies and other entities not listed on a recognised stock exchange.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Financial assets that the company has the positive intention and ability to hold to maturity are classified as held to maturity.

Government bonds held by the Group are classified as held to maturity subsequent to initial recognition. Adjustments to the value of held to maturity assets are made through profit or loss.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

1.8 Income tax and deferred tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses, tax credits and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessor

The group recognises finance lease receivables in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This asset is not discounted.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories relating to the furniture and motor retail businesses are determined on the first-in-first-out basis. Inventories relating to the tyre business is determined on the weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Work-in-progress comprises of costs incurred during the service and repairs of vehicles and the work is not yet completed. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

1.11 Stated capital

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

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Preference shares

Preference shares are classified as equity if it is non-redeemable and any dividends are discretionary, or is redeemable but only at the Group's option. Dividends on preference shares classified as equity are recognised as distributions within equity.

Preference shares are classified as a liability if it is redeemable on a specific date or at the option of the shareholders or if dividend payments are not discretionary. Dividends thereon are recognised in profit or loss as interest expense.

Dividends

Dividends on redeemable preference shares are recognised as a liability and expensed on an accrual basis. Dividends recognised on non-redeemable or redeemable preference shares at the option of the Company are recognised as a distribution in equity upon approval by the Group shareholders. Ordinary dividends are recognised as a liability in the period in which they are declared.

1.12 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

1.13 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 paid vacation leave 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.14 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expected future cash flow at a pre-tax rate that reflects current market assessments at the time, value of money and the risks specific to the liability. The unwinding of the interest is recognised as finance cost.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 36.

1.15 Revenue

Revenue comprises of the following:

Group:
- sale of goods;
- rental income;
- finance income; and
- insurance premium income.

Company:
- dividend income from subsidiaries;
- interest income from subsidiaries;
- rental income; and
- management fees.

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, and value added tax.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the customer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income

Some properties in the Group comprise a portion held to earn rental income and another portion is held for trading and administrative purposes. These properties are classified as owner-occupied. Rental income earned from the portions that are held to earn rental income are recognised in profit or loss on a straight-line basis over the term of the lease.

Finance income

Finance income as part of normal trading in the insurance segment, comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues, using the effective interest method. Finance income also comprise interest on instalment debtors arising from credit sales entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. The earned portion of interest received is recognised as revenue. Interest is earned from the date that the sales contract is concluded, over the period of the contract, based on the terms and conditions of the sales and instalment agreement.

Dividend income is recognised on the date that the Group's right to receive payment is established. Finance income, depending on its nature is included either in revenue, interest income from operations or investment income. The Company's finance income consists of interest received from loans to subsidiaries.

1.15 Revenue (continued)

Insurance premium income

For insurance premium income recognition and measurement refer to Note 1.19.

Management fees

Management fees are recognised by the Company when services are rendered to subsidiaries.

Dividend Income

Dividend income from subsidiaries are recognised on the date that the company's right to receive payment is established.

1.16 Other income

Transactions not recognised as revenue or finance and investment income is classified as other income.

1.17 Finance costs

Financing expenses comprise interest paid on borrowings calculated using the effective interest rate method and dividends paid on redeemable preference shares, which are classified as liabilities.

1.18 Translation of foreign currencies

Functional and presentation currency

The financial statements are presented in Namibia Dollar which is the Group's functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise. Non-monetary assets and liabilities measured at historical cost are translated to functional currency at the exchange rate at the date that the historical cost was determined.

1.19 Classification of insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of non-financial variable that the variable is not specific to a party to the contract. Insurance contracts may also transfer some financial risk.

The Group classifies financial guarantee contracts issued as insurance contracts.

Premiums

Premiums written comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude Value Added Tax. Premiums written include adjustments to premiums written in prior reporting periods.

The earned portion of premiums received is recognised as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten.

1.19 Classification of insurance contracts (continued)

Unearned premium provision

The provision for unearned premiums comprises the proportion of premiums written, which is estimated to be earned in subsequent reporting periods or that relates to the unexpired terms of policies issued, computed separately for each insurance contract using a basis that results in premium income being earned as the Group is released from the insurance risk presented by underlying policies.

Claims incurred

Claims incurred consist of claims and claims handling and related expenses paid during the financial year together with the movement in the provision for outstanding claims. Outstanding claims comprise the company's estimate of the undiscounted ultimate cost of settling all claims incurred but unpaid at the reporting date whether reported or not, and related internal and external claims handling expenses.

Whilst the directors consider that the gross provisions for claims and the related re-insurance recoveries are fairly stated on the basis of the information currently available to them, the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made, and disclosed separately if material. The methods used to value these provisions, and estimates made, are reviewed regularly.

Unexpired risk provision

Provision is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the reporting date exceeds the unearned premium provision in relation to such policies after the deduction of any deferred acquisition costs. The provision for unexpired risks is calculated separately by reference to classes of business which are managed together, after taking into account relevant investment return.

Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the conclusion of insurance contracts. Deferred acquisition costs represent the proportion of acquisition costs incurred which corresponds to the unearned premium provision.

Liability adequacy test

The net liability recognised for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability. Where a shortfall is identified, an additional provision is made and the Group recognises the deficiency in profit or loss for the year.

Contingency reserve

A reserve in equity is made for the full amount of the contingency reserve with transfers to and from this reserve being treated as appropriations of retained earnings. This reserve is based on industry practice and calculated at 10% of net written premiums.

No-claim bonuses

The product offered by the Group includes a profit participation measure and provides for a reward to clients for favourable loss experience in the form of a refund of premiums. The provision for the no-claim bonus is only provided for at inception of the contract.

1.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Managing Director, who is the chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Revenue, expenses, assets and liabilities are allocated on a reasonable basis to a segment from customers, suppliers and other segments but exclude non-specific transactions.

Segment revenue

Segment revenue consists of revenue reported in the Group's profit or loss that is directly attributable to a segment and the relevant portion of Group revenue that can be allocated on a reasonable basis to the segment.

1.20 Segment reporting (continued)

Segment expense

Segment expense consists of expenses resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion of expenses that can be allocated on a reasonable basis to the segment.

General administrative expenses, such as head office expenses, and other expenses that arise at Group level and relate to the Group as a whole are also excluded from segment expense. However, costs incurred at Group level on behalf of a segment are included in segment expense.

Segment result

Segment result consists of segment revenue less segment expense.

Segment assets

Segment assets consists of those assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated on a reasonable basis, but do not include income tax assets.

Segment liabilities

Segment liabilities consists of those operating liabilities that result from the operating activities of a segment that are either directly attributable to the segment or can be allocated on a reasonable basis to the segment, but do not include income tax liabilities.

1.21 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

- Amendments to IAS 7: Disclosure initiative
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2018 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Group's annual financial statements.

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after 01 January 2021.

The group expects to adopt the standard for the first time in the 2022 annual financial statements.

The adoption of this standard is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the annual financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Specifically, if it is probable that the tax authorities will accept the uncertain tax treatment, then all tax related items are measured according to the planned tax treatment. If it is not probable that the tax authorities will accept the uncertain tax treatment, then the tax related items are measured on the basis of probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The effective date of the interpretation is for years beginning on or after 01 January 2019.

The group expects to adopt the interpretation for the first time in the 2020 annual financial statements.

It is unlikely that the interpretation will have a material impact on the group's annual financial statements.

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the group are as follows:

Group as lessee:

- Lessees will be required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.

The effective date of the standard is for years beginning on or after 01 January 2019.

The group expects to adopt the standard for the first time in the 2020 annual financial statements.

The adoption of this standard is not expected to impact on the results of the Group, but may result in more disclosure than is currently provided in the annual financial statements.

Amendments to IAS 28: Annual Improvements to IFRS 2014 - 2016 cycle

An entity such as a venture capital organisation, mutual fund or similar institution may elect to measure investments in associates or joint ventures at fair value through profit or loss in accordance with IFRS 9 rather than by applying the equity method. The amendment to IAS 28 Investments in Associates and Joint Ventures now specifies that the election must be made separately per associate or joint venture and at the time of initial recognition of such investment.

2. New Standards and Interpretations (continued)

Further, if an entity is not an investment entity, but has interests in an associate or joint venture which is an investment entity, then the entity may retain the fair value measurement of the associate or joint venture. The amendment now provides that such election must be made separately for each investment entity associate or joint venture.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the group's annual financial statements.

Transfers of Investment Property: Amendments to IAS 40

Transfers of Investment Property: Clarification of the requirements on transfer to, or from, investment property.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group expects to adopt the amendment for the first time in the 2019 annual financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the annual financial statements.

Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendment to IFRS 4 provides a temporary exemption, allowing insurers to apply IAS 39 rather than IFRS 9. The exemption only applies in certain circumstances and only for annual periods beginning before 1 January 2021.

The exemption also introduces an "overlay approach" in specific circumstances. This approach requires the insurer to reclassify an amount between other comprehensive income and profit or loss. This results in the profit or loss for designated financial assets being the same as if the insurer had applied IAS 39 rather than IFRS 9.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group expects to adopt the amendment for the first time in the 2019 annual financial statements.

The impact of this amendment may result in more disclosure.

Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the group's annual financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010. Another revised version of IFRS 9 was issued in July 2014 mainly to include:

a) impairment requirements for financial assets and
b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group expects to adopt the standard for the first time in the 2019 annual financial statements.

The adoption of this standard is not expected to impact on the results of the Group, but may result in more disclosure than is currently provided in the annual financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

2. New Standards and Interpretations (continued)

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group expects to adopt the standard for the first time in the 2019 annual financial statements.

The adoption of this standard is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the annual financial statements.

Annual Improvements 2015 - 2017 Cycle

IFRS 3 & 11 - Clarification that when an entity obtains control of a business that is a joint operation, it is required to remeasure previously held interests in that business.

IAS 23 - The amendment clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalizsation rate on general borrowings.

IAS 12 - Clarification that all income tax consequensces of dividends should be recognised in profit or loss, regardless how the tax arises.

The effective date of the amendments is for years beginning on or after 01 January 2019.

The group expects to adopt the amendments for the first time in the 2020 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IAS 28 Long term interest in associates and joint venture

Clarification provided that an entity should apply IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate of joint venture but to which the equity method is not applied.

The effective date of the standard is for years beginning on or after 01 January 2019.

The group expects to adopt the standard for the first time in the 2020 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRIC 22: Foreign Currency Transactions and Advance Consideration

This interpretation addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the Group's annual financial statements.

