'13 INTEGRATED ANNUAL REPORT

For the year ended 31 March 2013

TAKING ACTION WITH A STRATEGIC FOCUS

nictus
HOLDINGS LIMITED

Annual Report Contents

The Nictus Philosophy

Nictus has been very successful in change initiatives. The challenge remains to reach a top level of EXCELLENCE throughout the organisation. The philosophy and core focus will be to drive EXCELLENCE in every aspect of the organisation and through this establish Nictus as a leading entity where we are present.

VISION

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

MISSION

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

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

CORE VALUES

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

"We are what we repeatedly do. Excellence then, is not an act but a habit."
Aristotle (384 BC - 322 BC)

EXCELLENCE

Nictus Code of Conduct

I WILL,

- TREAT OTHERS AS I WANT TO BE TREATED BY THEM, THE GOLDEN RULE.
- ALWAYS STRIVE TO DO WHAT IS BEST FOR MY GROUP, MY COUNTRY AND MY PLANET.
- ABIDE BY THE VALUES, POLICIES AND PROCEDURES OF THE GROUP, THE LAWS OF MY COUNTRY AND THE UNIVERSAL HUMAN PRINCIPLES OF ALL THAT IS GOOD AND JUST.
- BE HONEST, RELIABLE, FAIR, AND OPEN IN EVERYTHING I SAY, WRITE AND DO AND ACCEPT RESPONSIBILITY FOR THE CONSEQUENCES.
- PROTECT THE GROUP'S ASSETS, INFORMATION AND REPUTATION.
- VALUE AND RESPECT THE DIVERSITY OF BELIEFS, CULTURES, CONVICTIONS AND HABITS OF THE PEOPLE OF OUR GROUP AND THE COUNTRIES IN WHICH WE OPERATE.
- DISCLOSE TO THE GROUP ANY REAL OR PERCEIVED SITUATIONS WHERE MY PRIVATE INTERESTS OR THE INTERESTS OF THE MEMBERS OF MY IMMEDIATE OR EXTENDED FAMILY OR OTHER PERSONS CLOSE TO ME THAT MAY INTERFERE WITH THE INTERESTS OF THE GROUP.
- NOT GIVE OR RECEIVE GIFTS OR BENEFITS IN CONTRAVENTION OF THE POLICIES OF THE GROUP AND NO GIFT, IRRESPECTIVE OF THE VALUE, SHOULD INFLUENCE ME TO CHANGE MY BUSINESS DECISION TO THE WELLBEING OF THE NICTUS GROUP.
- SEEK NEW, BETTER AND MORE INNOVATIVE WAYS TO DO MY WORK AND PERFORM TO THE UTMOST OF MY ABILITIES.
- NOT REMAIN SILENT IN THE FACE OF DISHONESTY, MALICE, DISRESPECT, INTOLERANCE OR INJUSTICE.

Chairman's Report

JJ Retief (48)
- B.Com
- Chairman: Nictus Holding Limited

OVERVIEW

It is with great pride that I present to you the first annual report of Nictus Holdings Limited.

In line with the Board's extensive strategic review of the Group, it concluded that the time was right for Nictus Holdings to return to its roots, and for the Namibian operations to be separately listed on the Namibian Stock Exchange (NSX). Nictus listed on the Namibian Stock Exchange (NSX) on 21 September 2012 as a primary listing.

The unbundling from the South African operations and simultaneous listing of Nictus Holdings Limited on the NSX has paved the way for strategic flexibility of the Namibian operations. This will enable this company to embark on its own growth strategy within the Namibian commercial and regulatory environment.

A strategic implementation, as noted above does, however, come at a large cost and no matter how confident we are that the ground work has been done for growth of the Group, the costs (albeit a once-off cost) will negatively impact our profits this year.

That being said, I foresee the focus shifting towards the Namibian operations to optimise the structures that have been put in place, which include the following operational pillars:

- an experienced management team with a proven track record
- a strong local team for each segment
- inter-group synergy between the different segments
- leading positions in attractive markets with well established, recognised names that give us a balanced portfolio

THE FUTURE VIEW

Nictus Holdings will actively implement the Group's vision statement of being an independent, diversified investment holding company that creates above-average value for its shareholders through sustainable growth. In all three segments (motor, furniture and insurance), the primary focus will be on growing the businesses and the objective is that all segments contribute equally to the profitability of the Group.

Each segment is a successful and established business enterprise within Namibia and is considered a major role player within its defined market. The synergy between the segments adds value and is considered a major success factor. The philosophy of sustainability ensures that financial growth is matched by the development of human capital to manage and sustain growth.

"Taking action with a strategic focus" is the motto of the Nictus Holdings Group and lies at the very core of the Nictus Holdings Group's mission statement. The Board holds the view that the unbundling will bring about a renewed strategic focus on the core business within the Group. Creating a diverse Namibian Group where there is a strategic focus on the Namibian economy will result in a more dynamic approach. Management's focus, which was previously divided between the Namibian and South African operations, will now be on Namibia alone ensuring that returns can be optimised in the operating segments.

Current circumstances in the Namibian economy indicate challenges ahead. These include the drought and uncertainty in the mining sector, particularly reduced uranium mining. Although the impacts are uncertain, Nictus believes that the unbundling exercise, and the focus on the three core segments, will enable it to manage the challenges tactically and in a focused manner.

Furniture segment:
The Nictus brand is well known throughout Namibia, and further expansion of the Nictus Furnishers brand will be a continuous focus area.

Providing high quality exclusive furniture, at an affordable price to customers, is the focus point. Continuously searching for new suppliers and negotiating exclusive product ranges with current suppliers will ensure profitable growth in the furniture segment.

A new furniture outlet will be opened in Ongwediva in August 2013, and we believe that this will enable us to broaden our customer base throughout Namibia.

Insurance segment:
The insurance segment will continue to provide unique insurance solutions to its clients. The insurance segments' Alternative Risk Transfer insurance product offers clients the opportunity to manage their own risk. Service excellence and creation of innovative solutions will remain the key to enhance our insurance brand.

Motor segment:
Increasing the motor segment's footprint throughout Namibia will remain the focus. After the new branches opened in northern Namibia (Otjiwarongo and Oshakati), and branches at the coast (Walvis Bay and Swakopmund) were taken over, it remains a challenge turning these branches into sustainable centres. Optimising the economies of scale within the various branches is an area that can still be improved upon and this will result in better financial results within the motor segment.

The phasing out of the historic Isuzu ranges impacted negatively on this segment. Limited old stock was available and customers were hesitant to purchase the old models in anticipation of the new product ranges. The insufficient stock supply of newly launched General Motors products contributed to sales falling below expectation and this also impacted negatively on profits.

Management is very positive about the new product ranges that were launched recently, and the expectation is that these products will be received positively in the market.

Lastly I can add that a state of the art premises is in the process to be developed in Ongwediva in order to serve our northern clients' needs.

DIRECTORATE

The board consists of four executive directors and one non-executive director, Wilmar Fourie, who joined the Nictus Holdings Group in 2007. The executive directors are: Frans van Staden, who joined the group in 1996; Philippus Tromp, who joined in 2003; Nico Tromp, who joined in 1974 and I, who joined in 1997. The experience of more than eighty years between these five Namibians speak for itself. Nictus Holdings and its shareholders can be assured that this team understands the Namibian economy and will provide a good base for future growth and development of the company.

I want to thank the shareholders for the trust placed in the Board of Nictus Holdings.

CORPORATE GOVERNANCE

The Group is fully committed to the principles of good corporate governance through transparency, integrity and accountability.

APPRECIATION

I wish to thank my fellow board members, for their co-operation and their efforts to focus on the core issues, as well as our customers and all other stakeholders for their support.

Finally I wish to thank the Lord Almighty, without whom the Group could not exist.

Board of Directors & Company Secretary

JJ Retief (48)
- B.Com
- Chairman: Nictus Holding Limited

NC Tromp (64)
- B.Com
- Executive Director

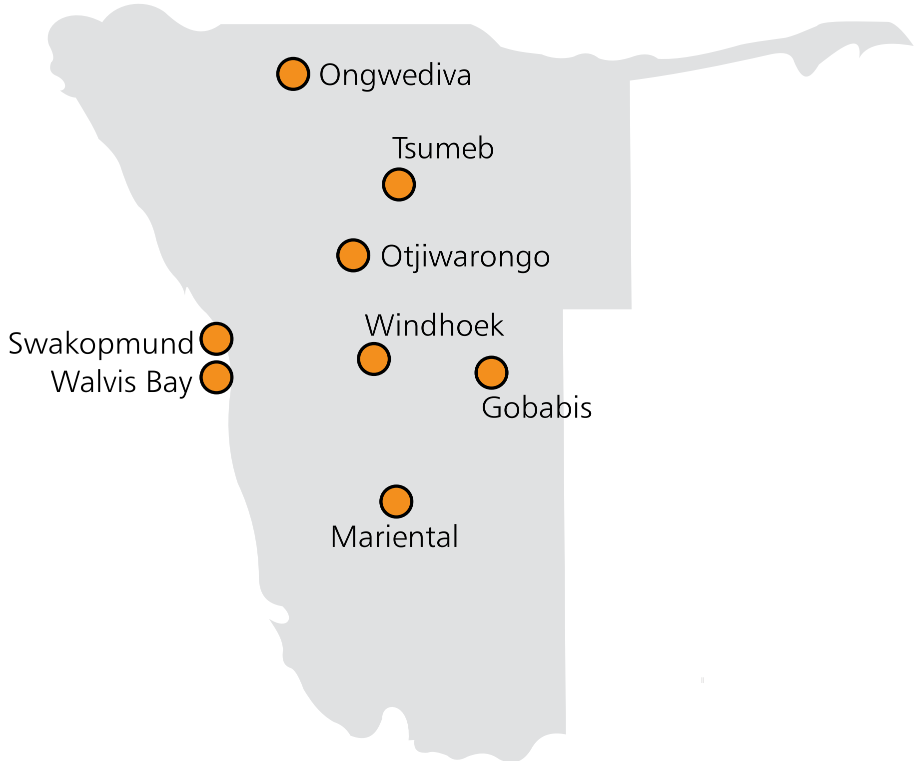
FR van Staden (49)
- CA (SA), CA (NAM)
- Executive Director

WO Fourie (37)
- CA (SA), CA (NAM)
- Non-Executive Director

PJ DE W Tromp (38)
- B.Econ, EDP: USB, SMP: USB
- Executive Director

W Bodenstein (31)
- B.Comm LLB
- Company Secretary

Geographical Spread



Furniture retail

Motor retail

Insurance & Finance

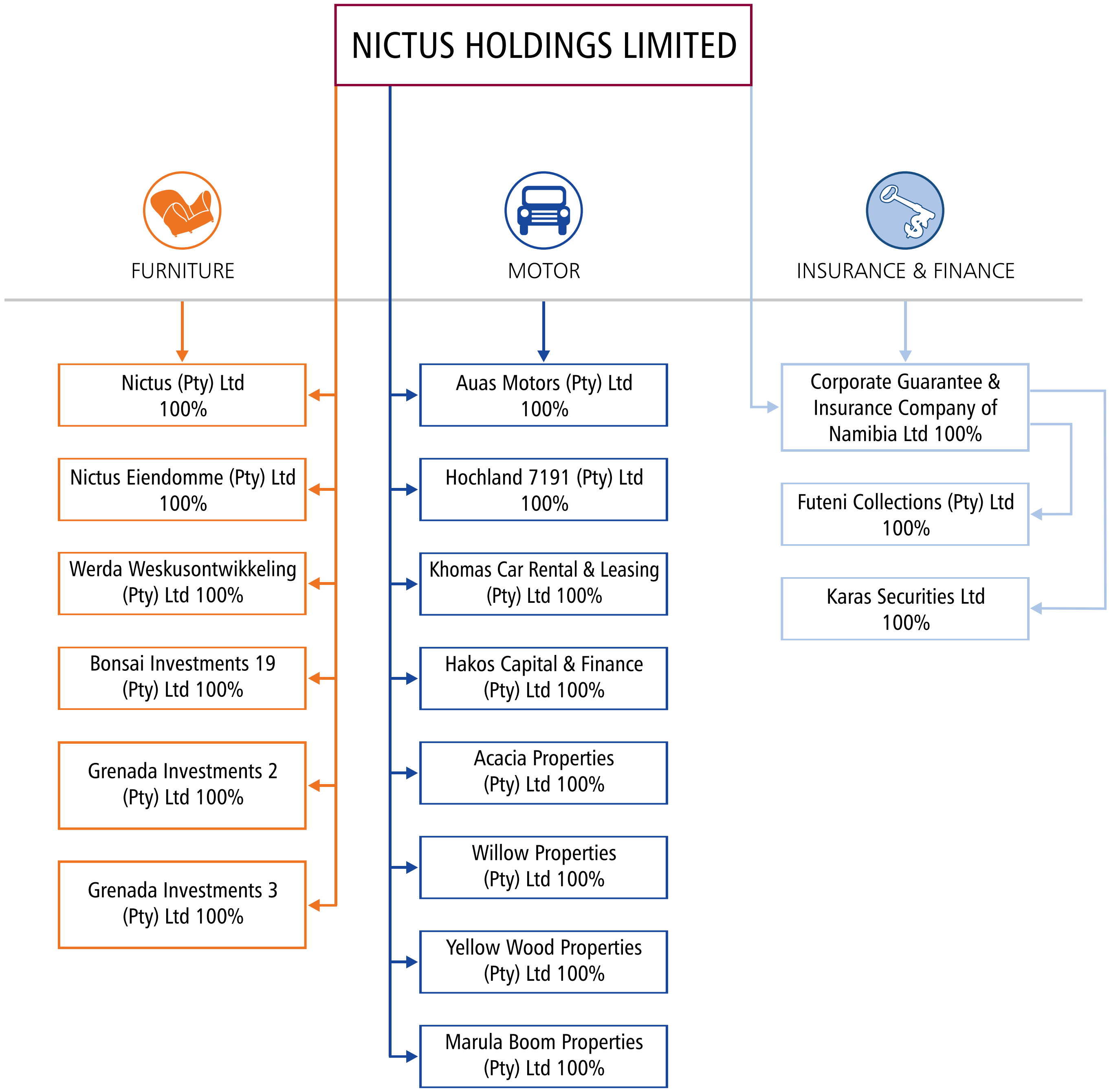
nictus FURNISHERS
Quality, Value & Service

GM AUAS MOTORS

Corporate Guarantee

- Tsumeb
- Windhoek
- Swakopmund
- Walvis Bay
- Gobabis
- Mariental
- Otjiwarongo
- Ongwediva

Nictus Holdings Limited Group Structure



Corporate Governance Report

The Board is committed to the highest standards of corporate governance. We accept the challenge to seek excellence by constantly comparing ourselves against international best practices, throughout the Group.

