2019

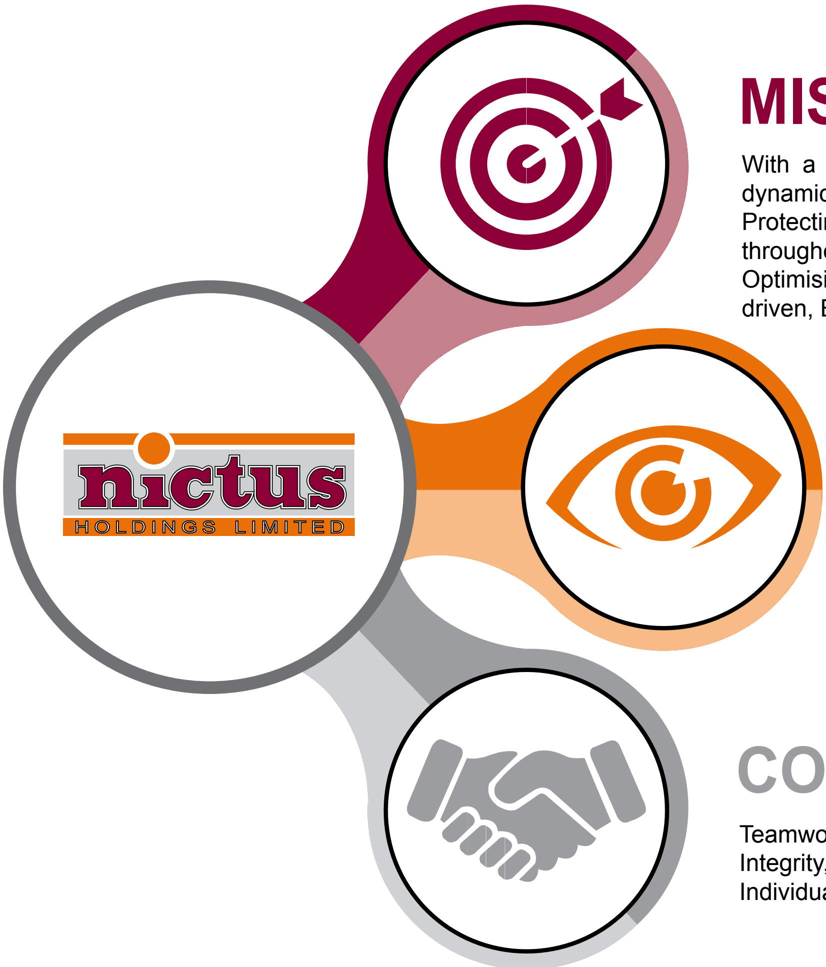
INTEGRATED ANNUAL

REPORT

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.



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.

VISION

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

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

Highlights

- Profit for the year increased by 27% to N$ 7,1 million (2018: N$ 5,6 million)
- Net worth per share increased to N$ 3.13 (2018: N$ 3.11)
- Dividend declared of 12 cents per share (2018: 12 cents)

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

The car people with the 6th sense

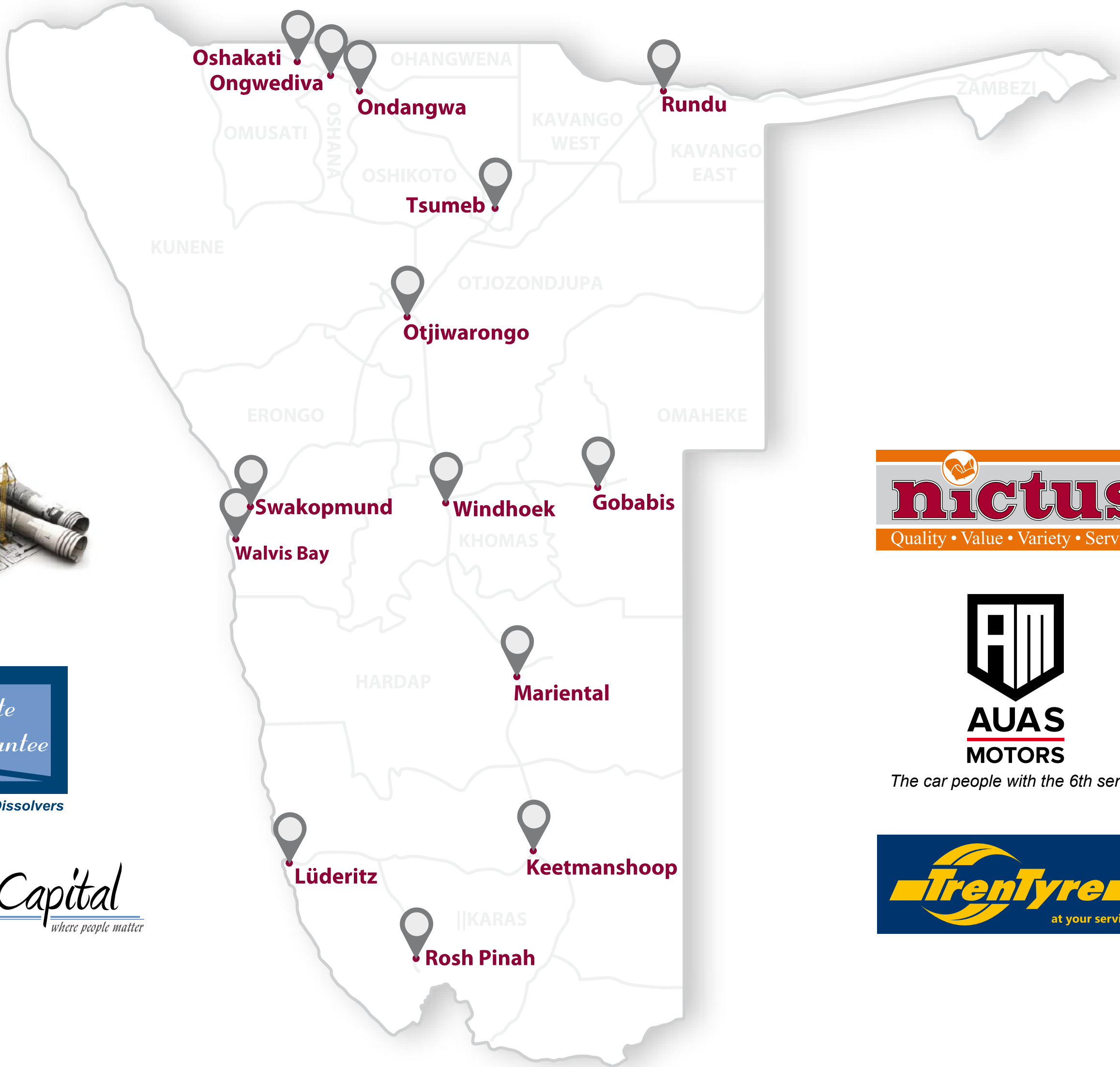
Auas Motors operates the Isuzu and Opel franchise throughout the whole of Namibia and also offers a wide selection of quality used vehicles. Auas is also the service agent for Chevrolet in Namibia.

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

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

Operations Footprint



Corporate Guarantee
Preferred Risk Dissolvers

Hakos Capital
where people matter

nictus
Quality • Value • Variety • Service

AUAS MOTORS
The car people with the 6th sense

TrenTyre
at your service

RETAIL

INSURANCE & FINANCE

NICTUS FURNISHERS	AUAS MOTORS	TRENTYRE	CORPORATE GUARANTEE	HAKOS CAPITAL	PROPERTIES
Ongwediva	Gobabis	Gobabis	Swakopmund	Windhoek	Gobabis
Swakopmund	Ongwediva	Keetmanshoop	Windhoek		Ongwediva
Tsumeb	Otjiwarongo	Lüderitz			Rundu
Walvis Bay	Swakopmund	Mariental			Swakopmund
Windhoek	Walvis Bay	Ondangwa			Tsumeb
	Windhoek	Oshakati			Walvis Bay
		Otjiwarongo			Windhoek
		Rosh Pinah			
		Rundu			
		Swakopmund			
		Tsumeb			
		Walvis Bay			
		Windhoek			

Group Structure

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

Nictus HOLDINGS LIMITED

RETAIL SEGMENT

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

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

INSURANCE & FINANCE SEGMENT

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

Group Five Year Review

Figures in Namibia Dollar thousand	2019	2018	2017	2016	2015

STATEMENTS OF FINANCIAL POSITION

Assets

Non-current assets	827,762	898,214	781,940	545,606	561,649
Current assets	897,124	835,144	869,419	1,068,481	804,180
Assets of disposal groups held for sale	-	-	-	2,990	-
Total assets	**1,724,886**	**1,733,358**	**1,651,359**	**1,617,077**	**1,365,829**

Liabilities

Non-current liabilities	142,471	152,430	159,973	130,592	45,646
Current liabilities *	1,415,363	1,414,884	1,326,041	1,329,388	1,186,498
Liabilities of disposal groups held for sale	-	-	-	1,635	-
Total liabilities	**1,557,834**	**1,567,314**	**1,486,014**	**1,461,615**	**1,232,144**

Equity

Share capital	129	129	129	129	129
Reserves	74,399	74,399	74,318	74,318	74,817
Retained income	92,524	91,516	90,898	81,015	58,739
Total equity	**167,052**	**166,044**	**165,345**	**155,462**	**133,685**
Total equity and liabilities	**1,724,886**	**1,733,358**	**1,651,359**	**1,617,077**	**1,365,829**

Statements of Profit or Loss and Other Comprehensive Income

Revenue	677,603	831,921	972,001	930,615	1,041,436
Cost of sales	(483,117)	(621,141)	(745,746)	(725,855)	(847,252)
Gross profit	**194,486**	**210,780**	**226,255**	**204,760**	**194,184**
Other operating income	43,235	49,515	51,590	44,533	44,582
Other operating gains (losses)	2,254	(2,991)	-	-	-
Other operating expenses	(224,913)	(240,527)	(246,160)	(217,877)	(199,005)
Operating profit	**15,062**	**16,777**	**31,685**	**31,416**	**39,761**
Investment Income	2,798	2,538	6,471	4,359	2,592
Finance costs	(15,046)	(20,268)	(16,370)	(8,638)	(8,731)
Gain on non-current assets held for sale or disposal groups	-	-	-	3,314	-
Profit (loss) before taxation	**2,814**	**(953)**	**21,786**	**30,451**	**33,622**
Taxation	4,342	6,551	(2,283)	(2,446)	(4,865)
Profit for the year	**7,156**	**5,598**	**19,503**	**28,005**	**28,757**

** Included in current liabilities is the insurance contract liability (refer Note 22). 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

Figures in Namibia Dollar thousand	2019	2018	2017	2016	2015

Per share data (cents)

Basic and diluted earnings per share	13.64	10.47	36.49	52.40	53.81
Basic and diluted earnings per share (before Treasury share adjustment)	13.39	-	-	-	-
Headline earnings per share	13.06	13.57	29.98	49.90	52.66
Headline earnings per share (before Treasury share adjustment)	12.82	-	-	-	-
Dividend per share	12.00	12.00	18.00	18.00	15.00
Net worth per share	312.56	310.69	309.38	290.89	250.14

FINANCIAL RATIOS

Liquidity ratios

Current ratio	0.63	0.57	0.66	0.80	0.67
Liability ratio	8.35	8.24	7.58	7.94	8.88
Borrowing ratio	1.01	0.80	0.87	0.85	0.55
Dividend cover (times)	1.07	1.13	1.67	2.77	3.51

Profitability and asset management (%)

Net operating profit to turnover	2.63	2.32	3.93	4.20	4.04
Return on shareholders' equity	4.28	3.37	11.80	18.01	21.51
Return on assets managed	4.65	4.85	9.60	12.18	18.17
Net asset turn (times)	1.77	2.09	2.45	2.90	4.47

Debt leverage

Interest cover	1.19	0.95	2.33	4.53	4.97

Namibian Stock Exchange performance

Market price High (cents)	180	200	220	240	240
Market price Low (cents)	180	50	200	210	240
Market price at year end (cents)	180	180	200	210	240
Price earnings ratio	12.25	13.26	6.67	4.21	4.56
Earnings yield (%)	8.16	7.54	14.99	23.76	21.94
Market capitalisation (NS'000)	96,198	96,198	106,887	112,231	128,264
Volume of shares traded ('000 shares)	2,640	982	262	2,472	2,500

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
as at 31 March 2019

Gerard Swart

- CA (NAM), CA (SA)
- **Years of Service:** 3 years
- Independent Non-Executive Chairman
- **Member:** Remuneration & Nominations Committee

PJ de W Tromp

- B.Econ, EDP: USB, SMP: USB
- **Years of Service:** 16 years
- Group Managing Director
- **Member:** Investment Committee
- **Chairman:** Executive Committee

NC Tromp

- B.Com
- **Years of Service:** 45 years
- Non-Executive Director
- **Chairman:** Remuneration & Nominations Committee
- **Chairman:** Investment Committee

JD Mandy

- CA (NAM), FCIS
- **Years of Service:** 3 years
- Independent Non-Executive Director
- **Chairman:** Audit Committee
- Retires at 2019 Annual General Meeting

FR van Staden

- CA (NAM), CA (SA)
- **Years of Service:** 25 years
- Executive Director
- **Managing Director:** Property Companies
- **Managing Director:** NHL Tyre & Tire
- **Chairman:** Risk Committee
- **Member:** Audit Committee
- **Member:** Executive Committee

WO Fourie

- CA (NAM), CA (SA)
- **Years of Service:** 12 years
- Group Financial Director
- **Member:** Investment Committee
- **Member:** Risk Committee
- **Member:** Executive Committee

GR de V Tromp

- CA (NAM), CA (SA)
- **Years of Service:** 4 years
- Non-Executive Director
- **Member:** Audit Committee


nictus
HOLDINGS LIMITED

Chairman's Report

The business environment remained stagnant and was for all sectors in the economy a challenging time. The Nictus Group did not escape this trend and overall results remained under pressure although results were somewhat better than the previous year.

