NICTUS HOLDINGS

Annual Report

1945 - 2023

2023

www.nictusholdings.com

Taking action with a strategic focus.

Annual Report 2023

Nictus Holdings Limited is pleased to present its 2023 Annual Report to provide our stakeholders with an overview of our business and how our strategy, governance, and performance created value for them in this year and will continue to do so over the short, medium, and long term.

NICTUS HOLDINGS

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PERFORMANCE HIGHLIGHTS

> **The Nictus Holdings Group strives to maintain strong connections with all stakeholders involved.**

Financial highlights: 2023 - 12 month period | 2022 - 15 month period.

REVENUE

1 BILLION

Revenue increased by 9% to N$1 billion
(2022: N$920,9 million)

PROFIT

41.2 MILLION

Profit decreased by 4% to N$41,2 million
(2022: N$42,8 million)

NET WORTH PER SHARE

426.92 CENTS

Net worth per share increased to 426.92 cents
(2022: 375.47 cents)

ASSET GROWTH

2.6 BILLION

Total assets increased by 25% to N$2,6 billion
(2022: N$2,1 billion)

FINAL DIVIDEND OF

26 CENTS

Per share was declared

ABOUT NICTUS HOLDINGS

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 was unbundled from the JSE listed company, and on 21 September 2012 was primary listed on the Namibian Stock Exchange (NSX).

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

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

On 21 September 2012 was primary listed on the Namibian Stock Exchange (NSX).

Our core focus is to drive *EXCELLENCE* in every aspect of the organisation.

The Nictus Holdings Philosophy

Nictus Holdings has been successful in change initiatives. The objective 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 Holdings as a leading entity wherever we are present.

Core Values

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

Code of Conduct

I will:

- **Protect** the groups assets, information and reputation.
- **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.
- **Value and respect** the diversity of beliefs, cultures, convictions and habits of the people of our Group and the country 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 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 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.

Our Vision

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

We are what we repeatedly do. Excellence then, is not an act but a habit.

Aristotle (384 BC - 322 BC)

Our Mission Statement

With a culture of **EXCELLENCE** and through visionary and dynamic leadership, we will achieve our vision through:

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

GROUP PROFILE

Nictus Namibia is the holding company of a group of companies, which operates in three segments, namely insurance and finance, retail and properties.

TrenTyre Namibia

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.

Auas Motors

Operates the Isuzu, Suzuki and Hero franchises throughout the whole of Namibia and also offers a wide selection of quality used vehicles.

We fit the best, best.

Glasfit Namibia

Glasfit Namibia's mission is to deliver unrivaled customer service. The aim is to be the market leaders and pace setters in the industry through unparalleled innovative thinking. These are the values that set Glasfit Namibia apart.

Khomas Car Rental

Khomas Car Rental & Leasing is a Namibian company based in Windhoek. The company specialises in vehicle rental services.

Nictus

Is the largest independent furniture retailer in Namibia providing quality and value for money products. Bedding Boutique is a concept store under the Nictus brand that provide a range of specialised sleep products.

Hakos Capital

Hakos Capital and Finance mainly provides financial assistance for the purchase of vehicles and accessories to all Auas Motors branches. Hakos also offers rental solutions of office equipment and other assets to prospective clients.

Corporate Guarantee

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

Properties

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

> **The Group operates in three segments, namely insurance and finance, retail and properties.**

OPERATIONS FOOTPRINT

Nictus Namibia is proud to have a large national footprint within the retail, insurance and finance as well as the properties segments and operate in 14 towns.

RETAIL					INSURANCE & FINANCE		PROPERTIES
TRENTYRE	**AUAS MOTORS**	**NICTUS**	**GLASFIT NAMIBIA**	**KHOMAS CAR RENTAL**	**CORPORATE GUARANTEE**	**HAKOS CAPITAL**	**PROPERTIES**
Gobabis	Gobabis	Ongwediva	Swakopmund	Windhoek	Swakopmund	Windhoek	Gobabis
Keetmanshoop	Otjiwarongo	Swakopmund	Walvis Bay		Windhoek		Ongwediva
Lüderitz	Ongwediva	Tsumeb	Windhoek		Tsumeb		Rundu
Mariental	Swakopmund	Walvis Bay	Oshakati		Walvis Bay		Swakopmund
Ondangwa	Walvis Bay	Windhoek	Ondangwa				Tsumeb
Oshakati	Windhoek						Walvis Bay
Otjiwarongo	Rundu						Windhoek
Rosh Pinah							
Rundu							
Swakopmund							
Tsumeb							
Walvis Bay							
Windhoek							

GROUP STRUCTURE

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

NICTUS HOLDINGS

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

RETAIL SEGMENT

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

GROUP FIVE YEAR PROFILE

	12 months ended 30 June 2023	15 months ended 30 June 2022	31 March 2021	31 March 2020	31 March 2019
	N$ '000	N$ '000	N$ '000	N$ '000	N$ '000
Statements of Financial Position					
Assets					
Non-current assets	1,288,127	1,056,901	829,262	876,894	827,762
Current assets	1,334,698	1,040,347	1,026,249	1,133,079	897,124
Total assets	**2,622,825**	**2,097,248**	**1,855,511**	**2,009,973**	**1,724,886**
Liabilities					
Non-current liabilities	74,958	71,791	142,356	144,906	142,471
Current liabilities *	2,319,707	1,824,794	1,533,685	1,697,508	1,415,363
Total liabilities	**2,394,665**	**1,896,585**	**1,676,041**	**1,842,414**	**1,557,834**
Equity					
Stated capital	129	129	129	129	129
Reserves	72,203	67,203	74,399	74,399	74,399
Retained income	155,828	133,331	104,942	93,031	92,524
Total equity	**228,160**	**200,663**	**179,470**	**167,559**	**167,052**
Total equity and liabilities	**2,622,825**	**2,097,248**	**1,855,511**	**2,009,973**	**1,724,886**
Statements of Profit or Loss and Other Comprehensive Income					
Revenue	1,006,340	920,865	656,647	631,060	677,603
Cost of sales	(720,262)	(649,015)	(475,259)	(428,121)	(483,117)
Gross profit	**286,078**	**271,850**	**181,388**	**202,939**	**194,486**
Other operating income	48,482	50,365	24,598	35,839	43,235
Other operating (losses) / gains	(43)	(9,674)	(40)	1,132	2,254
Other operating expenses	(284,400)	(256,994)	(175,957)	(220,643)	(224,913)
Operating profit	**50,117**	**55,547**	**29,989**	**19,267**	**15,062**
Investment income	3,130	2,657	2,495	2,682	2,798
Finance costs	(6,627)	(6,778)	(4,864)	(8,904)	(15,046)
Profit before taxation	**46,620**	**51,426**	**27,620**	**13,045**	**2,814**
Taxation	(5,393)	(8,592)	(9,472)	(5,683)	4,342
Profit for the year	**41,227**	**42,834**	**18,148**	**7,362**	**7,156**

* Included in current liabilities is the insurance contract liability. Premiums received under this liability are invested in terms of the Short-term Insurance Act of 1998, enacted in Namibia with the result that certain investments are of a long term nature.

GROUP FIVE YEAR PROFILE

	12 months ended 30 June 2023	15 months ended 30 June 2022	31 March 2021	31 March 2020	31 March 2019
Per share data (cents)					
Basic and diluted earnings per share	77.14	81.65	34.59	14.03	13.64
Basic and diluted earnings per share (before treasury share adjustment)	77.14	80.15	33.96	13.78	13.39
Headline earnings per share	77.33	81.99	34.61	14.12	13.06
Headline earnings per share (before treasury share adjustment)	77.33	80.48	33.98	13.86	12.82
Dividends per share	26.00	18.00	12.00	12.00	12.00
Net worth per share	426.92	375.47	335.81	313.53	312.56
Financial ratios					
Liquidity ratios					
Current ratio	0.58	0.57	0.67	0.67	0.63
Liability ratio	8.64	7.78	7.86	9.69	8.35
Borrowings ratio	0.31	0.23	0.67	0.81	1.01
Dividend cover (times)	2.97	4.47	2.83	1.16	1.07
Profitability and asset management (%)					
Net operating profit to turnover	5.29	6.32	4.95	3.48	2.63
Return on shareholders' equity	18.07	21.35	10.11	4.39	4.28
Return on assets managed	15.80	19.40	9.15	6.00	4.65
Net asset turn (times)	2.99	3.07	1.85	1.73	1.77
Debt leverage					
Interest cover (including IFRS16)	8.03	8.59	6.68	2.47	1.19
Interest cover (excluding IFRS16)	8.64	9.21	7.42	2.70	1.19
Namibian Stock Exchange performance					
Market price High (cents)	220	180	160	180	180
Market price Low (cents)	175	175	159	160	180
Market price at year end (cents)	220	175	159	160	180
Price earnings ratio	2.85	2.13	4.60	11.33	12.25
Earnings yield (%)	35.15	46.85	21.75	8.83	8.16
Market capitalisation (N$ '000)	117,576	93,526	84,975	85,510	96,198
Volume of shares traded ('000 shares)	2,849	1,247	3,035	532	2,640

DEFINITIONS OF RATIOS AND 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 per share is determined by adjusting basic earnings per share with separately identifiable re-measurements; divided by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

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.

THE BOARD OF DIRECTORS

GR DE V TROMP

- CA (NAM); CA (SA)
- Years of Service: 8 years
- Non-Executive Chairperson
- Member: Audit & Risk Committee; Remuneration & Nomination Committee

PJ DE W TROMP

- B. Econ; EDP: USB; SMP: USB
- Years of Service: 13 years
- Group Managing Director
- Member: Remuneration & Nominations Committee; Social, Ethics & Sustainability Committee
- Chairperson: Property segment; Retail segment; Insurance & Finance segment

WO FOURIE

- CA (NAM); CA (SA)
- Years of Service: 13 years
- Group Financial Director
- Director: Property segment; Glasfit; Khomas Car Rental & Leasing

TB HORN

- CA (NAM)
- Years of Service: 4 years
- Certified Internal Auditor
- Independent Non-Executive Lead Director
- Chairperson: Audit & Risk Committee

SW WALTERS

- CA (NAM); CA (SA)
- Years of Service: 2 years
- Certified Internal Auditor
- Independent Non-Executive Director
- Member: Audit & Risk Committee
- Chairperson: Remuneration & Nomination Committee; Social, Ethics & Sustainability Committee

We are committed to our core values.

CHAIRMAN'S REPORT

We are excited to present the annual report of Nictus Holdings for the past year. We are extremely proud that we could achieve record results again this year and are thankful for our accomplishments despite many challenges.

We continue to deal with exceptionally demanding economic circumstances. Over the past 12 months, we experienced significant interest rate hikes and are still affected by the world macroeconomic environment, which significantly impacts us here in Namibia. While we are a small component in relation to the world economy, we have learned to convert challenges into opportunities, benefiting Namibians and promoting prosperity. The good news is that most expectations and forecasts seem to indicate that we might have reached the peak of the current interest rate hike cycle, and in the foreseeable future, we may even experience interest rate reductions. We are thankful that inflation has been curbed.

We are of the opinion that the aftereffects of these hikes and changes in the economy are yet to impact the consumer. This gives the Nictus Group an opportunity once again to be innovative, smart, and resilient in offering unique products, services and solutions to our entire customer and client base, thus joining hands in Namibia to withstand all macroeconomic challenges and prosper in our beloved country. We welcome the optimistic outlook of developments in oil and green hydrogen in Namibia, and we envisage exciting times ahead.

The Group remains well-positioned and extremely privileged to have such a strong capital base for the years ahead. We are thankful that the Board prioritises sustainability, equal opportunity, wealth creation, and wealth protection for shareholders, and we are fortunate to conduct business in a sound and stable Namibia.

The retail sector showed above-average growth over the past 12 months, and market share among subsidiaries increased. We are grateful to our customers for their continued loyalty and support, which also enables the Group to promote innovation, availability, cost-effectiveness, and value-for-money products.

The insurance and finance segments showed substantial growth in insurance premiums received and a significant gain in market share. It is satisfying to see how policyholders learn, understand, and effectively apply alternative risk management principles in their businesses, gaining independence in managing their risks in certain and uncertain environments. We are proud to partner with our policyholders on this exciting journey.

We firmly believe that success in business lies in relationships. As a result, the Nictus Holdings Group strives to maintain strong connections with all stakeholders involved, be it customers, clients, suppliers, shareholders, or regulatory authorities. Consequently, we are committed to our core values and remain dedicated to transparency and sound corporate governance, without compromising on integrity.

I would like to extend my sincere thanks to all Board members throughout the Group, management, and each employee for living the Nictus dream and positively contributing to our success with their reliability, dedication and work ethic. The support of their families is greatly appreciated, as we are all proud to be associated with the Nictus family.

Most importantly, I acknowledge all that we are, all that we achieve, and all that we accomplish, are only possible and attainable by the loving grace and mercy of God, and I would like to give all glory and honour to Him for blessing this Group.

GERARD TROMP

We are committed to becoming Exceptional Wealth Creators.

MANAGING DIRECTOR'S REPORT

Looking back at the 2023 financial year, which followed a 15-month fiscal year ended 30 June 2022, one can only be thankful in the grandest sense of the term. What we have experienced in the past 12 months is solely due to Grace, dedication, and ownership over the preceding year. I would like to express my deepest gratitude to each and every stakeholder of the Exceptional Wealth Creation team. I am convinced that we are progressing toward the ideals we set for ourselves.

The N$1 billion turnover was a long-standing goal for the Group and was last achieved in our 2014 financial year. Despite the recession that ensued, compounded by the Covid-19 pandemic, we are grateful to have reached this target once again. Most segments performed comparably to the 15-month period of the 2022 financial year, with a few even surpassing the previous results. Additionally, we came within 96% of the profit achieved in the 2022 financial year—a humbling achievement for which we are grateful.

We are committed to becoming Exceptional Wealth Creators for all our stakeholders and are consistently seeking to expand our offerings through related diversification. We remain steadfast in our values and strive to work for the betterment of the country and its people. Despite the global and local uncertainties brought about by looming recessions, I believe we are poised for growth in these circumstances. Opportunities always exist; one merely needs to seek them out and seize the best ones. Our management team, employees, and leadership have exhibited an unprecedented level of ownership and commitment, which I am immensely proud of. Once again, I extend my heartfelt appreciation to each and every employee for their dedication and contributions.

I am excited about what the future holds for the Group. The new ventures undertaken in the past 18 months are living up to expectations, and I am confident that they will mature within the next 24 months, contributing to our vision of becoming Exceptional Wealth Creators. As previously mentioned, new opportunities are on the horizon that could further contribute to our goals. This is a continuous process that we are committed to investigating.

We are determined to maintain our independence throughout this entire process and to retain control of our destiny.

Once again, all praise and glory go to our Heavenly Father, of whom we are merely stewards. I extend my gratitude to my fellow board members for their patience and unwavering support.

With gratitude and a steadfast commitment to being Exceptional Wealth Creators.

PHILIPPUS TROMP

CORPORATE GOVERNANCE REPORT

The commitment of the Board to uphold the highest standards of corporate governance and maintain the integrity of the Company's annual report is unwavering. Our dedication lies in striving for excellence, fostering a culture of performance, and establishing robust structures and processes to fulfil our responsibilities. As the Nictus Group ("Nictus") we continuously benchmark ourselves against global best practices.

Corporate Governance Framework

The Nictus Group aligns with The NamCode, the Corporate Governance Code for Namibia mandated by the Namibian Stock Exchange (NSX). Throughout the financial year, we believe that we have fundamentally embraced The NamCode's principles. Adhering to International Financial Reporting Standards (IFRS) is paramount, while strict compliance with relevant Namibian legislation and NSX Listings Requirements remains integral to our ethical business conduct. While the reporting framework of the International Integrated Reporting Council informs our practices, not all its guidelines have been integrated into this report. We persistently evaluate the framework and are dedicated to elevating our reporting standards with the support of the recently established Social, Ethics, and Sustainability Committee.

Ethical Foundation

We acknowledge our fiduciary duties and the obligations of care, skill, and diligence that drive us to conduct business across the Group with transparency, prudence, justice, accountability, and integrity. These principles guide our interactions with stakeholders, inform our decisions, and underpin our commitment to corporate social responsibility.

Risk appetite statement

In the pursuit of the groups strategic objectives, Nictus Holdings Limited is willing to accept, in some circumstances, risks that may result in some financial or operational loss. We will not pursue additional income generating or cost saving initiatives unless returns are probable and will result in above average returns for the Group.

BOARD OF DIRECTORS

Guided by the Nictus vision, mission, and core values, the Board leads by example, adhering closely to our code of conduct. This ethical orientation extends to the appointment of experienced executives who champion sustainable economic, social, and environmental performance with corporate responsibility. This ethos is further reinforced as all employees are required to endorse the code of conduct, fostering awareness and a culture of ethical compliance. We believe that a robust ethical culture is pivotal in nurturing enduring stakeholder relationships and cultivating internal talent through effective succession planning.

Leveraging the expertise of the Company Secretary, Veritas Eksekuteurskamer (Pty) Ltd, the Board gains insights into the Group's corporate governance and employs these insights to ensure effective oversight.

Our integrated business plan prioritizes strategy, risk, performance, and sustainability, all underpinned by ethical principles. These aspects undergo thorough scrutiny to gauge their individual and collective impact on our operations, driving a strategy that delivers exceptional value to shareholders and stakeholders.

CORPORATE GOVERNANCE REPORT

Directors are mandated to act in the best interests of the Company at all times. As stewards of the Company, we uphold this responsibility with diligence and dedication.