The Group endorses the King Code of Governance Principles for South Africa, (King II). We account therefore in accordance with the International Financial Reporting Standards (IFRS) and do so in the format of integrated reporting, whilst an absolute compliance to the Companies Act, 2004 and the Namibian Stock Exchange (NSX) Listing requirements is enshrined in our business moral.

We further acknowledge our responsibility to ensure that business within the Group is conducted with transparency, prudence, justice, accountability and integrity.

BOARD OF DIRECTORS

The Board has adopted the vision, mission and core values of Nictus and sets an example by actively pursuing to act within the ambit of the code of conduct. The ethical approach is further established with the appointment of its experienced executives. The Board, with the assistance of management, requires all employees to sign the code of conduct, thereby creating the awareness amongst employees of the Company's moral and ethical compliance requirements.

The Board receives regular updates on the corporate governance status from the company secretary. The Board gathers its own insights into the corporate governance of the Company and utilises theses insights, together with reports received, to effectively and ultimately take responsibility for the corporate governance of the Company.

Strategy, risk, performance and sustainability are all key matters in the integrated business plan of the Company. These factors are examined in detail to determine their individual and combined effects on the business.

The Board is required to disclose conflict of interest and directors are required to always act in the best interest of the Company. Solvency, liquidity and cash balances are monitored on a daily basis and the going concern analysis of the Company is executed by the Audit Committee. Solvency and liquidity tests are conducted in terms of the Companies Act and business rescue or turnaround mechanisms would be considered by the Board should the Company become financially distressed.

The chairman of the Board is an executive director, is appointed by the Board and his mandate is detailed in the business plan, wherein the framework for the delegation of authority is also contained. The majority of Board members are executive directors. The directors boast a spread of skills and a wealth of experience.

The appointment of directors is a formal process which is overseen by the Audit Committee. Abbreviated directors' CV's for rotating directors are included in the integrated report. The induction process managed by the chairman and the company secretary and directors are exposed to various development programs. In general, Nictus appoints experienced directors.

Evaluations of the Board, its committees and individual directors are conducted internally each year and consideration is given to outsource such evaluations as and when the Board deems necessary.

The Board is assisted in fulfilling its duties by well-structured Board committees. Furthermore, a competent, suitably qualified and experienced company secretary has been appointed by the Board. A governance framework exists between the Group and its subsidiary Boards, whilst the Group enjoys a healthy representation on subsidiary Boards.

Directors and executives are remunerated in accordance with the approved remuneration policy. Remuneration is based on a fair and responsible combination of factors, including market research and performance. The remuneration paid to directors and certain senior executives are disclosed via the remuneration report in the integrated report. The Company's remuneration policy is contained in the integrated report and tabled for shareholders' approval at the annual general meeting.

The composition of the Board, its sub-committees and attendance at meetings is summarised in the following table:
(see page 10)

Name	Status	Board	Audit Committee	Remuneration Committee
JJ Retief	Executive chairman	4/4	√ 2/2	√ 1/1
WO Fourie	Non-executive	4/4	√ C 2/2	√ 1/1
NC Tromp	Executive	4/4	√ 2/2	√ 1/1
FR van Staden	Executive	4/4	√ 2/2	√ 1/1
JJ Retief	Executive	4/4	√ 2/2	√ 1/1
PJ de W Tromp	Executive	4/4	√ 2/2	√ C 1/1

√ indicates Board committee membership, C indicates Board committee chairman. The figures in each column indicate the number of meetings attended out of the maximum possible number of meetings.

AUDIT COMMITTEE

Nictus has an effective Audit Committee. It meets at least bi-annually to fulfil its duties. The performance of the Audit Committee is periodically assessed and reviewed by the Board. It is chaired by a suitably skilled and experienced non-executive director and further consists of the remainder of the Board members. The external auditors attend the meetings by invitation.

The Audit Committee provides oversight of the integrated reporting activities. Nictus has developed a combined assurance model which provides a coordinated approach to assurance activities, with oversight by the Audit Committee, in respect of key risks facing the Company. A review is conducted by the Audit Committee each year of the finance function, in terms of resources, expertise and experience.

The Audit Committee is responsible for the appointment, performance assessment and dismissal of the internal auditor. Internal audit's coverage plan is risk based and is approved by the Audit Committee on an annual basis. It forms an integral part of the risk management process and is responsible for the assessment of the risk report, compiled by the Risk Management Committee.

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

The Audit Committee reports to the Board as well as to the shareholders on how it has discharged its duties and its report to stakeholders is included in the integrated report.

GOVERNANCE OF RISK (RISK MANAGEMENT COMMITTEE)

The Board has established a Risk Management Committee to assist the Audit Committee in compiling an annual risk management report, although it ultimately remains responsible for the governance of risk. The Board considers and determines the levels of risk tolerance as well as risk appetite during its periodic review of the Group's risk profile. This risk profile determines the ambit within which management are allowed to take on risk-inclined projects. The Board has appointed the Audit Committee to assist in carrying out its risk responsibilities by providing oversight of Nictus's risk management activities.

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

Management performs risk assessments on a continual basis and provides regular feedback to the Audit Committee and the Board. Risk management meetings comprise multi-disciplinary teams. This together with Nictus's framework and risk methodology increases the probability of anticipating unpredictable risks.

Nictus's risk methodology includes the consideration and implementation of appropriate risk responses.

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

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

IT GOVERNANCE

The Board is responsible for IT governance. The Group IT consultant provides regular feedback, through a director, to the Audit Committee and Board on IT governance matters. An IT Steering Committee exists and policies are established and implemented. Nictus promotes an ethical IT governance culture and a common IT language. IT is aligned with the performance and sustainability objectives of the Company from a strategic and business process perspective. There are also processes to identify and exploit opportunities to improve performance and sustainability through the use of IT. The Board has delegated responsibility for the implementation of an IT governance framework to management. All IT matters are referred to the Group IT consultant who advises on the most appropriate technological solutions for the Group. Decisions are ratified by an executive Group IT Steering Committee. Post implementation audits are conducted on large IT projects.

A director, on behalf of the Group IT Steering Committee presents to the Audit Committee and Board regarding the value delivered by IT investment. IT is represented on the Group and risk management teams and ensures that IT risk management is aligned with the Company's risk management process. Feedback on IT risks, business continuity and disaster recovery is provided by the Group IT consultant, through a director, to the Audit Committee and the Board. IT has processes to identify and comply with relevant IT laws and standards. IT systems and processes have been developed for managing information assets effectively, including personal information. This includes information security, information management and privacy. The information security strategy has been approved by the Board and delegated to management for implementation. The Audit Committee which assists the Board in risk management has oversight of IT risks, IT controls and related combined assurance. This includes financial reporting matters. Technology is used to improve audit coverage and efficiency.

COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

Nictus has a compliance culture with a legal compliance programme which supports efforts to identify and comply with applicable laws and regulations. Compliance also forms part of Nictus's code of ethics. The Board is briefed on new regulations and reports by the company secretary and NSX sponsors provide regular updates to the Audit Committee and Board. The Board and individual directors are made aware of new regulations or changes that affect the Company.

A compliance function has been established and the risk of non-compliance forms part of the risk management process. Material aspects of non-compliance would be disclosed in the integrated report if applicable. The company secretary acts as legal compliance officer. Legal compliance works closely with ethics and risk management and the head of the legal function is the company secretary who attends Board and Audit Committee meetings.

INTERNAL AUDIT

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

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

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

GOVERNING STAKEHOLDER RELATIONSHIPS

The integrated report, as well as the Group business plan, reflects the interests of the Group's stakeholders and key actions to maintain positive perceptions about the Company and its activities. The Board considers on an ongoing basis the feedback regarding the perceptions of particular stakeholder Groups. Management have been tasked by the Board with the management of stakeholder relationships, including identification of important stakeholder Groupings, and development of strategies and policies to manage the relationships. There are formal and informal mechanisms for constructive stakeholder engagement with the Company and shareholders are encouraged to attend the AGM.

Nictus tries to achieve an appropriate balance between various stakeholder Groupings' interests and expectations, in taking decisions in the best interests of the Company. Shareholders are treated equitably. Nictus is committed to transparent and effective communication with all stakeholder groups. Such communication takes place through formal and informal channels and through general as well as direct communication initiatives, including community, Group and individual meetings.

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

INTEGRATED REPORTING AND DISCLOSURE

The Board, assisted by the Audit Committee and management, has established controls and processes to gather, review and report adequate information regarding the Company's financial and sustainability performance in the integrated report.

BOARD COMMITTEES

The Board has established committees to assist it to discharge its duties. The Board committees are as follows:

- **Audit Committee**

  The Audit Committee consists of one non-executive chairman and four executive directors and discharges its duties as set out in the Companies Act, 2004. The Audit Committee also fulfils as the Nomination Committee function.

  The external auditors attend the meeting and have unrestricted access to the chairman and members of the Audit Committee.

- **Remuneration Committee**

  The Remuneration Committee consists of one non-executive chairman and four executive directors and are responsible to determine just and equitable remuneration policies for the Group and make related recommendations to the Board.

- **Executive Committee**

  The Executive Committee comprises the chairman of the Board and any two other available directors. The committee meets every second month and aims to formalise high-level recommendations to the Board pertaining pressing strategic issues.

- **Risk Management Committee**

  The Risk Management Committee consists of the non-executive director and three executive directors. An extensive risk identifying procedure is followed, with input from all operational subsidiaries, to identify business threatening risks. The Risk Management Committee compiles the risk management report which is passed onto the Audit Committee for consideration, recommendation and implementation.

- **IT Steering Committee**

  The IT Steering Committee is chaired by an executive director and comprises the Group IT consultant and subsidiary managing directors. The IT Steering Committee reports to the Audit Committee and Board through the chairman.

- **Investment committee**

  The investment committee was constituted in 2013. The function of the investment committee is to evaluate and advise the Board on all Group and subsidiary investments of substantial monetary value or business importance. The investment committee is chaired by the chairman of the Group and further consists of the remainder of the Board members.

Remuneration Report

REMUNERATION COMMITTEE

The details pertaining to the composition and operation of the remuneration committee is set out in the Corporate Governance Report.

REMUNERATION POLICY

The Group's remuneration policy reflects the recommendations of King II. 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.

STUCTURE OF EXECUTIVE REMUNERATION

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

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

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

The total remuneration package evaluation is undertaken annually.

INCENTIVE BONUS PLAN

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

SHARE INCENTIVE SCHEME

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

At 31 March 2013 no share options were outstanding that could be taken up by employees or directors.

VESTING OF THE OPTIONS

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

RETIREMENT BENEFITS

The Group does have a defined contribution pension scheme. All employees of the Group belong to the scheme with both the company and employees making contributions.

OTHER BENEFITS

The executive directors and senior management enjoy certain other benefits including entitlement to travel allowances where applicable.

EXECUTIVE SERVICE CONTRACTS

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

SUCCESSION PLANNING

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

BOARD EVALUATION PROCESS

A participative internal evaluation of the board's performance and the structural environment was undertaken during 2013. Overall, the board was considered to be balanced and effective. However, some areas were identified for improvement.

NON-EXECUTIVE DIRECTORS

Non-executive directors are expected to perform the tasks and duties normally associated with the position of a non-executive director as defined in the Companies Act, King II 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. Non-executive directors are remunerated for their services on the basis of attendance at board and board committees.

Annual fees payable to non-executive directors for the period ended 31 March 2014 are to be approved by the shareholders on 22 August 2013. Fees for the period commencing 1 April 2013 was recommended by the directors after having been considered by the remuneration committee.

In view of the increasing levels of responsibility being placed on directors and benchmarks for comparable companies, the fees for non-executive directors have been established as N$114 000 per annum.

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

Four Year Review of the Group

	2013 N$ '000	2012 N$ '000	2011 N$ '000	2010 N$ '000
STATEMENTS OF FINANCIAL POSITION				
Assets				
Non-current assets	331,844	336,530	295,085	299,228
Current assets	582,598	494,596	414,036	334,226
Total assets	914,442	831,126	709,121	633,454
Equity and liabilities				
Total shareholders' equity	79,264	118,676	66,645	60,999
Non-current liabilities	17,709	15,212	24,073	21,261
Current liabilities	817,469	697,238	618,403	551,194
Total equity and liabilities	914,442	831,126	709,121	633,454
STATEMENTS OF COMPREHENSIVE INCOME				
Revenue	462,771	516,346	453,597	350,428
Operating (loss) / profit*	(4,363)	27,738	23,723	17,093
Financing costs	(3,895)	(4,266)	(4,476)	(4,696)
(Loss) / Profit before taxation	(8,258)	23,472	19,247	12,397
Taxation	(1,154)	(1,342)	(3,601)	563
(Loss) / Profit for the year	(9,412)	22,130	15,646	12,960
Attributable to:				
Equity holders of the parent	(9,412)	22,130	15,646	12,960
(Loss) / Profit for the year	(9,412)	22,130	15,646	12,960
Ordinary dividends (N$ '000)	30,000	10,000	10,000	3,000
Number of ordinary shares issued	53,443,500	250,000	250,000	250,000
Weighted average number of shares	31,279,542	250,000	250,000	250,000
KEY RATIOS				
Performance per ordinary share				
Earnings (cents)	(30.09)	8,852.00	6,258.40	5,184.00
Headline earnings (cents)	(30.60)	6,689.19	5,606.40	4,307.60
Dividends (cents)	56.13	4,000.00	4,000.00	1,200.00
Net worth (cents)	148.31	47,470.40	26,658.00	24,399.60
Profitability and asset management				
Net operating income* to turnover (%)	(0.94)	5.37	5.23	4.88
Return on assets managed (%)	(2.36)	16.12	15.95	11.35
Net asset turn (times)	2.50	3.00	3.05	2.33
Return on shareholders' equity (%)	(11.87)	18.65	23.48	21.25
Liquidity				
Interest cover (times)	(1.12)	6.50	5.30	3.64
Dividend cover (times)	(0.32)	1.67	1.40	3.59
Borrowings ratio	0.91	0.53	0.89	1.13
Liability ratio	9.56	5.74	9.35	9.75
Current ratio	0.71	0.71	0.67	0.61
Namibian Stock Exchange performance				
Market price (cents) High	250			
Market price (cents) Low	240			
At year end	240			
Price earnings ratio	(7.84)			
Earnings yield (%)	(12.75)			
Volume of shares traded to weighted number of issued shares (%)	0.02			
Market capitalisation (N$ '000)	128,264			

* Amounts stated before taking into account finance costs.