SEGMENTS

The insurance segment once again contributed largely to the overall profit of the Group. I am optimistic that the insurance segment will continue to be a major profit contributor to the Group's results. Other segments performed better than the previous year although still not profitable. Furniture retail focused on retaining its market share and is on track with its organic growth strategy.

Management's concerted efforts to realign all segments to be in line with a smaller economy culminated in cost savings and better results. This should align the Group to be profitable again in a future growing economy.

ECONOMIC OUTLOOK

The Namibian economy is under tremendous pressure due to the past over stimulation and overspending in all sectors. It will take some time to recover and to be a stable environment again in which business can prosper. This will largely depend on how government rectify that what went wrong in the past and incentivise business to do well again in future. In my view it will take years to be back on a sustainable path of economic growth.

APPRECIATION

I would like to thank all involved in the Group for their loyalty, dedication and support, especially in trying times like now where each one is important to us.

Lastly, all glory to God, the Almighty, for guiding us and protecting us during the year.

Gerard Swart

Chairman of Nictus Holdings Limited

Esteemed Stakeholders,

THE 'NEW NORMAL'

While settling into the current situation and adapting to the changes in our environment, which I call the 'new normal', the Nictus Group also had to align itself with the new situation.

Adapting to the drastic change in our economic situation was no easy task; it came at a price and required an immense effort to adjust within a short time. Throughout the country, devastating traces of failing businesses reluctant to adapt and to change can be seen. With the average lifecycle of businesses getting shorter each year, one has to adjust to the changes and remain in touch with the business environment.

Artificial intelligence is a driver in this whole process, and I don't think we truly understand the impact that it will have in the years to come. During the past year the onslaught came, we accepted the challenge, we fought the war, survived and above all, still managed to progress as a Group.

FINANCIAL

The retail segment was under immense pressure to re-establish itself within a ruthlessly declining market due to a lack of consumer spending. Despite the withdrawal of General Motors and getting to grips with a reconstructed tyre business, I am grateful for the results achieved under the current circumstances.

Inefficiencies had to be addressed, and processes and systems needed to be realigned. With a drop in turnover in excess of 21% and with a growth strategy for the furniture market that still requires some investment, we managed to improve the results achieved last year, also by more than 21%.

Managing Director's Report

In our property segment, we focused on efficiencies and cost-saving initiatives, along with filling our vacancies - and this paid off for us. We bettered the 2018 result by 19%. Market-related rentals are under pressure and because property forms a major part of our business, we resolutely addressed this aspect. Although we did not quite reach our target, I am pleased with results attained in this segment.

In the insurance and finance segment, turnover remained on the same level as the previous year. Even though the income from premiums declined, we managed to support the deficit with an increased income on the investment side. Profitability dwindled by 6% compared to 2018; a result which I think is quite remarkable, taking into consideration the 'new normal'.

We are therefore thankful that despite a total decline of 18.5% in our turnover, we can report a 27% increase in profit after tax from the N$5.5 million attained in the previous financial year. This result, which was not easy to achieve, is still below the required level, but is an indication that the changes we made are giving us the assurance that we are moving in the right direction.

SYSTEMS AND PROCEDURES

The systems and procedure side of the business received a lot of input over the past financial year. We centralised the financial, administration and marketing divisions of the subsidiaries to obtain more efficiency and effectiveness in the Group. This was somewhat more difficult than planned but we envision it will still reach its full potential in the next two to three years.

We have also started a big drive to revisit our systems and processes to reduce manual and cumbersome practices. We will be continuing with this in the coming year but are taking into account the fact that there will need to be a balance between investment and the result that we wish to achieve.

CUSTOMERS AND STAKEHOLDERS

During the past year we found ourselves moving much closer to our major suppliers and stakeholders. We experienced that building relationships are vital, especially in times like these, to strengthen our partnerships to carry us through difficult situations.

Several inefficiencies in our buying process were addressed and this contributed to the results obtained. We managed to grow our client base in all our segments, and I would like to assure them that we will continue to strive for excellence in what we do.

The impetus towards becoming exceptional wealth creators will continue, and I would like to thank each supplier, client, associate, staff member and shareholder for their continued support throughout the past year.

LEARNING AND GROWTH

The downturn in the economy unfortunately took its toll on our staff complement. Retrenchments are heart-rending and never easy. I am however convinced that we managed to retain the best talent in the Group. People remain our most valuable asset and we will continue to develop the skills of our labour force.

EXPECTATIONS

I do not foresee any major upswing in the near future. Growth lies in adapting to the environment and rooting out inefficiencies within our own businesses. Indications on some policy changes from government's side might restore trust in the markets but will not have a major effect on consumer spending in the short term.

I am convinced that the changes we made during the past year will become more and more effective and that the foundation is laid to deliver better results in the coming years. We keep looking for synergies within the Group, but also focus on complementing activities for the Group. I believe that we may see some new connections in the coming year.

All grace, glory and praise to our Heavenly Father who guided and embraced us during this year. We will always depend on and pray for 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 Company'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 Namibian Stock Exchange (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 28 of 2004 and the 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 and deliberated in detail to determine their individual and combined effects on the business and to drive a strategy that would create exceptional value for shareholders and other stakeholders alike.

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

Solvency and liquidity are monitored on a daily basis and the going concern, liquidity and solvency analysis of Nictus is executed by Management on an ongoing basis and evaluated by the Audit Committee. 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, which includes the framework for the delegation of authority. The Board boasts a spread of skills and a wealth of experience. While the minority of the members of the Board are non-executive the majority 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 the Remuneration and Nomination Committee oversees. 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 and non-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	Remuneration and Nomination Committee
PJ de W Tromp	Group Managing Director	4/4	2/2[2]	9/10√	1/2[5]	3/3[2]
WO Fourie	Executive	4/4	1/2[2]	10/10√	2/2√	
NC Tromp	Executive	4/4		10/10C		3/3C
FR van Staden	Executive	4/4	2/2√	1/10[2]	2/2C	
JJ Retief [1]	Executive	1/3				
GR de V Tromp	Non-executive	4/4	2/2√			
G Swart	Independent Non-executive Chairman	4/4				3/3√
JD Mandy	Independent Non-executive	4/4	2/2C			
J de W Laubscher [3; 4]	Chief Executive Officer: Corporate Guarantee			6/10√	1/2√	

"√" 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] *Resigned as Member of the Board effective 1 September 2018.*
[2] *Attended meeting/s by invitation.*
[3] *Appointed by the Board as Member of the Investment Committee on 7 June 2018.*
[4] *Appointed by the Board as Member of the Risk Committee on 30 August 2018.*
[5] *Attended the meeting as stand-in member.*

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. Nictus established a suitably skilled and experienced in-house internal audit function, which reports administratively to the Group Managing Director, and functionally to the Chairperson of the Audit Committee, who is responsible for the appointment, performance assessment and dismissal of the in-house internal auditor. 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 objectives 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 an understanding of the risks that need to be addressed and the adequacy of actions taken by management to appropriately 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 the Board allows management 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 to the Group IT manager. The Board monitors the application of policies established and implemented.

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 processes 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 are 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, regulations 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 the Group 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. The in-house internal audit function has a co-source agreement with EY to assist in the performance of the internal audit mandate. 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 the Company 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 has 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 formal and informal 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. 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 Financial Director. 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 two Executive Directors and one Subsidiary Managing Director, 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.

- **Investment committee**
  The Investment Committee is chaired by a Non-executive Director, and further consists of the Group Managing Director, the Group Financial Director and a Subsidiary Managing Director. The insurance and finance segment is, as a rule, represented at 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 and / or business importance, including involvement in the formulation of investment policies, principles and practices to achieve optimum return on investments.

REMUNERATION AND NOMINATION COMMITTEE

Pursuant to a resolution of the Board during the year under review, the Remuneration and Nomination Committee was established. The role of the Remuneration and Nomination Committee is to determine and monitor strategy and policy in relation to terms and conditions of engagement (including remuneration), in order to attract and retain those people that will support and contribute to achieving the Nictus Group's results and performance. The Committee is responsible for the nomination function, with one of its primary purposes being to support and advise the Board in fulfilling its responsibilities to Shareholders in ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of Directors, having regard to the law and the highest standards of Corporate Governance. The Committee is responsible, among other things, for ensuring that the Board selection processes effectively implement the requirements of the Board Charter. The Committee is chaired by a Non-executive Director, and further consists of an Independent Non-executive Director.

Remuneration Report

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 aims to retain employees and to motivate them to meet required performance levels over a rolling three-year period;
- Short-term incentive remuneration aims to motivate employees to meet required performance levels during the year in terms of guidelines established by the Board.

The packages are reviewed and benchmarked against independent comparable market research 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 Group's targets.

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. Succession planning on Board level is undertaken by the Remuneration and Nomination Committee.

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 as Directors and Board committees.

Annual fees payable to non-executive directors subsequent to the Annual General Meeting, as considered and recommended by the Board, are to be approved by the shareholders on 29 August 2019.

The detailed remuneration paid to directors is set out in Note 38 of the annual report.

Group Value Added Statement

Figures in Namibia Dollar thousand	2019	2018

GROUP

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	677,603	831,921
Cost of materials and services	(619,753)	(759,085)
Other income	9,919	19,123
Investment income from operations	33,316	30,392
	101,085	**122,351**

VALUE DISTRIBUTED

To Pay Employees

Salaries, wages, medical and other benefits	78,677	98,979

To Pay Providers of Capital

Finance costs	15,046	20,268

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

Value reinvested

Depreciation, amortisation and impairments	4,548	4,057
Deferred tax	(4,342)	(6,551)
	206	**(2,494)**

Value retained

Retained profit	7,156	5,598

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)	20,095	8,286
Import VAT paid	49,832	56,736
Pay As You Earn	13,030	16,043
	82,957	**81,065**

Financial Contents

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

Annual Financial Statements

EXCELLENCE

EXCEPTIONAL WEALTH CREATOR

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 and Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with 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's cash flow forecast for the year to 31 March 2020 and, in light of this review and the current financial position, they are satisfied that the Group 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 has 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 on the Group's annual financial statements. The annual financial statements have been examined by the Group's external auditors and their report is presented on pages 22 to 24. The annual financial statements set out on pages 25 to 87, which have been prepared on the going concern basis, were approved by the board on 12 June 2019 and were signed on their 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 consolidated and separate financial statements of Nictus Holdings Ltd set out on pages 25 to 87, which comprise the directors' report, the statement of financial position as at 31 March 2019, 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 consolidated and separate financial statements present fairly, in all material respects, the financial position of Nictus Holdings Ltd as at 31 March 2019, 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 and 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 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. We tested the assumptions used by management in the valuations of the properties to ensure that they were reasonable.

Key Audit Matter	How the matter was addressed in the audit
Recoverability assessment of trade receivables Trade receivables of the Group comprise mainly receivables in relation to the Group’s (i) trading business regarding the sale of furniture, vehicles and spare parts, and (ii) services rendered for insurance related activities. The increasing challenges in the economy and operating environment in the country during the year have increased the risks of default on receivables from the Group’s customers. In particular, in the event of insolvency of customers, the Group is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.	• Tested the accuracy of aging of trade receivables at year end on a sample basis; • Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management; • Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management’s assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; and • Tested subsequent settlement if any, of trade receivables after the balance sheet date on a sample basis.
The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtors with reference to the aging profile, historical payment pattern and the past record of default of the customer. Management would make specific provision against individual balances with reference to the recoverable amount. For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realisation of these receivables are required for the identification of impairment events and the determination of the impairment charge.	We found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supported based on the available evidence.

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 6 respectively, 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate annual financial statements, the directors are responsible for assessing the group and 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 group 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 consolidated and separate 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

Independent Auditor's Report

Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

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

- Identify and assess the risks of material misstatement of the 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 directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group'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 consolidated and separate 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 group to express an opinion on the consolidated and separate 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
12 June 2019

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Nictus Holdings Limited and the Group for the year ended 31 March 2019.