3. Property, plant and equipment

GROUP Figures in Namibia Dollar thousand	2018			2017		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Land	94,075	-	94,075	102,274	-	102,274
Buildings	231,129	(3,599)	227,530	231,851	(3,177)	228,674
Plant and machinery	17,790	(7,686)	10,104	15,663	(6,155)	9,508
Motor vehicles	13,097	(4,586)	8,511	13,470	(3,040)	10,430
Total	**356,091**	**(15,871)**	**340,220**	**363,258**	**(12,372)**	**350,886**

COMPANY	2018			2017		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Buildings	403	(56)	347	403	(36)	367
Plant and machinery	4,763	(631)	4,132	3,453	(302)	3,151
Motor vehicles	98	(7)	91	-	-	-
Total	**5,264**	**(694)**	**4,570**	**3,856**	**(338)**	**3,518**

Reconciliation of property, plant and equipment - Group - 2018

	Opening balance	Additions	Disposals	Transfer to investment property	Revaluations	Depreciation	Total
Land	102,274	-	-	(8,199)	-	-	94,075
Buildings	228,674	8,761	-	(11,312)	1,828	(421)	227,530
Plant and machinery	9,508	2,348	(124)	-	-	(1,628)	10,104
Motor vehicles	10,430	108	(388)	-	-	(1,639)	8,511
	350,886	**11,217**	**(512)**	**(19,511)**	**1,828**	**(3,688)**	**340,220**

Reconciliation of property, plant and equipment - Group - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Land	102,274	-	-	-	102,274
Buildings	195,839	36,169	(2,770)	(564)	228,674
Plant and machinery	6,845	3,947	(37)	(1,247)	9,508
Motor vehicles	7,759	4,011	(109)	(1,231)	10,430
	312,717	**44,127**	**(2,916)**	**(3,042)**	**350,886**

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2018

Figures in Namibia Dollar thousand	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	367	-	-	(20)	347
Plant and machinery	3,151	1,321	(4)	(336)	4,132
Motor vehicles	-	98	-	(7)	91
	3,518	**1,419**	**(4)**	**(363)**	**4,570**

Reconciliation of property, plant and equipment - Company - 2017

	Opening balance	Additions	Depreciation	Total
Buildings	334	53	(20)	367
Plant and machinery	1,731	1,571	(151)	3,151
	2,065	**1,624**	**(171)**	**3,518**

Property, plant and equipment encumbered as security

Land and buildings are mortgaged to secure bank overdrafts and loans as follows:

Buildings with a net book value of N$ 179,62 million (2017: N$ 170,37 million) serve as security over bank loans.

Motor vehicles with a net book value of NIL (2017: N$ 0,47 million) serve as security over bank loans.

	Group	
Assets subject to finance lease (Net carrying amount) included in Note 16:	**2018**	**2017**
Buildings	115,564	119,749
Motor vehicles	-	468
	115,564	**120,217**

Revaluations

Land and buildings are revalued annually. The Group's board of directors revalued the land and buildings at 31 March 2018. The valuation was based on the market value for existing use. These assumptions were based on current market conditions. The prior year was valued by the Group's board of directors at 31 March 2017 on the same basis.

The carrying value of the revalued assets under the cost model would have been:

	Group	
	2018	**2017**
Land	20,892	27,076
Buildings	164,455	167,429
	185,347	**194,505**

3. Property, plant and equipment (continued)

Fair value hierarchy of property

Level 2

Figures in Namibia Dollar thousand	Group	
	2018	2017
Land	94,075	102,274
Buildings	227,530	228,674
	321,605	**330,948**

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act of Namibia is available for inspection at the registered office of the company.

4. Investment property

GROUP	2018			2017		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment Property	43,350	-	43,350	25,275	-	25,275

COMPANY	2018			2017		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment Property	9,000	-	9,000	11,700	-	11,700

Reconciliation of investment property - Group - 2018

	Opening balance	Additions	Transfer from property plant and equipment	Fair value adjustments	Total
Investment Property	25,275	497	19,511	(1,933)	43,350

Reconciliation of investment property - Group - 2017

	Opening balance	Additions	Total
Investment Property	-	25,275	25,275

Reconciliation of investment property - Company - 2018

	Opening balance	Additions	Fair value adjustments	Total
Investment Property	11,700	-	(2,700)	9,000

4. Investment property (continued)

Figures in Namibia Dollar thousand	Group		Company	
	2018	2017	2018	2017

Reconciliation of investment property - Company - 2017

	Opening balance	Total
Investment property	11,700	11,700

Fair value of investment properties	43,350	25,275	9,000	11,700

Details of property

Group

During the current year a decision was made to rent out two properties in Windhoek to external third parties and thus the owner occupied property was transfered to investment property upon conclusion of the lease agreements.

During the prior year the Group purchased properties in Walvis Bay and Rundu that will be developed as owner occupied property. The properties will be classified as investment property until development is completed.

Company

Investment property consist of business premises situated on Erf 7406, Windhoek, measuring 1 767 square metres.

The original cost including additions amount to Land N$ 6,2 million (2017: N$ 6,2 million) and Buildings N$ 5,1 million (2017: N$ 5,1 million).

Details of valuation

The property was valued by the Group's board of directors at 31 March 2018. The valuation was based on open market value for existing use. These assumptions are based on current market conditions. The prior year was valued by the Group's board of directors at 31 March 2017 on the same basis.

Amounts recognised in profit and loss for the year

Rental income from investment property	538	-	616	631
Direct operating expenses from rental generating property	(120)	-	(99)	(39)
	418		**517**	**592**

Fair value hierarchy of investment property

Level 2				
Investment property	43,350	25,275	9,000	11,700

5. Intangible assets

GROUP	2018			2017		
Figures in Namibia Dollar thousand	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	5,845	(3,658)	2,187	4,152	(3,302)	850

COMPANY	2018			2017		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	139	-	139	-	-	-

Reconciliation of intangible assets - Group - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	850	1,693	(356)	2,187

Reconciliation of intangible assets - Group - 2017

	Opening balance	Additions	Amortisation	Total
Computer software	952	322	(424)	850

Reconciliation of intangible assets - Company - 2018

	Opening balance	Additions	Total
Computer software	-	139	139

6. Investment in subsidiaries

The following table lists the entities which are controlled (100% held) by Nictus Holdings Ltd, either directly or indirectly through a subsidiary.

COMPANY	**Cost**	
Figures in Namibia Dollar	**2018**	**2017**
Acacia Properties (Pty) Ltd	729,585	729,585
Auas Motors (Pty) Ltd	9,848,340	9,848,340
Bel Development (Pty) Ltd	16,968,871	16,968,871
Bonsai Investments Nineteen (Pty) Ltd	100	100
Corporate Guarantee and Insurance Company of Namibia Ltd	24,012,103	24,012,103
Grenada Investments Two (Pty) Ltd	100	100
Hakos Capital and Finance (Pty) Ltd	8,050,000	8,050,000
Hochland 7191 (Pty) Ltd	2	2
Isuzu Truck (Namibia) (Pty) Ltd	100	100
Khomas Car Rental and Leasing (Pty) Ltd	100	100
Marulaboom Properties (Pty) Ltd	100	100
Mopanie Tree Properties (Pty) Ltd	100	100
NHL Tyre & Tire (Pty) Ltd	12,500,100	7,500,100
Nictus (Pty) Ltd	30,012,500	30,012,500
Nictus Eiendomme (Pty) Ltd	472,166	472,166
Rubbertree Properties (Pty) Ltd	32,692,000	32,692,000
Werda Weskusontwikkeling (Pty) Ltd	200,002	200,002
Willow Properties (Pty) Ltd	1,028,027	1,028,027
Yellow Wood Properties (Pty) Ltd	230,998	230,998
Indirectly held through Corporate Guarantee and Insurance Company of Namibia Ltd		
Futeni Collections (Pty) Ltd	-	-
Karas Securities (Pty) Ltd	-	-
	136,745,294	**131,745,294**

There were no impairment losses for the current and prior year.

7. Investments

Figures in Namibia Dollar thousand	Group		Company	
	2018	2017	2018	2017

At fair value through profit or loss

Debt securities	1,000	1,000	-	-
Listed shares	28,285	19,167	5,772	6,670
	29,285	**20,167**	**5,772**	**6,670**

Loans and receivables

Loans and receivables	33,965	42,016	-	-
Long-term portion of trade receivables	14,512	14,018	-	-
Preference shares	3,350	4,250	-	-
Secured advances	475,274	331,538	-	-
	527,101	**391,822**	**-**	**-**
Total investments	**556,386**	**411,989**	**5,772**	**6,670**

Non-current assets

Designated as at Fair Value through profit (loss) (Fair Value through income)	6,772	7,670	5,772	6,670
Loans and receivables	527,101	391,822	-	-
	533,873	**399,492**	**5,772**	**6,670**

Current assets

Designated as at Fair Value through profit (loss) (Fair Value through income)	22,513	12,497	-	-

Listed and unlisted shares

A register containing particulars of companies in which shares are held, is available for inspection at the registered office and head office of the Company.

Sensitivity analysis - equity price risk

A portion of the Group's equity investments are listed on the JSE. Based on the risk profile of the listed share portfolio,the movement in the All Share Index (ALSI) would not have a material effect on the Group's results. A one percent variation in the JSE ALSI at the reporting date would have increased profit or loss by N$ 0,28 million after tax (2017: N$ 0,19 million). This analysis assumes that all other variables remain constants. The analysis was performed on the same basis for 2017.

Loans and receivables

These loans and receivables include advances made to individuals, companies and other entities in the normal course of business as asset based financing. A portion of the receivable arising is in turn financed by a reciprocal agreement with Nedbank Namibia Limited. The loans are secured by underlying assets financed. Refer to Note 16 for further information.

The underlying loans and receivables have various repayment terms, with interest bearing at the Nedbank Namibia Limited prime bank overdraft ranging from prime less 2% to prime less 1.5% (2017: prime less 2% to prime less 1.5%).

Long-term portion of trade receivables

The long-term portion of the receivables are balances of trade receivables under finance leases that will only be repaid after 12 months.

Secured advances

These loans and receivables include advances made to individuals, companies and other entities. These advances are secured by asset based financing, rights to claims in Corporate Guarantee and Insurance Company of Namibia Limited, pledges and suretyships to the amount of N$ 475,3 million (2017: N$ 331,5 million).

The short-term portion of secured advances are included under trade receivables in Note 11.