Definitions of Ratios and Terms

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.

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.

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

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

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

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

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

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

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.

NET ASSET TURN
Revenue divided by average net assets.

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.

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

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

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

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

CURRENT RATIO
Current asset to current liabilities.

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

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

Group Value Added Statement

	2013 N$ '000	2012 N$ '000
Wealth created		
Revenue	462,771	516,346
Investment income	17,410	32,900
Cost of material and services	(416,627)	(483,719)
	63,554	65,527

Applied as follows	%	2013 N$ '000	%	2012 N$ '000
Employees				
-Salaries, wages and other benefits	61	38,527	43	28,450
Government				
-Taxation	(2)	(1,154)	(2)	(1,342)
Providers of capital				
-Finance cost	6	3,895	7	4,265
-Dividends	47	30,000	15	10,000
Re-invested to support future growth:	(12)	(7,714)	37	24,154
Depreciation and amortisation	3	1,698	3	2,023
(Loss) / Profit attributable to equity holders of the parent	(15)	(9,412)	34	22,131
	100	63,554	100	65,527

Direct and indirect taxes	%	2013 N$ '000	%	2012 N$ '000
Value added tax	65	12,983	68	13,814
PAYE	35	7,006	30	6,206
Company tax	-	-	2	463
	100	19,989	100	20,483

Consolidated Annual Financial Statements
for the year ended 31 March 2013

Nictus Holdings Limited
Registration number: 1735

Primary listing: Namibian Stock Exchange


Independent Auditor's Report

TO THE SHAREHOLDERS OF NICTUS HOLDINGS LIMITED

We have audited the consolidated and separate annual financial statements of Nictus Holdings Limited, which comprise the statements of financial position as at 31 March 2013, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes and the directors' report as set out on pages 21 to 80.

DIRECTORS' RESPONSIBILITY

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of Namibia. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, these annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Nictus Holdings Limited as at 31 March 2013, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of Namibia.

SGA.

SGA
Chartered Accountants and Auditors (Namibia)

Per: G Swart
Partner

Windhoek, Namibia
29 May 2013

Directors’ Responsibilities and Approval

DIRECTORS’ RESPONSIBILITY STATEMENT

The directors are required by the Companies Act of Namibia, to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Company and Group as at the end of the financial year ended 31 March 2013 and the results of their operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated and separate financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the Group’s and Company’s cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, they are satisfied that the Group and Company has access to adequate resources to continue in operational existence for the foreseeable future. The directors have made an assessment of the Group’s and Company’s ability to continue as a going concern and there is no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated annual financial statements and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF THE GROUP ANNUAL FINANCIAL STATEMENTS

The consolidated and separate financial statements, which have been prepared on the going concern basis, were approved by the board on 29 May 2013 and were signed on its behalf by:

JJ Retief
Chairman

NC Tromp
Director

Directors' Report to the Members of Nictus Holdings Ltd

Your directors have pleasure in reporting on the activities and financial results of the Group for the year ended 31 March 2013.

Review of subsidiaries
Details of subsidiaries are dealt with in note 5 of the consolidated annual financial statements.

	2013 N$'000	2012 N$'000
The interest of the company in the aggregate net profit after tax of subsidiaries is:		
Profit after taxation	6,537	23,417

The subsidiaries of the Company is mainly involved in furniture retail, motor retail, immovable properties, short-term insurance and financing in Namibia.

Financial results
For the year under review the Group's loss before taxation amounted to N$ 8,258 million compared to a profit of N$ 23,474 million in the previous year. The Company's profit before taxation for the year was N$ 18,640 million compared to a profit of N$ 44,902 million for 2012.

The loss for the year for the Group was N$ 9,412 million compared to a profit of N$ 22,131 million in the previous year. The profit for the year for the Company was N$ 18,634 million compared to a profit of N$ 44,902 million for 2012.

The costs of the unbundling and subsequent listing of the Company amounted to N$ 1,3 million in the current year and is considered a once-off cost that will not recur in the future.

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

Directors	**Citizenship**	**Date of appointment**
Executive		
F.R. van Staden	Namibian	1 October 2009
J.J. Retief	Namibian	1 October 2009
P.J. de W Tromp	Namibian	1 October 2009
N.C. Tromp	Namibian	18 May 2012
Non-executive		
W.O. Fourie	Namibian	1 July 2010

Dividends	**2013 N$'000**	**2012 N$'000**
Preference dividend paid		
- On 30 September	618	632
- On 31 March	613	630
	1,231	1,262
Ordinary dividend paid		
The following dividend was declared and paid by the Company for the year ended 31	30,000	10,000

No dividend was declared after 31 March 2013.

Directors' Report to the Members of Nictus Holdings Ltd
- continued

Management of the group

The operations of the Group have been managed partly by companies in which Messrs N.C. Tromp (Tromp Consulting International (Pty) Ltd), F.R. van Staden (Premier Services (Pty) Ltd), J.J. Retief (H&Z Properties (Pty) Ltd), P.J. de W. Tromp (PC Trust) and W.O. Fourie (Haida Investments CC) have material interest.

	Number of shareholders	%	Number of shares	%
Ordinary shares				
Composition of shareholders				
Non-public shareholders	13	2.02	29,523,717	55.24
Directors and associates	13	2.02	29,523,717	55.24
Strategic Holdings (more than 10%)	-	-	-	-
Public shareholders	629	97.98	23,919,783	44.76
	642	100.00	53,443,500	100.00

Distribution of shareholders	Number of shareholders	%	Number of shares	%
Ordinary shares				
Close Corporations	3	0.46	360,894	0.69
Individuals	573	89.25	3,523,072	6.59
Insurance Companies	1	0.16	27,252	0.05
Nominees & Trusts	39	6.07	25,040,420	46.85
Other Corporations	1	0.16	37	-
Private Companies	20	3.12	10,925,307	20.44
Public Companies	5	0.78	13,566,518	25.38
	642	100.00	53,443,500	100.00

Shareholders with an interest above 5% in ordinary shares:		
N.C. Tromp (Director)	26,731,140	50.02
Ultra Investments (Pty) Ltd	2,909,447	5.44
KCB Trust	3,670,000	6.87
MRT Trust	5,200,000	9.73

Interest of directors, including their families, in stated capital	Number of 2013	2012
Indirect interests		
Beneficial		
N.C. Tromp	26,731,140	-
Non-beneficial		
N.C. Tromp	1,912,899	-
F.R. van Staden	1,486,030	-
J.J. Retief	1,186,018	-
P.J. de W. Tromp	1,389,979	-
W.O. Fourie	1,122,984	-
	33,829,050	-

Directors' Report to the Members of Nictus Holdings Ltd
- continued

Beneficial and non-beneficial shareholding

The aggregate beneficial holdings at 31 March 2013, held by the directors of the Company and their immediate families, in the issued shares of the Company are detailed below.

Executive and non-executive directors' shareholding at

	Number of fully paid	
31 March 2013	**Direct**	**Indirect**
N.C. Tromp	-	26,731,140
F.R. van Staden	-	1,486,030
J.J. Retief	-	1,186,018
P.J. de W. Tromp	-	1,389,979
W.O. Fourie	-	1,122,984
	-	31,916,151
31 March 2012		
N.C. Tromp	-	-
F.R. van Staden	-	-
J.J. Retief	-	-
P.J. de W. Tromp	-	-
W.O. Fourie	-	-
	-	-

Events after the reporting date

No material facts or circumstances have occurred between the accounting date and the date of this report.

Stated capital

The authorised ordinary shares were converted to no par value ordinary shares and increased to 55 000 000 no par value ordinary shares during the year. The 250 000 no par value ordinary issued shares were subdivided to achieve the number of 53,443,500 no par value ordinary issued shares which was a requirement of the unbundling of the Nictus Group. The 1,556,500 unissued ordinary shares remain under the control of the directors with the authority to allot and issue such shares at their sole discretion until the next annual general meeting of the shareholders of Nictus Holdings Limited.

Secretary

Veritas Board of Executors (Proprietary) Limited, Private Bag 13231, 3rd Floor Corporate House, 17 Lüderitz Street, Windhoek.

Registered offices

Nictus Holdings Limited
3rd Floor, Corporate House
17 Lüderitz Street, Windhoek
Private Bag 13231, Windhoek

Windhoek ... Namibia
29 May 2013

Statements of Financial Position

- for the year ended 31 March 2013

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2013	2012	2013	2012
Assets					
Non-Current Assets					
Property, plant and equipment	3	145,539	120,550	10,265	-
Intangible assets	4	689	380	-	-
Investments in subsidiaries	5	-	-	58,184	59,585
Loans to related parties	6	-	7,500	-	-
Investments	7	19,267	7,021	18,598	-
Deferred tax	8	5,968	4,795	-	2
Loans and receivables	9	160,381	196,284	-	-
		331,844	**336,530**	**87,047**	**59,587**
Current Assets					
Inventories	10	65,306	73,162	-	-
Loans to related parties	6	-	3,107	24,290	18,713
Investments	7	4,558	-	-	-
Current tax receivable		28	84	-	-
Trade and other receivables	11	239,002	203,057	1,410	912
Cash and cash equivalents	12	273,704	215,186	-	-
		582,598	**494,596**	**25,700**	**19,625**
Total Assets		**914,442**	**831,126**	**112,747**	**79,212**
Equity and Liabilities					
Equity					
Stated capital	13	129	129	129	129
Reserves	14&15	58,749	55,439	-	-
Retained earnings		20,386	63,108	25,686	37,052
		79,264	**118,676**	**25,815**	**37,181**
Liabilities					
Non-Current Liabilities					
Loans from related parties	6	-	-	20,000	10,000
Interest-bearing loans and borrowings	16	4,989	4,819	-	-
Deferred tax	8	12,720	10,393	4	-
		17,709	**15,212**	**20,004**	**10,000**
Current Liabilities					
Loans from related parties	6	-	-	27,218	12,231
Interest-bearing loans and borrowings	16	52,014	54,646	20,064	14,934
Current tax payable		-	456	-	-
Trade and other payables	17	41,509	51,143	135	398
Provisions	18	2,443	3,062	-	-
Insurance contract liability	19	700,269	582,441	-	-
Bank overdraft	12	21,234	5,490	19,511	4,468
		817,469	**697,238**	**66,928**	**32,031**
Total Liabilities		**835,178**	**712,450**	**86,932**	**42,031**
Total Equity and Liabilities		**914,442**	**831,126**	**112,747**	**79,212**

Statements of Comprehensive Income

- for the year ended 31 March 2013

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2013	2012	2013	2012
Revenue	20	462,771	516,346	725	3,893
Cost of sales		(376,215)	(424,255)	-	-
Gross profit		**86,556**	**92,091**	**725**	**3,893**
Other income	21	6,032	11,635	(857)	21,123
Operating expenses		(74,167)	(56,280)	(2,186)	(2,467)
Investment income from operations	22	11,378	21,265	27,148	28,800
Administrative expenses		(41,538)	(46,824)	(3,175)	(2,569)
Results from operating activities	23	**(11,739)**	**21,887**	**21,655**	**48,780**
Investment income	22	7,376	5,851	2,103	509
Finance expenses	24	(3,895)	(4,266)	(5,118)	(4,388)
(Loss) / Profit before taxation		**(8,258)**	**23,472**	**18,640**	**44,901**
Taxation	25	(1,154)	(1,342)	(6)	-
(Loss) / Profit for the year		**(9,412)**	**22,130**	**18,634**	**44,901**
Other comprehensive income:					
Net gains on property revaluation	26	-	46,031	-	-
Taxation related to components of other comprehensive income	26	-	(6,130)	-	-
Other comprehensive income for the year net of taxation	26	**-**	**39,901**	**-**	**-**
Total comprehensive (loss) / income for the year		**(9,412)**	**62,031**	**18,634**	**44,901**
(Loss) / Profit attributable to:					
Owners of the parent		(9,412)	22,130	18,634	44,901
Non-controlling interest		-	-	-	-
		(9,412)	**22,130**	**18,634**	**44,901**
Total comprehensive (loss) / income attributable to:					
Owners of the parent		(9,412)	62,031	18,634	44,901
Non-controlling interest		-	-	-	-
		(9,412)	**62,031**	**18,634**	**44,901**
Basic (loss) / earnings per share (cents)	41	(30.09)	8,852.40	-	-
Diluted basic (loss) / earnings per share (cents)	41	(30.09)	8,852.40	-	-