1. NATURE OF BUSINESS

Nictus Holdings Limited is an investment entity incorporated in Namibia with interests in the retail as well as insurance and finance industries. The Group operates in Namibia.

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

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated and separate 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, except for the adoption of new or revised accounting standards, which had no financial impact other than disclosures set out in the notes.

The Group recorded a net profit after tax for the year ended 31 March 2019 of N$ 7.1 million. This represented an increase of 27% from the net profit after tax of the prior year of N$5.6 million.

Group revenue decreased by 19% from N$832 million in the prior year to N$678 million for the year ended 31 March 2019.

The Group's assets decreased by 0,5% from N$ 1.73 billion the prior year to N$ 1.72 billion at 31 March 2019.

The Company recorded a net profit after tax for the year ended 31 March 2019 of N$ 5,9 million (2018: N$ 54,5 million) - which include dividends from subsidiaries of N$ 10,5 million (2018: N$ 61,8 million).

The Company recorded revenue for the year of N$ 34,4 million (2018: N$ 91,7 million). This represented a decrease of 62,5%.

The Company's assets decreased by 1,3% from N$ 313 million the prior year to N$ 309 million at 31 March 2019.

During the current year the Company disposed of its 19% equity investment in Nictus Limited.

3. INTERESTS IN SUBSIDIARIES

Details of material interests in subsidiary companies are presented in the consolidated annual financial statements in note 7.

The interest of the Group in the profits and losses of its subsidiaries for the year ended 31 March 2019 are as follows:

	2019	2018
	N$ '000	N$ '000
Subsidiaries		
Total profits after income tax	9,758	10,545

There were no significant acquisitions or divestitures during the year ended 31 March 2019.

4. SEGMENTAL ANALYSIS

The detailed segmental analysis is included in Note 41 of the annual financial statements.

5. DIRECTORATE

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

Directors	Designation	Nationality	Changes
Gerard Swart	Independent Non-executive Chairman	Namibian	
JD Mandy	Independent Non-executive (Audit Committee Chairman)	Namibian	
PJ de W Tromp	Executive: Managing Director	Namibian	
WO Fourie	Executive: Finance Director	Namibian	
FR van Staden	Executive	Namibian	
NC Tromp	Non-executive	Namibian	
GR de V Tromp	Non-executive	Namibian	
TB Horn	Non-executive Independent	Namibian	Appointed, 4 April 2019
JJ Retief	Executive	Namibian	Resigned, 1 September 2018

6. DIVIDENDS

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

Ordinary dividends of 12 cents per share (N$ 6,4 million) was declared and paid by the Company on 23 July 2018.

Final dividend of 12 cents per share (N$ 6,4 million) was approved by the board on 12 June 2019 in respect of the year ended 31 March 2019. The dividend will be declared out of retained earnings. 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 12 July 2019
Ordinary shares trade "ex" dividend	Monday 15 July 2019
Report date	Friday 19 July 2019
Payment/issue date	Monday 22 July 2019

Share certificates may not be dematerialised between Monday 15 July and Friday 19 July 2019 both days inclusive.

The non-residents shareholders tax varies according to applicable legislation.

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. 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	33,880,136	63.39
Non-public shareholders: Strategic holdings (more than 5%)	2	0.32	8,025,455	15.02
Public shareholders	604	97.74	11,537,909	21.59
	618	**100**	**53,443,500**	**100**

Distribution of shareholders per category	Number of shareholdings	%	Number of shares	%
Banks, Brokers, Nominees and Trusts	49	7.93	27,337,173	51.15
Close Corporations	3	0.49	86,402	0.16
Individuals	534	86.41	5,168,774	9.67
Insurance company	2	0.32	491,172	0.92
Other corporations	7	1.13	231,032	0.43
Private companies	20	3.24	19,691,132	36.84
Public companies	3	0.49	437,815	0.82
	618	**100**	**53,443,500**	**100**

Shareholders with an interest above 5% of issued share capital	Number of shares	%
KCB Trust	2,825,455	5.29
Landswyd Beleggings (Pty) Ltd	15,604,017	29.20
MRT Trust	5,200,000	9.73
Nico Tromp Trust	5,625,000	10.52
Saffier Trust	5,625,000	10.52
	34,879,472	**65.26**

Directors' interest in share capital	Number of shares	%
Directors' indirect interest		
WO Fourie	1,749,821	3.27
FR van Staden *	1,534,193	2.87
NC Tromp, PJ de W Tromp, GR de V Tromp *	30,587,121	57.23
	33,871,135	**63.37**

* 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 FR van Staden (Premier Services (Pty) Ltd), PJ de W Tromp (Nature Unlimited Consultations (Pty) Ltd) and WO Fourie (Haida Investment (Pty) Ltd) have material interest, which supply managerial services.

9. LITIGATION STATEMENT

The Group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The Group is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

10. AUDITORS

At the annual general meeting, the shareholders will be requested to reappoint SGA Chartered Accountants & Auditors as the independent external auditors of the Company and to confirm Mrs R Cloete as the designated lead audit partner for the 2020 financial year.

11. SECRETARY

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

Postal address: P.O. Box 755
Windhoek
Namibia

Business address: 1st Floor
Nictus Building
140 Mandume Ndemufayo Avenue
Windhoek
Namibia

12. 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.

13. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The consolidated financial statements were authorised for issue by the directors on 12 June 2019. No authority was given to anyone to amend the financial statements after the date of issue.

Statements of Financial Position

for the year ended 31 March 2019

Figures in Namibia Dollar thousand	Note(s)	Group		Company	
		2019	**2018**	**2019**	**2018**
Assets					
Non-Current Assets					
Property, plant and equipment	4	342,131	340,220	3,856	4,570
Investment property	5	43,642	43,350	9,000	9,000
Intangible assets	6	2,207	2,187	188	139
Investments in subsidiaries	7	-	-	212,545	136,745
Trade and other receivables	8	12,009	14,512	-	-
Investments at fair value	9	753	1,000	-	-
Loans and receivables	10	415,808	487,051	-	-
Deferred tax	11	11,212	9,894	2,481	924
		827,762	898,214	228,070	151,378
Current Assets					
Inventories	12	95,996	127,655	-	-
Loans to related parties	13	-	-	78,751	140,933
Trade and other receivables	8	223,962	254,831	2,074	14,107
Investments at fair value	9	21,066	28,285	-	5,772
Loans and receivables	10	129,650	30,158	-	-
Cash and cash equivalents	14	426,450	394,215	222	1,064
		897,124	**835,144**	**81,047**	**161,876**
Total Assets		**1,724,886**	**1,733,358**	**309,117**	**313,254**
Equity and Liabilities					
Equity					
Stated capital	15	129	129	129	129
Reserves	16&17	74,399	74,399	-	-
Retained income		92,524	91,516	180,138	180,398
		167,052	**166,044**	**180,267**	**180,527**
Liabilities					
Non-Current Liabilities					
Interest bearing loans and borrowings	18	115,031	121,966	-	-
Deferred tax	11	27,440	30,464	-	-
		142,471	**152,430**	**-**	**-**
Current Liabilities					
Trade and other payables	19	40,677	69,553	2,707	5,825
Loans from related parties	20	33,910	40,051	107,377	107,105
Interest bearing loans and borrowings	18	35,493	26,683	18,766	19,797
Provisions	21	1,083	2,286	-	-
Insurance contract liability	22	1,304,200	1,276,311	-	-
		1,415,363	**1,414,884**	**128,850**	**132,727**
Total Liabilities		**1,557,834**	**1,567,314**	**128,850**	**132,727**
Total Equity and Liabilities		**1,724,886**	**1,733,358**	**309,117**	**313,254**

Statements of Profit / Loss & Other Comprehensive Income

for the year ended 31 March 2019

Figures in Namibia Dollar thousand	Note(s)	Group		Company	
		2019	2018	2019	2018
Revenue	23	677,603	831,921	34,410	91,769
Cost of sales	24	(483,117)	(621,141)	-	-
Gross profit		**194,486**	**210,780**	**34,410**	**91,769**
Other operating income	25	9,919	19,123	123	175
Other operating gains (losses)	26	2,254	(2,991)	1,729	(3,598)
Investment income from operations	27	33,316	30,392	327	327
Administrative expenses		(43,680)	(68,412)	(10,867)	(12,106)
Other operating expenses		(181,233)	(172,115)	(11,485)	(12,250)
Operating profit	**30**	**15,062**	**16,777**	**14,237**	**64,317**
Investment income	27	2,798	2,538	517	719
Finance costs	31	(15,046)	(20,268)	(10,423)	(12,004)
Profit (loss) before taxation		**2,814**	**(953)**	**4,331**	**53,032**
Taxation	32	4,342	6,551	1,557	1,535
Profit for the year		**7,156**	**5,598**	**5,888**	**54,567**
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	**33**	**-**	**1,243**	**-**	**-**
Total comprehensive income for the year		**7,156**	**6,841**	**5,888**	**54,567**
Earnings per share					
Per share information					
Basic and diluted earnings per share (cents)	42	13.64	10.47		
Basic and diluted earnings per share - before treasury share adjustment (cents)	42	13.39	10.47		

Statements of Changes in Equity

for the year ended 31 March 2019

Figures in Namibia Dollar thousand	Stated capital	Revaluation reserve	Insurance contingency reserve	Total reserves	Retained income	Total equity
Group						
Balance at 1 April 2017	**129**	**58,767**	**15,551**	**74,318**	**90,898**	**165,345**
Profit for the year	-	-	-	-	5,598	5,598
Other comprehensive income	-	1,243	-	1,243	-	1,243
Total comprehensive income for the year	**-**	**1,243**	**-**	**1,243**	**5,598**	**6,841**
Transfer between reserves	-	(1,162)	-	(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)**	**-**	**(1,162)**	**(4,980)**	**(6,142)**
Balance at 1 April 2018	**129**	**58,848**	**15,551**	**74,399**	**91,516**	**166,044**
Profit for the year	-	-	-	-	7,156	7,156
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**7,156**	**7,156**
Prescribed dividends	-	-	-	-	265	265
Dividends paid	-	-	-	-	(6,413)	(6,413)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(6,148)**	**(6,148)**
Balance at 31 March 2019	**129**	**58,848**	**15,551**	**74,399**	**92,524**	**167,052**
Note(s)	15	16 & 33	17			

for the year ended 31 March 2019

Figures in Namibia Dollar thousand	Stated capital	Revaluation reserve	Insurance contingency reserve	Total reserves	Retained income	Total equity
Company						
Balance at 1 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 1 April 2018	**129**	**-**	**-**	**-**	**180,398**	**180,527**
Profit for the year	-	-	-	-	5,888	5,888
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**5,888**	**5,888**
Prescribed dividends	-	-	-	-	265	265
Dividends paid	-	-	-	-	(6,413)	(6,413)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(6,148)**	**(6,148)**
Balance at 31 March 2019	**129**	**-**	**-**	**-**	**180,138**	**180,267**
Note(s)	15					

Statements of Cash Flows

for the year ended 31 March 2019

Figures in Namibia Dollar thousand	Note(s)	Group 2019	Group 2018	Company 2019	Company 2018
Cash flows from operating activities					
Cash generated from operations	34	82,410	197,563	22,551	60,142
Interest income		2,798	2,538	517	719
Dividend income		-	-	-	-
Finance costs		(15,046)	(20,268)	(10,423)	(12,004)
Net cash from operating activities		**70,162**	**179,833**	**12,645**	**48,857**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(6,622)	(11,217)	(298)	(1,419)
Sale of property, plant and equipment	4	1,345	788	200	4
Purchase of investment property	5	(292)	(497)	-	-
Purchase of other intangible assets	6	(896)	(1,693)	(65)	(139)
Movement in investments (subsidiaries)	7	-	-	-	(5,000)
Sale / (purchase) of investments at fair value	9	7,466	(15,788)	7,466	-
Increase of loans and receivables	10	(28,249)	(68,024)	-	-
Net cash from investing activities		**(27,248)**	**(96,431)**	**7,303**	**(6,554)**
Cash flows from financing activities					
Proceeds from loans from related parties	35	-	-	272	17,417
Repayment of loans from related parties	35	(6,141)	(540)	-	-
Proceeds / (repayment) of borrowings	35	1,875	(19,224)	(1,031)	(12,670)
Repayment / (proceeds) from group company loans		-	-	(13,618)	(39,978)
Dividends paid	36	(6,413)	(6,413)	(6,413)	(6,413)
Net cash from financing activities		**(10,679)**	**(26,177)**	**(20,790)**	**(41,644)**
Total cash movement for the year		**32,235**	**57,225**	**(842)**	**659**
Cash at the beginning of the year		394,215	336,990	1,064	405
Total cash at end of the year	14	**426,450**	**394,215**	**222**	**1,064**

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 2019 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 consolidated and separate annual financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate annual 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 annual 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;
- 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, except for the changes set out in note 2.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty:

Impairment of financial assets

The Group assesses its loans and receivables for impairment at the end of each reporting period. The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset. In making these assumptions and selecting the inputs to the impairment calculation, the Group's past history, existing market conditions as well as forward looking estimates are considered at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

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, market yield and replacement value of the property. Should any of the assumptions used in the valuation calculation change, it could have a material impact on the results of the Group. Investment properties and land and buildings are classified as level 2 in terms of the fair value hierarchy.