7. Investments (continued)

Figures in Namibia Dollar thousand	Group		Company	
	2018	2017	2018	2017

Preference shares

Karas Securities (Pty) Limited invests in preference shares with various redemption dates. The preference shares bear dividends linked to Namibian prime bank overdraft rate. The preference dividends are payable monthly.

The short-term portion of preference shares are included under trade receivables in Note 11.

The ageing of loans and receivables at the reporting date was:

Gross

Not past due	527,101	391,822	-	-
Past due - fully provided	163	163	-	-
	527,264	**391,985**	**-**	**-**

Provision for impairment

Past due	(163)	(163)	-	-

Reconciliation of provision for impairment of loans and receivables

Opening balance	(163)	(1,793)	-	-
Provision reversed during the year	-	1,630	-	-
	(163)	**(163)**	**-**	**-**

Fair value hierarchy of investments

Level 1

Listed shares	28,285	19,167	5,772	6,670
Debt securities	1,000	1,000	-	-
	29,285	**20,167**	**5,772**	**6,670**

Level 2

Loans and receivables	**527,101**	**391,822**	**-**	**-**

8. Deferred tax

Figures in Namibia Dollar thousand	Group		Company	
	2018	2017	2018	2017

Recognised deferred tax asset

No claim bonus provision	6,471	6,076	-	-
Other provisions	3,172	891	938	789
Impairment of trade receivables	746	921	-	-
Deferred tax balance from temporary differences other than unused tax losses	10,389	7,888	938	789
Tax losses available for set off against future taxable income	27,987	12,327	1,405	481
Total deferred tax asset	**38,376**	**20,215**	**2,343**	**1,270**

Recognised deferred tax liability

Plant and equipment	(4,006)	(4,184)	(869)	(488)
Land and buildings	(42,067)	(26,811)	(535)	(1,392)
Computer software	(182)	(84)	(15)	-
Furniture trade receivables	(7,715)	(7,947)	-	-
Insurance contingency reserve	(4,976)	(7,723)	-	-
Total deferred tax liability	**(58,946)**	**(46,749)**	**(1,419)**	**(1,880)**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. The disclosure below as per the statement of financial position relate to the net deferred tax position per legal entity.

Deferred tax asset	9,894	5,437	924	-
Deferred tax liability	(30,464)	(31,971)	-	(610)
Total net deferred tax (liability) asset	**(20,570)**	**(26,534)**	**924**	**(610)**

Reconciliation of deferred tax liability

At beginning of year	(26,534)	(24,252)	(610)	(91)
Charged to other comprehensive income - revaluation of assets	(585)	-	-	-
Charged to profit or loss	6,549	(2,282)	1,534	(519)
	(20,570)	**(26,534)**	**924**	**(610)**

Recognition of deferred tax asset

Deferred tax assets have been recognised based on the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

No unrecognised deferred tax liabilities exists.

Tax rates

The deferred tax rate applied to the fair value adjustments of investment properties / financial assets or owner occupied property is determined at 32% (2017: 32%) is applied.

9. Inventories

Work in progress	1,288	971	-	-
Merchandise and finished goods	129,218	165,085	-	-
	130,506	166,056	-	-
Provision for obsolete stock	(2,851)	(3,587)	-	-
	127,655	**162,469**	**-**	**-**

Inventory pledged as security

No inventory is pledged as security.
No inventory is stated at net realisable value.

10. Loans to (from) group companies

Figures in Namibia Dollar thousand	Group		Company	
	2018	2017	2018	2017

Current loans to related parties

Acacia Properties (Pty) Ltd	-	-	7,928	8,691
Auas Motors (Pty) Ltd	-	-	-	1,080
Bel Development (Pty) Ltd	-	-	7,870	7,764
Bonsai Investments Nineteen (Pty) Ltd	-	-	40,139	29,007
Grenada Investments Two (Pty) Ltd	-	-	3,411	2,438
Hochland 7191 (Pty) Ltd	-	-	6,923	1,172
Isuzu Truck (Namibia) (Pty) Ltd	-	-	8,957	7,816
Marulaboom Properties (Pty) Ltd	-	-	2,496	1,526
Mopanie Tree Properties (Pty) Ltd	-	-	1,120	984
Nictus (Pty) Ltd	-	-	24,289	22,344
Nictus Eiendomme (Pty) Ltd	-	-	1,030	604
Rubber Tree Properties (Pty) Ltd	-	-	24,311	6,563
Werda Weskusontwikkeling (Pty) Ltd	-	-	6,289	6,426
Willow Properties (Pty) Ltd	-	-	3,351	2,726
Yellow Wood Properties (Pty) Ltd	-	-	2,819	1,814
	-	**-**	**140,933**	**100,955**

Current loans from related parties

Futeni Collections (Pty) Ltd	-	-	(16,982)	(147)
Hakos Capital and Finance (Pty) Ltd	-	-	-	(3,326)
Karas Securities (Pty) Ltd	-	-	(45,000)	(30,000)
NHL Tyre and Tire (Pty) Ltd	-	-	(5,072)	(624)
Nictus Limited	(40,051)	(40,591)	(40,051)	(40,591)
	(40,051)	**(40,591)**	**(107,105)**	**(74,688)**

The above loans due to and from related parties bear interest at Standard Bank Namibia overdraft rates ranging from prime less 1% to prime, are unsecured and have no fixed terms of repayment, but repayable on demand. As such the fair value approximates the carrying value.

Non-current loans from related parties

Karas Securities (Pty) Ltd	-	-	-	(15,000)

The amount of the loans to / (from) related parties approximate its fair value.

Current assets	-	-	140,933	100,955
Non-current liabilities	-	-	-	(15,000)
Current liabilities	(40,051)	(40,591)	(107,105)	(74,688)
	(40,051)	**(40,591)**	**33,828**	**11,267**

11. Trade and other receivables

Figures in Namibia Dollar thousand	Group 2018	Group 2017	Company 2018	Company 2017
Trade receivables	229,402	322,847	13,526	4,628
Deposits	215	365	-	-
Value Added Tax	27,983	28,034	268	-
Vehicle incentive claims	-	329	-	-
Sundry debtors	881	504	-	-
Other receivable	950	5,353	313	13
	259,431	**357,432**	**14,107**	**4,641**

The short-term portion of secured advances included under trade receivables is N$ 18,5 million (2017: N$ 80,5 million) and preference shares of N$ 4,25 million (2017: N$ 4,25 million).

Credit risk of trade and other receivables

The maximum exposure to credit risk at the reporting date is the carrying value of each class of loan mentioned above.

Fair value of trade and other receivables

The carrying amounts of trade and other receivables approximate their fair value.

Segmental split

Retail	109,145	120,247	-	-
Property companies	4,561	7,063	-	-
Insurance & Finance	145,118	229,972	-	-
Head Office	607	150	14,107	4,641
	259,431	**357,432**	**14,107**	**4,641**

The ageing of trade and other receivables (excluding Value Added Tax) at the reporting date was:

Gross

Not past due	215,339	318,490	13,823	4,641
Past due 0 - 30 days	10,357	7,553	8	-
Past due 31 - 120 days	9,418	2,292	8	-
Past due 121 - 365 days	2,406	4,528	-	-
More than one year	-	2,375	-	-
	237,520	**335,238**	**13,839**	**4,641**

Impairment allowance

Past due 31 - 120 days	3,830	1,694	-	-
Past due 121 - 365 days	2,242	1,988	-	-
More than one year	-	2,158	-	-
	6,072	**5,840**	**-**	**-**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	5,840	6,687	-	-
Provision raised	1,626	454	-	-
Provision utilised	(1,394)	(1,301)	-	-
	6,072	**5,840**	**-**	**-**

12. Cash and cash equivalents

Figures in Namibia Dollar thousand	Group		Company	
	2018	2017	2018	2017

Cash and cash equivalents consist of:

Cash on hand	160	215	18	7
Bank balances	60,587	58,336	1,046	398
Short-term deposits	333,468	278,439	-	-
	394,215	**336,990**	**1,064**	**405**

Included in cash and cash equivalents are short term deposits to comply with necessary liquidity requirements in terms of insurance regulations in Namibia.

13. Stated Capital

Authorised - no par value shares

1 000 000 000 (1billion) Ordinary no par value shares (2017: 1 000 000 000)	150	150	150	150

All 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

53 443 500 Ordinary no par value shares (2017: 53 443 500 Ordinary no par value shares)	129	129	129	129

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. All stated capital is fully paid up.

14. Revaluation reserve

The revaluation reserve relates to property that is carried at its revalued amounts. There are no restrictions on the distribution or transfers to or from this reserve.

Opening balance	58,767	58,767
Revaluation of property	1,243	-
Transfer to retained earnings	(1,162)	-
	58,848	**58,767**

15. Insurance contingency reserve

The Board decided to keep the contingency reserve unchanged. This is to ensure provision is made for uncertain future events that could occur.

Opening balance (no movement for the year)	15,551	15,551

16. Interest bearing loans and borrowings

Figures in Namibia Dollar thousand	Group		Company	
	2018	2017	2018	2017
Non-Current Liabilities				
Bank loan	113,195	117,609	-	-
Unsecured loans	8,771	10,393	-	-
	121,966	**128,002**	**-**	**-**
Current Liabilities				
Bank loan	2,368	2,349	-	-
Unsecured loans	24,315	37,522	19,797	32,467
	26,683	**39,871**	**19,797**	**32,467**
Total interest bearing loans and borrowings	**148,649**	**167,873**	**19,797**	**32,467**

The carrying amount of all loans and borrowings approximate their fair value.

Bank loans

Bank loans of the Group are from Standard Bank of Namibia Limited and Nedbank Namibia Limited.

Loans from Standard Bank Namibia Limited bear interest at Standard Bank Namibia overdraft rates ranging from prime less 1,5% to prime less 0,75%.

Loans from Nedbank Namibia Limited bear interest at Nedbank Namibia prime less 1,25% and is secured by first mortgage bond Refer Note 3. During the current and prior financial year, the group complied with the stipulated covenant as set out in the facility letter. The convenant requirement is a cash to debt service cover of 1.8 times (calculated on an annual basis).

Unsecured loans

Unsecured loans of the Group are from Nedbank Namibia Limited and Veritrust (Pty) Ltd.

The non-current portion of the loans is due to a reciprocal agreement with Nedbank Namibia Limited. The loans bear interest at the Nedbank Namibia prime overdraft rate ranging from prime less 2% to less 1,5% (2017: prime less 2% to less 1,5%).