Solvency and liquidity remain under constant scrutiny, and the ongoing assessment of Nictus' going concern status, liquidity, and solvency is managed by the Audit and Risk Committee. In the event of financial distress within the Company or its subsidiaries, the Board is ready to explore business rescue or turnaround mechanisms.

The Chairperson of the Board is a Non-executive Director, and a Lead Independent Director is appointed to assist the Chairperson or act in his stead when conflicts arise. This dual leadership structure enhances accountability and ensures unbiased decision-making, continuity and succession. The Managing Director operates within the bounds of the business plan, which incorporates the framework for authority delegation. A diverse range of skills and extensive experience enriches the composition of the Board, ensuring a well-rounded perspective.

Non-executive Directors constitute the majority of the Board, with the majority of these being independent. Striking a balance of authority and power, underpinned by expertise and experience, remains a focal point. Board decisions are reached through rigorous deliberation, guided by consensus and thorough analysis of relevant information.

Appointment and Development of Directors

The Remuneration and Nomination Committee oversees the formal appointment process for Directors. A comprehensive induction process ensures a thorough understanding of Nictus' values. Continual development programs enhance the capabilities of Directors, and our commitment to appointing suitably skilled individuals underscores our dedication. Directors are expected to stay abreast of economic, social, statutory, and environmental changes to respond and comply effectively in a dynamic environment.

Annual internal evaluations of the Board, Committees, and individual Directors, and the potential for outsourcing such evaluations when necessary, ensure optimal performance. These evaluations provide insights into areas of improvement and avenues for continuous development.

The Board is supported in fulfilling its responsibilities by well-organized Board Committees and a proficient, suitably qualified, and experienced Company Secretary. A governance framework is in place, encompassing both the Holding Company and its subsidiary Boards. This framework ensures robust representation across all subsidiary Boards. Board Committees are thoughtfully constituted, comprising of Board members and, in the case of the Social, Ethics, and Sustainability Committee, a member of Senior Management who is not a Board member. Their authority, objectives, and functions are governed by clearly defined terms of reference, mandates, and charters, which undergo annual reviews to maintain their relevance. These Board Committees maintain a direct reporting line to the Board.

CORPORATE GOVERNANCE REPORT

Directors and Executives receive remuneration in alignment with the approved remuneration policy. This compensation is determined based on a judicious and responsible amalgamation of factors, encompassing performance, market research, and incentives, all aimed at securing long-term value for the Group. The remuneration policy of Nictus is encapsulated within the annual report and is presented for shareholders' endorsement during 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 AND RISK COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE	SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE@
PJ de W Tromp*	Executive Group Managing Director	4/4			3/3√
WO Fourie	Executive Group Financial Director	4/4			
GR de V Tromp	Non-Executive Chairperson	4/4C	4/4√	2/2√	
TB Horn	Independent Non-Executive Lead Director	4/4	4/4C		
SW Walters**	Independent Non-Executive Director	4/4	4/4√	2/2C	3/3C
CA Snyman***	Chief Financial Officer				2/3√

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

@ The Board established a Social, Ethics, and Sustainability Committee, effective 1 July 2022, under NamCode Directive (Gazette #159) issued on 14 January 2022.

* Appointed as a member of the Social, Ethics, and Sustainability Committee, effective 1 July 2022.

** Appointed as chairperson of the Social, Ethics, and Sustainability Committee, effective 1 July 2022.

*** Appointed as a member of the Social, Ethics, and Sustainability Committee, effective 1 July 2022.

GOVERNANCE OF AUDIT AND RISK

Nictus maintains an effective Audit and Risk Committee, which convenes quarterly to fulfil its responsibilities. The performance of this Committee undergoes periodic assessment and review. This Committee is chaired by an adept Independent Non-executive Director with suitable skills and experience. It is further composed of another Independent Non-executive Director and a Non-executive Director, each possessing the requisite expertise.

External and internal auditors are extended invitations to attend the Committee's meetings. The Audit and Risk Committee plays a pivotal role in assisting the Board in meeting its oversight and reporting obligations. Additionally, it exercises oversight over the annual reporting activities to ensure equilibrium, transparency, and integrity of the report. Nictus employs the principles of combined assurance, guiding assurance activities concerning key risks the Group faces. This process is supervised by the Audit and Risk Committee.

Annually, the Audit and Risk Committee conducts an evaluation of the finance function concerning resources, expertise, and experience. Furthermore, it scrutinizes the system of internal control and maintains constructive working relationships with the Board, management, internal audit, and external audit.

The Committee assumes responsibility for the appointment, performance evaluation, and potential dismissal of the internal auditor, who maintains an open line of communication and unrestricted access to the Committee. Nictus is equipped with a proficient and experienced in-house internal audit function. This function administratively reports to the Group Managing Director and functionally to the Chairperson of the Audit and Risk Committee. The internal audit's coverage plan, based on risk assessment, receives annual approval from the Audit and Risk Committee.

The internal audit function plays a significant role in the risk management process, informing the compilation of the risk report, which is subsequently presented to the Board for comprehensive evaluation.

Overseeing external audit activities, including the recommendation of auditor appointment, assessment of qualifications, independence, audit approach, methodology, reporting, and performance evaluation, falls within the purview of the Audit and Risk Committee.

This Committee also undertakes the responsibility of overseeing and monitoring Nictus' risk management processes. Its role encompasses establishing and sustaining an understanding of the risks that warrant attention, and evaluating the adequacy of management's actions to address and mitigate such risks. Furthermore, the Board, in collaboration with Subsidiary Boards, assesses risk tolerance and appetite during periodic reviews of the Group's risk profile. This profile shapes the scope in which the Board permits management to engage in risk-inclined initiatives.

To facilitate the design, implementation, and monitoring of Nictus' risk management plan, the Board, assisted by the Audit and Risk Committee, has entrusted this responsibility to the Group's risk management team.

Continual risk assessments are conducted by management, providing regular feedback to the Audit and Risk Committee and the Board. The collective wealth of expertise, paired with the established framework and risk methodology, enhances the Group's capacity to anticipate unforeseeable risks.

Nictus' risk methodology encompasses the analysis and implementation of suitable responses to identified risks, aligned with the Group's strategic objectives.

Nictus employs a blend of daily and periodic activities to monitor risks, spanning various levels within the organization. The oversight and management of Nictus' risk management process rest with the Group's risk management team and the Audit and Risk Committee.

Assurances concerning the effectiveness of the risk management process are provided by both management and internal audit to the Audit and Risk Committee and the Board.

The Audit and Risk Committee's fulfilment of duties is reported to both the Board and shareholders, showcasing transparency in discharging its responsibilities.

INFORMATION TECHNOLOGY ("IT") GOVERNANCE

The Board holds the responsibility for IT governance within Nictus. The Group's IT manager and consultants maintain a steady stream of feedback to the Audit and Risk Committee and Board on IT governance matters, conveyed through the Group Managing Director. The Board has delegated the duty of implementing an IT governance framework to the Group Managing Director, while it actively supervises the application of established and implemented policies.

Nictus fosters an ethical culture of IT governance, nurturing a shared IT language throughout the organization. IT initiatives are harmonized with Nictus' performance and sustainability goals, serving Nictus' safeguarding, strategic, and business process objectives. Processes are in place to identify and leverage opportunities for performance enhancement and sustainability through IT utilization. Any IT-related issues are directed to the Group's IT manager and consultants, who offer guidance on the most fitting technological solutions for the Group. Notably significant IT projects undergo post-implementation audits. The value derived from IT investments is presented to the Audit and Risk Committee and Board by the Group Managing Director. Risk management teams ensure the alignment of IT risk management with Nictus' overarching risk management process. Feedback concerning IT risks and disaster recovery is channelled from the Group's IT manager and consultants, via the Group Managing Director, to the Audit and Risk Committee and Board. Management adheres to appropriate processes to identify and comply with pertinent IT laws, regulations, and standards.

Comprehensive IT systems and processes have been devised to efficiently manage information assets, including personal information. This encompasses information security, information management, and privacy. The Board has approved the information security strategy, which is now managed by the operational team. The Audit and Risk Committee, as a crucial part of risk management, maintains oversight over IT risks, IT controls, and related combined assurance matters, encompassing financial reporting concerns.

Technological resources are harnessed to continually enhance operational efficiency.

COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

Nictus upholds a culture of compliance, actively facilitating endeavours to identify and adhere to applicable laws, regulations, codes, and standards. This commitment to compliance is also an integral component of Nictus' code of conduct. The Board and the Audit and Risk Committee are consistently informed of emerging laws, regulations, or modifications that impact the Group. This dissemination of information is facilitated by the Company Secretary and NSX sponsors. A dedicated compliance function is instituted, interwoven with the broader risk management process to address the risk of non-compliance. If applicable, significant instances of non-compliance would be transparently disclosed within the annual report.

The Company Secretary assumes the role of a legal compliance officer within the ambit of their responsibilities. The oversight and managerial roles concerning legal compliance rest with the Executive Directors and Managing Directors across the Group. This is reinforced by the involvement of the Company Secretary, as necessary. Ultimately, the Boards of Directors carry the ultimate responsibility for ensuring compliance is upheld.

INTERNAL AUDIT

Nictus operates a robust risk-based internal audit function, guided by a charter sanctioned by the Board. This internal audit framework is supported by an independent external service provider through a support agreement, supplementing the execution of the internal audit mandate. The focus of internal audit is on governance, risk management, and the internal control framework. This diligent approach follows a methodical process, delving into potential instances of fraud, corruption, unethical conduct, and irregularities.

Internal audit functions independently and objectively, guided by an audit plan informed by the strategic objectives and risks of both the Company and its subsidiaries. It provides a comprehensive evaluation of the efficacy of Nictus' internal control systems and risk management protocols. This assessment encompasses financial controls and is presented to the Audit and Risk Committee and the Board. The establishment of controls and a governance framework extends over the financial, operational, compliance, and sustainability domains. Integral to the combined assurance model, internal audit assumes the role of both coordinator and assurance provider. Oversight of the internal audit's activities, including the evaluation and endorsement of the audit plan, appraisals of performance, and scrutiny of reports furnished by the internal audit, lies within the purview of the Audit and Risk Committee. Furthermore, the Committee holds the authority to appoint and terminate the internal auditor.

Strategically positioned to achieve its defined objectives, internal audit operates independently and objectively. Its functional reporting is directed towards the Chairperson of the Audit and Risk Committee and its administrative responsibilities align with the Group Managing Director. While the internal auditor maintains an open invitation to all Management Committee meetings, they are briefed on strategic and risk-related developments by participating senior executives. Access to minutes of meetings is also granted. Additionally, the internal auditor is invited to attend Audit and Risk Committee meetings and engages frequently with senior executives. Equipped with the appropriate skills, experience, and resources, the internal audit is adeptly positioned to fulfil its mandate.

GOVERNING STAKEHOLDER RELATIONSHIPS

The annual report, in conjunction with the Group's business plan, serves as a reflection of the values and priorities held by Nictus concerning its stakeholders. These encompass a diverse array of interests, and the report outlines strategic actions to ensure positive perceptions about the Group and its endeavours. The Board undertakes an ongoing process of assessing feedback from distinct stakeholder groups, meticulously considering their perceptions.

CORPORATE GOVERNANCE REPORT

Recognizing the pivotal role of stakeholder relationships, the Board has entrusted management with the responsibility of nurturing these connections. This entails identifying key stakeholder groups and crafting comprehensive strategies and policies to proficiently manage these relationships.

Nictus advocates for constructive engagement with stakeholders, utilizing both formal and informal means. Shareholders are encouraged to actively participate in the Company's Annual General Meeting, facilitating direct interaction. Nictus is ardently dedicated to achieving a harmonious equilibrium between the varied interests and expectations of different stakeholder groups. In making decisions that steer the Company, this commitment is underpinned by a pledge to safeguard the best interests of the Company and its shareholders.

In line with its commitment, Nictus upholds transparent and effective communication across all stakeholder groups. These channels encompass both formal and informal conduits, as well as overarching and targeted communication endeavours. Such initiatives encompass a spectrum of interactions, from general exchanges to direct communication initiatives that span community, group, and individual settings. Nictus is resolute in its pursuit of equitable solutions to disputes, employing both formal and informal methods, in tandem with informed management interventions.

TRANSPARENCY THROUGH ANNUAL REPORTING AND DISCLOSURE

The Board, in tandem with the invaluable support of the Audit and Risk Committee and the proficient management team, has designed and implemented a robust system of controls and processes. This framework is meticulously tailored to assemble, scrutinize, and subsequently present comprehensive information about Nictus' financial and sustainability performance within the annual report.

This concerted effort is driven by an unwavering commitment to transparency, allowing stakeholders to gain insightful perspectives into Nictus' multifaceted operations. Through a seamless interplay of oversight, collaboration, and diligent review, this system ensures that the annual report encapsulates a comprehensive overview of the Group's performance. By integrating financial and sustainability aspects, Nictus strives to provide stakeholders with a holistic understanding of its achievements, challenges, and commitments.

These controls and processes represent a significant milestone in fostering open dialogue with stakeholders, reinforcing Nictus' dedication to accountability and robust corporate governance.

COMMITTEES EMPOWERING GOVERNANCE

Dedicated to advancing its commitment to sound corporate governance principles, the Board of Nictus Holdings Limited has established purpose-driven Committees, each aligned with approved mandates or charters. These Committees stand as indispensable pillars, actively collaborating to facilitate the fulfilment of the Board's duties.

Audit and Risk Committee

The Audit and Risk Committee consists of two Independent Non-executive Directors and a Non-executive Director, and carries out its responsibilities as delineated in its Charter. With a discerning focus on overseeing and monitoring the Group's risk management process, this Committee diligently assesses the effectiveness of risk management and control procedures across the organization. This comprehensive oversight results in invaluable insights that the Committee duly imparts to the Board. By undertaking thorough review of managements' procedures to identify and quantify potential business-threatening risks, the Committee ensures the safeguarding of Nictus' interests. The resultant risk management report is diligently compiled and submitted for the Board's evaluation, ultimately informing the sufficiency of risk controls. The Committee convenes quarterly, extending open invitations to both external and internal auditors, and granting them unrestricted access to the Chairperson and Committee members.

Remuneration and Nomination Committee

Mandated to shape strategy and policy surrounding the terms of engagement, including remuneration, the Remuneration and Nomination Committee plays a pivotal role in fostering a conducive environment for attracting and retaining talent that is essential for driving the Nictus Group's required results and performance. With the added responsibility of overseeing the nomination function, this Committee aids the Board in ensuring that Directors embody the utmost capability in fulfilling their duties while adhering to the highest standards of corporate governance. Bi-annual meetings of this Committee, chaired by an Independent Non-executive Director and featuring the presence of a Non-executive Director, lay the foundation for optimal Board composition through meticulous selection processes.

Social, Ethics, and Sustainability Committee

The Social, Ethics, and Sustainability Committee was established by the Board, becoming effective on July 1, 2022. The Committee convenes at least twice a year and is under the leadership of an Independent Non-executive Director. It also includes an Executive Director and a member of the Senior Management team of the Company. The responsibilities of this Committee encompass the following:

- Supervising and reporting on organizational ethics.
- Offering guidance and overseeing responsible corporate behaviour within the Group.
- Providing advice and direction on sustainability trends and matters that relate to the Group.
- Monitoring relationships with stakeholders to ensure equitable treatment.
- Overseeing and making recommendations regarding the Group's impact on the environment, public health and safety, as well as the broader effects of its activities, products, or services. This includes assessing its carbon footprint and compliance with environmental regulations.
- Monitoring and providing recommendations to the Board concerning the suitable risk management framework for effectively capturing and addressing environmental and social risks. This should align with the Group's wider strategic objectives.

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee oversees the Group's financial and assurance reporting process, assesses the effectiveness of internal controls, accounting practices, enterprise risk management, information systems and auditing processes on behalf of the Board of Directors. The Committee is composed of various members with extensive financial expertise. The primary responsibility for the financial statements, the effectiveness of internal controls, accounting practices, enterprise risk management, information systems and auditing processes, lies with the Group's management.

In fulfilling its oversight responsibilities, the Committee reviewed and deliberated upon the audited consolidated and separate financial statements and related schedules in the Annual Report with Group management. These discussions included the quality of accounting principles, reasonableness of significant judgments, and clarity of disclosures in the financial statements.

The Committee operates under a charter available at the Group's registered office. The charter was reviewed, and minor amendments were adopted on 2 December 2022. During the year ending 30 June 2023, the Committee held four meetings. The Committee is composed of three directors, including an independent non-executive director serving as the Chairperson.

The Committee's meetings facilitate communication among the Committee, the Group, its internal audit function, and independent external auditor. Discussions occurred with both the internal auditors and the independent external auditor, covering the scope and plans of their audits. Meetings include discussions with and without management presence, focusing on results of examinations, evaluations of internal control, and overall financial reporting quality.

Maintaining the independence of the Group's external auditor, both in actuality and appearance, is paramount to the Committee. An annual evaluation assesses the qualifications, performance, and independence of the independent external auditor, including partner rotation. The Committee's decision to retain SGA as the independent external auditor for 2024 was based on quality, efficiency of services, capabilities, technical expertise, and knowledge of the Group's operations and industry. SGA has served as the Group's independent external auditor since listing on the Namibia Stock Exchange in 2012, with audit partner rotation occurring every seven years.

Continuing this practice, the Committee will recommend that shareholders ratify the appointment of SGA as independent external auditors at the Annual General Meeting.

Collaborating with the independent external auditor, the Committee reviewed judgments concerning the quality of accounting principles, as well as other matters as required.

Additionally, discussions covered the auditor's independence from management and the Group, internal and external audit quality assurance processes, compatibility of non-audit services with independence, and control assurance statements with the internal auditor.