Statements of Changes in Equity
- for the year ended 31 March 2013

Figures in Namibia Dollar thousand	Stated capital	Share capital and share premium	Total stated capital	Revaluation reserve	Contingency reserve	Total reserves	Retained earnings	Total equity
Group								
Balance at 1 April 2011	**-**	**129**	**129**	**22,036**	**11,708**	**33,744**	**32,772**	**66,645**
Total comprehensive income for the year								
Profit for the year	-	-	-	39,901	-	39,901	22,130	62,031
Revaluation of land and buildings sold during the year (net of deferred taxation)	-	-	-	(15,694)	-	(15,694)	15,694	-
Transfer from contingency reserve (see note 15)	-	-	-	-	(2,512)	(2,512)	2,512	-
Dividends	-	-	-	-	-	-	(10,000)	(10,000)
Total changes	-	-	-	24,207	(2,512)	21,695	30,336	52,031
Balance at 1 April 2012	**-**	**129**	**129**	**46,243**	**9,196**	**55,439**	**63,108**	**118,676**
Total comprehensive income for the year								
Loss for the year	-	-	-	-	-	-	(9,412)	(9,412)
Transfer to contingency reserve	-	-	-	-	3,310	3,310	(3,310)	-
Issue of ordinary no par value shares	129	-	129	-	-	-	-	129
Cancellation of ordinary par value shares	-	(129)	(129)	-	-	-	-	(129)
Dividends	-	-	-	-	-	-	(30,000)	(30,000)
Total changes	129	(129)	-	-	3,310	3,310	(42,722)	(39,412)
Balance at 31 March 2013	**129**	**-**	**129**	**46,243**	**12,506**	**58,749**	**20,386**	**79,264**
Note(s)	13	13	13	14	15			

Statements of Changes in Equity

- for the year ended 31 March 2013

Figures in Namibia Dollar thousand	Stated capital	Share capital and share premium	Total share capital	Revaluation reserve	Contingency reserve	Total reserves	Retained earnings	Total equity
Company								
Balance at 01 April 2011	**-**	**129**	**129**	**-**	**-**	**-**	**2,151**	**2,280**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	44,901	44,901
Dividends	-	-	-	-	-	-	(10,000)	(10,000)
Total changes	-	-	-	-	-	-	34,901	34,901
Balance at 01 April 2012	**-**	**129**	**129**	**-**	**-**	**-**	**37,052**	**37,181**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	18,634	18,634
Dividends	-	-	-	-	-	-	(30,000)	(30,000)
Cancellation of ordinary shares	-	(129)	(129)		-	-	-	(129)
Issue of ordinary no par value shares	129	-	129	-	-	-	-	129
Total changes	129	(129)	-	-	-	-	(11,366)	(11,366)
Balance at 31 March 2013	**129**	**-**	**129**	**-**	**-**	**-**	**25,686**	**25,815**
Note(s)	13	13	13					

Statements of Cash Flows
- for the year ended 31 March 2013

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2013	2012	2013	2012
Cash flows from operating activities					
Cash (utilised by) / generated from operations	28	(48,541)	(42,380)	(10,079)	19,573
Investment income from operations received	28	7,376	5,851	2,103	509
Dividends received		-	-	30,996	28,800
Finance expenses paid	28	(3,895)	(4,265)	(5,118)	(4,387)
Tax paid	29	(400)	(201)	-	-
Net cash (utilised by) / generated from operating activities		**(45,460)**	**(40,995)**	**17,902**	**44,495**
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(28,863)	(8,901)	(10,288)	-
Proceeds on disposal of property, plant and equipment		2,553	931	-	-
Acquisition of intangible assets	4	(528)	(98)	-	-
Borrowings repaid on disposal of subsidiary	40	-	5,000	-	-
Cash inflow on disposal of subsidiary	40	-	22,200	-	-
Acquisition of investments	7	(16,804)	-	(18,598)	-
Proceeds from disposal of investments	7	-	12,972	-	-
Intergroup loan advances made		-	-	-	(38,143)
Disposal of subsidiary		-	-	1,401	511
Loans and receivables advanced	9	-	(29,449)	-	-
Loans and receivables repaid	9	35,903	-	-	-
Net cash (utilised by) / generated from investing activities		**(7,739)**	**2,655**	**(27,485)**	**(37,632)**
Cash flows from financing activities					
(Decrease) / increase in interest-bearing loans and borrowings		(2,462)	4,882	5,130	3,431
Movement in insurance contract liability		117,828	71,331	-	-
Dividends paid	30	(30,000)	(10,000)	(30,000)	(10,000)
Loans advanced to group companies		10,607	-	24,987	-
Repayment of loans from group companies		-	(10,881)	(5,577)	-
Net cash generated from / (utilised by) financing activities		**95,973**	**55,332**	**(5,460)**	**(6,569)**
Total cash movement for the year		**42,774**	**16,992**	**(15,043)**	**294**
Cash and cash equivalents at the beginning of the year		209,696	192,704	(4,468)	(4,762)
Total cash and cash equivalents at end of the year	12	**252,470**	**209,696**	**(19,511)**	**(4,468)**

1. Presentation of Consolidated Financial Statements

Nictus Holdings Limited (the Company) is a company domiciled in the Republic of Namibia. The consolidated financial statements of the Company for the year ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as the Group).

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of measurements
The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:
- the measurement of land and buildings held for administrative purposes are stated at revalued amounts;
- financial instruments classified at fair value through profit or loss are stated at fair value;
- available-for-sale financial assets are measured at fair value; and
- unlisted investments are measured at fair value.

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

1.1 Significant judgements and estimates

In preparing the consolidated financial statements in conformity with IFRSs, management is required to make estimates and assumptions that affect the application of accounting policies and the amounts represented in the consolidated financial statements and related disclosures. Use of available information, historical experience and various other factors that are believed to be reasonable in the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements is included in the following notes:

Note 3 - Fair value adjustment of land and buildings;
Note 3 & 4 - Residual values and useful lives of property, plant and equipment and intangible assets;
Note 8 - Utilisation of tax losses;
Note 6,9 & 11 - Valuation of loans and receivables;
Note 10 - Valuation of inventory;
Note 19 - Insurance provisions and liabilities; and
Note 7, 34 & 35 - Valuation of investments and other financial instruments.

Loans and receivables

The Group assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recognised in the 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 a financial asset.

Available-for-sale financial assets

The Group follows the guidance of IAS 39 to determine when an available-for-sale financial asset should be impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Allowance for slow moving, damaged and obsolete stock

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

This determination requires significant judgement. In making this adjustment, the Group evaluates the selling price and direct costs to sell, ageing of inventory and technological changes to assess the amount that is required to write down inventory to net realisable value.

The write down is included in profit or loss.

Significant Accounting Policies
- for the year ended 31 March 2013

1.1 Significant judgements and estimates (continued)

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment allowance of trade receivables and the carrying value of 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.

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 an item of property, plant and equipment and an intangible asset 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. The useful lives of property, plant and equipment and intangible assets are determined based on historical factors with regards to similar items of property, plant and equipment and intangible assets.

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the extent that it is probable that future taxable profits will be available against which the asset can be utilised. This manner of recovery affects the rate used to determine the deferred tax liability. Refer note 8 – Deferred tax.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Fair value adjustment of investment properties and land and buildings

External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the locations and category of properties being valued, together with the Company's directors, values the Group's property portfolio on an annual basis. The fair values are based on valuations that are prepared by considering the estimated rental value of the properties. A market yield is applied to the estimated rental value to arrive at the gross property valuation. Should any of the assumptions used in the valuation calculation change, it could have a material impact on the results of the Group.

Insurance provisions and liabilities

The classification of insurance contracts are disclosed in detail in note 1.20.

1.2 Basis of consolidation

Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The Group consolidated financial statements include those of the holding company and its subsidiaries. The results of the subsidiaries are included from the effective date of acquisition, (i.e. when control commences) until control ceases.

Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Acquisition from entities under common control

A business combination involving entities or businesses under common control is a business combination of which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory for acquisitions under common control. The investments are recognised at the carrying amounts recognised previously in the Group.

1.3 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 capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or for administration purposes.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Subsequent to initial recognition investment property is measured at fair value with any change therein recognised in profit or loss.

Costs include costs incurred initially that is directly attributable to the acquisition of the investment property and costs incurred subsequently to add to, or to replace a part of a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

1.4 Property, plant and equipment

Items of property, plant and equipment are measured at cost / revalued amounts less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset when:

- - it is probable that future economic benefits associated with the item will flow to the company; and
- - the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially that is directly attributable to the acquisition or construction of an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or maintain it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other costs are recognised in the profit or loss as an expense as incurred.

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

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

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1.4 Property, plant and equipment (continued)

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

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

Subsequent costs
The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such item when that cost is incurred and if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.

Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives if ownership will not pass. Items of property, plant and equipment are depreciated from the date they are installed and are ready for use. Land is not depreciated. The depreciation is recognised in profit or loss unless it is included in the carrying amount of another asset. The estimated useful lives for current and comparative years are as follow:

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

The depreciation method, residual value and the useful life of each asset are reviewed at each reporting date and adjusted if appropriate.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Earnings per share

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

1.6 Goodwill

Goodwill is initially measured at cost, being the excess of the cost of the acquisition over the Group's interest of the net fair value of the identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment at each reporting date and whenever there is an indication of impairment. Any resulting impairment loss is recognised in profit or loss immediately.

Internally generated goodwill is not recognised as an asset.

1.7 Intangible assets

Computer software
An intangible asset is recognised when:

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

1.7 Intangible assets (continued)

An intangible asset arising from development is recognised when:

- - it is technically feasible to complete the asset so that it will be available for use or sale.
- - there is an intention to complete and use or sell it.
- - there is an ability to use or sell it.
- - it will generate probable future economic benefits.
- - there are available technical, financial and other resources to complete the development and to use or sell the asset.
- - the expenditure attributable to the asset during its development can be measured reliably.

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

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

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

Item	Useful life
Computer software	3 years

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

1.8 Financial instruments

Derivatives

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

Non-derivative financial instruments

Financial instruments are recognised when, and only when, the Group becomes party to the contractual provisions of the particular instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows arising from the financial asset have expired or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments comprise loans and receivables, trade and other receivables, cash and cash equivalents, interest-bearing borrowings, trade and other payables and investments in equity and debt securities.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as set out below.

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

Loans to Group companies are classified as loans and receivables.

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

Trade and other receivables are classified as loans and receivables.

Cash and cash equivalents
Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are measured at amortised cost.

Significant Accounting Policies

- for the year ended 31 March 2013

1.8 Financial instruments (continued)

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

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

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

Investment in debt and equity securities

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

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

Unlisted investments consists of shares in private companies and other entities not listed on a recognised stock exchange. These investments are fair valued using an acceptable valuation technique. In very rare circumstances the results of these valuation techniques result in a significant variability in the range of reasonable fair values. Consequently, these unlisted investments, other than investments in associates and subsidiaries, are subsequently measured at fair value.

Held-to-maturity investments
If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses. Government bonds held by the Group are classified as held to maturity subsequent to initial recognition. Adjustments to the value of held to maturity assets are made through profit or loss.

Offset

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

Cash and cash equivalents

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

Borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Trade and other payables

Trade payables are initially measured at amortised cost, and are subsequently measured at amortised cost, using the effective interest rate method. Trade and other payables that are of a short-term nature are not discounted due to the insignificance of the amortisation charge.

1.9 Income tax and deferred tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:
- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- for taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

Deferred tax assets and liabilities

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

Finance leases - lessor

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

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

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- for the year ended 31 March 2013

1.10 Leases (continued)

Finance leases – lessee

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

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

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating leases - lessor

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases.

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

Operating leases – lessee

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

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

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

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.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in profit of loss 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 profit or loss in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of assets

Non-derivative financial assets
Financial assets not classified as at fair value through profit or loss are assessed for impairment at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

1.12 Impairment of assets (continued)

Financial assets at fair value through profit or loss
An impairment loss in respect of unlisted securities measured at cost is not reversed.

Financial assets measured at amortised cost
The Group consider evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in profit or loss and reflected in the allowance account against loans and receivables. When an event occurring after the impairment was recognised causes the amount of impairment losses to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets
An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impairment available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amount of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount and is recognised in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent that it reverses a previous revaluation on the same asset.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the unit on a pro-rata basis.

The recoverable amount of an asset or a cash-generating unit is the greater of their fair value less cost to sell and their value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the original effective pre-tax discount rate. For any asset where it is not possible to estimate the recoverable amount or the asset does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. An impairment loss in respect of goodwill is not reversed. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as an increase in revaluation reserve unless it reverses a previous decrease recognised in profit or loss.

1.13 Stated capital

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

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1.13 Stated capital (continued)

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

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

Repurchase of stated capital
When stated capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

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

1.14 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

A defined contribution plan is a post employment benefit plan under which the Group pays a fixed contribution and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution retirement benefit plans are recognised as an expense in profit or loss as they are due to be settled.

1.15 Provisions and contingencies

Provisions are recognised when:

- - the Group has a present or constructive 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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Contingent assets and contingent liabilities are not recognised, other than contingent liabilities acquired in a business combination.

1.16 Revenue

The Group's revenue comprises of the following:

- sale of goods,
- rental income,
- finance income,
- insurance premium income, and
- management fees.

1.16 Revenue (continued)

Sale of goods
Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Rental income
Some properties in the Group comprise a portion held to earn rental income and another portion is held for administrative purposes. A portion of these properties cannot be sold separately and a significant portion of these properties are held for administrative purposes. These properties are classified as owner-occupied. Rental income earned from the portions that are held to earn rental income are recognised in profit or loss on a straight-line basis over the term of the lease.

Finance income
Finance income as part of normal trading in the insurance segment, comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues, using the effective interest method. Finance income also comprise interest on installment debtors arising from credit sales entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. The earned portion of interest received is recognised as revenue. Interest is earned from the date that the sales contract is concluded, over the period of the contract, based on the terms and conditions of the sales and installment agreement. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Finance income is included either in revenue, interest income from operations or investment income, depending on its nature.

Insurance premium income
For insurance premium income recognition and measurement refer to note 1.20.

Management fees
Management fees are recognised by the company when services are rendered.

1.17 Other income

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

1.18 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group’s right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

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

The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

1.19 Functional and presentation currency

Functional and presentation currency and foreign currency transactions

The Company's functional and presentation currency is Namibia Dollars.

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. 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.

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- for the year ended 31 March 2013

1.20 Classification of insurance contracts

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

The Group classifies financial guarantee contracts issued as insurance contracts.

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

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

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

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

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

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

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.

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

1.20 Classification of insurance contracts (continued)

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

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

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

1.21 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 Chief Executive, 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.