The current portion of the unsecured loan is due to Veritrust (Pty) Ltd. The loan is repayable on demand bearing interest at Standard Bank of Namibia Limited prime overdraft rate.

17. Trade and other payables

Trade payables	60,230	66,653	5,825	4,275
Value Added Tax	130	736	-	492
Sundry creditors	3,383	5,285	-	-
Accruals	5,810	8,033	-	-
	69,553	**80,707**	**5,825**	**4,767**

The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 33.

18. Provisions

Reconciliation of provisions - Group - 2018

Figures in Namibia Dollar thousand	Opening balance	Raised	Reversed	Total
Used vehicle warranty provision	229	-	(3)	226
Used vehicle extended warranty provision	26	190	-	216
Workshop warranty provision	947	-	(149)	798
Workshop comeback provision	646	-	(78)	568
Service and maintenance plan provisions	1,516	-	(1,038)	478
	3,364	**190**	**(1,268)**	**2,286**

Reconciliation of provisions - Group - 2017

	Opening balance	Raised	Reversed	Total
Used vehicle warranty provision	88	141	-	229
Used vehicle extended warranty provision	197	-	(171)	26
Workshop warranty provision	710	237	-	947
Workshop comeback provision	1,277	-	(631)	646
Service and maintenance plan provisions	1,503	13	-	1,516
	3,775	**391**	**(802)**	**3,364**

The provisions represent managements best estimate of the Group's liability under new and used vehicles sold during the year.

Used vehicle extended warranty provision covers the risk on used vehicles sold for a period of 2 years, unlimited kilometres, on warranty claims.

Used vehicle warranty provision covers the risk for a period of 30 days after sale, on major defects on used vehicles.

Workshop warranty provision covers the risk that warranty claims from General Motors South Africa (Proprietary) Limited are not recovered.

Workshop comeback provision covers the risk of major defaults on work done by the service department.

Service and maintenance plan provision covers the risk on service costs through service and maintenance plans sold on new vehicles.

19. Insurance contract liability

	Group	
	2018	**2017**
Gross provision for unearned premiums	1,245,427	1,139,520
Gross provision for no claim bonus	20,222	18,987
Gross provision for IBNR	10,662	3,001
	1,276,311	**1,161,508**

Analysis of movements in gross unearned premiums

Opening balance	1,139,520	1,125,506
Claims paid	(8,848)	(19,174)
IBNR created	(7,662)	7,885
Net written premiums	148,442	39,040
Net underwriting result	(26,025)	(13,737)
	1,245,427	**1,139,520**

19. Insurance contract liability (continued)

Figures in Namibia Dollar thousand	Group	
	2018	2017

Analysis of movements in no claim bonus provision

Opening balance	18,987	16,216
No claim bonus charge to profit or loss	64,241	61,225
No claim bonus paid	(63,006)	(58,454)
	20,222	**18,987**

Analysis of movements in gross IBNR

Opening balance	3,001	10,886
IBNR portion created	7,661	(7,885)
	10,662	**3,001**

Process used to determine significant assumptions

Insurance risks are unpredictable and the Group recognises that it is impossible to forecast with certainty, future claims payable under existing insurance contracts. Over time, the Group has developed a methodology that is aimed at establishing insurance provisions that have a reasonable likelihood of being adequate to settle all its insurance obligations.

Claim provisions

The Group's outstanding claims provisions include notified claims as well as incurred but not yet reported claims.

Notified claims

Each notified claim is assessed on a separate, case-by-case basis with due regard to the specific circumstances, information available from the insured and / or loss adjuster and past experience with similar claims. The Group employs staff experienced in claims handling and applies standardised policies and procedures around claims assessment.

Claims incurred but not yet reported (IBNR)

Due to the short duration between the occurrence, reporting and settlement of claims, the IBNR is calculated at 7% of the net written premium.

Premium provisions

The Group raises provisions for unearned premiums on a basis that reflects the underlying risk profile of its insurance contracts. An unearned premium provision is created at the commencement of each insurance contract and is then released as the risk under the contract expires.

Assumptions

The assumption that has the greatest effect on the measurement of insurance contract provisions is the percentage applied to gross premiums written in the IBNR calculation. A 7% of written premium assumption before consolidated entries has been used for 2018 and 2017 financial years.

Changes in assumptions

There was no change in the IBNR assumption for policies used during the period under review.

Sensitivity of assumptions

The table below demonstrates the impact of a hypothetical change in material assumptions. If the IBNR is calculated at 8% instead of the statutory 7%, the 1% increase will decrease the before tax profit by:

IBNR at 1% of net written premiums	1,484	432

Considering the nature of the insurance contracts sold, it is expected that all insurance contract liabilities will be settled within 12 months from reporting date.

20. Revenue

Figures in Namibia Dollar thousand	Group 2018	Group 2017	Company 2018	Company 2017
Sale of goods	735,477	881,217	-	-
Management fees from subsidiaries	-	-	20,034	27,263
Rental income	1,524	447	616	631
Finance income	62,211	55,166	9,347	8,191
Dividends received from subsidiaries	-	-	61,772	53,326
Insurance premium income	32,709	35,171	-	-
	831,921	**972,001**	**91,769**	**89,411**

Insurance premium income consists of:

Net written premiums	148,442	39,039	-	-
Change in net provision for unearned premiums	(115,733)	(3,868)	-	-
	32,709	**35,171**	**-**	**-**

21. Other income

Sundry income	19,123	16,059	175	51
Profit on sale of unlisted investment	-	2,647	-	2,647
	19,123	**18,706**	**175**	**2,698**

22. Fair value adjustments

Fair value losses

Investment property	(1,933)	-	(2,700)	-

23. Investment Revenue

Dividend income from investments in financial assets measured at fair value through profit or loss:

Dividends received on listed financial assets	10,121	5,606	327	327
Dividends received on preference shares	818	965	-	-
Interest received on bank and other	19,453	27,593	-	-
Fair value adjustment on listed financial assets	(1,334)	(1,280)	(898)	(1,026)
Total investment income from operations	**29,058**	**32,884**	**(571)**	**(699)**

Interest income from investments in financial assets:

Bank and other	2,538	6,471	719	926

24. Operating profit

Figures in Namibia Dollar thousand	Group 2018	Group 2017	Company 2018	Company 2017

Operating profit for the year is stated after charging / (crediting) the following, amongst others:

Insurance expenses

Claims incurred	16,510	11,289	-	-
No claims bonus allocations	64,241	61,225	-	-
	80,751	**72,514**	**-**	**-**

Auditor's remuneration - external

Audit fees	2,081	1,993	400	362

Operating lease charges

Premises	7,268	8,436	730	1,189
Equipment	446	421	-	-
	7,714	**8,857**	**730**	**1,189**

Depreciation and amortisation

Depreciation of property, plant and equipment	3,688	3,042	364	171
Amortisation of intangible assets	369	424	-	-
Total depreciation and amortisation	**4,057**	**3,465**	**364**	**171**
Profit on disposal of plant and equipment	(276)	(835)	-	-

Amount expensed in respect of employee costs:

Salaries	98,979	92,988	7,780	5,165

25. Finance costs

Related parties	7,533	8,142	8,723	9,519
Preference dividends paid to related parties	-	-	3,281	3,332
Bank and other	12,735	8,228	-	38
Total finance costs	**20,268**	**16,370**	**12,004**	**12,889**

26. Taxation

Major components of the tax (income) expense

Deferred

Originating and reversing temporary differences	(6,551)	2,283	(1,535)	519

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting (loss) / profit	(953)	21,786	53,032	60,379
Tax at the applicable tax rate of 32% (2017: 32%)	305	(6,972)	(16,970)	(19,321)

Tax effect of adjustments on taxable income

Tax losses utilised	1,128	2,311	-	2,318
Exempt income	5,118	2,378	19,872	18,016
Non-deductible expenses	-	-	(1,367)	(1,532)
	6,551	**(2,283)**	**1,535**	**(519)**

26. Taxation (continued)

Figures in Namibia Dollar thousand	Group		Company	
	2018	2017	2018	2017

The estimated tax losses available for set-off against future taxable income amount to:

	103,990	79,054	4,394	1,504

Estimated taxation losses of the Company and certain subsidiaries not utilised to create a deferred tax asset to reduce the deferred tax liability and available for future set-off against future taxable income amount to:

	5,191	4,810	-	-

27. Other comprehensive income

Components of other comprehensive income - Group - 2018

Items that will not be reclassified to profit or loss

	Gross	Tax	Net
Gains on property valuation	1,828	(585)	1,243

28. Cash generated from operations

(Loss) profit before taxation	(953)	21,786	53,032	60,379

Adjustments for:

Depreciation and amortisation	4,057	3,466	364	171
Gains on disposal of plant and equipment	(276)	(835)	-	-
Gains on diposal of unlisted investments	-	(2,647)	-	(2,647)
Investment income	(2,538)	(6,471)	(719)	(926)
Finance costs	20,268	16,370	12,004	12,889
Fair value losses	1,933	-	2,700	-
Movements in provisions	(1,078)	(411)	-	-
Prescribed dividends	271	-	271	-
Movements in insurance contract liability	114,803	8,900	-	-

Changes in working capital:

Inventories	34,814	(30,253)	-	-
Trade and other receivables	98,001	97,093	(9,466)	373
Trade and other payables	(11,154)	2,066	1,058	2,514
	258,148	**109,064**	**59,244**	**72,753**

29. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2018

	Opening balance	Cash flows	Closing balance
Other financial liabilities measured at amortised cost	167,873	(19,224)	148,649
Insurance contract liability	1,161,508	114,803	1,276,311
Loans from related parties	40,591	(540)	40,051
Total liabilities from financing activities	**1,369,972**	**95,039**	**1,465,011**

29. Changes in liabilities arising from financing activities (continued)

Reconciliation of liabilities arising from financing activities - Company - 2018

Figures in Namibia Dollar thousand	Opening balance	Cash flows	Closing balance
Other financial liabilities measured at amortised cost	32,467	(12,670)	19,797
Loans from related parties	89,688	17,417	107,105
Total liabilities from financing activities	**122,155**	**4,747**	**126,902**

30. Dividends paid

	Group		Company	
	2018	**2017**	**2018**	**2017**
Ordinary dividends	(6,413)	(9,620)	(6,413)	(9,620)

31. Related parties

Relationships:	
Subsidiaries	Refer to Note 6
Related companies	Veritrust (Pty) Ltd
	Nictus Ltd
Members of key management	N.C. Tromp (non-executive director)
	F.R. van Staden
	J.J. Retief
	W.O. Fourie
	P.J. de W. Tromp
	G.R. de V. Tromp (non-executive director)
Independent Non - excutive directors	Gerard Swart
	J.D. Mandy

The Group has a related party relationship with its subsidiaries. Key management personnel has been defined as the executive directors of the Company and managing directors of segments within the Group. The definition of key management includes the close members of family of key management personnel and any other entity over which key management exercises control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group. They may include that individual's domestic partner and children, the children of the individuals domestic partner, and dependants of the individual or the individual's domestic partner.