AUDIT AND RISK COMMITTEE REPORT

Together with management and the independent external auditor, the Committee reviewed and discussed the Group's audited consolidated and separate financial statements for the year ended 30 June 2023, as well as management's assessment of internal control effectiveness. No material weaknesses and significant deficiencies were identified during the course of the assessment and external audit.

Based on the reviews and discussions mentioned, the Committee recommended and the Board approved the audited consolidated and separate financial statements for the period ending 30 June 2023.

In conclusion, the Committee affirms its satisfaction with fulfilling its responsibilities outlined in the Audit and Risk Committee charter.

TB HORN

REMUNERATION REPORT

The Group's remuneration policy reflects the recommendations of the corporate governance code for Namibia, 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 (jointly referred to as "executives"). 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 and to motivate executives to meet required performance levels over a five-year period; and
- Short-term incentive remuneration aims to motivate executives 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.

REMUNERATION REPORT

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 board 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 at 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.

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 of Namibia, 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 committee members.

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 30 November 2023.

The detailed remuneration paid to directors is set out in note 40 of the annual report.

The remuneration policy is set out on page 112 of the annual report.

SOCIAL, ETHICS AND SUSTAINABILITY REPORT

SUMMARY

The Group exceeded financial expectations for the year. We are steadily growing the Group and profitability is surpassing the budget. As a result, we are making a greater contribution to the broader Namibian economy through taxes, salaries, operating expenditures, and capital investments.

RESPONSIBLE CORPORATE CITIZENSHIP

We are actively engaged with the communities in which we operate. We make significant contributions to various educational, social welfare, and community-related initiatives. Our primary focus is on being exceptional wealth creators for all our direct stakeholders. Staff relations are strong, and diversity is well-distributed within the Group. Our approach is to select the best candidate with the required skillset for each position, without discrimination based on race, gender, or any other factors.

We have initiated a detailed process to gather information about our corporate investment involvement. In the next two to three years, we will set targets once we have sufficient historical data to establish achievable goals.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Group is aligned with the sustainable development goals set by the United Nations. We are actively working towards addressing some goals more directly than others. We strive to provide our employees with market related remuneration, thereby contributing to the goals of alleviating poverty and hunger and creating a more favorable living environment for our workforce. We focus on clean energy, water, and sanitation initiatives, and prioritize a safe working environment, maintain a balanced workforce, and emphasize staff training and development from the ground up. Responsible consumption is paramount, and we maintain a zero-tolerance stance on corruption.

STAKEHOLDER RELATIONSHIPS

Stakeholder relationships remain a central focus for the Group. We have implemented various initiatives to enhance relations with major clients, key suppliers, and other direct stakeholders. This is evident through events like our annual charity golf day, top client functions, and loyalty programs introduced during the year. Across the Group, we engage in actions with clients, regulators, financial partners, and suppliers, resulting in strong stakeholder relationships across the board.

Monthly customer satisfaction surveys are conducted and reported to management, enabling prompt corrective actions to align with targets.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FACTORS IN BUSINESS STRATEGY

Environmental and social factors are integral to our Group’s operations. We adhere to our core values striving to be a responsible corporate citizen in all our endeavors. Our short and long-term strategies support these factors.

Addressing our carbon footprint for electricity and fuel consumption is a priority based on the collected statistics. These resources were the main focus of consumption during the period under review.

After evaluating diversity and racial distribution, we found a balanced representation in the Group that aligns with our business type and the Namibian population.

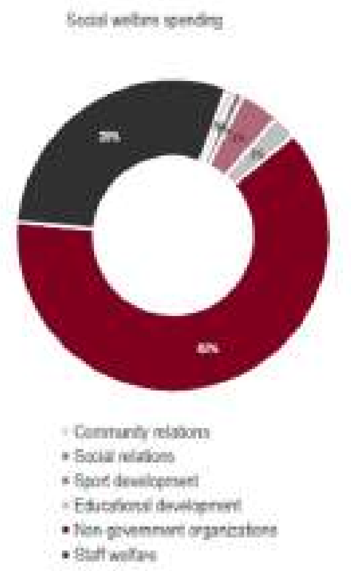
SOCIAL, ETHICS AND SUSTAINABILITY REPORT

OVERSIGHT AND MANAGEMENT

Compliance within the Group meets expectations. Our internal audit program runs concurrently with the branch inspection program. There have been no significant control breakdowns reported. Instances of theft were promptly identified by our control systems.

Management practices adhere to good governance principles and Group policies. Continuous training is conducted at all levels, including management.

Top management is participating in an international course focused on environmental, ethical, and social issues. We anticipate taking actionable steps after completion.



ETHICS

Every employee is required to sign the Group's code of conduct. We maintain a zero-tolerance stance towards non-adherence to our code of conduct, unethical behavior and Group values. Reported matters are assessed on a case-by-case basis, followed by investigations and appropriate actions based on the specific circumstances. Ethical issues are reported on a quarterly basis to the SES Committee.

SW WALTERS

GROUP VALUE ADDED STATEMENT

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.

	2023 12 months N$'000	2022 15 months N$'000
Value Added		
Value added by operating activities		
Revenue	1,006,340	920,865
Cost of materials and services	(881,110)	(790,172)
Other income	11,963	25,446
Investment income from operations	36,519	24,919
	173,712	**181,058**
Value Distributed		
To Pay Employees		
Salaries, wages, medical and other benefits	95,093	101,685
	95,093	**101,685**
To Pay Providers of Capital		
Finance costs	6,627	6,778
Dividends paid	13,895	9,619
	20,522	**16,397**
To Pay Government		
Current tax	-	-
	-	**-**
To be retained in the business for expansion and future wealth creation:		
Value reinvested		
Depreciation, amortisation and impairments	11,477	11,550
Deferred tax	5,393	8,592
	16,870	**20,142**
Value retained		
Retained profit	41,227	42,834
	41,227	**42,834**
Total Value Distributed	**173,712**	**181,058**

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

	2023	2022
Direct and indirect taxes		
Value Added Tax (net payment)	33,476	33,704
Import VAT paid	90,528	71,163
Pay As You Earn	14,774	17,833
Non Resident Shareholders Tax	150	105
	138,928	**122,805**

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2023

TAKING *action* WITH A STRATEGIC *focus*

DIRECTORS' RESPONSIBILITIES AND APPROVAL

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

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate 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 and Company's cash flow forecast for the year to 30 June 2024 and, in light of this review and the current financial position, they are satisfied that the Group and Company have or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the Group's external auditors and their report is presented on pages 39 to 41.

The consolidated and separate annual financial statements set out on pages 45 to 110, which have been prepared on the going concern basis, were approved by the board on 12 September 2023 and were signed on their behalf by:

PJ de W Tromp

TB Horn

INDEPENDENT AUDITOR'S REPORT

SGA CHARTERED ACCOUNTANTS & AUDITORS

Telephone: +264 61 276 000 | Facsimile: +264 61 233 309
Email: windhoek@sga-na.com | www.sga.com.na
Physical: 24 Orban Street, Klein Windhoek, Windhoek, Namibia
Postal: PO Box 30, Windhoek, Namibia, 10005

PRACTICE NUMBER 9417

To the shareholders of Nictus Holdings Limited

Opinion

We have audited the consolidated and separate annual financial statements of Nictus Holdings Ltd and its subsidiaries set out on pages 42 to 110, which comprise the directors' report, the statement of financial position as at 30 June 2023, 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 consolidated and separate annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the financial position of the group as at 30 June 2023, 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 the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate annual financial statements* section of our report. We are independent of the company and group in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants* (*including International Independence Standards*) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgement, 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, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed during the audit
Occurrence and accuracy of revenue recognition Insurance revenue, which are recognised in the annual financial statements of a subsidiary and the consolidated financial statements, are material and comprise of net insurance premiums received and renewal premiums received. There are accounts such as cancellations and downward endorsements that also influence revenue as disclosed in the financial statements. Due to the complexity of the composition of insurance revenue, it is considered a key audit matter.	During the audit we determined the accuracy and occurrence of revenue through extensive substantive testing, supported by substantive analytical procedures. The accuracy and occurrence of revenue were satisfactorily tested. The basis of recognition of revenue were satisfactorily tested.
Insurance contract provisions Insurance contract provisions are the contra entry to revenue received comprising of premium income. Due to this link the insurance contract provisions are considered a key audit matter.	During the audit we determined the valuation and completeness of insurance contract provisions. This was done through significant substantive testing. The accuracy and completeness were satisfactorily tested.
NamibRE Reinsurance Asset recognition NamibRe Re-insurance is a material item in the consolidated financial statements. NamibRe Re-insurance recognised in the consolidated financial statements comprise of the asset, fair value adjustment and other income that influences the relevant disclosures in the financial statements. Due to the complexity of the balances and transactions, it is considered a key audit matter.	During the audit we inspected the applicable legislation regulating the re-insurance of insurance policies issued by the subsidiary, Corporate Guarantee and Insurance Company of Namibia Ltd. By means of extensive analytical and substantive procedures performed we have obtained sufficient and appropriate audit evidence. Based on evidence obtained, the rights and obligations, valuation, existence and completeness of the NamibRE Re-insurance asset and the accuracy of the fair value adjustment and other income were satisfactorily tested.

Key audit matter	How our audit addressed the key audit matter
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’s annual financial statements and as owner-occupied in the consolidated financial statements. The directors annually perform a valuation of the property portfolio according to an approved valuation model where the following is considered: • Vacancy ratio’s; • Estimated rental values; • Replacement values; • Market yields; • Going concern; • Growth anticipation. The directors’ calculation of the value of each property is determined as a combination of the replacement value and estimated rental value.	The accuracy of the property valuations was satisfactorily tested through extensive substantive testing with focus on market related information. We tested the inputs and assumptions used by management in the property valuations in order to ensure the reasonability thereof. Should any assumptions used in the calculation of property valuation change, it could have a material impact on the group. The valuation of properties was satisfactorily tested.
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, tyres and spare parts, and (ii) services rendered in connection with insurance contracts. The collectability of trade receivables is considered a key audit matter being a major element of working capital that is managed on an ongoing basis. The determination if impairment of trade receivables using expected credit losses models include significant judgements and estimates that may have a material impact on the Group’s consolidated financial statements. The recoverable amount of trade receivables 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 makes 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.	• Tested the accuracy and reliability of ageing of trade receivables at year end on a sample basis; • Obtained a list of outstanding receivables and identified any debtors with possible default events such as 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 considering if any additional provision should be made in light of contingency policies in place, where applicable; • Tested subsequent settlement, if any, of trade receivables after the reporting date on a sample basis; • For all trade receivables for which no settlement was received subsequent to year end, ensured existence of these trade receivables by agreeing those trade receivables to signed contracts, invoices, agreements or other documentation that is considered relevant; and • Ensured that the requirements of IFRS 9 with respect to trade receivables have been considered and correctly applied. 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 Five Year Financial Review and Value Added Statement as set out on pages 12 to 13 and 36 which we obtained prior to the date of this report. Other information does not include the consolidated and separate 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 on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the directors for the Consolidated and Separate 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 consolidated and separate 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 and/or company or to cease operations, or have no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 group or 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 and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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 consolidated and separate 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate annual financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SGA

SGA

Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: C Matthee
Partner

Windhoek ... Namibia
12 September 2023

Partners: C. Matthee (Managing Partner) - P.O. Jacobs - A.J. Esterhuizen - R. Cloete - T.E. Kruger - E. Geertsema - D. Redona

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of Nictus Holdings Limited for the year ended 30 June 2023.

1. Nature of business

Nictus Holdings Limited is an investment entity incorporated in Namibia with interests in the retail, property 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 annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in the notes.

The Group recorded a net profit after tax for the year ended 30 June 2023 of N$41,2 million. This represented a decrease of 4% from the net profit after tax of the prior period of N$42,8 million.

Group revenue increased by 9% from N$920,9 million in the prior period to N$1 billion for the year ended 30 June 2023.

The Group's assets increased by 25% from N$2,1 billion the prior year to N$2,6 billion at 30 June 2023. The increase in the Group's assets is mainly due to better returns from investments during the current financial year.

The Company recorded revenue for the year of N$59,3 million (2022: N$57,3 million). This represents an increase of 4%.

The Company's assets increased by 17% from N$274,4 million the prior year to N$321,7 million at 30 June 2023.

3. Interests in subsidiaries

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

The interest of the Group in the profits and losses of its subsidiaries for the year ended 30 June 2023 are as follows:

	2023 N$ '000	2022 N$ '000
Subsidiaries		
Total profits before income tax	65,288	57,645

4. Segmental analysis

A detailed segmental analysis is included in note 42 of the annual financial statements.

5. Directorate

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

Directors	Designation	Nationality
GR de V Tromp	Non-Executive Chairman	Namibian
TB Horn	Independent Non-Executive Lead Director	Namibian
PJ de W Tromp	Managing Director	Namibian
WO Fourie	Financial Director	Namibian
SW Walters	Independent Non-Executive	Namibian

The following directors were re-elected at the Annual General Meeting on 2 December 2022 - PJ de W Tromp and GR de V Tromp.

SW Walters was elected as director and member of the Audit and Risk Committee.

TB Horn was re-elected as chairperson and member of the Audit and Risk Committee.

GR de V Tromp was re-elected as member of the Audit and Risk Committee.

DIRECTORS' REPORT

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 decide not to pay dividends.

Ordinary dividends of 26 cents per share (N$13,9 million) were declared and paid by the Company on 31 October 2022.

Final dividend of 26 cents per share (N$13,9 million) was approved by the board on 12 September 2023 in respect of the year ended 30 June 2023. 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	20 October 2023
Ordinary shares trade "ex" dividend	23 October 2023
Record date	27 October 2023
Payment / issue date	30 October 2023

Share certificates may not be dematerialised between Monday 23 October 2023 and Friday 27 October 2023, both days inclusive.

The non-resident 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 board of directors are authorised by way of a general authority to allot and issue at their discretion to 15% of the authorised but unissued ordinary shares 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	9	1.55	36,843,008	68.94
Non-public shareholders: Strategic holdings (more than 5%)	2	0.34	8,025,455	15.02
Public shareholders	571	98.11	8,575,037	16.04
	582	**100.00**	**53,443,500**	**100.00**

Distribution of shareholders per category	**Number of shareholdings**	**%**	**Number of shares**	**%**
Banks, Brokers, Nominees and Trusts	39	6.70	26,001,063	48.65
Close Corporations	6	1.03	247,827	0.46
Individuals	508	87.29	4,315,622	8.08
Insurance company	1	0.17	9,375	0.02
Other corporations	7	1.20	231,534	0.43
Private companies	18	3.09	22,200,264	41.54
Public companies	3	0.52	437,815	0.82
	582	**100.00**	**53,443,500**	**100.00**

Shareholders with an interest above 5% of issued share capital	**Number of shares**	**%**
KCB Trust	2,825,455	5.29
Landswyd Beleggings (Pty) Ltd	17,897,549	33.48
MRT Trust	5,200,000	9.73
Nico Tromp Trust	5,625,000	10.53
Saffier Trust	5,625,000	10.53
	37,173,004	**69.56**

Director's interest in share capital	**Number of shares**	**%**
Directors' indirect interest		
PJ de W Tromp and GR de V Tromp*	34,962,961	65.42
WO Fourie	1,871,046	3.50
	36,834,007	**68.92**

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

DIRECTOR'S REPORT

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 PJ de W Tromp (Nature Unlimited Consultations (Pty) Ltd) and WO Fourie (Haida Investments (Pty) Ltd) have material interest, which supply consulting and 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.

A subsidiary company has a legal case pending relating to reinsurance. No adjustments have been recognised to any reinsurance related financial statement items. Because of the nature of the dispute, the directors have not disclosed further information on the basis that they believe that this could be prejudicial to the subsidiary's position in the case, as the court sessions for this matter are currently in progress.

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 C Matthee as the designated lead audit partner for the 2024 financial year.

11. Secretary

The company secretary is Veritas Eksekuteurskamer (Pty) Ltd.