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.

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 of 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 11 – 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 annual financial statements of the Company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Company.

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 annual 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's separate financial statements

In the Company's separate 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.

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.

Property is subsequently stated at revalued amounts, determined from market-based evidence by appraisals undertaken by professional valuers less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations 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.

Any movement 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 to the extent of any credit balance existing in the revaluation reserve i.r.o. that asset.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. 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 useful lives of 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 year. 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. Any impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal.

1.5 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably. Investment property is property held to earn rental income or for strategic purposes or for both, but not for sale in the ordinary course of business, use in production or supply of goods or for administration purposes.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Fair value

Subsequent to initial measurement investment property is measured at fair value. A gain or loss arising from a change in fair value is included in profit or loss for the period in which it arises.

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.

The amortisation period, method, useful lives and residual values for intangible assets are reviewed at each reporting date and adjusted if appropriate.

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

Item	Useful life
Computer software	3 years

1.7 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Group ,as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss; or
- Designated at fair value through profit or loss.

Note 39 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Derecognition of financial instruments

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Investments in debt and equity instruments

Classification

Investments in debt and equity instruments are presented in note 9. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the Group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

Recognition and measurement

Investments in debt and equity instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses) (note 26).

Dividends received on equity investments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 27).

Interest received on debt instruments at fair value through profit or loss are included in investment income (note 27).

Impairment

Investments in debt and equity instruments are not subject to impairment provisions.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Loans receivable and trade and other receivables

Classification

Loans to related parties (note 13), loans receivable (note 10) and trade and other receivables, excluding, when applicable, Value Added Tax (VAT) and prepayments (note 8) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these financial instruments.

Recognition and measurement

Loans receivable as well as trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method (where applicable), and is included in profit or loss in investment income (note 27).

The effective interest rate is applied to the gross carrying amount of the loan or trade and other receivable, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Impairment

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, then the loss allowance is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan or trade and other receivable being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan or group of receivables has increased significantly since initial recognition, the Group compares the risk of a default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan or group of receivables is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the Group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a loan instalment or trade receivable is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The Group writes off a loan or group of receivables when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 8.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans or trade and other receivables in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in material operating items requiring separate disclosure in profit or loss as a movement in credit loss allowance (note 30).

Credit risk

Details of credit risk related to these financial instruments are included in the specific notes and the financial instruments and risk management (note 39).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Borrowings, loans from related parties and trade payables

Classification

Loans from group companies (note 20), interest bearing loans and borrowings (note 18) as well as trade payables (note 19), excluding VAT and amounts received in advance are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

These financial liabilities are recognised when the Group becomes a party to the contractual provisions of the transaction, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method (if applicable).

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense (if applicable), calculated on the effective interest method, is included in profit or loss in finance costs (note 31.)

Borrowings and trade payables expose the Group to liquidity risk and interest rate risk. Refer to note 39 for details of risk exposure and management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Reclassification of financial instruments

Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.8 Financial instruments: IAS 39 (applies to 2018 comparative figures only)

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 Group’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 initially when the Group becomes a party to the contractual provisions of the instruments.

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.

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

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

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

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.

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.

Impairment of financial assets

At each reporting date the Group 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.

Loans to (from) group companies

These include loans to and from holding companies, 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.

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 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable 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. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

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.

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.

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.

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 Group 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.

Fair value hierarchy

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.

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.

1.9 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 items recognised directly in equity or in other comprehensive income.

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.

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

1.10 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 statements of financial position, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Operating leases - lessor

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

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 liability is not discounted.

1.11 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 comprises 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.

1.12 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 no par value shares
Ordinary no par value 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 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
Ordinary dividends are recognised as a liability in the period in which they are declared.

1.13 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, adjusted for the effect of treasury shares (if any). 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.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits are recognised as Cost-to-company (CTC) in the period in which the service is rendered and are not discounted.

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.

1.15 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.

Contingent assets and contingent liabilities are not recognised, but commitments are disclosed in note 40.

1.16 Revenue from contracts with customers

The Group recognises revenue from the following major sources:
- Sale of goods - retail
- Rendering of services - retail
- Provision of alternative insurance services
- Finance income earned
- Rental income from letting of commercial properties

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods - retail

The Group sells motor vehicles (including service plans on vehicles) and parts; tyres and related accessories and household furniture and appliances directly to customers through its own retail outlets situated all over Namibia.

Revenue is recognised from sale of goods to retail customers when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. A receivable is recognised for account holding customers. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates, and VAT.

Sales-related warranties associated with vehicles cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Under the Group standard contract terms, customers do not have a right of return which puts the Group in liability. The Group does however assist customers to claim defective goods from company suppliers.

Rendering of services - retail

The Group sells services on vehicles when the the customer brings in a vehicle for a service. The Group also provides wheel balancing, wheel alignment, wheel repair, call out and on-site services.

Revenue is recognised at a point in time for services rendered.

For services rendered customers, revenue is recognised when the service was performed. Payment of the transaction price is due immediately after the invoice was issued or as per payment terms for account holding customers.

Provision of alternative insurance services

The Group's revenue comprises gross earned premiums (refer note 1.19)

Finance income earned

When household furniture and goods are sold under instalment sale agreements, the present value of the instalment sale payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Finance income is recognised over the term of the instalment sale using the effective interest rate method, which reflects a constant periodic rate of return.

Interest income is recognised as it accrues, using the effective interest method. Finance income also comprise interest on instalment debtors arising from credit sales of vehicles, tyres and accessories 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 the sales contract is concluded, over the period of the contract, based on the terms and conditions of the sales and instalment agreement.

Finance income is also recognised on loans and receivables including advances made to individuals, companies and other entities. These advances are secured by asset based financing, rights to claims insurance contracts and suretyships. Various repayment terms and interest rates apply, based on the terms and conditions of the loan agreement.

Rental income from letting of commercial properties

The Company and its subsidiaries entered into lease agreements with customers. Revenue from letting of commercial properties is therefore recognised over the period of the lease agreement. The directors consider that this input method is an appropriate measure towards complete satisfaction of these performance obligations.

1.17 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. 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.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.18 Translation of foreign currencies

Functional and presentation currency

The consolidated and separate financial statements are presented in Namibia Dollar which is their 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 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 are recognised in profit or loss in the period in which they arise. Nonmonetary 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. Insurance contracts may also transfer some financial risk.

Corporate Guarantee and Insurance Company of Namibia Limited 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. The earned portion of premiums received is recognised as revenue. Premiums are disclosed gross of commission to intermediaries and exclude VAT.

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.

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.

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.

The basis of segmental reporting has been set out in note 41.

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.

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. CHANGES IN ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 9 Financial Instruments

In the current year, the Group has applied IFRS 9 Financial Instruments in accordance with the transition provisions and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for:

1) the classification and measurement of financial assets and financial liabilities,
2) impairment for financial assets and
3) general hedge accounting.

Details of these new requirements as well as their impact on the Group's financial statements are described below.

Classification and measurement of financial assets

The date of initial application is 1 April 2018. Accordingly, the Group has applied the requirements of IFRS 9 to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. Comparatives in relation to instruments that have not been derecognised as at 1 April 2018 have not been restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 April 2018. There was no financial impact other than the disclosures set out in the notes.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to new impairment provisions using an expected loss model. This contrasts the incurred loss model of IAS 39.

The directors reviewed and assessed the Group's existing financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had no impact on the Group's financial assets as regards to their classification and measurement.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income and lease receivables to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and lease receivables in certain circumstances.

As at 1 April 2018, the directors reviewed and assessed the Group's existing financial assets, amounts due from customers for impairment using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at 1 April 2017 and 1 April 2018.The result of the assessment is as follows:

Group and Company

Items existing on 1 April 2018 that are subject to the impairment provisions of IFRS 9:	Note	Credit risk attributes at 1 April 2017 and 1 April 2018
Trade and other receivables	8	The Group and Company apply the simplified approach and recognises lifetime expected credit losses for these assets.
Loans receivable at amortised cost and loans to related parties	10 & 13	The directors have concluded that it would require undue cost and effort to determine the credit risk of each loan on their respective dates of initial recognition. These loans are also assessed if they have a credit risk other than low. Accordingly, the Group and Company recognises lifetime ECL for these loans until they are derecognised.
Cash and bank balances	14	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions.

Classification and measurement of financial liabilities

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at Fair Value through profit or loss (FVTPL) attributable to changes in the credit risk of the issuer.

Since there are no liabilities designated as at FVTPL, the application of IFRS 9 has had no impact on the classification and measurement of the Group's financial liabilities.

Financial impact of initial application of IFRS 9

The application of IFRS 9 for the current and prior year did not result in any impact on profit or loss, nor on assets, liabilities and equity.

Application of IFRS 15 Revenue from contracts with customers

In the current year, the Group has applied IFRS 15 Revenue from Contracts with Customers (as revised in April 2016) and the related consequential amendments to other IFRSs. IFRS 15 replaces 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.

IFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Refer to the revenue accounting policy for additional details.

The Group has applied IFRS 15 with an initial date of application of 1 April 2018 in accordance with the cumulative effect method, by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 April 2018. The comparative information has therefore not been restated.

The application of IFRS 15 for the current year, did not result in any impact on profit or loss nor assets, liabilities and equity.

3. NEW STANDARDS AND INTERPRETATIONS

3.1 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:

Standard/ Interpretation:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions
- Amendments to IAS 28: Annual Improvements to IFRS 2014 - 2016 cycle
- Amendments to IFRS 1: Annual Improvements to IFRS 2014 - 2016 cycle
- Amendments to IAS 40: Transfers of Investment Property
- IFRIC 22: Foreign Currency Transactions and Advance Consideration
- Amendments to IFRS 4: Insurance Contracts
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The impact of the above standards are set out in note 2 Changes in accounting policy.

3.2 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 1 April 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after
Annual Improvements to IFRS 2015 - 2017 cycle: Amendments to IFRS 3 (Business combinations) and IFRS 11 (Joint Arrangements)	1 January 2019
Annual Improvements to IFRS 2015 - 2017 cycle: Amendments to IAS 12 (Income taxes) and IAS 23 (Borrowing costs)	1 January 2019
Amendments to IAS 1 (Financial statement presentation) and IAS 8 (Accounting policies): Disclosure initiative	1 January 2020
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Plan Amendment, Curtailment or Settlement - Amendments to IAS 19	1 January 2019
Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28	1 January 2019

Standard/ Interpretation:	Effective date: Years beginning on or after
Prepayment Features with Negative Compensation - Amendment to IFRS 9	1 January 2019
IFRIC 23: Uncertainty over Income Tax Treatments	1 January 2019

Management has assessed the impact of these new and revised standards on the Group and it is unlikely that the amendment or 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 are 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 cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.

- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.

- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed.

Group as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.

- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

The effective date of the standard is for years beginning on or after 1 January 2019.

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

The expected impact of the standard is the recognition of right of use assets and lease liability on the balance sheet for leases outside of the Group.

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 1 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 currently not quantifiable, but is not expected to materially impact the results of the Group. This may result in more disclosure than is currently provided for in the annual financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

Group Figures in Namibia Dollar thousand	2019			2018		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Land	94,075	-	94,075	94,075	-	94,075
Buildings	231,710	(2,062)	229,648	231,129	(3,599)	227,530
Plant and machinery	20,388	(8,837)	11,551	17,790	(7,686)	10,104
Motor vehicles	11,873	(5,016)	6,857	13,097	(4,586)	8,511
Total	**358,046**	**(15,915)**	**342,131**	**356,091**	**(15,871)**	**340,220**

Company Figures in Namibia Dollar thousand	2019			2018		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Buildings	403	(76)	327	403	(56)	347
Plant and machinery	4,974	(1,445)	3,529	4,763	(631)	4,132
Motor vehicles	-	-	-	98	(7)	91
	5,377	**(1,521)**	**3,856**	**5,264**	**(694)**	**4,570**

Reconciliation of property, plant and equipment - Group - 2019

	Opening balance	Additions	Disposals	Transfer to investment property	Revaluation	Depreciation	Total
Land	94,075	-	-	-	-	-	94,075
Buildings	227,530	2,430	-	-	-	(312)	229,648
Plant and machinery	10,104	3,507	(26)	-	-	(2,034)	11,551
Motor vehicles	8,511	685	(1,013)	-	-	(1,326)	6,857
	340,220	**6,622**	**(1,039)**	**-**	**-**	**(3,672)**	**342,131**

Reconciliation of property, plant and equipment - Group - 2018

	Opening balance	Additions	Disposals	Transfer to investment property	Revaluation	Disposals	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 - Company - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	347	-	-	(20)	327
Plant and machinery	4,132	208	-	(811)	3,529
Motor vehicles	91	90	(170)	(11)	-
	4,570	**298**	**(170)**	**(842)**	**3,856**

Figures in Namibia Dollar thousand	Group 2019	Group 2018	Company 2019	Company 2018

Reconciliation of property, plant and equipment - Company - 2018

	Opening	Additions	Disposals	Depreciation balance	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**

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings 18:

Land and buildings	180,972	179,616	-	-

Revaluations

Land and buildings are revalued annually by the Group's board of directors. 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 on the same basis.