Transactions with key management personnel

Details pertaining to directors' and key management compensations are set out in Note 32.

The Group encourages employees to purchase goods and services from Group companies. These transactions are generally conducted on terms no more favourable than those entered to with third parties on an arm's length basis, although in some cases nominal discounts are granted. Transactions with key personnel are conducted on similar terms. No abnormal or noncommercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key personnel during the year, nor have they resulted in any non-performing debts at year-end.

Similar policies are applied to key personnel at subsidiary level who are not defined as key management personnel at Group level.

Certain directors of the Group are also non-executive directors of other public companies which may transact with the Group. The relevant directors do not believe that they have significant influence over the financial and operational policies of those companies. Those companies are therefore not regarded as related parties.

The following transactions were made on terms equivalent to those that prevail in arm's-length transactions between subsidiaries of the Group and key management as defined and / or organisations in which key management personnel have significant influence:

31. Related parties (continued)

Figures in Namibia Dollar thousand	Group		Company	
	2018	2017	2018	2017
Related party balances				
Loan accounts of related parties				
Loan from Nictus Ltd	(40,051)	(40,591)	(40,051)	(40,591)
Loans from subsidiaries (excluding preference shares)	-	-	(22,054)	(4,097)
Loans to subsidiaries (excluding preference shares)	-	-	140,933	100,955
Preference shares issued to subsidiary	-	-	(45,000)	(45,000)
Amounts included in Trade receivable regarding related parties				
Trade payables due to subsidiaries	-	-	11,903	-
Trade receivables due from subsidiaries	-	-	(11,903)	-
Trade receivables due from key management	1,212	423	-	-
Related party balances with key management, personnel and companies affiliated with key management in the Group				
Investments: Loans and receivables (Preference shares)	7,600	8,500	-	-
Loans due to Veritrust (Pty) Ltd	(19,797)	(32,467)	(19,797)	(32,467)
Unearned premium reserve account	(11,439)	(18,169)	-	-
Related party transactions Interest paid to / (received from) related parties				
Nictus Ltd	4,282	4,276	4,282	4,276
Veritrust (Pty) Ltd	3,251	3,859	3,251	3,859
Interest paid to subsidiaries	-	-	1,648	1,384
Preference dividends paid Karas	-	-	3,281	3,332
Interest received from subsidiaries	-	-	(9,805)	(8,191)
Rent paid to / (received from) related parties				
Rent paid to subsidiaries	-	-	730	732
Rent received from subsidiaries	-	-	(368)	(631)
Management fees paid to / (received from) related parties				
Management fees received from subsidiaries	-	-	(20,034)	(27,263)
Related party transactions with key management, personnel and companies affiliated with key management in the Group				
Gross written premiums	2,016	1,535	-	-
Cancellations and endorsements	44	46	-	-
Claims paid	30	65	-	-
Change in provision for unearned premiums	(6,729)	(4,874)	-	-
Preference dividends paid	818	911	-	-
Dividends received from related parties				
Dividends received from Nictus Ltd	-	-	(327)	(327)
Dividends received from subsidiaries	-	-	(61,771)	(53,326)

Loans due to and by subsidiaries, excluding preference shares, bear interest at Namibian prime bank overdraft rates, are unsecured and have no fixed terms of repayment. Intercompany trade receivables and payables are subject to the same terms and conditions applied to the general public. Interest is charged at market related rates and settlement is expected to be made in cash.

32. Directors' emoluments

Executive

2018

Figures in Namibia Dollar thousand	Management and consulting fees - Holding company	Management and consulting fees - subsidiaries	Total
JJ Retief	2,423	-	2,423
PJ De W Tromp	3,320	-	3,320
FR van Staden	2,937	-	2,937
WO Fourie	-	2,291	2,291
	8,680	**2,291**	**10,971**

2017

	Management and consulting fees - Holding company	Management and consulting fees - subsidiaries	Total
NC Tromp	1,122	3,025	4,147
JJ Retief	1,550	-	1,550
PJ De W Tromp	1,966	806	2,772
FR van Staden	2,278	(30)	2,248
WO Fourie	-	2,311	2,311
	6,916	**6,112**	**13,028**

Non-executive

2018

	Directors' fees	Consulting fees	Total
NC Tromp	-	4,919	4,919
GR de V Tromp	-	2,540	2,540
Gerard Swart	460	-	460
JD Mandy	430	-	430
	890	**7,459**	**8,349**

2017

	Directors' fees	Consulting fees	Total
GR de V Tromp	-	1,640	1,640
Gerard Swart	120	-	120
JD Mandy	180	-	180
	300	**1,640**	**1,940**

33. Risk management

Financial risk management

The Group's activities expose it to a variety of financial risks from the use of financial instruments: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout the annual financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its cash flow requirements on a daily basis against monthly projections and focuses on optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In the prior year, the Company's current liabilities exceeded the current assets. Group Loans will not be recalled until such time that the Company has sufficient funds to settle these liabilities. For external payables the Company will obtain funds from its subsidiaries and related companies to settle these in the normal course of business.

In addition, the Group maintains the following lines of credit:
- Medium term loans from Standard Bank Namibia Limited
- Loans from Nedbank Namibia Limited

The following are the contractual maturities of non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

GROUP **At 31 March 2018** **Figures in Namibia Dollar thousand**	**Carrying amount**	**Contractual cash flow**	**12 months or less**	**1 - 2 years**	**2 - 5 years**
Unsecured loans	33,086	33,086	24,315	8,771	-
Loans from related parties	40,051	40,051	40,051	-	-
Bank loans	115,564	115,564	2,368	8,692	104,503
Trade and other payables (excluding VAT)	69,426	69,426	69,426	-	-
Insurance contract liability	1,276,311	1,276,311	1,276,311	-	-
At 31 March 2017					
Unsecured loans	47,915	47,915	37,522	10,393	-
Loans from related parties	40,591	40,591	40,591	-	-
Bank loans	119,958	119,958	2,349	2,390	115,219
Trade and other payables (excluding VAT)	79,971	79,971	79,971	-	-
Insurance contract liability	1,161,508	1,161,508	1,161,508	-	-

33. Risk management (continued)

Figures in Namibia Dollar thousand	Group		Company	
	2018	2017	2018	2017

COMPANY At 31 March 2018	Carrying amount	Contractual cash flow	12 months or less	1 - 2 years	2 - 5 years
Unsecured loans	19,797	19,797	19,797	-	-
Trade and other payables (Excluding VAT)	5,830	5,830	5,830	-	-
Loans from related parties	62,105	62,105	62,105	-	-
Cumulative redeemable preference shares	45,000	45,000	30,000	15,000	-
At 31 March 2017					
Unsecured loans	32,467	32,467	32,467	-	-
Trade and other payables (excluding VAT)	4,275	4,275	4,275	-	-
Loans from related parties	44,688	44,688	44,688	-	-
Cumulative redeemable preference shares	45,000	49,491	32,205	17,286	-

Interest rate risk

Cash flow interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

Variable rate instruments

Financial assets	1,182,049	1,078,377	161,608	112,671
Financial liabilities	(258,126)	(288,435)	(132,732)	(126,430)
	923,923	**789,942**	**28,876**	**(13,759)**

Sensitivity analysis

Movement	9,239	7,899	289	(138)

An increase of 100 basis points in interest rates at the reporting date would have increased profit by the amounts shown above.

A decrease of 100 basis points would have an equal but opposite effect on profit. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2017.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments.

Trade and other receivables and loans and receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Geographically the concentration of credit risk is spread within Namibia.

The Group Executive Committee has established a credit policy for each segment under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings obtained from the TransUnion Credit Bureau, reviews of claims history for insurance contracts, where available, and in some cases bank references.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group incurs financial liabilities and assets in order to manage market risks. All such transactions are carried out within the guidelines set by the Group Executive Committee.

33. Risk management (continued)

Interest rate risk

The Group adapts a policy of ensuring that its exposure to changes in interest rates and borrowings is limited by setting the terms and conditions of loans to adjust with changes in the market conditions. The Group also aims to ensure that the profit margin is sufficient to cover any rate changes.

Other market price risk

Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market expectations. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the directors of the relevant segment. Refer Note 7 for sensitivity analysis of equity investments.

The primary goal of the Group's investment strategy is to maximise profitability through well managed investments. Management is assisted by external advisors in this regard.

Insurance risks

Terms and conditions of insurance contracts

Corporate Guarantee and Insurance Company of Namibia Limited is registered as a short-term insurance company by the regulatory authority in Namibia and is registered for all statutory classes of short-term insurance business.

The Group underwrites finite risk policies to a defined target market which concentrates primarily on the small and medium enterprises in the commercial market and secondary on the lower end of the corporate commercial market as well as the higher end of the personal market. In the personal segment the Group does not cater for the insurance needs of the general public. Commercial and personal clients are carefully selected according to a strategy of prudent risk selection.

The Group aims to deliver innovative and tailored insurance risk solutions to its clients allowing them to retain some insurance risk and effectively operate as autonomous insurance entities. The finite risk policies expose the Group to limited risk and include profit participation measures to promote good risk management amongst the insured. The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out in the notes.

Insurance risk and policies for mitigating insurance risk

The primary activity of the Group relates to the assumption of the risk of loss from events involving persons or organisations. Such risks may relate to property, accident, personal accident, motor, liability, engineering, credit and other perils that may arise from an insured event. As such the Group is exposed to the uncertainty surrounding the timing, severity and frequency of claims under insurance contracts.

The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected and that the Group does not charge premiums appropriate for the risk accepted. Insurance events are, by nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques. The Group manages its insurance risk through underwriting limits, approval procedures for new clients, pricing guidelines and centralized management of risk and monitoring of emerging issues.

Underwriting strategy

The Group's underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a portfolio of similar risks spread over a large geographical area. The underwriting strategy is continuously monitored, updated and determines the classes of business to be written, the territories in which business is to be written and the industry sectors to which the Group is prepared to accept exposure. Management meets monthly to review underwriting information including premium income and loss ratios by class, territory and industry.