Postal address:	PO Box 755 Windhoek Namibia
Business address:	1st Floor Nictus Building 140 Mandume Ndemufayu Avenue Windhoek Namibia

12. Going concern

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

13. Events after the reporting period

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

14. Date of authorisation for issue of financial statements

The consolidated and separate annual financial statements have been authorised for issue by the directors on 12 September 2023. No authority was given to anyone to amend the consolidated and separate annual financial statements after the date of issue.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		Group		Company	
Figures in Namibia Dollar Thousand	Note(s)	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Assets					
Non-Current Assets					
Property, plant and equipment	3	368,194	330,802	1,168	1,783
Right-of-use assets	4	4,263	5,206	-	-
Investment property	5	43,482	43,482	8,840	8,840
Intangible assets	6	3,088	3,379	1,089	1,453
Investments in subsidiaries	7	-	-	188,595	185,590
Trade and other receivables	8	50,046	45,145	-	-
Investments	9	72,590	63,692	293	271
Loans and receivables	10	722,491	552,845	-	-
Finance lease receivables	11	8,519	-	-	-
Deferred tax	12	15,454	12,350	4,902	4,902
		1,288,127	**1,056,901**	**204,887**	**202,839**
Current Assets					
Inventories	13	167,010	129,079	-	-
Loans to related parties	14	-	-	113,355	69,037
Trade and other receivables	8	366,239	262,840	2,133	1,808
Investments	9	2,324	12,163	-	-
Loans and receivables	10	144,470	138,159	-	-
Finance lease receivables	11	2,853	-	-	-
Reinsurance asset	15	249,261	202,885	-	-
Other financial assets	16	-	-	627	486
Cash and cash equivalents	17	402,541	295,221	675	220
		1,334,698	**1,040,347**	**116,790**	**71,551**
Total Assets		**2,622,825**	**2,097,248**	**321,677**	**274,390**
Equity and Liabilities					
Equity					
Stated capital	18	129	129	129	129
Reserves	19&20	72,203	67,203	-	-
Retained income		155,828	133,331	125,250	122,483
		228,160	**200,663**	**125,379**	**122,612**
Liabilities					
Non-Current Liabilities					
Interest bearing loans and borrowings	21	15,098	19,611	-	-
Lease liabilities	4	2,186	3,003	-	-
Deferred tax	12	57,674	49,177	-	-
		74,958	**71,791**	**-**	**-**
Current Liabilities					
Trade and other payables	22	175,744	108,802	4,106	2,015
Loans from related parties	23	-	-	130,310	122,164
Interest bearing loans and borrowings	21	65,090	28,586	61,882	27,599
Lease liabilities	4	2,441	2,434	-	-
Provisions	24	72	20	-	-
Insurance contract liability	25	2,076,360	1,684,952	-	-
		2,319,707	**1,824,794**	**196,298**	**151,778**
Total Liabilities		**2,394,665**	**1,896,585**	**196,298**	**151,778**
Total Equity and Liabilities		**2,622,825**	**2,097,248**	**321,677**	**274,390**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
Figures in Namibia Dollar Thousand	Note(s)	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022
Revenue		927,741	862,732	59,333	57,268
Effective interest income		78,599	58,133	-	-
Total revenue	26	**1,006,340**	**920,865**	**59,333**	**57,268**
Cost of sales	27	(720,262)	(649,015)	-	-
Gross profit		**286,078**	**271,850**	**59,333**	**57,268**
Other operating income	28	11,963	25,446	471	348
Other operating (losses) / gains	29	(43)	(9,674)	490	(7,859)
Investment income from operations	30	36,519	24,919	-	-
Administrative expenses		(56,181)	(52,675)	(13,480)	(12,893)
Operating expenses		(228,219)	(204,319)	(17,921)	(25,362)
Operating profit	33	**50,117**	**55,547**	**28,893**	**11,502**
Investment income	30	3,130	2,657	126	72
Finance costs	34	(6,627)	(6,778)	(12,522)	(11,218)
Profit before taxation		**46,620**	**51,426**	**16,497**	**356**
Taxation	35	(5,393)	(8,592)	-	-
Profit for the year		**41,227**	**42,834**	**16,497**	**356**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Revaluation and impairment of land and buildings		-	(12,738)	-	-
Taxation relating to revaluation and impairment of land and buildings		-	542	-	-
Other comprehensive income for the year net of taxation		**-**	**(12,196)**	**-**	**-**
Total comprehensive income for the year		**41,227**	**30,638**	**16,497**	**356**
Earnings per share					
Per share information					
Basic earnings per share (c)	43	77.14	81.65	-	-
Basic and diluted earnings per share - before treasury share adjustment (c)	43	77.14	80.15	-	-

STATEMENT OF CHANGES IN EQUITY

Figures in Namibia Dollar Thousand	Stated capital	Revaluation reserve	Insurance contingency reserve	Total reserves	Retained income	Total equity
Group						
Balance at 01 April 2021	**129**	**58,848**	**15,551**	**74,399**	**104,942**	**179,470**
Profit for the period	-	-	-	-	42,834	42,834
Other comprehensive income	-	(12,196)	-	(12,196)	-	(12,196)
Total comprehensive income for the period	**-**	**(12,196)**	**-**	**(12,196)**	**42,834**	**30,638**
Transfer to contingency reserve	-	-	5,000	5,000	(5,000)	-
Prescribed dividends	-	-	-	-	174	174
Dividends paid	-	-	-	-	(9,619)	(9,619)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**5,000**	**5,000**	**(14,445)**	**(9,445)**
Balance at 01 July 2022	**129**	**46,652**	**20,551**	**67,203**	**133,331**	**200,663**
Profit for the year	-	-	-	-	41,227	41,227
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**41,227**	**41,227**
Transfer to contingency reserve	-	-	5,000	5,000	(5,000)	-
Prescribed dividends	-	-	-	-	165	165
Dividends paid	-	-	-	-	(13,895)	(13,895)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**5,000**	**5,000**	**(18,730)**	**(13,730)**
Balance at 30 June 2023	**129**	**46,652**	**25,551**	**72,203**	**155,828**	**228,160**
Note(s)	18	19	20			

Figures in Namibia Dollar Thousand	Stated capital	Revaluation reserve	Insurance contingency reserve	Total reserves	Retained income	Total equity
Company						
Balance at 01 April 2021	**129**	**-**	**-**	**-**	**131,572**	**131,701**
Profit for the period	-	-	-	-	356	356
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**356**	**356**
Prescribed dividends	-	-	-	-	174	174
Dividends paid	-	-	-	-	(9,619)	(9,619)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(9,445)**	**(9,445)**
Balance at 01 July 2022	**129**	**-**	**-**	**-**	**122,483**	**122,612**
Profit for the year	-	-	-	-	16,497	16,497
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**16,497**	**16,497**
Prescribed dividends	-	-	-	-	165	165
Dividends paid	-	-	-	-	(13,895)	(13,895)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(13,730)**	**(13,730)**
Balance at 30 June 2023	**129**	**-**	**-**	**-**	**125,250**	**125,379**
Note(s)	18	19	20			

STATEMENT OF CASH FLOWS

		Group		Company	
Figures in Namibia Dollar Thousand	Note(s)	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022
Cash flows from operating activities					
Cash generated from operations	36	154,197	110,197	31,611	20,009
Investment income	30	3,130	2,657	126	72
Finance costs	34	(6,163)	(6,315)	(12,522)	(10,597)
Net cash from operating activities		**151,164**	**106,539**	**19,215**	**9,484**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(45,898)	(16,638)	(245)	(167)
Proceeds from sale of property, plant and equipment	3	1,244	1,370	55	19
Purchases of intangible assets	6	(1,067)	(752)	(123)	(447)
Proceeds from sale of intangible assets	6	-	3	-	-
Purchase of investment in subsidiary		-	(1)	-	(1)
Movement in investments in subsidiaries		-	-	(2,500)	-
(Repayment of) / proceeds from loans to related parties	14	-	-	(44,318)	29,363
Sale / (purchase) of investments	9	941	(49,394)	(22)	(26)
Movement in loans and receivables	10	(2,537)	9,072	-	-
Movement in finance lease receivables	11	(11,372)	-	-	-
Movement in other financial assets	16	-	-	(141)	(130)
Net cash from investing activities		**(58,689)**	**(56,340)**	**(47,294)**	**28,611**
Cash flows from financing activities					
Proceeds from / (repayments of) loans from related parties	14&37	-	-	8,146	(25,058)
Proceeds from / (repayments of) borrowings	21&37	31,991	(86,862)	34,283	228
Payment on lease liabilities	4&37	(3,288)	(3,649)	-	(3,577)
Dividends paid	38	(13,895)	(9,619)	(13,895)	(9,619)
Net cash from financing activities		**14,808**	**(100,130)**	**28,534**	**(38,026)**
Total cash movement for the year		**107,283**	**(49,931)**	**455**	**69**
Cash and cash equivalents at the beginning of the year		295,221	345,152	220	151
Effect of foreign exchange on cash and cash equivalents		37	-	-	-
Cash and cash equivalents at the end of the year	17	**402,541**	**295,221**	**675**	**220**

SIGNIFICANT ACCOUNTING POLICIES

Corporate information

Nictus Holdings Limited (the Company) is a public company incorporated and domiciled in Namibia. The annual financial statements for the year ended 30 June 2023 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 and investment property 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 period, other than new standards and interpretations adopted and described in note 2.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual financial statements in conformity with IFRS 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.

SIGNIFICANT ACCOUNTING POLICIES

1.2 Significant judgements and sources of estimation uncertainty (continued)

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 (40%) and replacement value (60%) of the property. A market yield between 11.5% and 12.5% (2022: between 9% and 10%) is applied to the estimated rental value to arrive at the gross property valuation. Should any of the assumptions used in the valuation calculation change, it could have a material impact on the results of the Group. Investment properties and land and buildings are classified as level 2 in terms of the fair value hierarchy.

Impairment testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

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 1.18.

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 12 – 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.

Loans and receivables

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

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.

SIGNIFICANT ACCOUNTING POLICIES

1.3 Consolidation

Basis of consolidation

The consolidated 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 Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated 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 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 or for rental to others and 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.

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.

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	1,5 to 10 years

Land is not depreciated.

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.

SIGNIFICANT ACCOUNTING POLICIES

1.4 Property, plant and equipment (continued)

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

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

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 net profit or loss for the period in which it arises.

1.6 Intangible assets

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, to their residual values as follows:

Item	**Useful life**
Computer software	3 years
Distribution rights	5 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.

Financial assets which are debt instruments:
- Amortised cost; or
- Mandatorily at fair value through profit or loss; or
- Designated at fair value through profit or loss.

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

Note 41 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

SIGNIFICANT ACCOUNTING POLICIES

1.7 Financial instruments (continued)

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

Derecognition

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.

Investments in debt and equity instruments

Classification

Investments in 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 29).

Dividends received on equity investments are recognised in profit or loss when the Group's right to received 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 30).

Interest received on debt instruments at fair value through profit or loss are included in investment income (note 30).

Impairment

Investments in 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.

Cash and cash equivalents

Cash and cash equivalents (note 17) are stated at carrying amount which is deemed to be fair value.

1.7 Financial instruments (continued)

Loans receivable and trade and other receivables

Classification

Loans to related parties (note 14), loans and receivables (note 10) and trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 8).

They have been classified in this manner because their 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 receivables. They 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 on the receivable 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

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 30).

The application of the effective interest method to calculate interest income on the loan or trade receivables is dependent on the credit risk of the receivable as follows:

- 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 loans and trade and other receivables, excluding VAT and prepayments. 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, 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 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 receivable 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 on a receivable 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.

1.7 Financial instruments (continued)

By contrast, if a receivable 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 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.

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.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in depreciation, amortisation and impairment expenses in profit or loss as a movement in credit loss allowance (note 33).

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.

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. Receivables and 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.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 8) and the financial instruments and risk management note (note 41).

Derecognition

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

SIGNIFICANT ACCOUNTING POLICIES

1.7 Financial instruments (continued)

Borrowings, loans from related parties and trade payables

Classification

Loans from related parties (note 23), interest bearing loans and borrowings (note 21) as well as trade and other payables (note 22), 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, 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.

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.

Borrowings and trade payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 41 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

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.

Fair value hierarchy

For financial instruments 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 measure using the 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.

1.8 Income tax and deferred tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to 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.

1.9 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense (note 33) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the Group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Group is a lessee are presented in note 4 Right-of-use assets.

Lease liability

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 33).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 34).

1.9 Leases (continued)

The Group remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	- discounting the revised lease payments using a revised discount rate.
Change in the assessment of whether the group will exercise a purchase, termination or extension option.	- discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate.	- discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
Change in expected payment under a residual value guarantee.	- discounting the revised lease payments using the initial discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	- discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

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 a right-of-use asset with a cost that is significant in relation to the total cost of the asset 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.

1.9 Leases (continued)

Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in revenue (note 26).

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

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

Finance leases

Amounts due from lessees are recognised from commencement date at an amount equal to the Group net investment in the lease. They are presented as lease receivables (note 11) on the statement of financial position.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be receivable by the Group from the lessee, a party related to the lessee or a third party unrelated to the Group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee);
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option;
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The Group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in revenue (note 26).

The Group applies the impairment provisions of IFRS 9 to lease receivables. Refer to the accounting policy for trade and other receivables as lease receivables are impaired on a consistent basis with that accounting policy.

1.10 Inventories

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

Included in inventory, is the asset that represents the group's right to receive goods back from the customer, where a customer is entitled to a right of return. The assets are initially measured at the carrying amount of the goods at the time of sales, less an expected costs to recover the goods and any expected reduction in value. The return asset is represented separately from the refund liability. The amount recorded as an asset is updated whenever the refund liability changes and for other changes in circumstances that might suggest an impairment of the asset.

1.11 Stated capital

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

Ordinary no par value shares
Ordinary no par value shares are classified as equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in 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
Dividends are recognised as a liability in the period in which they are declared.

1.12 Earnings per share

The Group presents basic 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).

1.13 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.

1.14 Provisions and contingencies

Provisions are recognised when:

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

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

Contingent assets and contingent liabilities are not recognised.

1.15 Revenue from contracts with customers

The Group recognises revenue from the following major sources:

- Sales of goods - retail
- Rendering of services - retail
- Provision of alternative insurance services
- Finance income earned
- Rental income from letting of commercial properties and vehicles

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.

1.15 Revenue from contracts with customers (continued)

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.

A right of return entitles the customer to a full or partial refund of the amount paid or a credit against the value of the previous or future purchases. The Group will recognise a refund liability, included in trade and other payables and an asset, included in inventory for its right to recover products.

A rights of return is not a separate performance obligation, but it affects the estimated transaction price for transferred goods. Revenue is only recognised for those goods that are not expected to be returned. The estimate reflects the amount that the Group expects to repay or credit to its customers considering all available information. The transaction price would include amount subject to return only if it is probable that there will not be a significant reversal of cumulative revenue. The Group recognise a refund liability and an asset for its right to recover products.

Rendering of services - retail

The Group sells services on vehicles when the customer brings in a vehicle for a service. The Group also provides glass fitment and repairs, 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 1.18).

Finance income earned

When household furniture and goods are sold under installment sale agreements, the present value of the installment 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 installment 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 installment 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 installment 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.

For office equipment lease agreements the Group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease (refer note 1.9).

Rental income from letting of commercial properties and vehicles

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.

Revenue from vehicle rentals is recognised on the accrual basis in accordance with the substance of the relevant lease agreements and when the right to receive rentals is assured.

1.16 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.

SIGNIFICANT ACCOUNTING POLICIES

1.17 Translation of foreign currencies

Functional and presentation currency

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

Foreign currency transactions

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

At the end of the reporting period:

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

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

1.18 Classification of insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policy holder 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. Premiums are disclosed gross of commission to intermediaries and exclude Value Added Tax. Premiums written include adjustments to premiums written in prior accounting periods.

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

Unearned premium provision
The provision for unearned premiums comprises the proportion of premiums written that relates to the unexpired terms of policies issued reduced by claims incurred, computed separately for each insurance contract.

Cancellation and expired premiums
Cancellation and expired premiums comprise the premiums on insurance contracts entered into previously, being cancelled in terms of the insurance policy stipulations or the period of insurance expiring in terms of the policy duration. The amount is recognised as an expense on the transaction date. The expensed amount is included in net written premium during the reporting period. The cancellation and expired premiums reduce the unearned premium provision and imposes an corresponding adjustment to reduce the provision of same.

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 Group’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.

1.18 Classification of insurance contracts (continued)

Reinsurance
The Group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential. Reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Reinsurance premiums paid are recognised as an expense in profit or loss when they become due for payment, in terms of the contracts at the undiscounted amounts payable in terms of the contracts. Reinsurance recoveries are recognised in profit or loss in the same period as the relevant claim at the undiscounted amount receivable in terms of the contracts.

Only reinsurance agreements that give rise to a significant transfer of insurance risk are accounted for as reinsurance contracts. Amounts recoverable under such contracts are recognised in the same year as the related claim. Reinsurance agreements that do not transfer significant insurance risk are accounted for as investment contracts.

Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Liabilities and related assets under 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.

1.19 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 42.

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.

1.20 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.

1.21 Share based payments

The group operates a cash-settled share-based incentive plan for executive diretors.

For cash-settled share-based payment transactions, the services received and the liability incurred are recognised at the fair value of the liability. Until the liability is settled, it is carried at amortised cost, with any changes in the directors' remuneration in profit or loss for the period.

Where the equity instruments do not vest until the employee has completed a specified period of service, it is assumed that the services rendered by the employee, as consideration for those equity instruments, will be received in the future, during the vesting period. These services are accounted for in profit or loss as they are rendered during the vesting period, with a corresponding increase in the liability.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:

- Amendments to IFRS 1, IFRS 9 and IAS 41: Annual Improvements to IFRS Standards 2018 - 2020
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2023 or later periods:

Standard/ Interpretation:	Effective date:
• Amendments to IAS 1: Disclosure of Accounting Policies	01 January 2023
• IFRS 17 Insurance Contracts	01 January 2023
• Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	01 January 2023
• Amendments to IAS 12 Income Taxes: Deferred tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
• Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current liabilities with Covenants	01 January 2024
• IFRS 16 Leases: Lease Liability in a Sale and Leaseback	01 January 2024
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management has assessed the impact of these new and revised standards on the Group and it is unlikely that the amendments or interpretations will have a material impact on the Group's annual financial statements.

IFRS 17 Insurance Contracts

IFRS 17, a new international accounting standard for insurance contracts, effective for reporting periods starting from 1 January 2023, replaces IFRS 4. The Group will apply IFRS 17 effectively as at 1 July 2023 and will adopt the standard for the first time in the June 2024 annual financial statements.

The new standard introduces a new comprehensive model (general model) for the recognition and measurement of liabilities arising from insurance contracts. IFRS 17 requires a company to recognise profits as it delivers insurance services (rather than when it receives premiums) and to provide information about insurance contract profits the company expects to recognise in the future. IFRS 17 makes provision for a simplified approach, the Premium Allocation Approach (PAA), mainly for short-duration contracts. Regardless of the measurement model used, the basic revenue recognition principle of IFRS 17 is that profit is recognised over the lifetime of a group of insurance contracts, as services are provided, but losses are recognised immediately if the group of insurance contracts is onerous. No profit is recognised on initial recognition. Under IFRS 17, the discount rate used to reflect the time value of money in the fulfilment cash flows must be based on the characteristics of the liability.