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

Land	20,892	20,892	-	-
Buildings	158,541	164,455	-	-
	179,433	**185,347**	**-**	**-**

Fair value hierarchy of property

Level 2

Land	94,075	94,075
Buildings	229,648	227,530
	323,723	**321,605**

Sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity of 1% at the income capitalization rate. This represents management's assessment of the reasonable change in the valuation model. All other variables remain constant.

Group 2019	Increase	Decrease
Land and buildings	(9,648)	12,049

Details of properties

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.

5. INVESTMENT PROPERTY

GROUP	2019			2018		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment property	**43,642**	**-**	**43,642**	**43,350**	**-**	**43,350**

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

COMPANY	2019			2018		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment property	**9,000**	**-**	**9,000**	**9,000**	**-**	**9,000**

Reconciliation of investment property - Group - 2019

	Opening balance	Additions	Transfer from property plant and equipment	Fair value adjustments	Total
Investment property	43,350	292	-	-	43,642

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 - Company - 2019

	Opening balance	Fair value adjustments	Total
Investment property	9,000	-	9,000

Reconciliation of investment property - Company - 2018

	Opening balance	Fair value adjustments	Total
Investment property	11,700	(2,700)	9,000

Fair value hierarchy of investment property

Level 2

Investment property	43,642	43,350	9,000	9,000

Other disclosures

Group

During the prior year a decision was made to lease properties in Windhoek to third parties, requiring a transfer to investment property.

Company

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

Details of property

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.

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

Details of valuation

Investment property are revalued annually by the Group's board of directors. 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 on the same basis.

Sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity of 1% at the income capitalization rate. This represents management's assessment of the reasonable change in the valuation model. All other variables remain constant.

Group 2019	Increase	Decrease
Investment property	(560)	589

Amounts recognised in profit and loss for the year

Rental income from investment property	1,461	538	676	616
Direct operating expenses from rental generating property	(57)	(120)	(27)	(99)
	1,404	**418**	**649**	**517**

6. INTANGIBLE ASSETS

GROUP	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	**6,741**	**(4,534)**	**2,207**	**5,845**	**(3,658)**	**2,187**

COMPANY	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	**204**	**(16)**	**188**	**139**	**-**	**139**

Reconciliation of intangible assets - Group - 2019

	Opening balance	Additions	Amortisation	Total
Computer software	2,187	896	(876)	2,207

Reconciliation of intangible assets - Group - 2018

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

Reconciliation of intangible assets - Company - 2019

	Opening balance	Additions	Amortisation	Total
Computer software	139	65	(16)	188

Reconciliation of intangible assets - Company - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	-	139	-	139

Figures in Namibia Dollar thousand	Company	
	2019	2018

7. INVESTMENT IN SUBSIDIARIES

The following table lists the entities which are controlled (100% held) by Nictus Holdings Ltd, either directly or indirectly through subsidiaries, and the carrying amounts (cost) of the investments in the Company's separate financial statements.

Company

Acacia Properties (Pty) Ltd	8,730	730
Auas Motors (Pty) Ltd	9,848	9,848
Bel Development (Pty) Ltd	16,969	16,969
Bonsai Investments Nineteen (Pty) Ltd	40,000	-
Corporate Guarantee and Insurance Company of Namibia Ltd	24,012	24,012
Grenada Investments Two (Pty) Ltd	1,800	-
Hakos Capital and Finance (Pty) Ltd	8,050	8,050
Hochland 7191 (Pty) Ltd	-	-
Isuzu Truck (Namibia) (Pty) Ltd	1,200	-
Khomas Car Rental and Leasing (Pty) Ltd	-	-
Marulaboom Properties (Pty) Ltd	800	-
Mopanie Tree Properties (Pty) Ltd	-	-
NHL Tyre & Tire (Pty) Ltd	12,500	12,500
Nictus (Pty) Ltd	54,013	30,013
Nictus Eiendomme (Pty) Ltd	472	472
Rubbertree Properties (Pty) Ltd	32,692	32,692
Werda Weskusontwikkeling (Pty) Ltd	200	200
Willow Properties (Pty) Ltd	1,028	1,028
Yellow Wood Properties (Pty) Ltd	231	231

Indirectly held through Corporate Guarantee and Insurance Company of Namibia Ltd:

Futeni Collections (Pty) Ltd		
Karas Securities (Pty) Ltd		
	212,545	**136,745**

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

Values shown as NIL have been rounded off to the nearest Namibian dollar thousand.

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

8. TRADE AND OTHER RECEIVABLES

Financial instruments:

Trade receivables	223,330	253,174	16	26
Trade receivables - related parties	-	-	1,608	13,500
Unearned finance charges	(5,303)	(8,146)	-	-
Loss allowance i.t.o IFRS 9	(2,809)	(6,072)	-	-
	215,218	238,956	1,624	13,526
Deposits	183	217	-	-
Operating lease receivables	71	-	-	-
Sundry debtors	483	826	-	-
Other receivable	1,002	950	339	313

Non-financial instruments:

VAT	18,876	27,983	111	268
Refundable taxes	20	20	-	-
Prepayments	118	391	-	-
Total trade and other receivables	**235,971**	**269,343**	**2,074**	**14,107**

Non-current assets	12,009	14,512	-	-
Current assets	223,962	254,831	2,074	14,107
	235,971	269,343	2,074	14,107

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	216,957	240,949	1,963	13,839
Non-financial instruments	19,014	28,394	111	268
	235,971	**269,343**	**2,074**	**14,107**

Exposure to currency risk

Refer to note 39 for details of currency risk management for trade receivables.

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Figures in Namibia Dollar thousand	Group 2019	Group 2018	Company 2019	Company 2018

GROUP	2019 Estimated gross carrying amount at default	2019 Loss allowance (Lifetime expected credit loss)	2018 Estimated gross carrying amount at default	2018 Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 0,05% (2018: 0%)	206,658	(99)	218,768	-
Less than 30 days past due: 0,06% (2018: 0%)	3,352	(2)	10,357	-
31 - 60 days past due: 3,68% (2018: 0%)	1,684	(62)	9,418	-
61 - 90 days past due: 7,76% (2018: 0%)	1,689	(131)	2,406	-
91 - 120 days past due: 40,85% (2018: 100%)	4,495	(1,836)	-	(3,830)
More than 120 days past due: 35,96% (2018: 100%)	1,888	(679)	-	(2,242)
Total	**219,766**	**(2,809)**	**240,949**	**(6,072)**

COMPANY	2019 Estimated gross carrying amount at default	2019 Loss allowance (Lifetime expected credit loss)	2018 Estimated gross carrying amount at default	2018 Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 0% (2018: 0%)	355	-	294	-

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (life time expected credit losses) for trade and other receivables:

Opening balance in accordance with IFRS 9	**(6,072)**	**(5,840)**	**-**	**-**
Provision raised on new trade receivables	-	(1,626)	-	-
Provisions reversed on settled trade receivables	1,794	-	-	-
Provision utilised	1,469	1,394	-	-
Closing balance	**(2,809)**	**(6,072)**	**-**	**-**

Credit risk disclosures for comparatives under IAS 39

The following sections provide comparative information for trade and other receivables which have not been restated. The information is provided in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables

Counterparties without external credit rating	216,957	240,949	1,963	13,839

Group 1 – new customer (less 6 months).

Group 2 – existing customer (more than 6 months) with no defaults in the past.

Group 3 – existing customer (more than 6 months) with some defaults in the past. All defaults were fully recovered.

None of the financial assets that are fully performing have been renegotiated in the last year.

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

1 month past due	1,684	9,418	-	-
2 months past due	1,689	2,406	-	-
3 months past due	6,383	-	-	-

Reconciliation of provision for impairment of trade and other receivables

Opening balance	6,072	5,840	-	-
Provision for impairment	-	1,626	-	-
Unused amounts reversed	(1,794)	-	-	-
Provision utilised	(1,469)	(1,394)	-	-
	2,809	6,072	-	-

The maximum exposure to credit risk at the reporting date is the fair value of each class of trade and other receivable mentioned above. The Group does not hold any collateral as security.

Fair value of trade and other receivables

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

9. INVESTMENTS AT FAIR VALUE

Investments held by the Group which are measured at fair value, are as follows:

Mandatorily at fair value through profit or loss:

Listed equity investments at fair value through profit or loss	21,066	28,285	-	5,772
Debt investments at fair value through profit or loss	753	1,000	-	-
	21,819	**29,285**	**-**	**5,772**

Non-current assets	753	1,000	-	-
Current assets	21,066	28,285	-	5,772
	21,819	**29,285**	**-**	**5,772**

Fair value hierarchy of investments

Level 1

Debt securities	753	1,000	-	-
Listed shares	21,066	28,285	-	5,772
	21,819	**29,285**	**-**	**5,772**

Risk exposure

The investments held by the Group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 39 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

Initial adoption of IFRS 9

IFRS 9 Financial Instruments was adopted in the current year and replaces IAS 39. This note reflects the application of IFRS 9 to the specified instruments.

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

10. LOANS AND RECEIVABLES - COMPARATIVE INFORMATION AS PER IAS 39

Loans and receivables

Other loans and receivables	14,454	15,839	-	-
Preference shares	5,350	7,600	-	-
Secured advances	525,654	493,770	-	-
	545,458	**517,209**	**-**	**-**

Non-current assets	415,808	487,051	-	-
Current assets	129,650	30,158	-	-
	545,458	517,209	-	-

Other 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 an AA+ rated local bank. The loans are secured by underlying assets financed. Refer to Note 18 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% (2018: prime less 2% to prime less 1.5%).

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.

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.

Fair value hierarchy of loans and receivables

Level 2

Loans and receivables	545,458	517,209	-	-

Loans and receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

Not past due	545,458	517,209	-	-
Past due - fully provided	-	163	-	-

Reconciliation of provision for impairment of loans and receivables

Opening balance	(163)	(163)	-	-
Unused amounts reversed	163	-	-	-
	-	(163)	-	-

Credit quality of other financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

Loans and receivables

Credit rating

Performing (internal credit grade)	545,458	517,209	-	-

Risk exposures

The loans and receivables held by the Group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 39 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

11. DEFERRED TAX

Deferred tax liability

Computer software	(200)	(182)	(32)	(15)
Furniture trade receivables	(6,911)	(7,715)	-	-
Insurance contingency reserve	(4,976)	(4,976)	-	-
Land and buildings	(43,744)	(42,067)	(567)	(535)
Plant and equipment	(4,589)	(4,006)	(912)	(869)
Total deferred tax liability	**(60,420)**	**(58,946)**	**(1,511)**	**(1,419)**

Deferred tax asset

Impairment of trade receivables	562	746	-	-
No claim bonus provision	7,648	6,471	-	-
Other provisions	3,438	3,172	339	938
Tax losses available for set off against future taxable income	32,544	27,987	3,653	1,405
Total deferred tax asset	**44,192**	**38,376**	**3,992**	**2,343**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(27,440)	(30,464)	-	-
Deferred tax asset	11,212	9,894	2,481	924
Total net deferred tax (liability) asset	**(16,228)**	**(20,570)**	**2,481**	**924**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(20,570)	(26,534)	924	(610)
Charged to profit or loss	4,342	6,549	1,557	1,534
Charged to other comprehensive income - revaluation of assets	-	(585)	-	-
	(16,228)	**(20,570)**	**2,481**	**924**

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% (2018: 32%).

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

12. INVENTORIES

Work in progress	265	1,288	-	-
Merchandise	96,630	129,218	-	-
	96,895	130,506	-	-
Provision for obsolete stock	(899)	(2,851)	-	-
	95,996	**127,655**	**-**	**-**

No inventory is pledged as security.

13. LOANS TO RELATED PARTIES

Acacia Properties (Pty) Ltd	-	-	368	7,928
Bel Development (Pty) Ltd	-	-	8,062	7,870
Bonsai Investments Nineteen (Pty) Ltd	-	-	9,348	40,139
Grenada Investments Two (Pty) Ltd	-	-	2,727	3,411
Hochland 7191 (Pty) Ltd	-	-	7,795	6,923
Isuzu Truck (Namibia) (Pty) Ltd	-	-	7,399	8,957
Marulaboom Properties (Pty) Ltd	-	-	2,517	2,496
Mopanie Tree Properties (Pty) Ltd	-	-	1,120	1,120
Nictus (Pty) Ltd	-	-	-	24,289
Nictus Eiendomme (Pty) Ltd	-	-	1,624	1,030
Rubber Tree Properties (Pty) Ltd	-	-	24,763	24,311
Werda Weskusontwikkeling (Pty) Ltd	-	-	6,353	6,289
Willow Properties (Pty) Ltd	-	-	3,916	3,351
Yellow Wood Properties (Pty) Ltd	-	-	2,759	2,819
	-	**-**	**78,751**	**140,933**

The above loans due to 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.