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 a segment, whether from sales to external customers or from transactions with other segments of the Group, excluding non-specific revenue interest or dividend income and also excluding gains on sales of investments or gains on extinguishments of debt (unless the segment's operations are primarily of a financial nature).

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, including expenses relating to sales to external customers and expenses relating to transactions with other segments within the Group, excluding non operating interest incurred, losses on sales of investments or losses on extinguishments of debt (unless the segment's operations are primarily of a financial nature) and income tax.

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 if they relate to the segment's operating activities and they can be directly attributed or allocated to the segment on a reasonable basis.

Segment result
Segment result consists of segment revenue less segment expense. Segment result is determined before adjustment for non-controlling interests.

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. Segment assets 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. Segment liabilities do not include income tax liabilities.

1.22 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Significant Accounting Policies
- for the year ended 31 March 2013

1.22 Determination of fair values (continued)

Property, plant and equipment
The market value of property is the estimated amount for which a property could be exchanged on the date of valuation 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.

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

Investments in equity and debt securities
The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

The fair values of the financial assets were determined as follows:

- The fair values of listed or quoted investments are based on the quoted market price.
- The fair values of unlisted investments are determined by directors' valuations at year-end. These valuations are based on the net asset value of each investment. In addition, the performance of the unlisted investment for the past 3 years is taken into account to determine the value of the investments. The performance is measured using valuation models in the specific industry the investment is made in.
- Held-to-maturity investments are measured at amortised cost.
- Debt securities are measured at fair value through profit or loss.

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

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Interest-bearing loans and borrowings and loans to Group companies
Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Interest rates used for determining the fair value is the prime interest rate.

Trade and other payables
All trade and other payables are of a short-term nature and the fair value of trade and other payables are the carrying amount.

Bank overdraft
The bank overdrafts for the Group is of a short-term nature and the fair value of bank overdrafts are the carrying amount.

1.23 Investments in subsidiaries

Company financial statements

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

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

At the date of authorisation of these annual financial statements, the following standards and interpretations were effective. The Group and Company have adopted all standards and interpretations, which have not led to any change in the Company's accounting policies, which are relevant to its operations:

- IAS 12: Deferred Tax: Recovery of Underlying Assets
- IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- IFRS 7: Transfers of Financial Assets

2.2 Standards and interpretations not yet effective

The Group and Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group and Company's accounting periods beginning on or after 01 April 2013 or later periods:

IFRS 9 Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All investments are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is for years beginning on or after 01 January 2015 with early adoption permitted.

The Group and Company expect to adopt the standard for the first time in the 2016 financial statements.

It is unlikely that the standard will have a material impact on the Group and Company's financial statements.

IFRS 10 Consolidated Financial Statements

This standard replaces the consolidation sections of IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The standard sets out a new definition of control, which exists only when an entity is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to effect those returns through power over the investee.

The effective date of the standard is for years beginning on or after 01 January 2013 with early adoption permitted.

The Group and Company expect to adopt the standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the Group and Company's financial statements.

Notes to the Consolidated Annual Financial Statements
- for the year ended 31 March 2013

2. New Standards and Interpretations (continued)

IAS 27 (2011) Separate Financial Statements

Consequential amendment as a result of IFRS 10. The amended Standard now only deals with separate financial statements.

The effective date of the amendment is for years beginning on or after 01 January 2013 with early adoption permitted.

The Group and Company expect to adopt the amendment for the first time in the 2014 financial statements.

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

IFRS 11 Joint Arrangements

The standard replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non Monetary Contributions by Venturers. The standard defines a Joint arrangement as existing only when decisions about relevant activities requires the unanimous consent of the parties sharing joint control in terms of a contractual arrangement. The standard identifies two types of joint arrangements as:

- Joint operations which exist when the entities sharing joint control have direct rights to the assets and obligations for the liabilities of the joint arrangements. In such cases the joint operators recognise their share of the assets and liabilities and profits and losses of the joint arrangements in their financial statements.
- Joint operations which exist when the entities sharing joint control have direct rights to the net assets of the joint arrangements. In such cases the joint operation will be equity accounted.

The effective date of the standard is for years beginning on or after 01 January 2013 with early adoption permitted.

The Group and Company expect to adopt the standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the Group and Company's financial statements.

IFRS 12 Disclosure of Interests in Other Entities

The standard sets out disclosure requirements for investments in subsidiaries, associates, joint ventures and unconsolidated structured entities. The disclosures are aimed to provide information about the significance and exposure to risks of such interests. The most significant impact is the disclosure requirement for unconsolidated structured entities or off balance sheet vehicles.

The effective date of the standard is for years beginning on or after 01 January 2013 with early adoption permitted.

The Group and Company expect to adopt the standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the Group and Company's financial statements.

IFRS 13 Fair Value Measurement

New standard setting out guidance on the measurement and disclosure of items measured at fair value or required to be disclosed at fair value in terms of other IFRS's. The Group is currently reviewing its methodologies in determining fair values

The effective date of the standard is for years beginning on or after 01 January 2013 with early adoption permitted.

The Group and Company expect to adopt the standard for the first time in the 2014 financial statements.

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

2. New Standards and Interpretations (continued)

IAS 1 Amendment: Presentation of Financial Statements - presentation of items of other Comprehensive income

The amendment now requires items of other comprehensive income to be presented as:

- Those which will be reclassified to profit or loss
- Those which will not be reclassified to profit or loss.

The related tax disclosures are also required to follow the presentation allocation.

In addition, the amendment changed the name of the statement of comprehensive income to the statement of profit or loss and other comprehensive income.

The effective date of the amendment is for years beginning on or after 01 July 2012.

The Group and Company expect to adopt the amendment for the first time in the 2014 financial statements.

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

IAS 19 Employee Benefits (2011)

- Require recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements
- Introduce enhanced disclosures about defined benefit plans
- Modify accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
- Clarification of miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features

The effective date of the amendment is for years beginning on or after 01 January 2013 with early adoption permitted.

The Group and Company expect to adopt the amendment for the first time in the 2014 financial statements.

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

Amendments to IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendment requires additional disclosures for financial assets and liabilities which are offset and for financial instruments subject to master netting arrangements. The Group applies offsetting in the financial statements and will be required to provide additional disclosures in this regard.

The effective date of the amendment is for years beginning on or after 01 January 2013 with early adoption permitted.

The Group and Company expect to adopt the amendment for the first time in the 2014 financial statements.

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

Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities

Clarification of certain aspects concerning the requirements for offsetting financial assets and financial liabilities.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The Group and Company expect to adopt the amendment for the first time in the 2015 financial statements.

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

Notes to the Consolidated Annual Financial Statements

- for the year ended 31 March 2013

2. New Standards and Interpretations (continued)

IAS 16 – Amendments to recognition and classification of servicing equipment

Spare parts, stand by equipment and servicing equipment should only be classified as property, plant and equipment if they meet the definition.

The effective date of the amendment is for years beginning on or after 01 January 2013.

The Group and Company expect to adopt the amendment for the first time in the 2014 financial statements.

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

IAS 34 – Amendments to improve the disclosure for interim financial reporting and segment information for total assets and liabilities

Clarification on reporting of segment assets and segment liabilities in interim financial reports. Such reporting is only required when it is regularly reported to the chief operating decision maker, and when there has been a material change from the previous annual financial statements.

The effective date of the amendment is for years beginning on or after 01 January 2013.

The Group and Company expect to adopt the amendment for the first time in the 2014 financial statements.

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

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.

Clarifies the requirement for accounting for stripping costs in surface mining. Specifically, it provides requirements on when to recognise costs as assets, when they provide improved access to ore. The depreciation requirements are also clarified.

The Group does not envisage the adoption of the amendment until such time as it becomes applicable to the Group's operations.

The effective date of the amendment is for years beginning on or after 01 January 2013.

The Group and Company expect to adopt the amendment for the first time in the 2014 financial statements.

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

IAS 28 (2011) Investments in Associates and Joint Ventures

IAS 28 (2011) supersedes IAS 28 (2008) and carries forward the existing accounting and disclosure requirements with limited amendments. The main changes include:
The initial application of this amendment has no impact on the Company's financial statements.

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations is applicable to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held-for-sale; and
- On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the company does not re-measure the retained interest.

The effective date of the standard is for years beginning on or after 01 January 2013 with early adoption permitted.

The Group and Company expect to adopt the standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the Group and Company's financial statements.

Figures in Namibia Dollar thousand

3. Property, plant and equipment

Group	2013			2012		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	78,581	-	78,581	70,482	-	70,482
Buildings	63,105	(1,555)	61,550	46,688	(1,394)	45,294
Plant and machinery	4,471	(2,597)	1,874	4,176	(2,289)	1,887
Motor vehicles	3,460	74	3,534	2,516	371	2,887
Total	**149,617**	**(4,078)**	**145,539**	**123,862**	**(3,312)**	**120,550**

Company	2013			2012		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	6,185	-	6,185	-	-	-
Buildings	3,994	-	3,994	-	-	-
Plant and machinery	109	(23)	86	-	-	-
Total	**10,288**	**(23)**	**10,265**	**-**	**-**	**-**

Reconciliation of property, plant and equipment - Group - 2013

	Opening balance	Additions	Disposals	Depreciation	Total
Land	70,482	8,099	-	-	78,581
Buildings	45,294	16,416	-	(160)	61,550
Plant and machinery	1,887	547	(37)	(523)	1,874
Motor vehicles	2,887	3,801	(2,357)	(797)	3,534
	120,550	**28,863**	**(2,394)**	**(1,480)**	**145,539**

Reconciliation of property, plant and equipment - Group - 2012

	Opening balance	Additions	Disposals	Transfers from investment property	Revaluations	Depreciation	Total
Land	25,783	4,711	(7,057)	24,865	22,180	-	70,482
Buildings	39,728	2,197	(20,143)	-	23,851	(339)	45,294
Plant and machinery	1,894	620	(13)	-	-	(614)	1,887
Motor vehicles	3,210	1,373	(888)	-	-	(808)	2,887
	70,615	**8,901**	**(28,101)**	**24,865**	**46,031**	**(1,761)**	**120,550**

Reconciliation of property, plant and equipment - Company - 2013

	Opening balance	Additions	Depreciation	Total
Land	-	6,185	-	6,185
Buildings	-	3,994	-	3,994
Plant and machinery	-	109	(23)	86
	-	**10,288**	**(23)**	**10,265**

Notes to the Consolidated Annual Financial Statements

- for the year ended 31 March 2013

Figures in Namibia Dollar thousand

3. Property, plant and equipment (continued)

Pledged as security

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

First and second mortgage bonds are registered in the name of Hochland 7191 (Pty) Ltd over Erf 7937, Windhoek to the value of N$16 million. Also refer to note 12 for further details.

Revaluations

Land and buildings are revalued annually. The effective date of the revaluations were March 2013 and March 2012. The Group's board of directors revalued the land and buildings at 31 March 2013 at the carrying value of the properties. The revaluation during March 2012 was performed by an independent valuer, Mr. Dudley Hite (B.Econ, A.I.V (SA)), of The Trust & Estate Co (Pty) Ltd. Mr. D Hite is not connected to the Group and has appropriate qualifications and recent experience in location and category of the property being valued. All valuations were based on observable market information.

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

	Group 2013	Group 2012	Company 2013	Company 2012
Land	28,225	22,041	6,184	
Buildings	28,000	22,226	993	-
	56,225	**44,267**	**7,177**	**-**

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 respective company.

4. Intangible assets

Group	2013			2012		
	Cost	Accumulated amortisation and accumulated impairment losses	Carrying value	Cost	Accumulated amortisation and accumulated impairment losses	Carrying value
Computer software	2,403	(1,714)	689	1,875	(1,495)	380

Reconciliation of intangible assets - Group - 2013

	Opening carrying value	Additions	Amortisation	Closing carrying value
Computer software	380	528	(219)	689

Reconciliation of intangible assets - Group - 2012

	Opening carrying value	Additions	Amortisation	Closing carrying value
Computer software	544	98	(262)	380

	Company	
Figures in Namibia Dollar thousand	2013	2012

5. Investments in subsidiaries

Name of company	Held by	% holding 2013	% holding 2012	Carrying amount 2013	Carrying amount 2012
Acacia Properties (Pty) Ltd	NHL *	100 %	100 %	730	730
Auas Motors (Pty) Ltd	NHL *	100 %	100 %	9,848	9,848
Bonsai Investments 19 (Pty) Ltd	NHL *	100 %	100 %	-	-
Corporate Guarantee and Insurance Company of Namibia Ltd	NHL *	100 %	100 %	24,012	24,012
Decomat (Pty) Ltd **	NHL *	- %	100 %	-	1,401
Grenada Investments Two (Pty) Ltd	NHL *	100 %	100 %	-	-
Grenada Investments Three (Pty) Ltd	NHL *	100 %	100 %	-	-
Hakos Capital and Finance (Pty) Ltd	NHL *	100 %	100 %	8,050	8,050
Hochland 7191 (Pty) Ltd	NHL *	100 %	100 %	-	-
Khomas Car Rental and Leasing (Pty) Ltd	NHL *	100 %	100 %	-	-
Marulaboom Properties (Pty) Ltd	NHL *	100 %	100 %	-	-
Nictus (Pty) Ltd	NHL *	100 %	100 %	13,613	13,613
Nictus Eiendomme (Pty) Ltd	NHL *	100 %	100 %	472	472
Werda Weskusontwikkeling (Pty) Ltd	NHL *	100 %	100 %	200	200
Willow Properties (Pty) Ltd	NHL *	100 %	100 %	1,028	1,028
Yellow Wood Properties (Pty) Ltd	NHL *	100 %	100 %	231	231
Indirectly held through Corporate Guarantee and Insurance Company of Namibia Ltd:					
Futeni Collections (Pty) Ltd		100 %	100 %	-	-
Karas Securities Ltd		100 %	100 %	-	-
				58,184	59,585
Impairment of investment in subsidiaries				-	-
				58,184	59,585

The carrying amounts of subsidiaries are shown net of impairment losses.