The work group which was established specifically to implement IFRS 17, are making sufficient progress in finalising the work regarding the adoption of subsequent accounting for and disclosures in terms of IFRS 17. The following has been completed as of 30 June 2023:

- The insurance contract issued will be accounted for in terms of IFRS 17 and has a defined coverage period of one year;
- The Group qualifies and elects to measure the insurance contracts in issue based on the premium allocation approach to determine the liability for remaining coverage.
- The Group is not required to adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk, at initial recognition, as it expects that the time between providing each part of the coverage and the related premium due date is no more than a year;
- This insurance risk remains consistent throughout the duration of the insurance contract, from inception to expiration, save for any insurance policy endorsements. Given the latter, it is considered appropriate that the Group shall allocate the expected premium receipts to each period of coverage on the basis of the passage of time.

The key impacts on the financial statements for the Group from the year 2024 can include:

- Insurance revenue to be recognised as time passes and not in the month when the policy is issued,
- Insurance premium receivables from clients are not recognised, as premiums are recognised when received in cash.

The Group estimates that, based on assessments undertaken to date, the impact of initial application of IFRS 17 on the consolidated financial statements will be in the region of N$3 million to N$7 million decrease to the Group's total equity at 1 July 2023. The increase in liabilities that results in the decrease in total equity is not material relative to the size of the total IFRS 17 liabilities (less than 1% change).

3. Property, plant and equipment

Group	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	88,891	-	88,891	85,629	-	85,629
Buildings	235,712	(4,242)	231,470	227,169	(3,206)	223,963
Plant and machinery	33,738	(20,889)	12,849	29,996	(17,572)	12,424
Motor vehicles	41,366	(6,382)	34,984	13,148	(4,362)	8,786
Total	**399,707**	**(31,513)**	**368,194**	**355,942**	**(25,140)**	**330,802**

Company	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	403	(163)	240	403	(143)	260
Plant and machinery	5,631	(4,703)	928	5,484	(4,051)	1,433
Motor vehicles	-	-	-	138	(48)	90
Total	**6,034**	**(4,866)**	**1,168**	**6,025**	**(4,242)**	**1,783**

Reconciliation of property, plant and equipment - Group

	Land	Buildings	Plant and machinery	Motor vehicles	Total
Cost or revaluation					
At 01 April 2021	94,075	235,971	25,700	8,947	364,693
Additions	-	5,473	4,980	6,185	16,638
Disposals	-	(509)	(684)	(1,984)	(3,177)
Revaluation/impairment loss	(8,446)	(13,766)	-	-	(22,212)
At 30 June 2022	**85,629**	**227,169**	**29,996**	**13,148**	**355,942**
Additions	3,262	8,543	4,250	29,843	45,898
Disposals	-	-	(508)	(1,625)	(2,133)
At 30 June 2023	**88,891**	**235,712**	**33,738**	**41,366**	**399,707**
Accumulated depreciation					
At 01 April 2021	-	(2,929)	(13,738)	(4,207)	(20,874)
Disposals	-	454	619	682	1,755
Depreciation	-	(731)	(4,453)	(837)	(6,021)
At 30 June 2022	**-**	**(3,206)**	**(17,572)**	**(4,362)**	**(25,140)**
Disposals	-	-	409	380	789
Depreciation	-	(1,036)	(3,726)	(2,400)	(7,162)
At 30 June 2023	**-**	**(4,242)**	**(20,889)**	**(6,382)**	**(31,513)**
Carrying amount					
Cost or revaluation	85,629	227,169	29,996	13,148	355,942
Accumulated depreciation	-	(3,206)	(17,572)	(4,362)	(25,140)
At 30 June 2022	**85,629**	**223,963**	**12,424**	**8,786**	**330,802**
Cost or revaluation	88,891	235,712	33,738	41,366	399,707
Accumulated depreciation	-	(4,242)	(20,889)	(6,382)	(31,513)
At 30 June 2023	**88,891**	**231,470**	**12,849**	**34,984**	**368,194**

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company

	Buildings	Plant and machinery	Motor vehicles	Total
Cost or revaluation				
At 01 April 2021	403	5,568	138	6,109
Additions	-	167	-	167
Disposals	-	(251)	-	(251)
At 30 June 2022	**403**	**5,484**	**138**	**6,025**
Additions	-	245	-	245
Disposals	-	(98)	(138)	(236)
At 30 June 2023	**403**	**5,631**	**-**	**6,034**
Accumulated depreciation				
At 01 April 2021	(117)	(3,055)	(14)	(3,186)
Disposals	-	239	-	239
Depreciation	(26)	(1,235)	(34)	(1,295)
At 30 June 2022	**(143)**	**(4,051)**	**(48)**	**(4,242)**
Disposals	-	81	66	147
Depreciation	(20)	(733)	(18)	(771)
At 30 June 2023	**(163)**	**(4,703)**	**-**	**(4,866)**
Carrying amount				
Cost or revaluation	403	5,484	138	6,025
Accumulated depreciation	(143)	(4,051)	(48)	(4,242)
At 30 June 2022	**260**	**1,433**	**90**	**1,783**
Cost or revaluation	403	5,631	-	6,034
Accumulated depreciation	(163)	(4,703)	-	(4,866)
At 30 June 2023	**240**	**928**	**-**	**1,168**

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings (note 21):

Land and buildings	152,042	151,794	-	-

Fair value hierarchy of property

Land	88,891	85,629	-	-
Buildings	231,470	223,963	-	-
	320,361	**309,592**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

3. Property, plant and equipment (continued)

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	24,154	20,892	-	-
Buildings	164,125	158,934	-	-
	188,279	**179,826**	**-**	**-**

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.

Land and buildings - Increase	(6,018)	(7,995)	-	-
Land and buildings - Decrease	8,960	14,704	-	-

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.

4. Right-of-use assets

The Group leases several buildings for use in its operations.

Details pertaining to leasing arrangements, where the Group is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

Buildings	4,263	5,206	-	-

Additions to right-of-use assets

Buildings	2,014	5,563	-	-

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 33), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	(2,957)	(3,452)	-	(3,196)

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	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

4. Right-of-use assets (continued)

Other disclosures

Interest expense on lease liabilities	(464)	(461)	-	(619)
Expenses on short-term leases included in operating expenses	(2,121)	(1,656)	-	(3,579)
Income from subleasing right-of-use assets	250	572	-	-

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	3,266	2,771	-	-
Two to five years	1,735	3,175	-	-
	5,001	5,946	-	-
Less finance charges component	(374)	(509)	-	-
	4,627	**5,437**	**-**	**-**
Non-current liabilities	2,186	3,003	-	-
Current liabilities	2,441	2,434	-	-
	4,627	**5,437**	**-**	**-**

Exposure to liquidity risk

Refer to note 41 Financial instruments and risk management for the details of liquidity risk exposure and management.

5. Investment property

Group	2023			2022		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment property	43,482	-	43,482	43,482	-	43,482

Company	2023			2022		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment property	8,840	-	8,840	8,840	-	8,840

Reconciliation of investment property - Group - 2023

	Opening balance	Total
Investment property	43,482	43,482

Reconciliation of investment property - Group - 2022

	Opening balance	Revaluation	Total
Investment property	43,642	(160)	43,482

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

5. Investment property (continued)

Reconciliation of investment property - Company - 2023

	Opening balance	Total
Investment property	8,840	8,840

Reconciliation of investment property - Company - 2022

	Opening balance	Revaluation	Total
Investment property	9,000	(160)	8,840

The fair value hierarchy of investment property

Level 2				
Investment property	43,482	43,482	8,840	8,840

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.

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 period was valued by the Group’s board of directors on the same basis.

Amounts recognised in profit and loss for the year

Rental income from investment property	1,069	1,242	505	629

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.

Investment property - Increase	(368)	(531)	(180)	(240)
Investment property - Decrease	332	596	159	260

6. Intangible assets

Group	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Distribution rights	3,000	(1,648)	1,352	2,500	(1,123)	1,377
Computer software	9,883	(8,147)	1,736	9,461	(7,459)	2,002
Total	**12,883**	**(9,795)**	**3,088**	**11,961**	**(8,582)**	**3,379**

Company	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	2,701	(1,612)	1,089	2,694	(1,241)	1,453

Reconciliation of intangible assets - Group

	Distribution rights	Computer software	Total
Cost			
At 01 April 2021	2,500	8,800	11,300
Additions	-	752	752
Disposals	-	(91)	(91)
At 30 June 2022	**2,500**	**9,461**	**11,961**
Additions	500	567	1,067
Disposals	-	(145)	(145)
At 30 June 2023	**3,000**	**9,883**	**12,883**
Accumulated amortisation			
At 01 April 2021	(498)	(6,095)	(6,593)
Disposals	-	88	88
Amortisation	(625)	(1,452)	(2,077)
At 30 June 2022	**(1,123)**	**(7,459)**	**(8,582)**
Disposals	-	145	145
Amortisation	(525)	(833)	(1,358)
At 30 June 2023	**(1,648)**	**(8,147)**	**(9,795)**
Carrying amount			
Cost	2,500	9,461	11,961
Accumulated amortisation	(1,123)	(7,459)	(8,582)
At 30 June 2022	**1,377**	**2,002**	**3,379**
Cost	3,000	9,883	12,883
Accumulated amortisation	(1,648)	(8,147)	(9,795)
At 30 June 2023	**1,352**	**1,736**	**3,088**

6. Intangible assets (continued)

Reconciliation of intangible assets - Company

	Computer software	Total
Cost		
At 01 April 2021	2,247	2,247
Additions	447	447
At 30 June 2022	**2,694**	**2,694**
Additions	123	123
Disposals	(116)	(116)
At 30 June 2023	**2,701**	**2,701**
Accumulated amortisation		
At 01 April 2021	(717)	(717)
Amortisation	(524)	(524)
At 30 June 2022	**(1,241)**	**(1,241)**
Disposals	116	116
Amortisation	(487)	(487)
At 30 June 2023	**(1,612)**	**(1,612)**
Carrying amount		
Cost	2,694	2,694
Accumulated amortisation	(1,241)	(1,241)
At 30 June 2022	**1,453**	**1,453**
Cost	2,701	2,701
Accumulated amortisation	(1,612)	(1,612)
At 30 June 2023	**1,089**	**1,089**

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7. Investment in subsidiaries

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

	Shares at cost 2023	Shares at cost 2022
Acacia Properties (Pty) Ltd	8,729	8,729
Auas Motors (Pty) Ltd	9,848	9,848
Bel Development (Pty) Ltd	16,968	16,968
Bonsai Investments Nineteen (Pty) Ltd	40,000	40,000
Corporate Guarantee and Insurance Company of Namibia Ltd	24,012	24,012
Grenada Investments Two (Pty) Ltd	1,800	1,800
Glasfit Namibia (Pty) Ltd	2,500	-
Hakos Capital and Finance (Pty) Ltd	8,050	8,050
Hochland 7191 (Pty) Ltd	-	-
Isuzu Truck (Namibia) (Pty) Ltd	1,200	1,200
Khomas Car Rental and Leasing (Pty) Ltd	1,200	1,200
Marulaboom Properties (Pty) Ltd	800	800
Mopanie Tree Properties (Pty) Ltd	-	-
NHL Tyre & Tire (Pty) Ltd	12,500	12,500
Nictus (Pty) Ltd	99,012	99,012
Nictus Eiendomme (Pty) Ltd	472	472
Rubber Tree 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	-	-
	261,242	258,742
Impairment of investment in subsidiaries	(72,647)	(73,152)
	188,595	185,590

Values shown as nil have been rounded off to the nearest Namibia dollar thousand. The directors performed an impairment review on investments in subsidiaries. A net impairment reversal of N$ 0,5 million (2022: net impairment of N$7,9 million) was recognised during the current year (note 29).

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

8. Trade and other receivables

Financial instruments:				
Trade receivables	370,237	272,381	13	5
Trade receivables - related parties	-	-	364	242
Unearned finance charges	(5,757)	(3,452)	-	-
Loss allowance	(2,433)	(2,049)	-	-
Trade receivables at amortised cost	362,047	266,880	377	247
Deposits	561	463	-	-
Sundry debtors	3,212	7,071	-	-
Other receivables	1,047	648	380	15
Non-financial instruments:				
VAT	34,117	17,807	548	719
Refundable taxes	20	20	-	-
Prepayments	15,281	15,096	828	827
Total trade and other receivables	**416,285**	**307,985**	**2,133**	**1,808**

Split between non-current and current portions

Non-current assets	50,046	45,145	-	-
Current assets	366,239	262,840	2,133	1,808
	416,285	**307,985**	**2,133**	**1,808**

Categorisation of trade and other receivables

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

At amortised cost	366,867	275,062	757	262
Non-financial instruments	49,418	32,923	1,376	1,546
	416,285	**307,985**	**2,133**	**1,808**

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.

In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees.

To further mitigate the financial loss from defaults, credit insurance is in place for certain retail customers. Credit insurance provide for claims to be made to reimburse the group for losses incurred should customers fail to make payment.

The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

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

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8. Trade and other receivables (continued)

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. The credit insurance in place significantly reduces the expected credit losses as any losses that will arise will be fully recovered.

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 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:

Group	2023	2023	2022	2022
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 0,01% (2022: 0,11%)	306,964	(37)	248,131	(266)
Less than 30 days past due: 0,02% (2022: 0,08%)	50,498	(9)	19,000	(16)
31 - 60 days past due: 5,85% (2022: 0,77%)	3,306	(194)	2,057	(16)
61 - 90 days past due: 0% (2022: 2,93%)	1,203	-	1,255	(37)
91 - 120 days past due: 64,58% (2022: 33,21%)	2,354	(1,520)	3,728	(1,238)
More than 120 days past due: 13,53% (2022: 16,19%)	4,975	(673)	2,940	(476)
Total	**369,300**	**(2,433)**	**277,111**	**(2,049)**

Company	2023	2023	2022	2022
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 0% (2022: 0%)	757	-	262	-

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(2,049)	(1,564)	-	-
Provision raised on new trade receivables	(704)	(1,036)	-	-
Provisions reversed on settled trade receivables	206	110	-	-
Receivables written off as uncollectible	114	441	-	-
Closing balance	**(2,433)**	**(2,049)**	**-**	**-**

Management has considered the financial position of the credit insurance provider and there is no risk that the insurer will not be able to reimburse the Group for claims made for receivables written off as uncollectible.

Exposure to currency risk

Refer to note 41 for details of currency risk management for trade receivables.

Fair value of trade and other receivables

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

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

9. Investments

Listed equity investments	2,617	12,434	293	271
Debt investments	72,297	63,421	-	-
	74,914	**75,855**	**293**	**271**

Split between non-current and current portions

Non-current assets	72,590	63,692	293	271
Current assets	2,324	12,163	-	-
	74,914	**75,855**	**293**	**271**

Debt securities consists of government bonds which bears interest from 9.50% to 10.00% per annum. The government bonds will mature between 15 October 2024 and 15 January 2050.

Fair value hierarchy of investments

Level 1				
Listed equity investments	2,617	12,434	293	271
Debt investments	72,297	63,421	-	-
	74,914	**75,855**	**293**	**271**

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 41 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

10. Loans and receivables

Secured advances	857,527	684,107	-	-
Other loans and receivables	9,434	6,897	-	-
	866,961	**691,004**	**-**	**-**

Split between non-current and current portions

Non-current assets	722,491	552,845	-	-
Current assets	144,470	138,159	-	-
	866,961	**691,004**	**-**	**-**

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 Nedbank Namibia Limited. The loans are secured by underlying assets financed. Refer to note 21 for further information.

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.

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

10. Loans and receivables (continued)

Loans and receivables past due but not impaired

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

Not past due	866,961	691,004	-	-

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.

Loans and receivables

Credit rating				
Performing (internal credit grade)	866,961	691,004	-	-

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 41 Financial instruments and financial risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

11. Finance lease receivables

Maturity analysis of lease payments receivable				
- first year	4,492	-	-	-
- second year	4,492	-	-	-
- third year	3,204	-	-	-
- fourth year	2,168	-	-	-
- fifth year	776	-	-	-
Gross investment in the leases	15,132	-	-	-
Less: Unearned interest income	(3,760)	-	-	-
Net investment in the lease	**11,372**	**-**	**-**	**-**
Non-current assets	8,519	-	-	-
Current assets	2,853	-	-	-
	11,372	**-**	**-**	**-**

Exposure to credit, currency and interest rate risk

Refer to note 41 Financial instruments and financial risk management for details of credit, currency and interest rate risk management for Finance lease receivables.