Concentrations of insurance risk and policies mitigating the concentrations

Within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon the Group's resources. The Group monitors the concentration risk by geographical segment and class of business. The Group is broadly represented within Namibia and exposures to risks are representative of the economic activity in the various regions. The Group has exposure to all major lines of insurance business with very limited exposure to specialised areas of insurance.

33. Risk management (continued)

Exposure relating to catastrophic events

The Group sets out the total aggregate exposure that it is prepared to accept in certain regions to a range of events such as natural catastrophes. The aggregate position is reviewed annually.

The Group considers that its most significant exposure would arise in the event of a major environmental disaster. This analysis has been performed through identifying key concentration of risks based on different classes of businesses exposed in the event of such an incident. Other risk and policies for mitigating these risks Insurance companies are exposed to the risk of false, invalid and exaggerated claims. Measurements are in place to improve the Group's ability to proactively detect fraudulent claims.

Other risk and policies for mitigating these risks

Insurance companies are exposed to the risk of false, invalid and exaggerated claims. Measurements are in place to improve the Group's ability to proactively detect fraudulent claims.

Claims development

The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term, subject to pre-determined time scales dependent on the nature of the insurance contract. The Group is therefore exposed to the risk that claims reserves will not be adequate to fund historic claims (run-off risk). To manage run-off risk the Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. Consequently, the Company's history has proven the reserves to be sufficient to fund the actual claims paid.

Foreign exchange risk

The Group carries no significant foreign currency risk in its normal course of business.

The Group reviews its foreign currency exposure, including commitments on an ongoing basis.

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return on shareholders' equity based on an accepted sovereign bond and risk factor.

There were no changes in the Group's approach to capital management during the year.

The Group's insurance subsidiaries are subject to externally legislative capital requirements. The subsidiaries comply with the requirements in Namibia.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

34. Financial assets by category

The accounting policy 1.7 for financial instruments have been applied to the line items below:

Group - 2018

Figures in Namibia Dollar thousand	Loans and receivables	Fair value through profit or loss - held for trading	Total
Cash and cash equivalents	394,215	-	394,215
Trade and other receivables (excluding VAT)	231,448	-	231,448
Investments	527,101	29,285	556,386
	1,152,764	**29,285**	**1,182,049**

34. Financial assets by category (continued)

Group - 2017

Figures in Namibia Dollar thousand	Loans and receivables	Fair value through profit or loss - held for trading	Total
Cash and cash equivalents	336,990	-	336,990
Investments	391,822	20,167	411,989
Trade and other receivables (excluding VAT)	329,398	-	329,398
	1,058,210	**20,167**	**1,078,377**

Company - 2018

	Loans and receivables	Fair value through profit or loss - held for trading	Total
Loans to related parties	140,933	-	140,933
Investments	-	5,772	5,772
Trade and other receivables (excluding VAT)	13,839	-	13,839
Cash and cash equivalents	1,064	-	1,064
	155,836	**5,772**	**161,608**

Company - 2017

	Loans and receivables	Fair value through profit or loss - held for trading	Total
Loans to related parties	100,955	-	100,955
Investments	-	6,670	6,670
Trade and other receivables (excluding VAT)	4,641	-	4,641
Cash and cash equivalents	405	-	405
	106,001	**6,670**	**112,671**

35. Financial liabilities by category

The accounting policy 1.7 for financial instruments have been applied to the line items below:

Group - 2018

	Financial liabilities at amortised cost	Total
Loans from related parties	40,051	40,051
Interest-bearing loans and borrowings	148,649	148,649
Trade and other payables (excluding VAT)	69,426	69,426
	258,126	**258,126**

Group - 2017

	Financial liabilities at amortised cost	Total
Loans from related parties	40,591	40,591
Interest-bearing loans and borrowings	167,873	167,873
Trade and other payables (excluding VAT)	79,971	79,971
	288,435	**288,435**

35. Financial liabilities by category

Company - 2018

Figures in Namibia Dollar thousand	Financial liabilities at amortised cost	Total
Interest-bearing loans and borrowings	19,797	19,797
Loans from related parties	62,105	62,105
Preference shares	45,000	45,000
Trade and other payables (excluding VAT)	5,830	5,830
	132,732	**132,732**

Company - 2017

	Financial liabilities at amortised cost	Total
Interest-bearing loans and borrowings	32,467	32,467
Loans from related parties	44,688	44,688
Preference shares	45,000	45,000
Trade and other payables (excluding VAT)	4,275	4,275
	126,430	**126,430**

36. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

	Group		Company	
	2018	2017	2018	2017
- within one year	4,906	5,063	-	-
- in second to fifth year inclusive	3,843	6,133	-	-
	8,749	**11,196**	**-**	**-**

Operating lease payments represent rentals payable by the Group for certain of its office and trading premises.

Operating leases – as lessor (income)

Minimum lease payments due

	Group		Company	
	2018	2017	2018	2017
- within one year	1,390	-	677	-
- in second to fifth year inclusive	4,070	-	1,150	-
	5,460	**-**	**1,827**	**-**

Operating lease payments represent rentals due to the Group for certain of its office and trading premises.

37. Acquisition of subsidiary

The Group acquired 100% interest in Bel Development (Pty) Ltd during the previous year for a considerations of N$ 18 million. Bel Development (Pty) Ltd is a property investment company forming part of the Group's property segment.

	Group		Company	
	2018	2017	2018	2017
Fair value of assets acquired				
Property, plant and equipment	-	18,000	-	18,000
Consideration paid				
Cash	-	(18,000)	-	(18,000)
Net cash outflow on acquisition				
Cash consideration paid	-	(18,000)	-	(18,000)

38. Group segmental analysis

The Group has the following reportable segments which are differentiated by the activities that each undertake, products they manufacture and markets they operate in.

These reportable segments as well as the products and services from which each of them derives revenue are set out below:

Reportable Segment	Segment Products and services
Retail	Operates the Isuzu and Opel franchise (2017: General Motors (GM) franchise) throughout Namibia, in addition to operating as distributor and retailer of Goodyear products. Furniture retail company with branches located throughout Namibia.
Property companies	Property companies mainly for own use.
Insurance & Finance	Short term insurance through the alternative risk transfer model as well as vehicle financing.
Head office	Investment holding company.

Segmental revenue and results

The Board assesses the performance of the operating segments based on the measure of profit / (loss) after taxation. This measure excludes the effects of non-recurring expenditure from the operating segments such as restructure costs and legal expenses. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments. The results of discontinued operations are not included in the measure of profit / (loss) after taxation. This measure is consistent with all prior periods which are presented.

Segment assets and liabilities

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

The segment assets and liabilities include tax assets and liabilities and have been included in the elimination column to agree to the amounts per the financial statements.

Capital expenditure reflects additions to non-current assets, other than financial instruments, deferred tax assets, postemployment benefit assets and rights arising under insurance contracts.

The amounts provided to the Board with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The table on the next page provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the statement of financial position.

38. Group segmental analysis (continued)

Segment revenue

Figures in Namibia Dollar thousand	Retail		Property Companies	
	2018	2017	2018	2017
Sales of goods	735,958	881,949	-	-
Rental income	794	245	27,434	23,718
Finance income	13,191	11,689	-	-
Management fees from subsidiaries	-	-	-	-
Insurance premium income	-	-	-	-
Dividends received from subsidiaries	-	-	-	-
Total revenue from external customers	**749,943**	**893,883**	**27,434**	**23,718**
Inter-segment revenue	120	-	-	-
Total segment revenue	**750,063**	**893,883**	**27,434**	**23,718**

Segment result

Operating profit before financing costs	1,645	11,805	20,737	18,763
Financing costs	(16,657)	(20,170)	(24,909)	(17,192)
Profit before taxation	**(15,012)**	**(8,365)**	**(4,172)**	**1,571**
Taxation	2,799	(1,939)	(606)	(656)
Net profit/(loss) for the year	**(12,213)**	**(10,304)**	**(4,778)**	**915**

Segment assets	305,746	340,762	386,807	365,034

Segment liabilities	267,436	235,240	333,250	299,486

Cash flows from operating activities	18,161	(56,955)	(7,144)	16,270
Cash flows from investing activities	(3,751)	22,199	(905)	(45,539)
Cash flows from financing activities	(16,298)	39,666	7,745	24,032

Capital expenditure	(1,036)	(7,058)	(9,175)	(38,804)

Insurance & Finance		Head Office		Eliminations		Consolidated	
2018	2017	2018	2017	2018	2017	2018	2017
-	-	-	-	(481)	(733)	735,477	881,217
-	-	-	-	(26,704)	(23,516)	1,524	447
73,694	68,069	9 ,347	8,191	(34,021)	(32,782)	62,211	55,166
-	-	20,034	27,263	(20,034)	(27,263)	-	-
25,586	29,261	-	-	7,123	5 ,910	32,709	35,171
-	-	61,771	53,326	(61,771)	(53,326)	-	-
99,280	**97,330**	**9 1,152**	**88,780**	**(135,889)**	**(131,710)**	**831,921**	**972,001**
9,691	4,333	-	-	(9,811)	(4,333)	-	-
108,971	**101,663**	**91,152**	**88,780**	**(145,700)**	**(136,043)**	**831,921**	**972,001**

27,297	27,088	68,594	72,681	(139,495)	(124,923)	(21,222)	5,414
(1,324)	(1,367)	(13,347)	(12,890)	76,506	67,990	20,269	16,371
25,973	**25,721**	**55,247**	**59,791**	**(62,989)**	**(56,933)**	**(953)**	**21,785**
(651)	(910)	1,535	(519)	3,474	1,742	6,551	(2,282)
25,322	**24,811**	**56,782**	**59,272**	**(59,515)**	**(55,191)**	**5,598**	**19,503**

1,385,959	1,270,148	304,258	247,934	(649,412)	(572,519)	1,733,358	1,651,359

1,344,428	1,219,081	132,732	127,533	(510,532)	(395,324)	1,567,314	1,486,015

209,858	37,960	47,959	60,790	(28,416)	41,100	240,418	99,165
(268,352)	(175,703)	(5,656)	(30,651)	121,648	(8,761)	(157,016)	(238,455)
121,792	1,432	(41,644)	(26,999)	(97,771)	(27,850)	(26,177)	10,281

(84)	(13)	(1,419)	(1,624)	7,562	3,372	(4,152)	(44,127)

39. Earnings per share

Figures in Namibia Dollar thousand	Group	
	2018	2017

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Weighted average number of shares

Weighted average number of shares in issue for basic earnings per share and headline earnings per share:	53,443,500	53,443,500

Basic earnings per share

From continuing operations (cents per share)	10.47	36.49

Reconciliation of profit or loss for the year to basic earnings

Profit or loss for the year attributable to equity holders of the parent	5,598	19,503

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Diluted earnings per share

From continuing operations (cents per share)	10.47	36.49

Headline earnings and diluted headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary share outstanding during a period.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and noncontrolling interest.