Current assets	-	-	78,751	140,933

Exposure to credit risk

Loans receivable inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

In determining the amount of expected credit losses, the Group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

The estimation techniques explained have been applied for the first time in the current financial period, which is the first time the Group has applied IFRS 9. Group loans receivable were previously impaired only when there was objective evidence that the loan was impaired. The impairment was previously calculated as the difference between the carrying amount and the present value of the expected future cash flows.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The Group does not hold collateral or other credit enhancements against Group loans receivable.

Credit rating framework

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available. The abbreviation “ECL” is used to depict “expected credit losses.”

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	Lifetime ECL (not credit impaired)
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit impaired)
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

Credit loss allowances

Since all the loans are performing, the credit loss allowance for the current and prior year have been assessed to be NIL.

Exposure to currency and interest rate risk

Refer to note 39 Financial instruments and financial risk management for details of currency and interest rate risk management for group loans receivable.

Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	148	160	22	18
Bank balances	126,448	60,587	200	1,046
Short-term deposits	299,854	333,468	-	-
	426,450	**394,215**	**222**	**1,064**

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

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to Global Credit rating's long term rating (if available) or historical information about counterparty default rates:

Credit rating

AAA	180	-	-	-
AA	224,265	217,159	-	-
A	4,975	6,509	-	-
AA+	22,814	38,447	200	1,046
AA-	6,516	6,513	-	-
BB+	1,442	2,204	-	-
BBB+	166,109	123,224	-	-
	426,301	**394,056**	**200**	**1,046**

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

Exposure to currency risk

Refer to note 39 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

Fair value of cash and cash equivalents

The fair value of cash and cash equivalents approximates their carrying amounts.

15. STATED CAPITAL

Authorised - no par value shares

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

Reconciliation of number of shares issued:

Reported as at 1 April 2018	53,444	53,444	53,444	53,444

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 (2018: 53 443 500)	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.

A subsidiary holds 983 107 shares in the current year which are deemed to be treasury shares.

16. 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	58,848	58,767
Revaluation of property	-	1,243
Transfer to retained earnings	-	(1,162)
	58,848	**58,848**

17. INSURANCE CONTINGENCY RESERVE

The directors 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**

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

18. INTEREST BEARING LOANS AND BORROWINGS

Held at amortised cost

Secured

Bank loans	131,758	128,852	-	-
Loan from related party	18,766	-	18,766	-

Unsecured

Loan from related party	-	19,797	-	19,797
	150,524	**148,649**	**18,766**	**19,797**

Non-current liabilities	115,031	121,966	-	-
Current liabilities	35,493	26,683	18,766	19,797
	150,524	**148,649**	**18,766**	**19,797**

Bank loans of the Group are from AA+ rated local banks, bearing interest at Namibian bank prime overdraft rates ranging from prime less 0,75% to prime less 2%. The loans are secured by first mortgage bonds over properties and financing of underlying assets. Refer to note 4 and 10 for details.

During the current and prior financial year, the Group complied with the stipulated covenant as set out in the facility letter. The covenant requirement is a cash to debt service cover of 1.8 times (calculated on an annual basis).

During the prior year the loan from Veritrust (Pty) Ltd was unsecured. The loan is repayable on demand, bearing interest at Standard Bank prime overdraft rate and secured by a cash guarantee issued by Corporate Guarantee and Insurance Company of Namibia Ltd.

Refer to note 35 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 39 Financial instruments and financial risk management for the fair value of borrowings.

Exposure to liquidity, currency and interest rate risk

Refer to note 39 Financial instruments and financial risk management for details of liquidity, currency and interest rate risk exposure and management.

Fair value

The fair value of interest bearing borrowings approximates their carrying amounts.

19. TRADE AND OTHER PAYABLES

Financial instruments:

Trade payables	34,664	60,230	2,563	5,825
Trade payables - related parties	-	-	144	-
Sundry creditors	2,590	3,383	-	-
Accruals	2,958	5,810	-	-

Non-financial instruments:

VAT	465	130	-	-
	40,677	**69,553**	**2,707**	**5,825**

Exposure to liquidity, currency and interest rate risk

Refer to note 39 Financial instruments and financial risk management for details of liquidity, currency and interest rate risk exposure and management.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

20. LOANS FROM RELATED PARTIES

Subsidiaries

Futeni Collections (Pty) Ltd	-	-	21,764	16,982
Karas Securities (Pty) Ltd	-	-	45,000	45,000
NHL Tyre & Tire (Pty) Ltd	-	-	2,391	5,072
Nictus (Pty) Ltd	-	-	4,312	-
	-	**-**	**73,467**	**67,054**

Associated company

Nictus Ltd	33,910	40,051	33,910	40,051

Current liabilities	33,910	40,051	107,337	107,105

The above loans due to and from related parties bear interest at Standard Bank Namibia overdraft rates ranging from prime less 1% to prime and have no fixed terms of repayment, but repayable on demand. The loans from subsidiaries are unsecured. The loan from Nictus Limited is secured by a cash guarantee issued by Corporate Guarantee and Insurance Company of Namibia Limited.

Exposure to liquidity, currency and interest rate risk

Refer to note 39 Financial instruments and financial risk management for details of liquidity, currency and interest rate risk exposure and management.

Fair value of group loans payable

The fair value of group loans payable approximates their carrying amounts.

21. PROVISIONS

Reconciliation of provisions - Group - 2019

	Opening balance	Raised	Reversed	Total
Service and maintenance plan provisions	478	-	(37)	441
Used vehicle extended warranty provision	216	97	-	313
Used vehicle warranty provision	226	-	(191)	35
Workshop comeback provision	568	-	(395)	173
Workshop warranty provision	798	-	(677)	121
	2,286	**97**	**(1,300)**	**1,083**

Reconciliation of provisions - Group - 2018

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

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

Figures in Namibia Dollar thousand	Group	
	2019	2018

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

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 Isuzu Motors South Africa (Proprietary) Limited are not recovered.

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

22. INSURANCE CONTRACT LIABILITY

Gross provision for IBNR	3,934	10,662
Gross provision for no claim bonus	23,900	20,222
Gross provision for unearned premiums	1,276,367	1,245,427
	1,304,201	**1,276,311**

Analysis of movements in gross IBNR

Opening balance	10,662	3,001
IBNR portion created	(6,728)	7,661
	3,934	**10,662**

Analysis of movements in no claim bonus provision

Opening balance	20,222	18,987
No claim bonus charged to profit or loss	74,081	64,241
No claim bonus paid	(70,403)	(63,006)
	23,900	**20,222**

Analysis of movements in gross unearned premiums

Opening balance	1,245,427	1,139,520
Claims paid	(19,788)	(8,848)
IBNR created	(6,728)	(7,662)
Net written premiums	171,871	148,442
Net underwriting result	(114,415)	(26,025)
	1,276,367	**1,245,427**

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.

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

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 has been used for 2019 and 2018 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	1,719	1,484

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.

Risk exposures

Refer to note 39 Financial instruments and risk management for details of liquidity, currency and interest rate risk management for the insurance contract liability.

Fair value of insurance contract liability

The fair value of the insurance contract liability approximates its carrying amount.

23. REVENUE

Revenue from contracts with customers

Sale of goods	546,303	700,342	-	-
Rendering of services	33,851	35,135	18,024	20,034
Insurance premium income	32,422	32,709	-	-
	612,576	**768,186**	**18,024**	**20,034**

Revenue other than from contracts with customers

Rental Income	2,098	1,524	677	616
Finance income	62,929	62,211	5,159	9,347
Dividends received from subsidiaries	-	-	10,550	61,772
	65,027	**63,735**	**16,386**	**71,735**
	677,603	**831,921**	**34,410**	**91,769**

Figures in Namibia Dollar thousand	Group 2019	Group 2018	Company 2019	Company 2018

Disaggregation of revenue from contracts with customers

The Group disaggregates revenue from customers as follows:

Sale of goods - retail segment	546,303	700,342	-	-
Administration and management fees received from subsidiaries	-	-	18,024	20,034
Services revenue - retail segment	33,851	35,135	-	-
Insurance premium income - insurance and finance segment	32,422	32,709	-	-
Total revenue from contracts with customers	**612,576**	**768,186**	**18,024**	**20,034**

Timing of revenue recognition

At a point in time

Sale of goods	546,303	700,342	-	-
Rendering of services	33,851	35,135	18,024	20,034
Other revenue	32,422	32,709	-	-
	612,576	**768,186**	**18,024**	**20,034**

Insurance premium income consists of:

Net written premiums	171,871	148,442	-	-
Change in net provision for unearned premiums	(139,449)	(115,733)	-	-
	32,422	**32,709**	**-**	**-**

24. COST OF SALES

Sale of goods	476,099	612,155	-	-
Rendering of services	7,018	8,986	-	-
	483,117	**621,141**	**-**	**-**

25. OTHER OPERATING INCOME

Stamp duty and documentation income	154	256	-	-
Finance income received	1,839	7,677	-	-
Bad debts recovered	206	314	-	-
Sundry income	6,701	9,245	123	175
Other income	1,019	1,604	-	-
	9,919	**19,123**	**123**	**175**

26. OTHER OPERATING GAINS (LOSSES)

Gains on disposal of assets

Property, plant and equipment	4	306	276	30	-
Listed investments	9	6	-	6	-
		312	**276**	**36**	**-**

Fair value gains (losses)

Investment property	5	-	(1,933)	-	(2,700)
Investments at fair value	9	1,942	(1,334)	1,693	(898)
		1,942	**(3,267)**	**1,693**	**(3,598)**
Total other operating gains (losses)		**2,254**	**(2,991)**	**1,729**	**(3,598)**

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

27. INVESTMENT INCOME

Dividend income

Listed investments	7,897	10,121	327	327
Interest received on bank and other	24,733	19,453	-	-
Unlisted investments	686	818	-	-
Total dividend income	**33,316**	**30,392**	**327**	**327**

Interest income

Investments in financial assets:

Bank and other cash	2,798	2,538	517	719
Total investment income	**36,114**	**32,930**	**844**	**1,046**

28. EMPLOYEE COSTS

As at 31 March 2019 the Group had 445 employees. Employee benefits expense is made up of the following for all employees, excluding executive directors:

Employee costs

Salaries, wages, bonuses and other benefits	78,677	98,979	6,298	7,780

29. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

Depreciation

Property, plant and equipment	3,672	3,688	842	363

Amortisation

Intangible assets	876	369	16	-

Total depreciation, amortisation and impairment

Depreciation	3,672	3,688	842	363
Amortisation	876	369	16	-
	4,548	**4,057**	**858**	**363**

30. OPERATING PROFIT (LOSS)

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

Auditor’s remuneration - external	2,055	2,081	422	400
Secretarial services	925	769	380	262

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

Leases

Operating lease charges

Premises	7,684	7,268	730	730
Equipment	286	446	-	-
	7,970	**7,714**	**730**	**730**

Refer to note 40 commitments for additional details of operating leases.