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

12. Deferred tax

Deferred tax asset

Expected credit losses	368	488	-	-
Lease liabilities	1,481	1,740	-	-
No claim bonus provision	15,744	7,931	-	-
Other provisions	3,485	1,595	921	243
Amounts received in advance	270	258	-	-
Deposits received	3,223	1,486	-	-
Deferred tax balance from temporary differences other than unused tax losses	24,571	13,498	921	243
Tax losses available for set off against future taxable income	82,479	75,558	5,443	6,276
Total deferred tax asset	**107,050**	**89,056**	**6,364**	**6,519**

Deferred tax liability

Plant and equipment	(6,912)	(3,751)	(151)	(293)
Land and buildings	(50,705)	(46,766)	(571)	(557)
Insurance contingency reserve	(8,176)	(6,576)	-	-
Installment debtors	(1,245)	(947)	-	-
Intangible assets	(569)	(824)	(275)	(346)
Deposits paid	(10)	(10)	-	-
Reinsurance asset	(79,763)	(64,923)	-	-
Right of use asset	(1,364)	(1,666)	-	-
Prepayments	(526)	(420)	(265)	(265)
Other financial assets	-	-	(200)	(156)
Total deferred tax liability	**(149,270)**	**(125,883)**	**(1,462)**	**(1,617)**

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:

Net subsidiary deferred tax asset	15,454	12,350	4,902	4,902
Net subsidiary deferred tax liability	(57,674)	(49,177)	-	-
Total net deferred tax (liability) asset	**(42,220)**	**(36,827)**	**4,902**	**4,902**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(36,827)	(28,777)	4,902	4,902
Charged to profit and loss	(5,393)	(8,592)	-	-
Deferred tax through equity	-	542	-	-
	(42,220)	**(36,827)**	**4,902**	**4,902**

Recognition of deferred tax asset / liability

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.

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

12. Deferred tax (continued)

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% (2022: 32%).

13. Inventories

Work in progress	100	198	-	-
Finished goods	-	210	-	-
Merchandise	135,114	108,858	-	-
Stock in transit	2,804	1,465	-	-
Right to return goods asset	30,947	20,195	-	-
	168,965	130,926	-	-
Provision for obsolete stock	(1,955)	(1,847)	-	-
	167,010	**129,079**	**-**	**-**

14. Loans to related parties

Subsidiaries

Acacia Properties (Pty) Ltd	-	-	-	1,873
Bel Development (Pty) Ltd	-	-	8,020	8,064
Bonsai Investments Nineteen (Pty) Ltd	-	-	-	15,751
Glasfit Namibia (Pty) Ltd	-	-	3,454	2,703
Grenada Investments Two (Pty) Ltd	-	-	3,742	4,887
Hochland 7191 (Pty) Ltd	-	-	-	9,549
Isuzu Truck (Namibia) (Pty) Ltd	-	-	7,492	7,453
Khomas Car Rental and Leasing (Pty) Ltd	-	-	609	705
Marulaboom Properties (Pty) Ltd	-	-	2,685	3,250
Mopanie Tree Properties (Pty) Ltd	-	-	1,088	1,123
Nictus Eiendomme (Pty) Ltd	-	-	7,314	2,438
Werda Weskusontwikkeling (Pty) Ltd	-	-	-	6,586
Willow Properties (Pty) Ltd	-	-	-	2,110
Yellow Wood Properties (Pty) Ltd	-	-	2,744	2,545
Auas Motors (Pty) Ltd	-	-	29,733	-
NHL Tyre and Tire (Pty) Ltd	-	-	3,977	-
Hakos Capital and Finance (Pty) Ltd	-	-	42,497	-
	-	**-**	**113,355**	**69,037**

The above loans due by related parties bear interest at Namibian bank prime overdraft rates. The rates applied range from 25% of prime to prime plus 3% (2022: ranging from 25% of prime to prime), are unsecured and have no fixed terms of repayment, but are repayable on demand.

Split between non-current and current portions

Current assets	-	-	113,355	69,037

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

14. Loans to related parties (continued)

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.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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."

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 41 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.

15. Reinsurance asset

Reinsurance asset	249,261	202,885		

The reinsurance asset was recognised due to compulsory reinsurance becoming effective in December 2019.

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

15. Reinsurance asset (continued)

Exposure to credit and currency risk

Refer to note 41 Financial instruments and financial risk management for details of credit and currency risk management for reinsurance asset.

Fair value of reinsurance asset

The fair value of reinsurance asset approximates the carrying values of the ceded portion of the underlying reinsured policies.

Fair value hierarchy of reinsurance asset				
Level 2	249,261	202,885		

16. Other financial assets

Other financial assets held by the Company which are measured at fair value, are as follows:

Contingency policy	-	-	627	486
	-	**-**	**627**	**486**

Split between non-current and current portions				
Current assets	-	-	627	486

Fair value hierarchy of other financial assets

For the financial assets 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 2				
Contingency policy	-	-	627	486

17. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	186	185	19	15
Bank balances	256,305	160,085	656	205
Short-term deposits	146,050	134,951	-	-
	402,541	**295,221**	**675**	**220**

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

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

17. Cash and cash equivalents (continued)

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 external credit ratings (if available) or historical information about counterparty default rates:

Credit rating				
AA	140	163,276	-	-
AA+	-	2,839	-	-
A-	66,783	10,126	-	-
AA-	316,718	81,987	-	-
A1+	2,461	-	442	-
B	-	390	-	5
F1+	16,253	9,877	214	200
F+	-	26,541	-	-
	402,355	**295,036**	**656**	**205**

Fair value of cash and cash equivalents

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

Exposure to currency risk

Refer to note 41 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

18. Stated capital

Authorised				
1,000,000,000 (1 billion) Ordinary no par value shares	150	150	150	150
Reconciliation of number of shares issued:				
Reported as at 30 June 2023	53,444	53,444	53,444	53,444

The board of directors are authorised by way of a general authority to allot and issue at their discretion to 15% of the authorised but unissued ordinary shares. This authority remains in force until the next general meeting.

Issued				
53,443,500 Ordinary no par values shares (2022: 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 sold 983,107 shares in the current year which were deemed to be treasury shares.

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Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

19. 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	46,652	58,848	-	-
Revaluation and impairment of land and buildings	-	(12,196)	-	-
	46,652	**46,652**	**-**	**-**

20. Insurance contingency reserve

As part of the risk management process the subsidiary board decided to adjust the contingency reserve to ensure that provision is made for uncertain future events.

Opening balance	20,551	15,551	-	-
Transfer from retained income to contingency reserve	5,000	5,000	-	-
	25,551	**20,551**	**-**	**-**

21. Interest bearing loans and borrowings

Held at amortised cost				
Secured				
Bank loans	18,306	20,598	-	-
Loan from related party	61,882	27,599	61,882	27,599
	80,188	**48,197**	**61,882**	**27,599**

Split between non-current and current portions

Non-current liabilities	15,098	19,611	-	-
Current liabilities	65,090	28,586	61,882	27,599
	80,188	**48,197**	**61,882**	**27,599**

Bank loans of the Group are from Nedbank Namibia Limited, bearing interest at Namibian bank prime overdraft rates ranging from prime less 1.5% to prime less 0.5% (2022: ranging from prime less 1.5% to prime less 0.5%). The loans are secured by first mortgage bonds over properties and financing of underlying assets. Refer to note 3 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).

The loan from Veritrust (Pty) Ltd (included in current liabilities of the Company and the Group) is repayable on demand, bearing interest at Standard Bank Namibia bank prime overdraft rate (2022: prime overdraft rate) and secured by a cash guarantee issued by Corporate Guarantee and Insurance Company of Namibia Ltd.

Refer to note 37 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 41 Financial instruments and financial risk management for the fair value of borrowings.

Exposure to liquidity, currency and interest rate risk

Refer to note 41 Financial instruments and financial risk management for details of liquidity, currency and interest rate risk management for borrowings.

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

21. Interest bearing loans and borrowings (continued)

Fair value

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

22. Trade and other payables

Financial instruments:				
Trade payables	151,929	94,269	1,226	1,257
Sundry creditors	4,008	440	-	-
Accruals	18,876	11,027	2,880	758
Non-financial instruments:				
VAT	931	3,066	-	-
	175,744	**108,802**	**4,106**	**2,015**

Exposure to liquidity, currency and interest rate risk

Refer to note 41 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.

23. Loans from related parties

Subsidiaries

Bonsai Investments Nineteen (Pty) Ltd	-	-	9,160	-
Futeni Collections (Pty) Ltd	-	-	61,150	59,906
Karas Securities (Pty) Ltd	-	-	60,000	60,000
NHL Tyre and Tire (Pty) Ltd	-	-	-	2,258
	-	**-**	**130,310**	**122,164**

Split between non-current and current portions				
Current liabilities	-	-	130,310	122,164

The above loans from related parties bear interest at Namibian bank overdraft rates ranging from prime less 3% to prime (2022: prime less 3% to prime) and have no fixed terms of repayment, but are repayable on demand. The loans from subsidiaries are unsecured.

30 Cumulative redeemable preference shares from Karas Securities (Pty) Ltd bear dividends at 70% of Namibian prime bank overdraft rate and 30 Cumulative Redeemable preference shares bear dividends at 70% of South African prime bank overdraft rate. The preference dividends are payable monthly and are redeemable after one month's notice period by any party.

Refer to note 37 Changes in liabilities arising from financing activities for details of the movement in loans from group companies during the reporting period.

Exposure to liquidity, currency and interest rate risk

Refer to note 41 Financial instruments and financial risk management for details of liquidity, currency and interest rate risk exposure and management.

Fair value of related party loans payable

The fair value of related party loans approximates their carrying amounts.

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

24. Provisions

Reconciliation of provisions - Group - 2023

	Opening balance	Additions	Reversed during the year	Total
Service and maintenance plan provisions	20	-	(11)	9
Tyre warranty	-	63	-	63
	20	**63**	**(11)**	**72**

Reconciliation of provisions - Group - 2022

	Opening balance	Reversed during the year	Total
Service and maintenance plan provisions	71	(51)	20

The provisions represent managements best estimates of the Group's liability under new and used vehicles sold during the year and one period warranties granted on tyres purchased by clients.

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

25. Insurance contract liability

Gross provision for IBNR	33,101	21,272	-	-
Gross provision for no claim bonus	49,198	24,784	-	-
Gross provision for unearned premiums	1,994,061	1,638,896	-	-
	2,076,360	**1,684,952**	**-**	**-**
Analysis of movements in gross IBNR				
Opening balance	21,272	6,518	-	-
IBNR portion created	11,829	14,754	-	-
	33,101	**21,272**	**-**	**-**
Analysis of movements in no claim bonus provision				
Opening balance	24,784	16,543	-	-
No claim bonus charged to profit or loss	95,233	65,298	-	-
No claim bonus paid	(70,819)	(57,057)	-	-
	49,198	**24,784**	**-**	**-**
Analysis of movements in gross unearned premiums				
Opening balance	1,638,896	1,409,671	-	-
Claims paid	(20,276)	3,591	-	-
IBNR created	(11,829)	(14,754)	-	-
Net written premiums	447,247	320,181	-	-
Net underwriting result	(59,977)	(79,793)	-	-
	1,994,061	**1,638,896**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

25. Insurance contract liability (continued)

Process used to determine significant assumptions

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

Claim provisions

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

Notified claims

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

Claims incurred but not yet reported (IBNR)

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

Premium provisions

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

Assumptions

The assumption that has the greatest effect on the measurement of insurance contract provisions is the percentage applied to gross premiums written in the IBNR calculation. A 7% of written premium assumption has been used for 2023 and 2022 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 7%, the 1% increase will have the following effect on the before tax profit:

	4,472	3,202	-	-

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 41 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.

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

26. Revenue

Revenue from contracts with customers				
Sale of goods	816,948	768,988	-	-
Rendering of services	36,998	40,114	22,927	27,815
Rental income	5,808	2,776	505	629
Insurance premium income	65,013	38,004	-	-
Interest received	78,599	58,133	-	-
	1,003,366	**908,015**	**23,432**	**28,444**
Revenue other than from contracts with customers				
Interest received	-	-	4,182	2,277
Dividends received	-	-	31,719	26,547
Reinsurance income	2,974	12,850	-	-
	1,006,340	**920,865**	**59,333**	**57,268**

Disaggregation of revenue from contracts with customers

Sale of goods				
Sale of goods - retail segment	816,948	768,988	-	-
Rendering of services				
Administration and management fees received from subsidiaries	-	-	22,927	27,815
Services revenue - retail segment	36,998	40,114	-	-
	36,998	**40,114**	**22,927**	**27,815**
Effective interest income				
Interest received	78,599	58,133	-	-
Rental income				
Rental income	5,808	2,776	505	629
Other revenue				
Insurance premium income - insurance and finance segment	65,013	38,004	-	-
Total revenue from contracts with customers	**1,003,366**	**908,015**	**23,432**	**28,444**

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

26. Revenue (continued)

Timing of revenue recognition

At a point in time				
Sale of goods	816,948	768,988	-	-
Rendering of services	36,998	40,114	22,927	27,815
Insurance premium income	65,013	38,004	-	-
	918,959	**847,106**	**22,927**	**27,815**
Over time				
Rental income	5,808	2,776	505	629
Interest received	78,599	58,133	-	-
	84,407	**60,909**	**505**	**629**
Total revenue from contracts with customers	**1,003,366**	**908,015**	**23,432**	**28,444**
Insurance premium income consists of:				
Net written premiums	447,247	320,181	-	-
No claim bonus premiums, cancellations and downward endorsements	(22,493)	(45,432)	-	-
Change in net provision for unearned premiums	(364,874)	(241,844)	-	-
Reinsurance premiums	5,133	5,099	-	-
	65,013	**38,004**	**-**	**-**

27. Cost of sales

Sale of goods	711,008	639,831	-	-
Rendering of services	9,254	9,184	-	-
	720,262	**649,015**	**-**	**-**

28. Other operating income

Stamp duty and documentation income	300	518	-	-
Bad debts recovered	264	133	-	-
Sundry income	11,399	10,307	471	348
Insurance claim received	-	14,488	-	-
	11,963	**25,446**	**471**	**348**

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		Group		Company	
Figures in Namibia Dollar Thousand		12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022
29. Other operating (losses) / gains					
(Losses) / gains on disposals					
Property, plant and equipment	3	(100)	(52)	(34)	7
Right-of-use assets	4	-	-	-	236
		(100)	**(52)**	**(34)**	**243**
Foreign exchange gains					
Net foreign exchange gains		37	-	-	-
Fair value gains / (losses)					
Revaluation and impairment of land and buildings and investment property	5	-	(9,635)	-	(160)
Impairment reversal / (impairment) of investment in subsidiaries	7	-	-	504	(7,955)
Fair value gains of listed equity investments		20	13	20	13
		20	**(9,622)**	**524**	**(8,102)**
Total other operating (losses) / gains		**(43)**	**(9,674)**	**490**	**(7,859)**
30. Investment income					
Investment income from operations					
Equity instruments at fair value through profit or loss:					
Dividends received - listed investments		724	764	-	-
Interest received on bank and other cash		18,668	10,650	-	-
Interest and dividends received - unlisted investments		17,127	13,505	-	-
Total income		**36,519**	**24,919**	**-**	**-**
Investment income from financial assets					
Investments in financial assets:					
Interest received - bank and other cash		3,068	2,644	70	62
Interest and dividends received - financial assets		62	13	56	10
Total income		**3,130**	**2,657**	**126**	**72**
Total investment income		**39,649**	**27,576**	**126**	**72**

31. Employee costs

As at 30 June 2023 the Group had 471 employees (2022: 456). Employee benefits expense is made up of the following for all employees, excluding executive directors:

Employee costs				
Salaries, wages, bonuses and other benefits	95,093	101,333	6,696	11,691

32. Depreciation and amortisation

Depreciation				
Property, plant and equipment	7,162	6,021	771	1,295
Right-of-use assets	2,957	3,452	-	3,196
	10,119	**9,473**	**771**	**4,491**

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

32. Depreciation and amortisation (continued)

Amortisation				
Intangible assets	1,358	2,077	487	524
Total depreciation and amortisation				
Depreciation	10,119	9,473	771	4,491
Amortisation	1,358	2,077	487	524
	11,477	**11,550**	**1,258**	**5,015**

33. Operating profit

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

Auditor's remuneration - external				
Audit fees	2,076	2,346	402	707
Remuneration, other than to employees				
Consulting fees and other benefits	19,778	17,055	9,658	11,183
Secretarial services	1,254	1,179	820	842
	21,032	**18,234**	**10,478**	**12,025**
Leases				
Premises	1,241	2,991	4,034	5,107
Equipment	224	217	-	-
	1,465	**3,208**	**4,034**	**5,107**
Movement in credit loss allowances				
Trade and other receivables	384	485	-	-
Insurance expenses				
Claims incurred	27,870	9,811	-	-
No claim bonus allocations	95,233	65,299	-	-
	123,103	**75,110**	**-**	**-**
Other operating losses				
Inventory write off	-	5,040	-	-
	-	**5,040**	**-**	**-**

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	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022
34. Finance costs				
Preference dividends	-	-	4,281	3,920
Bank and other	1,498	3,334	-	-
Related parties	4,663	2,983	8,241	6,679
Lease liability interest	466	461	-	619
	6,627	**6,778**	**12,522**	**11,218**
35. Taxation				
Major components of the tax expense				
Deferred tax				
Recognised in profit and loss	5,393	8,592	-	-
Recognised in other comprehensive income	-	(542)	-	-
	5,393	**8,050**	**-**	**-**
	5,393	**8,050**	**-**	**-**
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit before tax	46,620	51,426	16,497	356
Other comprehensive income	-	(12,735)	-	-
	46,620	38,691	16,497	356
Tax at the applicable tax rate of 32% (2022: 32%)	14,918	12,381	5,279	114
Tax effect of adjustments on taxable income				
Exempt income	(11,330)	(11,316)	(10,336)	(8,504)
Tax losses utilised	1,623	4,135	3,561	4,546
Non deductible expenses	182	2,850	1,496	3,844
	5,393	**8,050**	**-**	**-**
The estimated tax losses available for set-off against future taxable income amount to	329,981	303,472	68,708	60,183

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 N$ 69,6 million (2022: N$ 64,7 million) for the Group and N$ 51,7 million (2022: N$40,5 million) for Company. Deferred tax assets not raised amount to N$22,3 million (2022: N$20,7 million) for the Group and N$16,5 million (2022: N$12,9 million) for the Company.