Headline earnings per share (cents)	13.57	29.98

Reconciliation between earnings and headline earnings

Basic earnings	5,598	19,503

Adjusted for:

Profit on disposal of plant and equipment	(276)	(835)
Fair Value Adjustment on Investment Property	1,933	-
Profit on disposal of unlisted investments	-	(2,647)
	7,255	**16,021**

Reconciliation between diluted earnings and diluted headline earnings

Diluted earnings	5,598	19,503

Adjusted for:

Profit on disposal of plant and equipment	(276)	(3,482)
Fair Value Adjustment on Investment Property	1,933	-
	7,255	**16,021**

Dividends per share

Final (cents)	12.00	18.00

40. Going concern

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

41. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and upto the date of this report other than the declaration of the dividend and the resignation of JJ Retief as director with effect from 1 June 2018.

Shareholder Information

Remureration Policy

OBJECTIVE

The Group remuneration policy aims to attract and retain those people that will support and contribute to achieving the Group's results and performance. The policy, philosophy and strategy is encapsulated in the following:

Remuneration should:

- contribute towards attracting and retaining motivated and loyal staff;
- reflect a direct correlation with the ideal future and results of the Group;
- be reviewed and benchmarked annually;
- support the strategy of the Group; and
- reward performance and motivate staff.

Remuneration structure

The Group remuneration strategy makes provision for:

- a total cost-to-company approach consisting of a cash component and benefits;
- a linkage to challenging long- and short-term financial and non-financial performance and sustainable profits;
- short-term incentives based on meeting the current year performance levels; and
- long-term incentives based on meeting rolling three year performance levels.

COMPOSITION OF THE TOTAL REMUNERATION PACKAGE

The factors considered in structuring the total remuneration package are:

- Packages are reviewed annually, internally and externally, to ensure their integrity.
- Recognised market percentiles are applied in the structure and evaluation.
- Organisational profiles are determined for use in the evaluation process.
- Performance evaluation and development requirements are considered during the process.
- The scarcity of appropriately qualified staff influences package structure.
- The total remuneration package consists of a cash component and benefits.

REMUNERATION INCENTIVES

Short-term incentives

The incentive scheme is aimed at achieving Group performance as set out in the rules. To qualify staff must:

- meet predetermined annual targets;
- perform exceptionally;
- Staff who have transgressed the Group ethical code are ineligible to share in the incentive scheme and extraneous factors do not influence the incentive evaluation.

Long-term incentive

The incentive scheme is aimed at retaining employees and meeting Group performance as set out in the rules over a rolling three year period.

- Senior management and executive directors are eligible to participate.
- The relevant Boards of Directors determine the structure and percentile quantum of the incentive. The allocation is determined by the Executive Committee and reported to the Board.

GOVERNANCE

The Board stands at the forefront of developing remuneration policies, reviewing the philosophy strategy and practice so as to meet best practice and achieve the Group's overall objectives.

VARIATION

The policy may be varied by the Board at any time within the structure of the delegated authority of the Board.

Notice of Annual General Meeting

NICTUS HOLDINGS LIMITED
("**Nictus**" or "**the Company**")
(Incorporated in the Republic of Namibia)
Registration Number NAM: 1962/1735
NSX Share Code: NHL
ISIN Number: NA000A1J2SS6

Notice is hereby given that the annual general meeting of the shareholders of Nictus in respect of the year ended 31 March 2018 will be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on **30 August 2018** at **16:00** (Namibian time), to deal with the business as set out below and to consider and, if deemed appropriate, pass the ordinary and special resolutions set out in this notice.

1. GENERAL PURPOSE OF THE ANNUAL GENERAL MEETING

The general purpose of the annual general meeting is to -

1.1 consider and, if deemed fit, pass with or without modification the resolutions set out hereunder; and
1.2 deal with any business that may lawfully be dealt with at the annual general meeting.

2. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The consolidated audited annual financial statements of the Company and its subsidiaries, incorporating the reports of the auditors and the directors for the year ended 31 March 2018 will be presented to shareholders as required in terms of section 294 of the Companies Act.

3. RESOLUTIONS FOR CONSIDERATION AND APPROVAL

3.1 Ordinary resolution 1: re-election of PJ de W Tromp as a director

"Resolved that PJ de W Tromp be and is hereby re-elected as a director of the Company."

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.2 Ordinary resolution 2: re-election of FR van Staden as a director

"Resolved that FR van Staden be and is hereby re-elected as a director of the Company."

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.3 Ordinary resolution 3: re-election of GR de V Tromp as a director

"Resolved that GR de V Tromp be and is hereby re-elected as a director of the Company."

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.4 Ordinary resolution 4: non-binding advisory vote for approval of the Group's remuneration policy

"Resolved to approve, by way of a non-binding, advisory vote, the remuneration policy of the Group as set out on page 79 of the annual report of which this notice forms part."

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.5 Ordinary resolution 5: approval of independent non-executive directors' remuneration

"Resolved that the Company be and is hereby authorised to pay remuneration to its independent non-executive directors for their services as directors, and that the remuneration structure and amounts as set out on the next page, be and are hereby approved until such time as rescinded or amended by the ordinary shareholders by way of an ordinary resolution."

Non-executive Director	Annual Fee NAD	Board NAD	Audit Committee NAD
Gerard Swart	500 000	500 000	-
John D Mandy	400 000	228 000	172 000

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.6 **Ordinary resolution 6: re-appointment of SGA as auditors**

"Resolved that, on recommendation of the audit committee of the Company, SGA Chartered Accountants and Auditors be and is hereby re-appointed as auditors of the Company (the designated auditor meeting the requirements of section 278 of the Companies Act), to hold office until the conclusion of the next annual general meeting of the Company."

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.7 **Ordinary resolution 7: authority to issue ordinary shares**

"Resolved that the board of directors be and are hereby authorised by way of a general authority to issue at their discretion up to 15% (fifteen per cent) of the authorised but unissued ordinary shares in the Company from time to time, whether created before or after the passing of this resolution and/or to grant options to subscribe for such 15% (fifteen per cent) of the authorised but unissued shares from time to time, for such purposes and on such terms and conditions as they may determine, provided that such transaction(s) has/have been approved by the NSX and are subject to the NSX Listings Requirements, the Companies Act and the following conditions, namely that -

3.7.1 this authority shall only be valid until the next annual general meeting of the Company but shall not extend beyond 15 (fifteen) months from the date of this meeting;

3.7.2 the issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the NSX;

3.7.3 the shares which are the subject of the issue -

3.7.3.1 must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

3.7.3.2 shall not exceed 5% (five per cent) of the number of shares of the Company's issued ordinary shares in aggregate in any one financial year (including the number of any shares that may be issued in future arising out of the issue of options); and

3.7.3.3 that a paid press announcement giving full details, including the impact of the issue on net asset value, net tangible asset value, earnings and headline earnings per share and if applicable, diluted earnings and diluted headline earnings per share, be published after any issue representing, on a cumulative basis within one financial year, 5% (five per cent) of the number of shares in issue prior to the issue concerned;

3.7.4 in determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount permitted shall be 10% (ten per cent) of the weighted average traded price of the ordinary shares on the NSX, measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares; and

3.7.5 separately, such shares as have been reserved to be issued by the Company in terms of its share and other employee incentive schemes."

In order for this ordinary resolution to be passed, the support of more than 75% (seventy five per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

Election of an Audit Committee

3.8 **Ordinary resolution 8: re-election of JD Mandy as a member of the Audit Committee**

"Resolved that JD Mandy, an independent non-executive director of the Company, be and is hereby elected as a member of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

3.9 **Ordinary resolution 9: re-election of FR van Staden as a member of the Audit Committee**

"Resolved that FR van Staden, an executive director of the Company, be and is hereby elected as a member of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

3.10 **Ordinary resolution 10: re-election of GR de V Tromp as a member of the Audit Committee**

"Resolved that GR de V Tromp, a non-executive director of the Company, be and is hereby elected as a member of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

3.11 **Ordinary resolution 11: re-appointment of JD Mandy as Chairman of the Audit Committee**

"Resolved that JD Mandy, a director of the Company, be and is hereby elected as chairman of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

In order for this ordinary resolution to be passed, the support of more than 50% (seventy five per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

3.12 **Ordinary resolution 12: signing authority**

"Resolved that each director, or the secretary of the Company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to the implementation of the resolutions passed at the annual general meeting of the Company and set out in this notice."

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.13 **Special resolution 1: general authority to repurchase shares**

"Resolved that the Company, in terms of its memorandum and articles of association, or one of its wholly-owned subsidiaries, in terms of such wholly-owned subsidiary's memorandum and articles of association as the case may be, and subject to the relevant subsidiary passing the necessary special resolution, be and is hereby authorised by way of a general approval, to acquire the Company's own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide, subject to the Listings Requirements and the Companies Act"

Section 89 of the Companies Act authorises the board of directors of a Company to approve the acquisition of its own shares subject to the provisions of section 89 having been met. The Companies Act requires the approval of a 75% (seventy five per cent) majority of the votes cast by shareholders present or represented by proxy at the annual general meeting for special resolution to become effective.

3.14 **Special resolution 2: financial assistance to entities related or inter-related to the Company**

"Resolved that, as a general approval, the Company may, in terms of section 44 of the Companies Act, provide any direct or indirect financial assistance ("**financial assistance**" will herein have the meaning attributed to it in section 44(1) of the Companies Act) to any related or inter-related Company or to any juristic person who is a member of or related to any such Company/ies."

The effect of special resolution, if adopted, is to confer the authority on the board of directors of the Company to authorise financial assistance to companies related or inter-related to the Company or to any juristic person who is a member of or related to any such companies generally as the board of directors may deem fit, on the terms and conditions, and for the amounts that the board of directors may determine from time to time, for a period of two years from the date of the adoption of the special resolution and in particular as specified in the special resolution.