* - Nictus Holdings Limited

** - Decomat (Pty) Ltd was deregistered during the current financial year.

Notes to the Consolidated Annual Financial Statements
- for the year ended 31 March 2013

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

6. Loan to / (from) related parties

Current loans to related parties

Yellow Wood Properties (Pty) Ltd	-	-	1,902	2,037
Nictus Ltd	-	3,107	-	3,107
Marulaboom Properties (Pty) Ltd	-	-	3,288	-
Nictus (Pty) Ltd	-	-	-	8,618
Werda Weskusontwikkeling (Pty) Ltd	-	-	2,506	-
Hochland 7191 (Pty) Ltd	-	-	5,574	4,014
Bonsai Investments 19 (Pty) Ltd	-	-	6,087	937
Grenada Investments Two (Pty) Ltd	-	-	3,240	-
Acacia Properties (Pty) Ltd	-	-	1,103	-
Willow Properties (Pty) Ltd	-	-	222	-
Grenada Investments Three (Pty) Ltd	-	-	302	-
Nictus Eiendomme (Pty) Ltd	-	-	66	-
	-	**3,107**	**24,290**	**18,713**

Current loans from related parties

Decomat (Pty) Ltd	-	-	-	(856)
Futeni Collections (Pty) Ltd	-	-	(11,478)	(1,375)
Karas Securities Ltd	-	-	(10,000)	(10,000)
Hakos Capital and Finance (Pty) Ltd	-	-	(3,707)	-
Nictus (Pty) Ltd	-	-	(2,033)	-
	-	**-**	**(27,218)**	**(12,231)**

The above loans due to and from related parties bear interest at prime bank overdraft rate, are unsecured and have no fixed terms of repayment. As such the fair value approximates the carrying value.

Non-current loans to / (from) related parties

Nictus Ltd	-	7,500	-	-
Karas Securities Ltd	-	-	(20,000)	(10,000)
	-	**7,500**	**(20,000)**	**(10,000)**

The Group held cumulative redeemable preference shares in Nictus Ltd during the year ended 31 March 2012, which bore dividends at a fixed rate of 70% of Standard Bank South Africa prime overdraft rate. The preference dividends were payable monthly. The preference shares were redeemed on 26 March 2013.

Current assets	-	3,107	24,290	18,713
Non-current assets / (liabilities)	-	7,500	(20,000)	(10,000)
Current liabilities	-	-	(27,218)	(12,231)
	-	**10,607**	**(22,928)**	**(3,518)**

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

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

7. Investments

At fair value through profit or loss				
Listed shares *	23,156	3,207	18,598	-
Unlisted shares	669	669	-	-
Debt securities	-	3,145	-	-
Total investments	**23,825**	**7,021**	**18,598**	**-**

* - As part of the unbundling of the Nictus Group, Nictus Ltd issued 12 826 440 shares to Nictus Holdings Limited for a cash consideration of N$ 22.4 million. Refer to note 22 for the fair value adjustment of these listed shares that are included in investment income from operations.

Debt securities consisted of government bonds which bore interest at 10.5% per annum and were redeemed during 2013.

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

Non-current assets				
At fair value through profit or loss	19,267	7,021	18,598	-
Current assets				
At fair value through profit or loss	4,558	-	-	-
	23,825	**7,021**	**18,598**	**-**

Refer to note 1.22 for determining of fair values for financial assets.

Sensitivity analysis - equity price risk
A significant part of the Group's equity investments are listed on the JSE Limited Stock Exchange. For such investments classified as fair value through profit and loss, a one percent increase in the All Share Index at the reporting date would have increased profit by N$ 0.232 million after tax (2012: an increase of N$ 0.064 million); an equal change in the opposite direction would have decreased profit by N$ 0.232 million after tax (2012: a decrease of N$ 0.064 million). This analysis assumes that all other variable remain constant. The analysis was performed on the same basis for 2012.

Fair value hierarchy of financial assets

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

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

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

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	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

7. Investments (continued)

Level 1				
Listed shares	23,156	3,207	18,598	-
Debt securities	-	3,145	-	-
	23,156	**6,352**	**18,598**	**-**
Level 2				
Unlisted shares	-	-	-	-
Level 3				
Unlisted shares	669	669	-	-
	23,825	**7,021**	**18,598**	**-**

The transfers between level 2 and level 3 during the reporting period are set out below.

Transfers out of level 2				
Unlisted shares	-	(669)	-	-
Transfers into level 3				
Unlisted shares	-	669	-	-

Reconciliation of financial assets at fair value through profit or loss measured at level 3 - Group - 2013

	Opening balance	Closing balance
Unlisted shares	669	669

The Group has acquired unlisted shares in a company with a diverse business portfolio. Due to the diversity of its business operations, the value of the unlisted shares will be impacted by changes in macro economic indicators such as interest rates, market conditions and consumer price index.

Reconciliation of financial assets at fair value through profit or loss measured at level 3 - Group - 2012

	Opening balance	Transfers into level 3	Closing balance
Unlisted shares	-	669	669

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

8. Deferred tax

Recognised deferred tax assets

No claim bonus provision	3,154	2,781	-	-
Assessed losses	6,844	5,885	-	2
Impairment of debtors	2,814	401	-	-
	12,812	**9,067**	**-**	**2**

Recognised deferred tax liabilities

Land and buildings	(10,414)	(10,476)	-	-
Plant and equipment	(1,105)	(1,001)	(4)	-
Software	(42)	(61)	-	-
Furniture debtors	(3,876)	-	-	-
Contingency reserve	(4,127)	(3,127)	-	-
	(19,564)	**(14,665)**	**(4)**	**-**

Disclosed as:

Deferred tax assets	5,968	4,795	-	2
Deferred tax liabilities	(12,720)	(10,393)	(4)	-
	(6,752)	**(5,598)**	**(4)**	**2**

The above disclosure as per the statement of financial position relate to the net deferred tax position per legal entity.

Reconciliation of the opening with the closing balance

At beginning of the year	(5,598)	(2,214)	2	2
Charged to profit or loss	(1,154)	(879)	(6)	-
Recognised directly in other comprehensive income	-	(6,130)	-	-
Recognised directly in equity	-	3,625	-	-
At the end of the year	**(6,752)**	**(5,598)**	**(4)**	**2**

Recognition of deferred tax asset

Deferred tax assets have been recognised based on the extent that it is probable that future taxable profits will be available against which the asset can be utilised. No unrecognised deferred tax liabilities exists.

Tax rates

The deferred tax rate applied to the fair value adjustments of investment properties / financial assets or owner occupied property is determined by the expected manner of recovery. If the expected manner of recovery is through indefinite use the normal tax rate of 33% (2012: 34%) is applied.

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9. Loans and receivables

Loans and receivables	1,295	1,324	-	-
Long-term portion of trade debtors	11,760	11,882	-	-
Secured advances	138,326	162,778	-	-
Preference shares	9,000	20,300	-	-
	160,381	**196,284**	**-**	**-**

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. The receivable arising is in turn financed by a reciprocal agreement with Nedbank Namibia Limited. The loans are secured by underlying assets financed.

The underlying loans and receivables have various repayment terms, with interest bearing at the Nedbank Namibia Limited prime bank overdraft ranging from prime less 2% to prime less 1.5% (2012: prime less 2% to prime less 1.5%).

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

Secured advances
These loans and receivables include advances made to individuals, companies and other entities by Futeni Collections (Pty) Ltd and Hakos Capital and Finance (Pty) Ltd. These advances are secured by asset based financing, rights to claims in Corporate Guarantee and Insurance Company of Namibia Limited, pledges and suretyships to the amount of N$ 138,326 million (2012: N$ 162,778 million).

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

Preference shares
Preference shares are issued by Karas Securities Limited with various redemption dates. The preference shares bear dividends at a fixed rate of 70% of the South African prime bank overdraft rate. The preference dividends are payable monthly.

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

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

Gross				
Not past due	160,381	196,284	-	-
Past due 31 - 120 days	5,594	4,596	-	-
	165,975	**200,880**	**-**	**-**
Impairment allowance				
Past due 31 - 120 days	(5,594)	(4,596)	-	-
Reconciliation of impairment allowance				
Opening balance	(4,596)	-	-	-
Allowance for impairment raised in the current year	(1,500)	(4,596)	-	-
Utilised or reversed	502	-	-	-
	(5,594)	**(4,596)**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

10. Inventories

Work in progress	1,738	1,162	-	-
Merchandise	65,743	74,715	-	-
	67,481	75,877	-	-
Inventories (write-downs)	(2,175)	(2,715)	-	-
	65,306	**73,162**	**-**	**-**

Inventory pledged as security

Inventory to the value of N$ 30,512 million (2012: N$ 32,213 million) was pledged as security for floorplan facilities of the Group (refer note 16).

No inventories are stated at net realisable value.

11. Trade and other receivables

Trade receivables	224,590	181,621	35	912
Deposits	42	88	-	-
VAT	6,888	8,987	1,375	-
Vehicle incentive claims	5,557	6,148	-	-
Sundry debtors	1,925	6,213	-	-
	239,002	**203,057**	**1,410**	**912**

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

The short-term portion of secured advances included under trade receivables is N$ 95,388 million (2012: N$ 65,177 million) and preference shares of N$ 8,519 million (2012: N$ 8,519 million).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of loan mentioned above. The Group holds certain items and products sold as collateral.

Segmental split				
Motor retail	26,794	41,579	-	-
Furniture retail	30,445	25,064	-	-
Insurance & Finance	180,382	136,344	-	-
Head Office	1,381	70	1,410	912
	239,002	**203,057**	**1,410**	**912**

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

Gross				
Not past due	225,754	175,819	35	912
Past due 0 - 30 days	3,046	12,396	-	-
Past due 31 - 120 days	2,655	4,831	-	-
Past due 121 - 365 days	2,892	4,517	-	-
More than one year	3,896	1,751	-	-
	238,243	**199,314**	**35**	**912**

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Figures in Namibia Dollar thousand	2013	2012	2013	2012

11. Trade and other receivables (continued)

Impairment allowance				
Past due 0 - 30 days	-	148	-	-
Past due 31 - 120 days	781	856	-	-
Past due 121 - 365 days	2,030	2,696	-	-
More than one year	3,318	1,544	-	-
	6,129	**5,244**	**-**	**-**
Reconciliation of impairment allowance				
Opening balance	5,244	15,386	-	-
Allowance for impairment raised	2,155	965	-	-
Impairment loss utlised	(1,270)	(11,107)	-	-
	6,129	**5,244**	**-**	**-**

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	264	935	-	-
Bank balances	168,627	134,650	-	-
Short-term deposits	104,813	79,601	-	-
Bank overdraft	(21,234)	(5,490)	(19,511)	(4,468)
	252,470	**209,696**	**(19,511)**	**(4,468)**
Current assets	273,704	215,186	-	-
Current liabilities	(21,234)	(5,490)	(19,511)	(4,468)
	252,470	**209,696**	**(19,511)**	**(4,468)**

Included in cash and cash equivalents are investments made in terms of the insurance regulations in Namibia to comply with necessary liquidity requirements.

The total amount of undrawn facilities for the Group and Company available for future operating activities and commitments.	7,766	7,510	1,489	532

The borrowing capacity as determined by the articles of association is unrestricted and at the discretion of the directors.

Suretyships of N$5 million was signed in favour of the Company from each of the following subsidiary companies as security for the overdraft facility:
Hochland 7191 (Pty) Ltd
Nictus (Pty) Ltd
Auas Motors (Pty) Ltd

Suretyships of N$16 million was signed in favour of the Company from each of the following subsidiary companies as security for the overdraft facility:
Hochland 7191 (Pty) Ltd
Nictus (Pty) Ltd
Auas Motors (Pty) Ltd

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012
13. Stated capital				
Authorised - No par value shares				
55 000 000 Ordinary no par value shares (2012: Nil)	150	-	150	-
Reconciliation of number of no par value shares issued ('000)				
Opening balance 1 April	-	-	-	-
Conversion from par value shares	300	-	300	-
Increase in authorised shares during the year	54,700	-	54,700	-
	55,000	**-**	**55,000**	**-**
Authorised - Par value shares				
Nil (2012: 300 000 Ordinary shares of 50 cents each)	-	150	-	150
Reconciliation of number of par value shares issued ('000)				
Opening balance 1 April	150	150	150	150
Conversion to no par value shares	(150)	-	(150)	-
	-	**150**	**-**	**150**
Reconciliation of number of no par value shares issued ('000):				
Reported as at 1 April	-	-	-	-
Conversion from par value shares (2012: Nil)	53,444	-	53,444	-
	53,444	**-**	**53,444**	**-**
Reconciliation of number of par value shares issued ('000):				
Reported as at 1 April	129	129	129	129
Conversion to no par value shares	(129)	-	(129)	-
	-	**129**	**-**	**129**

The authorised ordinary shares were converted to no par value ordinary shares and increased to 55 000 000 no par value ordinary shares. The 250 000 no par value ordinary issued shares were subdivided to achieve the number of 53 443 500 no par value ordinary issued shares which was a requirement of the unbundling of the Nictus Group.

All unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued				
Group: 53 443 500 Ordinary no par value shares (2012: 250 000 Ordinary par value shares of 50 cents each)	129	129	-	-
Company: 53 443 500 Ordinary no par value shares (2012: 250 000 Ordinary par value shares of 50 cents each)	-	-	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.

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	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

14. Revaluation reserve

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

Opening balance	46,243	22,036	-	-
Revaluation of property	-	39,901	-	-
Transfer to retained earnings due to disposal of subsidiary	-	(15,694)	-	-
	46,243	**46,243**	**-**	**-**

15. Contingency reserve

Transfers to and from this reserve are treated as appropriations of retained earnings. A reserve was created in Corporate Guarantee and Insurance Company of Namibia Ltd, although not required by regulatory authorities in Namibia.