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

36. Cash generated from operations

Profit before taxation	46,620	51,426	16,497	356
Adjustments for non-cash items:				
Depreciation and amortisation	11,477	11,550	1,258	5,015
Losses / (gains) on disposal of property, plant and equipment	100	52	34	(7)
Gains on exchange differences	(37)	-	-	-
Movements in provisions	52	(51)	-	-
Prescribed dividends	165	174	165	174
Gain on modification of operating leases	-	(307)	-	(236)
Impairment of investments in subsidiaries	-	-	(505)	7,955
Revaluation and impairment of property	-	9,635	-	160
Adjust for items which are presented separately:				
Interest income	(3,130)	(2,657)	(126)	(72)
Finance costs	6,627	6,778	12,522	11,218
Changes in working capital:				
Inventories	(37,931)	(18,117)	-	-
Trade and other receivables	(108,300)	(92,718)	(325)	(230)
Trade and other payables	66,942	45,175	2,091	(4,324)
Insurance contract liability	391,408	252,220	-	-
Loans and receivables	(173,420)	(143,776)	-	-
Reinsurance asset	(46,376)	(9,187)	-	-
	154,197	**110,197**	**31,611**	**20,009**

37. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2023

	Opening balance	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Borrowings	48,197	-	-	31,991	80,188
Lease liabilities	5,437	2,478	2,478	(3,288)	4,627
	53,634	**2,478**	**2,478**	**28,703**	**84,815**
Total liabilities from financing activities	**53,634**	**2,478**	**2,478**	**28,703**	**84,815**

Reconciliation of liabilities arising from financing activities - Group - 2022

	Opening balance	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Borrowings	135,059	-	-	(86,862)	48,197
Lease liabilities	5,082	4,004	4,004	(3,649)	5,437
	140,141	**4,004**	**4,004**	**(90,511)**	**53,634**
Total liabilities from financing activities	**140,141**	**4,004**	**4,004**	**(90,511)**	**53,634**

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

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

Reconciliation of liabilities arising from financing activities - Company - 2023

	Opening balance	Cash flows	Closing balance
Borrowings	27,599	34,283	61,882
Loans from related parties	122,164	8,146	130,310
	149,763	**42,429**	**192,192**
Total liabilities from financing activities	**149,763**	**42,429**	**192,192**

Reconciliation of liabilities arising from financing activities - Company - 2022

	Opening balance	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Borrowings	27,371	-	-	228	27,599
Lease liabilities	9,589	(6,012)	(6,012)	(3,577)	-
Loans from related parties	147,222	-	-	(25,058)	122,164
	184,182	**(6,012)**	**(6,012)**	**(28,407)**	**149,763**
Total liabilities from financing activities	**184,182**	**(6,012)**	**(6,012)**	**(28,407)**	**149,763**

38. Dividends paid

Dividends	(13,895)	(9,619)	(13,895)	(9,619)

39. Related parties

Relationships	
Subsidiaries	Refer to note 7
Related entities	Veritrust (Pty) Ltd Nictus Ltd Nature Unlimited Consultations (Pty) Ltd Haida Investments (Pty) Ltd Premier Services (Pty) Ltd Tromp Consulting International (Pty) Ltd Namprop (Pty) Ltd Ultra Investments (Pty) Ltd P J De W Tromp & Seuns (Pty) Ltd Detour Deck Lodges of Namibia (Pty) Ltd Drinieshof Farming (Pty) Ltd Landswyd Beleggings (Pty) Ltd NC Tromp Farming (Pty) Ltd Veritas Board of Executors (Pty) Ltd Veritas Eksekuteurskamer (Pty) Ltd Quidi Farming (Pty) Ltd KCB Trust Nico Tromp Trust Saffier Trust Caris Family Trust Mejaloka Trust Salome Trust Langverwagt Trust Nossob West Consulting Services CC Intersection Consulting CC
Members of key management	GR de V Tromp (non-executive) PJ de W Tromp WO Fourie FR van Staden H du Plessis FJ Wahl GC Vermeulen
Independent non-executive directors	TB Horn SW Walters

Related party relationships exist between the parent company, subsidiaries, related companies and key management.

A person or a close member of that person's family is related to a reporting entity if that person;
- has control or joint control of the reporting entity,
- has significant influence over the reporting entity; or
- is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Key management personnel have been identified as the executive directors, non-executive directors and the managing directors of segments within the group.

The definition of key management further 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.

39. Related parties (continued)

Commonly, an entity would be related to the reporting entity if a member of key management is also a member of the key management personnel of that entity (other related parties), or the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

Transactions with key management personnel
Details pertaining to directors' and key management compensations are set out in note 40. 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 with subsidiaries				
Loans from subsidiaries (excl preference shares)	-	-	(70,311)	(62,164)
Loans to subsidiaries	-	-	113,355	69,037
Preference shares issued to subsidiary	-	-	(60,000)	(60,000)
Trade receivables / (trade payables)	-	-	274	151
Other financial assets	-	-	627	486
Related party balances with key management, personnel and companies affiliated with key management in the Group				
Unearned premium reserve account	(45,774)	(41,136)	-	-
Loans to / (from) related parties	(35,222)	(4,177)	(61,882)	(27,599)
Trade receivables / (trade payables)	692	1,941	222	-
Related party transactions with subsidiaries				
Interest received from subsidiaries	-	-	(4,182)	(2,347)
Interest paid to subsidiaries	-	-	3,577	3,765
Preference dividends paid to subsidiaries	-	-	4,281	3,920
Rent paid to subsidiaries	-	-	4,119	5,183
Admin fees paid / (received from) subsidiaries	-	-	(22,719)	(27,618)
Dividends received from subsidiaries	-	-	(31,719)	(26,547)
Purchases / (sales)	-	-	(41)	(91)
Related party transactions with key management, personnel and companies affiliated with key management in the Group				
Gross written premiums	(5,339)	(7,903)	-	-
Cancellations and endorsements	382	3,126	-	-
Claims paid	62	164	-	-
Change in provision for unearned premiums	479	(6)	-	-
Interest paid / (interest received)	2,739	1,404	4,663	2,983
Purchases / (sales)	331	282	630	973

Loans due to and by subsidiaries, excluding preference shares, bear interest at Namibian prime bank overdraft rates ranging from prime less 3% to prime, 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.

40. Directors' emoluments

Executive

2023

	Salaries, management and consulting fees - Holding company	Salaries, management and consulting fees - Subsidiaries	Total
Services as director			
PJ de W Tromp	4,183	-	4,183
WO Fourie	2,517	-	2,517
FR van Staden	-	2,853	2,853
H du Plessis	-	2,042	2,042
FJ Wahl	-	1,140	1,140
CG Vermeulen	-	1,426	1,426
	6,700	**7,461**	**14,161**

2022

	Management and consulting fees - Holding company	Management and consulting fees - Subsidiaries	Total
Services as director			
PJ de W Tromp	5,499	-	5,499
WO Fourie	3,146	-	3,146
FR van Staden	-	3,452	3,452
	8,645	**3,452**	**12,097**

Non-executive

2023

	Directors' fees	Total
Services as director		
GR de V Tromp	660	660
TB Horn	387	387
SW Walters	407	407
	1,454	**1,454**

2022

	Directors' fees	Consulting fees	Directors' fees - Subsidiaries	Total
Services as director				
GR de V Tromp	798	-	-	798
TB Horn	480	-	-	480
SW Walters	334	-	-	334
NC Tromp	156	251	150	557
G Swart	216	-	-	216
	1,984	**251**	**150**	**2,385**

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41. 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 quarterly 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 and risk 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 and 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 and receivables, trade and other receivables, the reinsurance asset 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.

41. Financial instruments and risk management (continued)

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 and contract assets 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, contract assets 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, contract assets or lease receivables.

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

Group		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans and receivables	10	866,961	-	866,961	691,004	-	691,004
Investments	9	74,914	-	74,914	75,855	-	75,855
Finance lease receivables	11	11,372	-	11,372	-	-	-
Trade and other receivables	8	369,300	(2,433)	366,867	277,111	(2,049)	275,062
Cash and cash equivalents	17	402,541	-	402,541	295,221	-	295,221
Reinsurance asset	15	249,261	-	249,261	202,885	-	202,885
		1,974,349	**(2,433)**	**1,971,916**	**1,542,076**	**(2,049)**	**1,540,027**

Company		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to related parties	14	113,355	-	113,355	69,037	-	69,037
Investments	9	293	-	293	271	-	271
Trade and other receivables	8	757	-	757	262	-	262
Cash and cash equivalents	17	675	-	675	220	-	220
		115,080	**-**	**115,080**	**69,790**	**-**	**69,790**

Liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will 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 and prior year, the Company’s current liabilities exceeded the current assets. Group Loans will not be recalled until such time that the Company has sufficient funds to settle these liabilities. For external payables the Company will obtain funds from its subsidiaries and related companies to settle these in the normal course of business.

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.

41. Financial instruments and risk management (continued)

Group - 2023

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Total liabilities							
Borrowings	21	65,090	3,544	10,569	985	80,188	80,188
Lease liabilities	4	2,441	1,942	244	-	4,627	4,627
Insurance contract liability	25	2,076,360	-	-	-	2,076,360	2,076,360
Trade and other payables	22	174,813	-	-	-	174,813	174,813
		2,318,704	**5,486**	**10,813**	**985**	**2,335,988**	**2,335,988**
Total assets							
Trade and other receivables	8	316,621	20,152	30,094	-	366,867	366,867
Investments	9	2,324	771	-	71,819	74,914	74,914
Loans and receivables	10	144,470	103,250	509,086	110,155	866,961	866,961
Reinsurance asset	15	249,261	-	-	-	249,261	249,261
Finance lease receivables	11	2,853	-	8,519	-	11,372	11,372
Cash and cash equivalents	17	402,541	-	-	-	402,541	402,541
		1,118,070	**124,173**	**547,699**	**181,974**	**1,971,916**	**1,971,916**
		1,200,634	**(118,687)**	**(536,886)**	**(180,989)**	**364,072**	**364,072**

Group - 2022

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Total liabilities							
Borrowings	21	28,586	4,121	14,508	982	48,197	48,197
Lease liabilities	4	2,435	2,264	738	-	5,437	5,437
Insurance contract liability	25	1,684,952	-	-	-	1,684,952	1,684,952
Trade and other payables	22	105,736	-	-	-	105,736	105,736
		1,821,709	**6,385**	**15,246**	**982**	**1,844,322**	**1,844,322**
Total assets							
Trade and other receivables	8	229,917	13,618	31,527	-	275,062	275,062
Investments	9	12,163	-	771	62,921	75,855	75,855
Loans and receivables	10	138,159	92,764	340,720	119,361	691,004	691,004
Reinsurance asset	15	202,885	-	-	-	202,885	202,885
Cash and cash equivalents	17	295,221	-	-	-	295,221	295,221
		878,345	**106,382**	**373,018**	**182,282**	**1,540,027**	**1,540,027**
		943,364	**(99,997)**	**(357,772)**	**(181,300)**	**304,295**	**304,295**

41. Financial instruments and risk management (continued)

Company - 2023

		Less than 1 year	Over 5 years	Total	Carrying amount
Total liabilities					
Trade and other payables	22	4,106	-	4,106	4,106
Loans from related parties	23	130,310	-	130,310	130,310
Borrowings	21	61,882	-	61,882	61,882
Total assets					
Investments	9	-	293	293	293
Loans to related parties	14	113,355	-	113,355	113,355
Trade and other receivables	8	757	-	757	757
Other financial assets	16	627	-	627	627
Cash and cash equivalents	17	675	-	675	675
		115,414	**293**	**115,707**	**115,707**
		80,884	**(293)**	**80,591**	**80,591**

Company - 2022

		Less than 1 year	Over 5 years	Total	Carrying amount
Total liabilities					
Trade and other payables	22	2,015	-	2,015	2,015
Loans from related parties	23	122,164	-	122,164	122,164
Borrowings	21	27,599	-	27,599	27,599
Total assets					
Investments	9	-	271	271	271
Loans to related parties	14	69,037	-	69,037	69,037
Trade and other receivables	8	262	-	262	262
Other financial assets	16	486	-	486	486
Cash and cash equivalents	17	220	-	220	220
		70,005	**271**	**70,276**	**70,276**
		81,773	**(271)**	**81,502**	**81,502**

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.

41. Financial instruments and risk management (continued)

Interest rate profile

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

	Note	Average effective interest rate		Carrying amount	
Group		2023	2022	2023	2022
Assets					
Trade and other receivables	8	12.95 %	11.80 %	103,748	89,552
Loans and receivables: secured advances	10	10.15 %	6.92 %	857,527	684,107
Finance lease receivables	11	17.00 %	- %	11,372	-
Cash and cash equivalents	17	8.54 %	5.42 %	394,169	281,964
Other loans and receivables	10	13.50 %	9.98 %	9,434	6,897
				1,376,250	**1,062,520**
Liabilities					
Loan from related party	21	11.50 %	8.50 %	(61,882)	(27,599)
Bank loans	21	10.75 %	7.31 %	(18,306)	(20,598)
				(80,188)	**(48,197)**
Variable rate financial assets as a percentage of total interest bearing financial assets				100.00 %	100.00 %
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				100.00 %	100.00 %

	Note	Average effective interest rate		Carrying amount	
Company		2023	2022	2023	2022
Assets					
Loans to related parties	14	7.79 %	4.46 %	97,688	48,715
Other financial assets	16	6.50 %	3.93 %	627	486
				98,315	**49,201**
Liabilities					
Loans from related parties	21&23	8.28 %	5.47 %	(192,192)	(149,763)
Variable rate financial assets as a percentage of total interest bearing financial assets				100.00 %	100.00 %
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				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.

41. Financial instruments and risk management (continued)

Group

At 30 June 2023, if the Group interest rate had been 1% per annum (2022: 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 13,5 million (2022: N$ 7,2 million) lower and N$ 13,5 million (2022: N$ 7,2 million) higher.

Company

At 30 June 2023, if the Company interest rate had been 1% per annum (2022: 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 0.9 million (2022: N$ 1,3 million) lower and N$ 0.9 million (2022: N$ 1,3 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 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	2023	2023	2022	2022
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Listed shares 1% (2022: 1%)	26	(26)	124	(124)

Company	2023	2023	2022	2022
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Listed shares 1% (2022: 1%)	3	(3)	3	(3)

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.

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41. Financial instruments and risk management (continued)

Categories of financial instruments

Categories of financial assets

Group - 2023

	Note(s)	Fair value through profit or loss	Amortised cost	Total	Fair value
Loans and receivables	10	-	866,961	866,961	866,961
Investments	9	2,617	72,297	74,914	74,914
Finance lease receivables	11	-	11,372	11,372	11,372
Trade and other receivables	8	-	366,867	366,867	366,867
Cash and cash equivalents	17	-	402,541	402,541	402,541
Reinsurance asset	15	249,261	-	249,261	249,261
		251,878	**1,720,038**	**1,971,916**	**1,971,916**

Group - 2022

	Note(s)	Fair value through profit or loss	Amortised cost	Total	Fair value
Loans and receivables	10	-	691,004	691,004	691,004
Investments	9	12,434	63,421	75,855	75,855
Trade and other receivables	8	-	275,062	275,062	275,062
Cash and cash equivalents	17	-	295,221	295,221	295,221
Reinsurance asset	15	202,885	-	202,885	202,885
		215,319	**1,324,708**	**1,540,027**	**1,540,027**

Company - 2023

	Note(s)	Fair value through profit or loss	Amortised cost	Total	Fair value
Loans to related parties	14	-	113,355	113,355	113,355
Investments	9	293	-	293	293
Trade and other receivables	8	-	757	757	757
Cash and cash equivalents	17	-	675	675	675
Other financial assets	16	-	627	627	627
		293	**115,414**	**115,707**	**115,707**

Company - 2022

	Note(s)	Fair value through profit or loss	Amortised cost	Total	Fair value
Loans to related parties	14	-	69,037	69,037	69,037
Investments	9	271	-	271	271
Trade and other receivables	8	-	262	262	262
Cash and cash equivalents	17	-	220	220	220
Other financial assets	16	486	-	486	486
		757	**69,519**	**70,276**	**70,276**

41. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	22	174,813	174,813	174,813
Borrowings	21	80,188	80,188	80,188
Lease liabilities	4	4,627	4,627	4,627
Insurance contract liability	25	2,076,360	2,076,360	2,076,360
		2,335,988	**2,335,988**	**2,335,988**

Group - 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	22	105,736	105,736	105,736
Borrowings	21	48,197	48,197	48,197
Lease liabilities	4	5,437	5,437	5,437
Insurance contract liability	25	1,684,952	1,684,952	1,684,952
		1,844,322	**1,844,322**	**1,844,322**

Company - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	22	4,106	4,106	4,106
Loans from related parties	23	130,310	130,310	130,310
Borrowings	21	61,882	61,882	61,882
		196,298	**196,298**	**196,298**

Company - 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	22	2,015	2,015	2,015
Loans from related parties	23	122,164	122,164	122,164
Borrowings	21	27,599	27,599	27,599
		151,778	**151,778**	**151,778**

41. Financial instruments and risk management (continued)

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.

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.

42. Group segmental analysis

The Group's has the following reportable segments which are differentiated by the activities that each undertake 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, Suzuki and Hero franchise throughout Namibia, in addition to operating as distributor and retailer of predominantly Goodyear products. Furniture retail with branches located throughout Namibia. Automotive glass fitment and repairs. Rental of office equipment and vehicles.
Insurance and finance	Short-term insurance through the alternative risk transfer model as well as vehicle financing.
Properties	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 restructuring costs and legal expenses. The measure also excludes the effects of 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 financial statements.