In order for special resolution to be passed the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.15 **Special resolution 3: amendment of the Company's articles of association**

"Resolved that the Company amend paragraph 21.1. to: "The directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Until otherwise determined by the Company in a general meeting the majority of the Board shall form a quorum."

"Resolved that the Company amend paragraph 21.6. to: "A resolution signed by all of the directors or (or their alternates, if applicable) inserted in the minute book, shall be valid and effective as if it had been passed at a meeting of directors. Any such resolution may consist of several documents, each of which may be signed by one or more directors (or their alternates, if applicable) and shall be deemed to have been passed on the date on which it was signed by the director who last signed it (unless a statement to the contrary is made in that resolution)."

In order for special resolution to be passed the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the shareholders present in person, or represented by proxy, at the annual general meeting is required.

4. ADDITIONAL INFORMATION

The following additional information, which may appear elsewhere in the annual report, is provided in terms of the NSX Listings Requirements for purposes of the general authority to repurchase the Company's shares set out in special resolution number 1 above -

4.1 directors and management – pages 25 to 27;

4.2 major shareholders – page 26;

4.3 directors' interests in ordinary shares – page 27; and

4.4 share capital of the Company – page 58.

5. LITIGATION STATEMENT

The directors in office whose names appear on page 25 of the annual report, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have, or have had, in the recent past, being at least the previous 12 (twelve) months from the date of this annual report, a material effect on the Group's financial position.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors in office, whose names appear on page 25 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolutions contain all information required by the NSX Listings Requirements.

7. MATERIAL CHANGES

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year end and the date of signature of the annual report.

8. DIRECTORS' INTENTION REGARDING THE GENERAL AUTHORITY TO REPURCHASE THE COMPANY'S SHARES

The directors have no specific intention, at present, for the Company to repurchase any of its shares, but consider that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the Company and its shareholders.

9. ATTENDANCE AND PROXIES

9.1 Please note that, in terms of section 197 of the Companies Act -

9.1.1 a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, participate in and vote at the annual general meeting in his or her stead; and

9.1.2 a proxy need not be a shareholder of the Company.

9.2 Forms of proxy (which form may be found enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the registered offices of the Company, c/o Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek (Private Bag 13231, Windhoek) or the Transfer Secretaries, c/o Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, Mandume Ndemufayo avenue, Windhoek (PO Box 755, Windhoek). Forms of proxy must be received by no later than 12:00 on **27 August 2018**. Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered.

9.3 Attention is drawn to the "**Notes**" to the form of proxy.

9.4 The completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

10. VOTING

10.1 Voting will be performed by way of a poll, so that every shareholder present in person or by proxy, and if a member is a body corporate, its representatives, shall have one vote for every share held or represented by him/her.

10.2 For the purpose of resolutions proposed in terms of the NSX Listings Requirements in respect of which any votes are to be excluded, any proxy given by a holder of securities to the holder of such an excluded vote shall also be excluded from voting for the purposes of that resolution.

10.3 Shareholders are encouraged to attend at the annual general meeting.

By order of the Board
Nictus Holdings Limited
7 June 2018

Per: WH Boshoff
Nominee of Veritas Board of Executors (Proprietary) Limited

Secretary
Windhoek

Brief Curriculum Vitae of Retiring Directors

PJ de W Tromp

- B.Econ, EDP: USB, SMP: USB
- **Years of Service:** 15 years
- Group Managing Director
- **Member:** Investment Committee
- **Chairman:** Executive Committee

PJ de W Tromp has a B.Econ, EDP: USB; SMP; USB and was appointed as the Executive Chairman of Nictus Holdings Group during August 2013 until April 2017, when he was appointed Group Managing Director. He currently serves as Chairman of the Property Segment, Retail Segment, Insurance & Finance Segment and Executive committee, and as a member of the Investment Committee of the Group. He further serves as a non-executive director of Nictus Limited listed on the JSE. He has served the Nictus Group for the past 15 years.

FR van Staden

- CA (NAM), CA (SA)
- **Years of Service:** 24 years
- Executive Director
- **Managing Director:** Property Companies
NHL Tyre & Tire
- **Chairman:** Risk Committee
- **Member:** Audit Committee
Executive Committee

FR van Staden is a CA (NAM) and CA (SA) and was appointed as Director: Finance and Administration during 1997 of the Nictus Limited Group. He served on the Nictus Limited board until 30 August 2013. Since 1 April 2010 he has served as Managing Director of Auas Motors until 2016. He is currently serving as Chairman of the Risk Committee, as well as member of audit and executive committees of the Nictus Holdings Group and managing director of the Property segment. He has served the Nictus Group for the past 24 years.

GR de V Tromp

- CA (NAM), CA (SA)
- **Years of Service:** 3 years
- Non-Executive Director
- **Member:** Audit Committee

GR de V Tromp has a BCom marketing degree and is a chartered accountant (South Africa and Namibia) and completed his articles in 2008. After completion of his articles, he joined the Group in 2009 as Company Secretary, which role he fulfilled until 2012. During 2012, he was appointed as Managing Director of the furniture segment in South Africa. During 2014, he was appointed as deputy Managing Director of the Nictus Limited Group. On 18 April 2016, he was appointed as Managing Director of Nictus Limited Group.

JD Mandy

- CA (NAM), FCIS
- **Years of Service:** 2 years
- Independent Non-Executive Director
- **Chairman:** Audit Committee

JD Mandy is a qualified chartered accountant (Namibia) and a fellow of the Chartered Secretaries of Southern Africa. He has a number of years of experience in senior executive roles at Pupkewitz Group Holdings, Namibian Harvest Investments Limited, Stocks and Stocks Properties and Arthur Andersen & Co. In addition, he occupied the position of chief executive officer of the Namibian Stock Exchange for a period of 10 years until the end of 2012. He has been elected as an independent non-executive director and member and chairman of the Audit and Risk Committee of Nictus Limited from 2013 to 2017.

Form of Proxy

NICTUS HOLDINGS LIMITED
("**Nictus**" or "**the Company**")
(Incorporated in the Republic of Namibia)
Registration number NAM: 1962/1735
NSX Share Code: NHL
ISIN Number: NA000A1J2SS6

To be completed by certificated shareholders with "own name" registration only.

For completion by registered members of Nictus unable to attend the annual general meeting of the Company to be held on the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on **30 August 2018** at **16:00** (Namibian time), or at any adjournment thereof.

I/We..

of...(address)

being the holder/s of ....shares in the Company, do hereby appoint:

1... or, failing him/her

2... or, failing him/her
the chairman of the Annual General Meeting,

as my/our proxy to attend, speak and, on a poll, vote on my/our behalf at the abovementioned annual general meeting of members or at any adjournment thereof, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

Resolutions	***For***	***Against***	***Abstained***	***Precluded****
01. *Ordinary resolution 1:* re-election of PJ de W Tromp as a director				
02. *Ordinary resolution 2:* re-election of FR van Staden as a director				
03. *Ordinary resolution 3:* re-election of GR de V Tromp as a director				
04. *Ordinary resolution 4:* non-binding advisory vote for approval of the Group's remuneration policy				
05. *Ordinary resolution 5:* approval of independent non-executive directors' remuneration				
06. *Ordinary resolution 6:* re-appointment of SGA as auditors				
07. *Ordinary resolution 7:* authority to issue ordinary shares				
08. *Ordinary resolution 8:* re-election of JD Mandy as a member of the Audit Committee				
09. *Ordinary resolution 9:* re-election of FR van Staden as a member of the Audit Committee				
10. *Ordinary resolution 10:* re-election of GR de V Tromp as a member of the Audit Committee				
11. *Ordinary resolution 11:* re-appointment of JD Mandy as Chairman of the Audit Committee				
12. *Ordinary resolution 12:* signing authority				
13. *Special resolution 1:* general authority to repurchase shares				
14. *Special resolution 2:* financial assistance to entities related or inter-related to the Company				
15. *Special resolution 3:* amendment of the Company's articles of association				

****** Precluded from voting in terms of the Companies Act or the NSX Listings Requirements***

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. However, if you wish not to cast your votes in respect of less than all of the ordinary shares that you own in the Company, insert the number of ordinary shares held in respect of which you desire to vote.

Signed at (place) .... on (date) ....

Signature ....

Assisted by me, where applicable (name and signature) ....

Shareholder Information

Notes to the Form of Proxy

1. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the Company) to attend, speak and, on a poll, vote in the stead of that shareholder at the annual general meeting.

2. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided, with or without deleting 'the chairman of the annual general meeting'. The person whose name stands first on the form of proxy and who is present at the annual general meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.

3. A shareholder's instructions to the proxy have to be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply with the above shall be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary and special resolutions at the annual general meeting, or any other proxy other proxy to vote or to abstain from voting at the annual general meeting, as he/she deems fit, in respect of all the shareholder's votes exercisable thereat.

4. A shareholder or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such shareholder or represented by such proxy, but the total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the shareholder or his/her proxy is entitled.

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the Company's transfer secretaries or waived by the chairman of the annual general meeting.

6. The chairman of the annual general meeting may reject or accept any form of proxy that is completed and/or received other than in accordance with these instructions and notes.

7. Any alterations or corrections to this form of proxy have to be initialled by the signatory(ies).

8. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

9. Forms of proxy have to be lodged with or posted to the registered office of the Company, c/o Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo avenue, Windhoek (Private Bag 13231, Windhoek) or the transfer Secretaries, Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo avenue, Windhoek (PO Box 755, Windhoek). Forms of proxy must be received no later than **12:00** on **27 August 2018**.

Annual Report Notes

Taking notes

Annual Report Notes

NICTUS HOLDINGS LIMITED
COMPANY DETAILS

Company registration number
1962/1735

NSX Share code: NHL
ISIN number: NA000A1J2SS6

Executive Directors
P J de W Tromp (Managing Director)
F R van Staden
J J Retief
W O Fourie

Non-executive Directors
Gerard Swart (Independent Chairman)
JD Mandy (Independent)
NC Tromp
G R de V Tromp

Transfer Secretaries
Veritas Board of Executors (Proprietary) Limited
1st Floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek
Private Bag 13231, Windhoek, Namibia

Registered Office
1st Floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek
Private Bag 13231, Windhoek, Namibia

Sponsor on the NSX
Simonis Storm Securities (Pty) Ltd

Nictus Holdings Limited
Private Bag 13231, Windhoek, Namibia
1st Floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek

Please visit our website
www.nictusholdings.com

EXCELLENCE