Movement in credit loss allowances

Trade and other receivables	(2,214)	(612)	-	-

Insurance expenses

Claims incurred	13,056	16,510	-	-
No claim bonus allocations	74,081	64,241	-	-
	87,137	**80,751**	**-**	**-**

31. FINANCE COSTS

Preference dividends transferred to finance costs	-	-	3,221	3,281
Bank and other	8,758	12,735	-	-
Related parties	6,288	7,533	7,202	8,723
Total finance costs	**15,046**	**20,268**	**10,423**	**12,004**

32. TAXATION

Major components of the tax (income) expense

Deferred

Originating and reversing temporary differences	(4,342)	(6,551)	(1,557)	(1,535)

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit / (loss)	2,814	(953)	4,331	53,032
Tax at the applicable tax rate of 32% (2018: 32%)	900	(305)	1,386	16,970

Tax effect of adjustments on taxable income

Exempt income	(10,895)	(5,118)	(3,481)	(19,872)
Non-deductible expenses	-	-	538	1,367
Tax losses utilised	5,653	(1,128)	-	-
	(4,342)	**(6,551)**	**(1,557)**	**(1,535)**

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

	123,814	103,990	11,418	4,394

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:

	7,085	5,191	-	-

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

33. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income - Group - 2018

Items that will not be reclassified to profit (loss)

Movements on revaluation

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

34. CASH GENERATED FROM OPERATIONS

Profit (loss) before taxation	2,814	(953)	4,331	53,032

Adjustments for:

Depreciation and amortisation	4,548	4,057	861	364
Gains on disposals of property, plant and equipment	(306)	(276)	(33)	-
Interest income	(2,798)	(2,538)	(517)	(719)
Finance costs	15,046	20,268	10,423	12,004
Fair value losses (gains)	-	1,933	(1,693)	3,598
Movements in provisions	(1,203)	(1,078)	-	-
Prescribed dividend	265	271	265	271

Changes in working capital:

Inventories	31,659	34,814	-	-
Trade and other receivables	33,372	37,416	12,033	(9,466)
Trade and other payables	(28,876)	(11,154)	(3,118)	1,058
Insurance contract liability	27,889	114,803	-	-
	82,410	**197,563**	**22,552**	**60,142**

35. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities - Group - 2019

	Opening balance	Cash flows	Closing balance
Interest bearing loans and borrowings	148,649	1,875	150,524
Insurance contract liability	1,276,311	27,889	1,304,200
Loan from related party	40,051	(6,141)	33,910
Total liabilities from financing activities	**1,465,011**	**23,623**	**1,488,634**

Reconciliation of liabilities arising from financing activities - Group - 2018

	Opening balance	Cash flows	Closing balance
Interest bearing loans and borrowings	167,873	(19,224)	148,649
Insurance contract liability	1,161,508	114,803	1,276,311
Loan from related party	40,591	(540)	40,051
Total liabilities from financing activities	**1,369,972**	**95,039**	**1,465,011**

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

Reconciliation of liabilities arising from financing activities - Company - 2019

	Opening balance	Cash flows	Closing balance
Interest bearing loans and borrowings	19,797	(1,031)	18,766
Loan from related parties	107,105	(33,638)	73,467
Total liabilities from financing activities	**126,902**	**(34,669)**	**92,233**

Reconciliation of liabilities arising from financing activities - Company - 2018

	Opening balance	Cash flows	Closing balance
Interest bearing loans and borrowings	32,467	(12,670)	19,797
Loan from related parties	89,688	17,417	107,105
Total liabilities from financing activities	**122,155**	**4,747**	**126,902**

36. DIVIDENDS PAID

Ordinary dividends	(6,413)	(6,413)	(6,413)	(6,413)

37. RELATED PARTIES

Relationships	
Subsidiaries	Refer to note 7
Related companies	Veritrust (Pty) Ltd
	Nictus Ltd

Members of key management	
	NC Tromp (non-executive director)
	GR de V Tromp (non-executive director)
	PJ de W Tromp
	WO Fourie
	FR van Staden

Independent non-executive directors	
	Gerard Swart
	JD Mandy
	TB Horn

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.

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

Transactions with key management personnel
Details pertaining to directors' and key management compensations are set out in Note 38.

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 non-commercial 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:

Related party balances

Loan accounts - Owing (to) by related parties

Loans to subsidiaries	-	-	78,751	140,933
Loans from subsidiaries (excl preference shares)	-	-	(28,467)	(22,054)
Preference shares issued to subsidiary	-	-	(45,000)	(45,000)
Loan from Nictus Ltd	(33,910)	(40,051)	(33,910)	(40,051)
Loan from Veritrust (Pty) Ltd	(18,766)	(19,797)	(18,766)	(19,797)

Amounts included in Trade receivable (Trade Payable) regarding related parties

Amounts due from subsidiaries	-	-	1,608	11,903
Amounts due to subsidiaries	-	-	(144)	(11,903)
Amounts due from key management	1,513	1,212	-	-

Related party balances with key management, personnel and companies affiliated with key management in the Group

Unearned premium reserve account	(24,135)	(11,439)	-	-
Loans and receivables: Preference shares	5,350	7,600	-	-

Related party transactions

Interest paid to (received from) related parties

Interest received from subsidiaries	-	-	(5,159)	(9,347)
Interest paid to subsidiaries	-	-	914	1,190
Preference dividends paid to subsidiary	-	-	3,221	3,281
Interest paid to Veritrust (Pty) Ltd	2,339	3,251	2,339	3,251
Interest paid to Nictus Ltd	3,949	4,282	3,949	4,282

Rent paid to (received from) related parties

Rent received from subsidiary	-	-	-	(368)
Rent paid to subsidiary	-	-	808	730

Figures in Namibia Dollar thousand	Group		Company	
	2019	2018	2019	2018

Administration fees paid to (received from) related parties

Admin fees received from subsidiaries	-	-	17,970	20,034

Dividends received

Dividends received from Nictus Ltd	-	-	(327)	(327)
Dividends received from subsidiaries	-	-	(10,550)	(61,771)

Related party transactions with key management, personnel and companies affiliated with key management in the Group

Gross written premiums	1,029	2,016	-	-
Cancellations and endorsements	474	44	-	-
Claims paid	25	30	-	-
Change in provision for unearned premiums	12,696	(6,729)	-	-
Preference dividends paid	686	818	-	-

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.

38. DIRECTORS' EMOLUMENTS

Executive

2019

	Management and consulting fees - Holding company	Management and consulting fees - Subsidiaries	Total
PJ de W Tromp	3,353	-	3,353
WO Fourie	-	2,365	2,365
FR van Staden	2,973	-	2,973
JJ Retief (resigned 1 September 2018)	1,075	-	1,075
	7,401	**2,365**	**9,766**

2018

	Management and consulting fees - Holding company	Management and consulting fees - Subsidiaries	Total
PJ de W Tromp	3,320	-	3,320
WO Fourie	-	2,291	2,291
FR van Staden	2,937	-	2,937
JJ Retief	2,423	-	2,423
	8,680	**2,291**	**10,971**

Figures in Namibia Dollar thousand

38. DIRECTORS' EMOLUMENTS

Non-executive

2019

	Directors' fees	Consulting fees	Directors fees - subsidiaries	Total
NC Tromp	-	3,930	-	3,930
GR de V Tromp	105	-	-	105
Gerard Swart	500	-	-	500
JD Mandy	430	-	120	550
	1,035	**3,930**	**120**	**5,085**

2018

	Directors' fees	Consulting fees	Directors fees - subsidiaries	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**

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board 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 Group's risk management policies. The committee reports regularly to the board 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 board oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

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.

The Group is exposed to credit risk on loans receivable, trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables or lease receivables.

The maximum exposure to credit risk is presented in the table below:

GROUP		**2019**			**2018**		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans receivable	10	545,458	-	545,458	517,209	-	517,209
Investments at fair value through profit or loss	9	21,819	-	21,819	29,285	-	29,285
Trade and other receivables	8	219,766	(2,809)	216,957	247,021	(6,072)	240,949
Cash and cash equivalents	14	426,450	-	426,450	394,215	-	394,215
		1,213,493	**(2,809)**	**1,210,684**	**1,187,730**	**(6,072)**	**1,181,658**

COMPANY		2019			2018		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	8	1,963	-	1,963	13,839	-	13,839
Investments at fair value through profit or loss	9	-		-	5,772		5,772
Loans to related parties	13	78,751	-	78,751	140,933	-	140.933
Cash and cash equivalents	14	222	-	222	1,064	-	1,064
		80,936	**-**	**80,936**	**161,608**	**-**	**161,608**

Liquidity risk

The Group is exposed to liquidity risk, which is the risk that the Group will encounter difficulties in meeting its obligations as they become 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 current 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.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2019

Non-current liabilities

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Interest bearing loans and borrowings	18	35,493	30,683	27,161	57,187	150,524	150,524

Current liabilities

Trade and other payables	19	40,212	-	-	-	40,212	40,212
Loans from related parties	20	33,910	-	-	-	33,910	33,910
Insurance contract liability	22	1,304,200	-	-	-	1,304,200	1,304,200
		1,413,815	**30,683**	**27,161**	**57,187**	**1,528,846**	**1,528,846**

Group - 2018

Non-current liabilities

		Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Borrowings	18	26,683	17,463	104,503	148,649	148,649

Current liabilities

Trade and other payables	19	69,423	-	-	69,423	69,423
Loans from group companies	20	40,051	-	-	40,051	40,051
Insurance contract liability	22	1,276,311	-	-	1,276,311	1,276,311
		1,412,468	**17,463**	**104,503**	**1,534,434**	**1,534,434**

Company - 2019

Current liabilities

		Less than 1 year	1 to 2 years	Total	Carrying amount
Trade and other payables	19	2,707	-	2,707	2,707
Loans from related parties	20	107,377	-	107,377	107,377
Interest bearing loans and borrowings	18	18,766	-	18,766	18,766
		128,850	**-**	**128,850**	**128,850**

Company - 2018

Current liabilities

		Less than 1 year	1 to 2 years	Total	Carrying amount
Trade and other payables	19	5,830	-	5,830	5,830
Loans from group companies	20	92,105	15,000	107,105	107,105
Interest bearing borrowings	18	19,797	-	19,797	19,797
		117,732	**15,000**	**132,732**	**132,732**

Foreign currency 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.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to 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.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Figures in Namibia Dollar thousand	Note	Average effective interest rate		Carrying amount	
Group		**2019**	**2018**	**2019**	**2018**

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Variable rate instruments:

Assets

Trade and other receivables	8	13.25 %	13.52 %	98,376	134,158
Loans and receivables: preference shares	9	7.33 %	7.44 %	5,350	7,600
Other loans and receivables	8	12.35 %	11.93 %	14,490	15,247
Loans and receivables: secured advances	13	9.47 %	9.31 %	525,654	493,770
Cash and cash equivalents	14	8.20 %	8.53 %	411,599	377,079
				1,055,469	**1,027,854**

Liabilities

Loan from related parties	18	10.38 %	10.38 %	(52,676)	(59,848)
Bank loans	18	9.50 %	9.33 %	(131,758)	(128,852)
				(184,434)	**(188,700)**

Net variable rate financial instruments				**871,035**	**839,154**

Variable rate financial instruments as a percentage of total interest bearing financial instruments 100.00 % 100.00 %

	Note	Average effective interest rate		Carrying amount	
Company		**2019**	**2018**	**2019**	**2018**

Variable rate instruments:

Assets

Loans to group companies	13	10.50 %	10.50 %	62,642	116,256
Trade and other receivables	8	6.00 %	6.00 %	120	-
				62,762	**116,256**

Liabilities

Loans from related parties	18	9.40 %	9.40 %	(126,143)	(126,902)

Net variable rate financial instruments				**(63,381)**	**(10,646)**

Variable rate financial instruments as a percentage of total interest bearing financial instruments 100.00 % 100.00 %

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 31 March 2019, if the Group interest rate had been 1% per annum (2018: 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 8.7 million (2018: N$ 8,8 million) lower and N$ 8.7 million (2018: N$ 8,8 million) higher.

At 31 March 2019, if the Company interest rate had been 1% per annum (2018: 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 0.6 million (2018: N$ 0.01 million) lower and N$ 0.6 million (2018: N$ 0.01 million) higher.

Price risk

The Group is exposed to price risk because of its investments in equity instruments which are measured at fair value. The exposure to price risk on equity investments is managed through a diversified portfolio, and through the use of option contracts on relevant indexes, where necessary.

The Group is not exposed to commodity price risk.

There have been no significant changes in the price risk management policies and processes since the prior reporting period.

Price risk sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when price risk internally to key management personnel and represents management's assessment of the reasonably possible change in relevant prices. All other variables remain constant. The sensitivity analysis includes only equity investments held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group	**2019**	**2019**	**2018**	**2018**
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Listed shares 1% (2018: 1 %)	211	(211)	283	(283)

Company	**2019**	**2019**	**2018**	**2018**
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Listed shares 1% (2018: 1 %)	-	-	58	(58)

Capital risk management

The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The Group monitors capital utilising a number of measures, including the gearing ratio on a company by company basis.

Categories of financial assets

Group - 2019

Figures in Namibia Dollar thousand	Note	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans and receivables	10	-	545,458	545,458	545,458
Investments at fair value	9	21,819	-	21,819	21,819
Trade and other receivables	8	-	216,957	216,957	216,957
Cash and cash equivalents	14	-	426,450	426,450	426,450
		21,819	**1,188,865**	**1,210,684**	**1,210,684**

Group - 2018

	Note	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans and receivables	10	-	517,209	517,209	517,209
Investments at fair value	9	29,285	-	29,285	29,285
Trade and other receivables	8	-	240,949	240,949	240,949
Cash and cash equivalents	14	-	394,215	394,215	394,215
		29,285	**1,152,373**	**1,181,658**	**1,181,658**

Company - 2019

	Note	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to group companies	13	-	78,751	78,751	78,751
Trade and other receivables	8	-	1,963	1,963	1,963
Cash and cash equivalents	14	-	222	222	222
		-	**80,936**	**80,936**	**80,936**

Company - 2018

	Note	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to related parties	13	-	140,933	140,933	140,933
Investments at fair value	9	5,772	-	5,772	5,772
Trade and other receivables	8	-	13,839	13,839	13,839
Cash and cash equivalents	14	-	1,064	1,064	1,064
		5,772	**155,836**	**161,608**	**161,608**

Categories of financial liabilities

Group - 2019

Figures in Namibia Dollar thousand	Note	Amortised cost	Total	Fair value
Interest bearing loans and borrowings	18	150,524	150,524	150,524
Trade and other payables	19	40,212	40,212	40,212
Loans from related parties	20	33,910	33,910	33,910
Insurance contract liability	22	1,304,200	1,304,200	1,304,200
		1,528,846	**1,528,846**	**1,528,846**

Group - 2018

	Note	Amortised cost	Total	Fair value
Interest bearing loans and borrowings	18	148,649	148,649	148,649
Trade and other payables	19	69,423	69,423	69,423
Loans from related parties	20	40,051	40,051	40,051
Insurance contract liability	22	1,276,311	1,276,311	1,276,311
		1,534,434	**1,534,434**	**1,534,434**

Company - 2019

	Note	Amortised cost	Total	Fair value
Trade and other payables	19	2,707	2,707	2,707
Loans from related parties	20	73,467	73,467	73,467
Interest bearing loans and borrowings	18	52,676	52,676	52,676
		128,850	**128,850**	**128,850**

Company - 2018

	Note	Amortised cost	Total	Fair value
Trade and other payables	19	5,825	5,825	5,825
Loans from related parties	20	107,105	107,105	107,105
Interest bearing loans and borrowings	18	19,797	19,797	19,797
		132,727	**132,727**	**132,727**

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.