Capital expenditure reflects additions to non-current assets, other than financial instruments, deferred tax assets, post-employment 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 tables below provide information on segment revenue and results, as well as assets, liabilities, cash flows and capital expenditure.

2023

	Retail	Properties	Insurance and finance	Head office	Eliminations	Consolidated
Segment revenue						
Sale of goods and rendering of services	867,725	-	2,974	-	(13,779)	856,920
Rental income	3,934	26,745	-	-	(24,871)	5,808
Finance income	6,272	-	109,473	4,182	(41,328)	78,599
Management fees	-	-	-	22,927	(22,927)	-
Insurance premium income	-	-	67,116	-	(2,103)	65,013
Dividends received	-	-	-	31,719	(31,719)	-
Total revenue from external customers	**877,931**	**26,745**	**179,563**	**58,828**	**(136,727)**	**1,006,340**
Inter-segment revenue	2,480	-	5,934	-	(8,414)	-
Total segment revenue	**880,411**	**26,745**	**185,497**	**58,828**	**(145,141)**	**1,006,340**

42. Group segmental analysis (continued)

	Retail	Properties	Insurance and finance	Head office	Eliminations	Consolidated
Segment results						
Operating profit / (loss) before finance cost	28,743	21,089	47,273	28,838	(72,696)	53,247
Finance cost	(10,587)	(19,024)	(2,206)	(12,521)	37,711	(6,627)
Profit / (loss) before taxation	**18,156**	**2,065**	**45,067**	**16,317**	**(34,985)**	**46,620**
Taxation	(4,861)	(1,267)	(10,201)	-	10,936	(5,393)
Net profit / (loss) for the year	**13,295**	**798**	**34,866**	**16,317**	**(24,049)**	**41,227**

	Retail	Properties	insurance and finance	Head office	Eliminations	Consolidated
Segment assets, liabilities, cash flows and capital expenditure						
Segment assets	476,024	398,345	2,380,336	312,837	(944,717)	2,622,825
Segment liabilities	349,987	304,603	2,317,443	196,298	(773,666)	2,394,665
Cash flows from operating activities	(58,629)	2,581	170,973	19,215	17,024	151,164
Cash flows from investing activities	(38,196)	(10,364)	(421,374)	(47,294)	458,539	(58,689)
Cash flows from financing activities	87,744	7,752	366,340	28,534	(475,562)	14,808
Capital expenditure	(39,803)	(10,331)	(484)	(368)	4,021	(46,965)

2022

	Retail	Properties	Insurance and finance	Head office	Eliminations	Consolidated
Segment revenue						
Sale of goods and rendering of services	816,039	-	12,850	-	(6,937)	821,952
Rental income	504	28,275	-	-	(26,003)	2,776
Finance income	6,072	-	80,126	2,277	(30,342)	58,133
Management fees	-	-	-	27,815	(27,815)	-
Insurance premium income	-	-	40,893	-	(2,889)	38,004
Dividends received	-	-	-	26,547	(26,547)	-
Total revenue from external customers	**822,615**	**28,275**	**133,869**	**56,639**	**(120,533)**	**920,865**
Inter-segment revenue	1,870	-	5,111	-	(6,981)	-
Total segment revenue	**824,485**	**29,275**	**138,980**	**56,639**	**(127,514)**	**920,865**

42. Group segmental analysis (continued)

	Retail	Properties	Insurance and finance	Head office	Eliminations	Consolidated
Segment results						
Operating profit / (loss) before finance cost	27,968	9,179	47,069	11,354	(37,366)	58,204
Finance cost	(8,976)	(15,905)	(1,690)	(11,211)	31,004	(6,778)
Profit / (loss) before taxation	**18,992**	**(6,726)**	**45,379**	**143**	**(6,362)**	**51,426**
Taxation	(4,765)	(2,369)	(11,281)	-	9,823	(8,592)
Net profit / (loss) for the period	**14,227**	**(9,095)**	**34,098**	**143**	**3,461**	**42,834**

	Retail	Properties	Insurance and finance	Head office	Eliminations	Consolidated
Segment assets, liabilities, cash flows and capital expenditure						
Segment assets	327,206	380,017	1,886,636	265,550	(762,161)	2,097,248
Segment liabilities	220,133	286,895	1,823,719	151,778	(585,940)	1,896,585
Cash flows from operating activities	40,916	11,330	13,838	9,484	30,971	106,539
Cash flows from investing activities	(4,856)	(3,846)	(285,598)	(752)	238,712	(56,340)
Cash flows from financing activities	(29,900)	(7,529)	215,642	(8,663)	(269,680)	(100,130)
Capital expenditure	(12,709)	(3,868)	(202)	(614)	3	(17,390)

	Group		Company	
Figures in Namibia Dollar Thousand	12 months ended 30 June 2023	15 months ended 30 June 2022	12 months ended 30 June 2023	15 months ended 30 June 2022

43. 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 outstanding during the period, 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 previous financial year. Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

Reconciliation of profit for the year to basic earnings				
Profit for the year attributable to equity holders of the parent	41,227	42,834	-	-
Weighted average number of shares (000's)				
Shares in issue	53,444	53,444	-	
Treasury shares	-	(983)	-	
	53,444	**52,461**	**-**	
Basic earnings per share				
Basic earnings per share (cents)	77.14	81.65	-	-
Basic earnings per share before treasury share adjustment (cents)	77.14	80.15	-	-

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.

Reconciliation between earning and headline earnings				
Basic earnings	41,227	42,834	-	-
Adjusted for:				
Loss on disposal of plant and equipment	100	52	-	-
Revaluation and impairment of assets, net of taxation	-	9,979	-	-
Insurance proceeds, net of taxation	-	(9,852)	-	-
	41,327	**43,013**	**-**	**-**
Headline earnings per share				
Headline earnings per share (cents)	77.33	81.99	-	
Headline earnings per share before treasury share adjustment (cents)	77.33	80.48	-	

Dividends per share

Final (c)	26.00	18.00	-	-

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.

44. Contingencies

Company

Nictus Holdings Limited provided limited guarantee for a total amount of N$10 million in respect of the loan between Futeni Collection (Pty) Ltd and Nictus Eiendomme (Pty) Ltd. The outstanding loan balance at 30 June 2023 amounted to N$1 million (2022: N$1,2 million).

Nictus Holdings Limited provided limited guarantee for a total amount of N$12,3 million in respect of the loans between Futeni Collection (Pty) Ltd and Acacia Properties (Pty) Ltd. The outstanding loan balances at 30 June 2023 amounted to N$2,3 million (2022: N$0,1 million).

Nictus Holdings Limited provided a letter of guarantee for a total amount of N$6 million in respect of cumulative redeemable preference shares issued by Karas Securities (Pty) Ltd to Hakos Capital and Finance (Pty) Ltd. The outstanding balance at 30 June 2023 amounted to N$40 million (2022: N$40 million).

45. Comparative figures

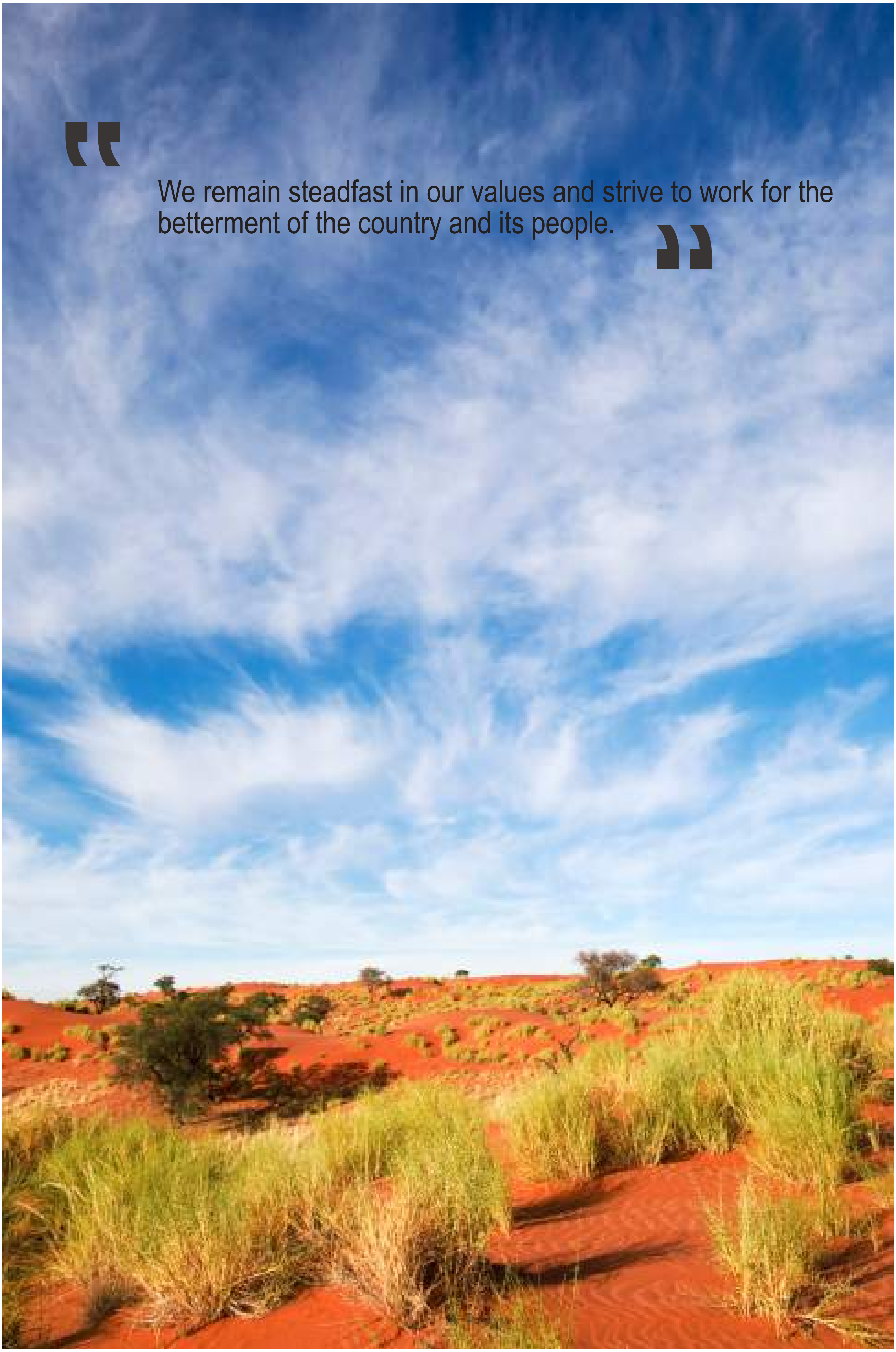
The financial year end of the Company and its subsidiaries was changed from 31 March to 30 June in prior financial period. Accordingly, the consolidated and separate annual financial statements were prepared for 15 months from 1 April 2021 to 30 June 2022. As a result, the comparative figures stated in the statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flows and the related notes are not comparable.

46. Going concern

The consolidated and separate 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.

47. Events after the reporting period

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



"We remain steadfast in our values and strive to work for the betterment of the country and its people."

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 five-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 of 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 five-year period.

- Senior management and executive directors are eligible to participate.
- The relevant subsidiary boards of directors determine the structure and percentile quantum of the incentive. The allocation is determined by executive management and approved by 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.

NOTICE OF THE ANNUAL GENERAL MEETING

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

Notice is hereby given that the annual general meeting of the shareholders of Nictus in respect of the period ended 30 June 2023 will be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on 30 November 2023 at 15:00 (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, the audit committee and the directors for the period ended 30 June 2023 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 TB Horn as a director

"Resolved that TB Horn 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 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.

3.3. Ordinary resolution 3: 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 112 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.

3.4. Ordinary resolution 4: 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."

Board/Committee	**Annual fees (NAD)**		
	Membership	**Chairperson (additional fee)**	**Lead Independent (additional fee)**
Board	253,113	331,348	50,623
Audit and Risk Committee	92,041	27,612	N/A
Remuneration and Nomination Committee	69,031	20,709	N/A
Social, Ethics and Sustainability Committee	46,021	13,806	N/A

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 shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.5. Ordinary resolution 5: re-appointment of SGA as auditors

"Resolved that, on recommendation of the audit committee of the Company, SGA Chartered Accountants and Auditors be and are 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.

3.6. Ordinary resolution 6: 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 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 -

3.6.1. 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;

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

3.6.3. the shares which are the subject of the issue –

3.6.3.1. 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;

3.6.3.2. 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

3.6.3.3. 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;

3.6.4. 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

3.6.5. 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

3.7. Ordinary resolution 7: re-election of TB Horn as a member and chairperson of the Audit and Risk Committee

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

3.8. Ordinary resolution 8: re-election of GR de V Tromp as a member of the Audit and Risk Committee

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

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

3.9. Ordinary resolution 9: re-election of SW Walters as a member of the Audit and Risk Committee

"Resolved that SW Walters, an independent non-executive director of the Company, be and is hereby re-elected as a member of the Audit and Risk 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: 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.

3.11. 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.

3.12. 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 42 and 43;

4.2. major shareholders – page 43;

4.3. directors' interests in ordinary shares – page 43; and

4.4. share capital of the Company – page 83.

5. LITIGATION STATEMENT

The directors in office whose names appear on pages 16 and 17 of the annual report, are not aware of any legal or arbitration proceedings, other than the pending proceedings disclosed in the litigation statement in the Directors' Report on page 44 of the annual report, that may have a material effect on the Group's financial position from the date of this annual report.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors in office, whose names appear on pages 16 and 17 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 inquiries 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 (incorporating the audited annual financial statements).

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 Eksekuteurskamer (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek (Private Bag 13231, Windhoek) or the Transfer Secretaries, c/o Veritas Eksekuteurskamer (Proprietary) Limited, 1st floor, Nictus Building, Mandume Ndemufayo Avenue, Windhoek (PO Box 755, Windhoek). Forms of proxy must be received by no later than 12:00 on 28 November 2023. 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.

NOTICE OF THE ANNUAL GENERAL MEETING

10. VOTING

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

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

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

BRIEF CURRICULA VITAE OF DIRECTORS FOR RE-ELECTION

TB HORN (53)

- CA (NAM) • Years of Service: 4 years
- Lead Independent Non-executive Director • Chairperson: Audit Committee

TB Horn is a qualified Chartered Accountant (Namibia) and a certified Internal Auditor. She has an extensive background in finance, having served on the Institute of Chartered Accountants Namibia Council for several years and presiding as the institute's President from 2016 to 2018. With a strong professional track record, TB Horn held the position of Audit Partner at a prominent Big Four auditing firm in Namibia for a duration of 5 years, where she spearheaded the internal audit and corporate governance practice.

WO FOURIE (47)

- CA (NAM), CA (SA) • Years of Service: 16 years • Group Financial Director

WO Fourie is a qualified Chartered Accountant (Namibia and South Africa), having completed his accounting articles in 2002. He joined the Nictus Limited Group in 2007, where he assumed the role of Group Financial Manager. He was appointed to the position of Group Financial Director within the Nictus Limited Group in 2010, a role he currently holds within the Nictus Holdings Limited Group.

FORM OF PROXY

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

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

For completion by registered members of Nictus unable to attend the annual general meeting of the Company to be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on 30 November 2023 at 15:00 (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 chairperson 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:

	For	Against	Abstain	Precluded
1. **Ordinary resolution 1**: re-election of TB Horn as a director				
2. **Ordinary resolution 2**: re-election of WO Fourie as a director				
3. **Ordinary resolution 3**: non-binding advisory vote for approval of the Company's remuneration policy				
4. **Ordinary resolution 4**: approval of non-executive directors' remuneration				
5. **Ordinary resolution 5**: re-appointment of SGA as auditors				
6. **Ordinary resolution 6**: authority to issue ordinary shares				
7. **Ordinary resolution 7**: re-election of TB Horn as a member and chairperson of the Audit and Risk Committee				
8. **Ordinary resolution 8**: re-election of GR de V Tromp as a member of the Audit and Risk Committee				
9. **Ordinary resolution 9**: re-election of SW Walters as a member of the Audit and Risk Committee				
10. **Ordinary resolution 10**: signing authority				
11. **Special resolution 1**: general authority to repurchase shares				
12. **Special resolution 2**: financial assistance to entities related or inter-related to the Company				

Precluded from voting in terms of the Companies Act or die 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 .... on (date) .... Signature: ....

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

NOTES TO THE PROXY FORM

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 chairperson 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 chairperson of the annual general meeting, if the chairperson 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 chairperson of the annual general meeting.*

6. *The chairperson 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 Eksekuteurskamer (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek (Private Bag 13231, Windhoek) or the transfer Secretaries, Veritas Eksekuteurskamer (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo avenue, Windhoek (PO Box 755, Windhoek). Forms of proxy must be received no later than 12:00 on **28 November 2023**.*

ANNUAL REPORTS NOTES

Company registration number
1962/1735

NSX Share code: NHL
ISIN number: NA000A1J2SS6

Executive Directors
PJ de W Tromp (Group Managing Director)
WO Fourie (Group Financial Director)

Non-Executive Directors
TB Horn (Independent Non-Executive Lead Director)
GR de V Tromp (Non-Executive Chairman)
SW Walters (Independent Non-Executive Director)

Transfer Secretaries
Veritas Eksekuteurskamer (Proprietary) Limited
1st Floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek
P.O. Box 755, Windhoek, Namibia

Independent External Auditors
SGA Chartered Accountants and Auditors

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

NICTUS HOLDINGS