Opening balance	9,196	11,708	-	-
Transfer from / (to) retained earnings	3,310	(2,512)	-	-
	12,506	**9,196**	**-**	**-**

16. Interest-bearing loans and borrowings

Non-current				
Unsecured loans	4,989	4,819	-	-
Current				
Wesbank new vehicle finance	29,028	36,622	-	-
Unsecured loans	22,986	18,024	20,064	14,934
	52,014	**54,646**	**20,064**	**14,934**
	57,003	**59,465**	**20,064**	**14,934**

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

Wesbank new vehicle finance
The floorplan facility is from Wesbank, a division of First National Bank of Namibia Limited, for Opel, Isuzu and Chevrolet units. These units are to be paid for within 180 days from the date of payment by First National Bank to General Motors South Africa (Pty) Ltd or within 48 hours after being sold, whichever occurs first. There is an interest free period of 21 days (2012: 21 days). Should a unit be sold within the interest free period, that unit must be settled within or on expiry of the interest free period. Interest is calculated at prime overdraft rate less 1.0% per annum, provided that a market share of at least 40% is maintained by Wesbank, otherwise the interest rate will change to prime rates. The facility is subject to annual review and is denominated in Namibia Dollars.

Unsecured loans
Unsecured loans of the group are from Nedbank Namibia Limited. Unsecured loan of the company is at Standard Bank of Namibia Limited.

The non-current portion of the unsecured loans is due to a reciprocal agreement with Nedbank Namibia Limited. The loans bear interest at Namibian prime overdraft rate less 1,5% (2012: 1,5%).

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

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

16. Interest-bearing loans and borrowings (continued)

Non-current liabilities				
At amortised cost	4,989	4,819	-	-
Current liabilities				
At amortised cost	52,014	54,646	20,064	14,934
	57,003	**59,465**	**20,064**	**14,934**

17. Trade and other payables

Trade payables	27,088	25,302	135	224
VAT	2,860	3,346	-	174
Sundry creditors	6,828	18,615	-	-
Accruals	4,733	3,880	-	-
	41,509	**51,143**	**135**	**398**

Intercompany trade 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.

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

18. Provisions

Reconciliation of provisions - Group - 2013

	Opening Balance	Raised during the year	Reversed during the year	Total
Used vehicle extended warranty provision	310	16	-	326
Workshop comeback provision	556	299	-	855
Workshop warranty provision	433	-	(54)	379
Used vehicle warranty provision	470	-	(317)	153
Service and maintenance plan provision	1,293	-	(563)	730
	3,062	**315**	**(934)**	**2,443**

Reconciliation of provisions - Group - 2012

	Opening Balance	Raised during the year	Reversed during the year	Total
Used vehicle extended warranty provision	-	373	(63)	310
Workshop comeback provision	-	695	(139)	556
Workshop warranty provision	-	447	(14)	433
Used vehicle warranty provision	-	470	-	470
Service and maintenance plan provision	-	1,447	(154)	1,293
	-	**3,432**	**(370)**	**3,062**

The used vehicle warranty provision represents management's best estimate of the group's liability under used vehicles sold during the last three months.

The workshop comeback provision represents management's best estimate of the Group's liability under quality of workmanship for one year or next year's service.

The other warranty provisions represent management's best estimate of the Group's liability under the warranty guidelines of General Motors South Africa.

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	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012
19. Insurance contract liability				
Gross provision for unearned premiums	681,956	567,825	-	-
Gross provision for no claim bonus	9,559	8,179	-	-
Gross provision for IBNR	8,754	6,437	-	-
	700,269	**582,441**	**-**	**-**
Analysis of movements in gross unearned premiums				
Opening balance	567,825	494,395	-	-
Claims paid	(8,778)	(20,690)	-	-
Movement from other liability to insurance contract liability	9,087	-	-	-
IBNR provided	(2,317)	1,759	-	-
Net written premiums	127,413	100,025	-	-
Net underwriting result	(11,274)	(7,664)	-	-
	681,956	**567,825**	**-**	**-**
Analysis of movements in no claim bonus provision				
Opening balance	8,179	8,519	-	-
No claim bonus charge to the profit or loss	25,826	24,644	-	-
No claim bonus paid	(24,446)	(24,984)	-	-
	9,559	**8,179**	**-**	**-**
Analysis of movement in gross IBNR				
Opening balance	6,437	8,196	-	-
IBNR portion provided	2,317	(1,759)	-	-
	8,754	**6,437**	**-**	**-**

Process used to determine significant assumptions

Insurance risks are unpredictable and the Group recognises that it is impossible to forecast with absolute precision, 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. The provision for each notified claim includes Value Added Tax, where applicable.

Claims incurred but not yet reported (IBNR)

The IBNR provision consists of a best estimate reserve. The best estimate represents the expected value of the insurance liabilities with a 50% level of certainty, i.e. the mean in a range of possible outcomes in the development of unreported claim liabilities. The adequacy of this reserve is assessed on an annual basis as part of the liability adequacy test performed on the total of insurance contract liabilities.

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.

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

19. Insurance contract liability (continued)

Assumptions
The assumption that has the greatest effect on the measurement of insurance contract provisions is the percentage applied to gross premiums written in the IBNR calculation. A 7% of written premium assumption before consolidated entries has been used for 2013 and 2012 financial years.

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

IBNR at 1% of net written premiums	1,274	1,000	-	-

A 1% decrease will have an equal but opposite effect.

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

20. Revenue

Sale of goods	414,005	464,944	-	-
Management fees	-	-	725	3,893
Rental income	364	882	-	-
Finance income	26,032	23,524	-	-
Insurance premium income	22,370	26,996	-	-
	462,771	**516,346**	**725**	**3,893**

Insurance premium income consists of:				
Net written premiums	127,413	100,025	-	-
Change in net provision for unearned premiums	(105,043)	(73,018)	-	-
Reinsurance premiums paid	-	(11)	-	-
	22,370	**26,996**	**-**	**-**

21. Other income

Profit on disposal of subsidiary	-	3,802	-	21,123
Sundry income	4,892	4,849	-	-
Management fees received	1,140	2,187	-	-
Insurance claims received	-	797	-	-
	6,032	**11,635**	**-**	**21,123**

22. Investment income

Investment income from operations				
Listed financial assets	4,868	6,559	-	-
Unlisted financial assets	2,435	9,582	30,996	28,800
Bank and other	7,923	5,124	-	-
Fair value adjustment on listed shares: Nictus Ltd *	(3,848)	-	(3,848)	-
	11,378	**21,265**	**27,148**	**28,800**

* - As part of the unbundling of the Nictus Group, Nictus Ltd issued 12 826 440 shares to Nictus Holdings Limited for a cash consideration of N$ 22.4 million. The fair value adjustment above is the result of the share price at year end.

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22. Investment income (continued)

Investment income				
Related parties	-	208	2,103	509
Bank and other	7,376	5,643	-	-
	7,376	**5,851**	**2,103**	**509**
	18,754	**27,116**	**29,251**	**29,309**

23. Results from operating activities

Results from operating activities for the year is stated after accounting for the following:

Insurance expenses				
Claims incurred	11,095	18,931	-	-
No claim bonus allocations	25,826	24,644	-	-
	36,921	**43,575**	**-**	**-**

Other operating expenses				
Premises - straight lined	4,430	2,103	2,519	351
Equipment and motor vehicles - straight lined	350	255	-	-
Profit on disposal of property, plant and equipment	(159)	(30)	-	-
Write off of investment in subsidiary	-	-	545	2,500
Loss on disposal of subsidiary	-	-	511	-
Allowance for impairment raised on trade receivables	2,155	965	-	-
Impairment loss on goodwill	-	1,647	-	-
Listing and unbundling fees	1,291	-	1,291	-
Depreciation on property, plant and equipment	1,480	1,761	23	-
Amortisation on computer software	219	262	-	-
Employee costs				
- Salaries	31,350	22,934	828	199
- Defined contribution funds	3,812	2,869	104	-
- Medical aid contribution	3,365	2,647	68	-

24. Finance expenses

Related parties	1,082	343	2,492	2,007
Preference dividends	-	-	1,231	1,262
Bank and other	866	2,871	(552)	67
Interest paid to affiliated companies	1,947	1,052	1,947	1,052
	3,895	**4,266**	**5,118**	**4,388**

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

25. Taxation

Major components of the tax (expense) / income

Current				
Local income tax - current period	-	(463)	-	-
Deferred				
Originating and reversing of temporary differences	(1,154)	(879)	(6)	-
	(1,154)	**(1,342)**	**(6)**	**-**

Reconciliation of the effective tax expense

Reconciliation between tax at the standard rate and the effective rate:

Accounting profit before taxation	(8,258)	23,472	18,640	44,901
Tax at the applicable tax rate of 34% (2012: 34%)	2,808	(7,981)	(6,338)	(15,267)
Non-taxable items				
Profit on disposal of subsidiary		1,292	-	-
Profit on disposal of property plant and equipment	-	10	-	-
Fair value adjustment on listed shares	-	145	-	-
Fair value adjustment on investment property	-	2,389	-	-
Non-deductible expenses	(1,790)	-	(2,174)	(1,286)
Impairment loss	(33)	(560)	-	-
Under provision previous year	-	(336)	-	-
Deferred taxation not recognised	(4,455)	1,687	(2,031)	(421)
Exempt income	2,039	2,012	10,539	16,974
Effect of rate change on current year	277	-	(2)	-
Effective taxation	**(1,154)**	**(1,342)**	**(6)**	**-**

Estimated taxation losses available for set-off against future taxable income amount to:

N$	72,058	65,534	14,918	9,543

Estimated taxation losses of 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$ 43,260 million (2012: N$ 36,921 million).

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	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

26. Other comprehensive income

Components of other comprehensive income - Group - 2012

	Gross	Tax	Net
Movements on revaluation			
Gains on property revaluation	46,031	(6,130)	39,901

27. Auditors' remuneration

Audit fees	1,294	783	88	67
Audit fees: Unbundling 31 August 2012	825	-	333	-
	2,119	**783**	**421**	**67**

28. Cash utilised by operations

(Loss) / profit before taxation	(8,258)	23,472	18,640	44,901
Adjustments for:				
Depreciation of property, plant and equipment	1,480	1,761	23	-
Profit on disposal of property, plant and equipment	(159)	(30)	-	-
Amortisation of computer software	219	262	-	-
Revaluation of investment property	-	(7,025)	-	-
Dividend income	-	-	(30,996)	(28,800)
Investment income	(7,376)	(5,851)	(2,103)	(509)
Finance costs	3,895	4,266	5,118	4,388
Movements in provisions	(619)	3,062	-	-
Profit on disposal of subsidiary	-	(3,802)	-	-
Impairment loss on goodwill	-	1,647	-	-
Changes in working capital:				
Inventories	7,856	(16,131)	-	-
Trade and other receivables	(35,945)	(44,468)	(498)	(607)
Trade and other payables	(9,634)	457	(263)	200
	(48,541)	**(42,380)**	**(10,079)**	**19,573**

29. Tax paid

Balance at beginning of the year	(372)	(110)	-	-
Current tax for the year recognised in profit or loss	-	(463)	-	-
Balance at end of the year	(28)	372	-	-
	(400)	**(201)**	**-**	**-**

30. Dividends paid

Dividends	(30,000)	(10,000)	(30,000)	(10,000)

31. Related parties

Relationships:	
Holding company	Nictus Ltd (up to August 2012)
Subsidiaries	Acacia Properties (Pty) Ltd Auas Motors (Pty) Ltd Bonsai Investments Nineteen (Pty) Ltd Corporate Guarantee and Insurance Company of Namibia Ltd Decomat (Pty) Ltd (Namibia) * Futeni Collections (Pty) Ltd Grenada Investments Two (Pty) Ltd Grenada Investments Three (Pty) Ltd Hakos Capital and Finance (Pty) Ltd Hochland 7191 (Pty) Ltd Karas Securities Ltd Khomas Car Rental and Leasing (Pty) Ltd Namibian Factors and Shippers (Pty) Ltd * Marula Boom Properties (Pty) Ltd Nictus (Pty) Ltd Nictus Eiendomme (Pty) Ltd Werda Weskusontwikkeling (Pty) Ltd Willow Properties (Pty) Ltd Yellow Wood Properties (Pty) Ltd *List of fellow subsidiaries in South Africa (up to August 2012):* Oreon Place Investments (Pty) Ltd Corporate Guarantee (South Africa) Ltd Kruben Holdings (Pty) Ltd Nictus Meubels (Pty) Ltd
Affiliated companies	Veritrust (Pty) Ltd
Members of key management	NC Tromp (Director and key management of Group) FR van Staden (Director and key management of Group) JJ Retief (Director and key management of Group) WO Fourie (Director and key management of Group) PJ de W Tromp (Director and key management of Group)

* - The subsidiary was deregistered during the 2012 financial year.

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

Transactions with key management personnel

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

The Group encourages employees to purchase goods and services from Group companies. These transactions are generally conducted on terms no more favourable than those entered to with third parties on an arm's length basis, although in some cases nominal discounts are granted. Transactions with key personnel are conducted on similar terms. No abnormal or 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.

Notes to the Consolidated Annual Financial Statements

- for the year ended 31 March 2013

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

31. Related parties (continued)

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

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

Related party balances

Loan accounts of related parties - Refer note 6				
Loans due to Nictus Ltd	-	3,107	-	3,107
Loans from subsidiaries (excluding preference shares)	-	-	(17,218)	(2,231)
Loans to subsidiaries (excluding preference shares)	-	-	24,290	15,606
Preference shares issued to Nictus Ltd	-	7,500	-	-
Preference shares issued to subsidiary (Karas Securities Ltd)	-	-	(30,000)	(20,000)
Related party balances with key management, personnel and companies affiliated with key management in the Group				
Loans and receivables: Secured advances	3,777	-	-	-
Loans and receivables: Preference shares	5,000	-	-	-
Loans due to affiliated companies	(20,064)	(14,934)	(20,064)	(14,934)
Trade payables due to subsidiaries	-	-	40	-
Trade receivables due from subsidiaries	-	-	29	908

Related party transactions

Interest received from Nictus Ltd	-	(208)	-	(208)
Interest paid to Nictus Ltd	1,082	343	1,082	343
Interest paid to subsidiaries	-	-	1,676	1,664
Interest received from subsidiaries	-	-	2,103	(301)
Interest paid to affiliated companies	1,947	1,052	1,947	1,052
Management fees received from fellow subsidiaries	(1,140)	(2,187)	-	-
Fair value adjustment of investment in Nictus Ltd	(3,848)	-	(3,848)	-
Related party transactions with key management, personnel and companies affiliated with key management in the Group				
Unearned premium reserve account	(10,027)	-	-	-
Gross written premiums	(1,366)	(2,744)	-	-
Claims paid - key management	8	-	-	-
Change in provision for unearned premiums	2,682	-		
Interest received on loans and receivables	(318)	-	-	-
Preference dividends received on loans and receivables	(435)	-	-	-
		-	-	-

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

31. Related parties (continued)

Dividends paid to / (received from) related parties				
Dividends paid to Nictus Ltd	30,000	10,000	30,000	10,000
Dividends received from subsidiaries	-	-	(30,996)	(28,800)
Administration fees received from related parties in the Company				
Management fees received from subsidiaries	-	-	725	3,242
Administration fees received from subsidiaries	-	-	-	650
Rent paid to subsidiaries in the Company				
Rent paid to subsidiaries	-	-	480	351

Loans due to and by subsidiaries, excluding preference shares, bear interest at a combination of Namibian and South African Standard Bank prime bank overdraft rates, are unsecured and have no fixed terms of repayment.