Corporate Guarantee and Insurance Company of Namibia Limited 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.

Figures in Namibia Dollar thousand	Note	Group		Company	
		2019	2018	2019	2018

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 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.

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.

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.

40. COMMITMENTS

Operating leases – as lessee (expense)
Minimum lease payments due

- within one year	2,649	4,906	730	730
- in second to fifth year inclusive	3,026	3,843	-	-
	5,675	**8,749**	**730**	**730**

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

- within one year	1,633	1,390	717	677
- in second to fifth year inclusive	2,904	4,070	433	1,150
	4,537	**5,460**	**1,150**	**1,827**

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

41. 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	Products and services
Retail	Operates the Isuzu and Opel franchise throughout Namibia, in addition to operating as distributor and retailer of Goodyear products. Furniture retail company with branches located throughout Namibia.
Insurance and finance	Short term insurance through the alternative risk transfer model as well as vehicle financing.
Property companies	Property companies mainly for own use.
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.

Transactions within the Group take place on an arms length basis.

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 following 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.

41. GROUP SEGMENTAL ANALYSIS

Business segment

	Retail		Property Companies	
	2019	2018	2019	2018
Segment revenue	N$'000	N$'000	N$'000	N$'000
Sales of goods	580,866	735,958	-	-
Rental income	357	794	24,637	27,434
Finance income	10,586	13,191	-	-
Management fees	-	-	-	-
Insurance premium income	-	-	-	-
Dividends received from related parties	-	-	-	-
Total revenue from external customers	591,809	749,943	24,637	27,434
Inter-segment revenue	11	120	-	-
Total segment revenue	**591,820**	**750,063**	**24,637**	**27,434**

Segment result

Operating profit before financing costs	2,188	1,645	19,247	20,737
Financing costs	(13,103)	(16,657)	(23,405)	(24,909)
Profit before taxation	(10,915)	(15,012)	(4,158)	(4,172)
Taxation	1,286	2,799	305	(606)
Net profit/(loss) for the year	(9,629)	(12,213)	(3,853)	(4,778)
Segment assets	231,199	305,764	388,987	386,807
Segment liabilities	178,518	267,436	288,078	333,250
Cash flows from operating activities	43,384	18,161	(9,623)	(7,144)
Cash flows from investing activities	(2,506)	(3,751)	(4,238)	(905)
Cash flows from financing activities	(45,026)	(16,298)	14,088	7,745
Capital expenditure	(1,395)	(1,036)	(5,042)	(9,175)

Insurance & Finance		Head Office		Eliminations		Consolidated	
2019	2018	2019	2018	2019	2018	2019	2018
N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
-	-	-	-	(712)	(481)	580,154	735,477
-	-	-	-	(22,896)	(26,704)	2,098	1,524
79,678	73,694	5,159	9,347	(32,494)	(34,021)	62,929	62,211
-	-	18,024	20,034	(18,024)	(20,034)	-	-
21,762	25,586	-	-	10,660	7,123	32,422	32,709
-	-	10,550	61,771	(10,550)	(61,771)	-	-
101,440	99,280	33,733	91,152	(74,015)	(135,889)	677,603	831,921
7,592	9,691	-	-	(7,603)	(9,811)	(0)	-
109,032	**108,971**	**33,733**	**91,152**	**(81,618)**	**(145,700)**	**677,603**	**831,921**

26,115	27,297	14,155	68,594	(43,845)	(98,957)	17,860	19,316
(1,426)	(1,324)	(10,423)	(13,347)	33,311	35,968	(15,046)	(20,269)
24,689	25,973	3,732	55,247	(10,534)	(62,989)	2,814	(953)
(958)	(651)	1,557	1,535	2,152	3,474	4,342	6,551
23,731	25,322	5,289	56,782	(8,382)	(59,515)	7,156	5,598
1,420,312	1,385,959	300,117	304,258	(615,728)	(649,431)	1,724,886	1 ,733,358
1,365,599	1,344,428	128,850	132,732	(403,211)	(510,532)	1,557,834	1 ,567,314
58,438	209,858	12,646	48,857	(34,683)	(89,899)	70,162	179,833
19,474	(268,352)	(68,498)	(6,554)	28,520	183,131	(27,248)	(96,431)
(41,317)	121,792	55,010	(41,644)	6,566	(97,771)	(10,679)	(26,177)
(412)	(84)	(298)	(1,419)	525	7,562	(6,622)	(4,152)

Figures in Namibia Dollar thousand	Note	Group 2019	Group 2018	Company 2019	Company 2018

42. EARNINGS PER SHARE

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 in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Treasury shares are held by a subsidiary and was acquired at the beginning of the current financial year.

Reconciliation of profit or loss for the year to basic earnings

Profit or loss for the year attributable to equity holders of the parent	7,156	5,598

Weighted average number of shares ('000)		
Shares in issue	53,444	53,444
Treasury shares	(983)	-
	52,461	**53,444**

Basic earnings per share	13.64	10.47

Basic earnings per share (before treasury share adjustment)	13.39	10.47

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

Headline earnings and diluted headline earnings per share

Headline earnings per share is determined by adjusting basic earnings per share with separately identifiable re-measurement divided by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

Headline earnings per share (cents)	13.06	13.57
Headline earnings per share before treasury share adjustment (cents)	12.82	13.57

Reconciliation between earnings and headline earnings

Basic earnings	7,156	5,598

Adjusted for:

Fair value adjustment on investment property	-	1,933
Profit on disposal of property, plant and equipment	(306)	(276)
	6,850	**7,255**

Dividends per share

Final (cents)			12.00	12.00

The final dividend was declared and authorised after the end of the reporting period. The dividend has therefore not been recognised as a liability in the reporting period. It has been disclosed for information purposes only.

43. 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.

44. EVENTS AFTER THE REPORTING PERIOD

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

Remuneration 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 research is applied in the structuring and evaluation or packages.
- 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

Incentive schemes are aimed at achieving Group performance as set out in the rules. To qualify staff must:

- meet predetermined annual targets; and
- perform exceptionally.

Staff who have transgressed the Group ethical code are ineligible to share in the incentive schemes. 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, assisted by the Remuneration and Nomination Committee, stands at the forefront of developing remuneration policies, reviewing the philosophy strategy and practice, 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 their authority.

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 2019 will be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on **29 August 2019 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 2019 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 Gerard Swart as a director

"Resolved that Gerard Swart 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 NC Tromp as a director

"Resolved that NC 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.

3.3 Ordinary resolution 3: re-election of WO Fourie as a director

"Resolved that WO Fourie 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: election of TB Horn as a director

"Resolved that TB Horn be and is hereby 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.

3.5 Ordinary resolution 5: non-binding advisory vote for approval of the Company's remuneration policy

"Resolved to approve, by way of a non-binding, advisory vote, the remuneration policy of the Company as set out on page 89 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.

3.6 Ordinary resolution 6: approval of non-executive directors' remuneration

"Resolved that the Company be and is hereby authorised to pay remuneration to its non-executive directors for their services as directors, and that the remuneration structure and amounts as set out below, 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	Investment Committee NAD	Remuneration and Nominations Committee NAD
Gerard Swart	420 000	420 000	-	-	-
TB Horn	276 000	240 000	36 000	-	-
NC Tromp	288 000	240 000	-	24 000	24 000
GR de V Tromp	240 000	240 000	-	-	-

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.

3.7 Ordinary resolution 7: 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.

3.8 Ordinary resolution 8: 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 -

3.8.1 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;

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

3.8.3 the shares which are the subject of the issue -

3.8.3.1 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;

3.8.3.2 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

3.8.3.3 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;

3.8.4 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

3.8.5 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

3.9 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: election of TB Horn as a member of the Audit Committee

"Resolved that TB Horn, 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.

3.12 Ordinary resolution 12: election of TB Horn as Chairperson of the Audit Committee

"Resolved that TB Horn, an independent non-executive director of the Company, be and is hereby elected as chairperson 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.

3.13 Ordinary resolution 13: 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.

3.14 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.

3.15 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.

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 and 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 63.

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 (P.O. Box 755, Windhoek) or the Transfer Secretaries, c/o Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, Mandume Ndemufayo avenue, Windhoek (P.O. Box 755, Windhoek). Forms of proxy must be received by no later than **12:00 on 27 August 2019**. 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 the annual general meeting.

By order of the Board
Nictus Holdings Limited

Veritas Board of Executors (Proprietary) Limited
Secretary

Windhoek
28 June 2019

Brief CV's of Directors for election

TB Horn

- CA (NAM), CA (SA)
- **Years of Service:** 0 years
- Independent Non-Executive Director
- **Chairperson:** Audit Committee

TB Horn is a qualified chartered accountant (Namibia and South Africa) and certified internal auditor. She served on the Institute of Chartered Accountants Namibia Council for a number of years, and was president of the institute from 2016 to 2018. She was also a partner of a big four auditing firm in Namibia for 5 years, leading the internal audit and corporate governance practice.

Gerard Swart

- CA (NAM), CA (SA)
- **Years of Service:** 3 years
- Independent Non-Executive Chairman
- **Member:** Remuneration & Nominations Committee

Gerard Swart is a qualified Chartered Accountant (Namibia and South Africa) and boasts 34 years' experience in the accounting profession, of which 24 years as audit partner, during which he fulfilled the role of managing partner for 15 years. He has been elected as an Independent Non-executive Director and Member of the Audit and Risk Committee and Chairman of the Remuneration and Nominations Committee of Nictus Limited from 2014 to 2018.

NC Tromp

- B.Com
- **Years of Service:** 45 years
- Non-Executive Director
- **Chairman:** Remuneration & Nominations Committee
- **Chairman:** Investment Committee

After completing his accounting articles in 1972, NC Tromp joined the Group and became the Group Managing Director in 1979. He served as Group Chairman from 1998 to 2003 and is currently the Chairman of the Investment Committee and Remuneration and Nominations Committee. NC Tromp serves on all Segment Boards of Directors as Non-executive Director.

WO Fourie

- CA (NAM), CA (SA)
- **Years of Service:** 12 years
- Group Financial Director
- **Member:** Investment Committee
- **Member:** Risk Committee
- **Member:** Executive Committee

WO Fourie is a CA (NAM), CA (SA) and completed his accounting articles in 2002. In 2007 he joined the Nictus Limited Group as the Group Financial Manager and was appointed as the Group Financial Director (Nictus Limited Group) during 2010. He currently serves as Group Financial Director (Nictus Holdings Limited Group) and as Executive Director on the Boards of Corporate Guarantee and Insurance Company of Namibia Ltd, Karas Securities (Pty) Ltd, Futeni Collections (Pty) Ltd and Hakos Capital and Finance (Pty) Ltd.

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 **29 August 2019** 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 G Swart as a director				
02. *Ordinary resolution 2:* re-election of NC Tromp as a director				
03. *Ordinary resolution 3:* re-election of WO Fourie as a director				
04. *Ordinary resolution 4:* election of TB Horn as a director				
05. *Ordinary resolution 5:* non-binding advisory vote for approval of the Group's remuneration policy				
06. *Ordinary resolution 6:* approval of non-executive directors' remuneration				
07. *Ordinary resolution 7:* re-appointment of SGA as auditors				
08. *Ordinary resolution 8:* authority to issue ordinary shares				
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:* election of TB Horn as a member of the Audit Committee				
12. *Ordinary resolution 12:* election of TB Horn as Chairperson of the Audit Committee				
13. *Ordinary resolution 13:* signing authority				
14. *Special resolution 1:* general authority to repurchase shares				
15. *Special resolution 2:* financial assistance to entities related or inter-related to the Company				

*** 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) ....

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 (P.O. Box 755, Windhoek) or the transfer Secretaries, Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo avenue, Windhoek (P.O. Box 755, Windhoek). Forms of proxy must be received no later than **12:00 on 27 August 2019**.

Annual Report 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
W O Fourie

Non-executive Directors
Gerard Swart (Independent Chairman)
JD Mandy (Independent)
TB Horn (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
P.O. Box 755, Windhoek, Namibia

Registered Office
1st Floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek
P.O. Box 755, 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

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