Intercompany trade receivables and payables are subject to the same terms and conditions applied to the general public. Interest is charged at market related rates and settlement is expected to be made in cash.

Refer to note 32 for directors' and key management emoluments.

32. Directors', key management and highest earners' remuneration

Executive

2013

	Directors' fees - Holding company	Management and consulting fees - Holding company	Basic salary - subsidiaries	Management and consulting fees - subsidiaries	Directors' fees - subsidiaries	Total
NC Tromp	2	-	-	3,811	60	3,873
FR van Staden	6	103	-	2,137	48	2,294
JJ Retief	12	74	-	1,223	11	1,320
GJ Koekemoer *	-	-	-	1,154	21	1,175
PJ De W Tromp	6	-	-	1,448	50	1,504
	26	**177**	**-**	**9,773**	**190**	**10,166**

2012

	Directors' fees - Holding company	Basic salary - subsidiaries	Management and consulting fees - subsidiaries	Directors' fees - subsidiaries	Total
NC Tromp	8	120	3,458	110	3,696
FR van Staden	12	196	2,196	78	2,482
JJ Retief	10	194	1,414	31	1,649
GJ Koekemoer *	-	-	1,128	31	1,159
PJ De W Tromp	2	-	1,544	219	1,765
	32	**510**	**9,740**	**469**	**10,751**

* Highest earner other than directors.

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Figures in Namibia Dollar thousand

32. Directors', key management and highest earners' remuneration (continued)

Non-executive directors

2013	Directors' fees - Holding company	Directors fees - subsidiaries	Management and consulting fees - Holding company	Management and consulting fees - subsidiaries	Total
WO Fourie	6	4	522	447	979

2012	Directors' fees - Holding company	Directors fees - subsidiaries	Management and consulting fees - Holding company	Management and consulting fees - subsidiaries	Total
WO Fourie	10	16	53	1,184	1,263

33. Financial risk management

Financial risk management

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

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

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

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

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

Liquidity risk

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

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

In addition, the Group maintains the following lines of credit:
- Overdraft facilities
- Wesbank floorplan

Figures in Namibia Dollar thousand

33. Financial risk management (continued)

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

Group

At 31 March 2013	Carrying amount	Contractual cash flows	12 months or less	1 - 2 years	2 - 5 years
Unsecured loans	27,974	30,487	25,112	5,375	-
Trade and other payables	41,509	41,509	41,509	-	-
Bank overdraft	21,234	21,234	21,234	-	-
Insurance contract liability	700,269	700,269	700,269	-	-
Wesbank vehicle finance	29,028	29,323	29,323	-	-
At 31 March 2012					
Unsecured loans	22,843	24,998	19,781	5,217	-
Trade and other payables	51,142	51,142	51,142	-	-
Bank overdraft	5,490	5,490	5,490	-	-
Insurance contract liability	582,441	582,441	582,441	-	-
Wesbank vehicle finance	36,622	37,017	37,017	-	-

Company

	Carrying amount	Contractual cash flow	12 months or less	1 - 2 years	2 - 5 years
At 31 March 2013					
Unsecured loans	20,064	21,920	21,920	-	-
Loans from related parties	17,218	17,218	17,218	-	-
Bank overdraft	19,511	19,511	19,511	-	-
Trade and other payables	134	134	134	-	-
Cumulative redeemable preference shares	30,000	33,046	10,595	22,451	-
At 31 March 2012					
Unsecured loans	14,934	16,389	16,389	-	-
Loans from related parties	2,231	-	-	-	-
Bank overdraft	4,468	4,468	4,468	-	-
Trade and other payables	223	223	223	-	-
Cumulative redeemable preference shares	20,000	21,890	10,630	11,260	-

Notes to the Consolidated Annual Financial Statements
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Figures in Namibia Dollar thousand	2013	2012	2013	2012

33. Financial risk management (continued)

Interest rate risk

Profile

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

Variable rate instruments				
Financial assets	690,024	623,168	42,923	-
Financial liabilities	(78,237)	(64,955)	(86,793)	(41,632)
	611,787	**558,213**	**(43,870)**	**(41,632)**

Sensitivity analysis

An increase of 100 basis points in interest rates at the reporting date would have increased profit by the amounts shown below. A decrease of 100 basis points would have an equal but opposite effect on profit. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2012.

As at 31 March				
Variable rate instruments	6,118	5,582	(439)	(416)

Credit risk

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

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

Geographically the concentration of credit risk is spread within Namibia.

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

Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Credit Committee; these limits are reviewed when required per customer. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a cash basis.

The majority of the Group's customers have been transacting with the Group for a number of years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, geographic location, industry, ageing profile, maturity and existence of previous financial difficulties or insurance claims.

Trade and other receivables relate only to the Group's end user customers. Customers that are graded as "high risk" are restricted by tighter credit limits and their trading activity is monitored monthly by management.

33. Financial risk management (continued)

Goods and services are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Investments
The Group limits its exposure to credit risk by only investing in liquid securities or unlisted entities with a good track record. By law the insurance company is required to keep 30% of all assets liquid.

The investment portfolio are determined monthly by the respective segment executive committee of directors with sufficient financial and investment background. This committee review the valuation and returns on investments monthly for listed investments and yearly for non listed investments to determine whether the investment portfolio requires change.

Given this, management does not expect any counterparty to fail to meet its obligations other than specifically provided for at year end.

Refer to notes 9 and 11 for additional disclosures regarding credit risks.

Market risk

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

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

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

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

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

Insurance risks

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

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

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

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- for the year ended 31 March 2013

33. Financial risk management (continued)

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, centralised management of risk and monitoring of emerging issues. These actions are described below.

Underwriting strategy
The Group's underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a portfolio of similar risks spread over a large geographical area. The underwriting strategy is continuously monitored, updated and determines the classes of business to be written, the territories in which business is to be written and the industry sectors to which the Group is prepared to accept exposure. The strategy is cascaded down by the respective segment executive committees to individual underwriters through detailed underwriting authorities that set the limits for underwriters by client size, class of business, territory and industry in order to enforce appropriate risk selection within the portfolio. In addition, 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 territories 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 Group has a history of positive claims development, i.e. the reserves created over time proved to be sufficient to fund the actual claims paid.

Foreign exchange risk

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

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

Capital management

The Board’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders’ equity, excluding non-redeemable preference shares and minority interests, and the level of dividends to ordinary shareholders.

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

Figures in Namibia Dollar thousand

33. Financial risk management (continued)

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

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

34. Financial assets by category

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

Group - 2013

	Loans and receivables at amortised cost	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity at amortised cost	Available-for-sale	Total
Loans and receivables	160,381	-	-	-	-	160,381
Investments	-	23,825	-	-	-	23,825
Trade and other receivables (excluding VAT)	232,114	-	-	-	-	232,114
Cash and cash equivalents	273,704	-	-	-	-	273,704
	666,199	**23,825**	**-**	**-**	**-**	**690,024**

Group - 2012

	Loans and receivables at amortised cost	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity at amortised cost	Available-for-sale	Total
Loans and receivables	196,284	-	-	-	-	196,284
Investments	-	7,021	-	-	-	7,021
Trade and other receivables (excluding VAT)	194,070	-	-	-	-	194,070
Loans to related parties	10,607	-	-	-	-	10,607
Cash and cash equivalents	215,186	-	-	-	-	215,186
	616,147	**7,021**	**-**	**-**	**-**	**623,168**

Company - 2013

	Loans, receivables and other at amortised cost	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity at amortised cost	Available for sale	Total
Investments	-	18,598	-	-	-	18,598
Trade and other receivables (excluding VAT)	35	-	-	-	-	35
Loans to related parties	24,290	-	-	-	-	24,290
	24,325	**18,598**	**-**	**-**	**-**	**42,923**

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Figures in Namibia Dollar thousand

34. Financial assets by category (continued)

Company - 2012

	Loans, receivables and other at amortised cost	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity at amortised cost	Available for sale	Total
Trade and other receivables (excluding VAT)	912	-	-	-	-	912
Loans to related parties	18,713	-	-	-	-	18,713
	19,625	**-**	**-**	**-**	**-**	**19,625**

35. Financial liabilities by category

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

Group - 2013

	Financial liabilities at amortised cost	Total
Interest-bearing loans and borrowings	57,003	57,003
Trade and other payables (excluding VAT)	38,650	38,650
Bank overdraft	21,234	21,234
	116,887	**116,887**

Group - 2012

	Financial liabilities at amortised cost	Total
Interest-bearing loans and borrowings	59,465	59,465
Trade and other payables (excluding VAT)	47,796	47,796
Bank overdraft	5,490	5,490
	112,751	**112,751**

Company - 2013

	Financial liabilities at amortised cost	Total
Interest-bearing loans and borrowings	20,064	20,064
Loans from related parties	17,218	17,218
Trade and other payables (excluding VAT)	134	134
Bank overdraft	19,511	19,511
Preference shares	30,000	30,000
	86,927	**86,927**

	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

35. Financial liabilities by category (continued)

Company - 2012

	Financial liabilities at amortised cost	Total
Interest-bearing loans and borrowings	14,934	14,934
Loans from related parties	2,231	2,231
Trade and other payables (excluding VAT)	397	397
Bank overdraft	4,468	4,468
Preference shares	20,000	20,000
	42,030	**42,030**

Refer to note 1.22 for determining of fair values for financial liabilities.

36. Commitments

Capital expenditure

The following commitments were entered into in respect of capital expenditure at year end:

	Group 2013	Group 2012	Company 2013	Company 2012
Approved by directors but not yet contracted for	80,000	16,300	-	-
Approved by directors and contracted for	16,033	-	-	-

This committed expenditure relates to property and will be financed by internal funds when incurred.
The expected date of completion for the capital expenditure that has already been contracted for is June 2013.

The company provided support to subsidiary companies, where the current liabilities exceeded current assets, for payments of debt until such time the subsidiary's current assets exceeds its current liabilities.

Operating leases – as lessee

	Group 2013	Group 2012	Company 2013	Company 2012
Minimum lease payments due				
- within one year	3,728	463	2,705	-
- in second to fifth year inclusive	4,371	-	2,921	-
	8,099	**463**	**5,626**	**-**

Operating lease payments represent rentals payable by the Group for certain of its properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

Guarantees

Certain Group companies provide guarantees as part of their normal operations.

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	Group		Company	
Figures in Namibia Dollar thousand	2013	2012	2013	2012

37. Contingencies

Nictus (Pty) Ltd is currently involved in a dispute with the Namibian Inland Revenue authorities in regard to Import VAT due per their records amounting to N$ 5 million. The amount consists of a capital portion amounting to N$ 1,7 million; accrued interest amounting to N$ 1,5 million and penalties amounting to N$ 1,9 million. The Group is of the opinion that the amount is not due. An appeal has been lodged with the Namibian Inland Revenue authorities to investigate Import VAT allocations during the period in order to determine the correct amount.

38. Going concern

The consolidated 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.

39. Events after reporting date

There were no events after the reporting period which affected the presentation of the consolidated annual financial statements for the year ended 31 March 2013.

40. Disposal of subsidiary

	Group 2013	Group 2012	Company 2013	Company 2012
Carrying value of assets and liabilities sold				
Land and buildings	-	(27,200)	-	-
Deferred tax liabilities	-	3,625	-	-
Borrowings	-	5,000	-	-
Trade payables	-	177	-	-
Total net assets sold	-	(18,398)	-	-
Net assets sold	-	(18,398)	-	-
Profit on disposal	-	(3,802)	-	-
	-	**(22,200)**	**-**	**-**
Cash inflow on disposal of subsidiary	-	22,200	-	-
Borrowings repaid by purchaser on disposal of subsidiary	-	5,000	-	-

During the previous financial year, Corporate Properties (Pty) Ltd, was sold to Erastus Shipumba Properties CC. The subsidiary contained an office building that was used for Group purposes. The Group will continue to rent the property on a year to year basis. The subsidiary was included in the Insurance and Finance segment.

Figures in Namibia Dollar thousand	Group 2013	Group 2012

41. Earnings per share

Weighted average number of shares		
Weighted average number of shares in issue for basic earnings per share and headline earnings per share:	31,279,542	250,000

No adjustments to the weighted average number of shares were considered necessary as there are not any staff share options that may have a dilutive effect.

Attributable (loss) / earnings		
Basic earnings per share are based on (loss) / profit attributable to equity holders of the group	(9,412)	22,131
Basic (loss) / earnings per share (cents)	(30.09)	8,852.40
Diluted basic (loss) / earnings per share (cents)	(30.09)	8,852.40

Reconciliation between basic earnings and headline earnings:

Headline earnings		
(Loss) / Profit attributable to equity holders of the group	(9,412)	22,131
Profit on disposal of property, plant and equipment	(159)	(30)
Fair value adjustment on investment property	-	(7,025)
Goodwill impairment loss	-	1,647
	(9,571)	**16,723**
Headline (loss) / earnings per share (cents)	(30.60)	6,689.20

Notes to the Consolidated Annual Financial Statements
- for the year ended 31 March 2013

42. Group segmental analysis

Business segment	**Motor retail**		**Furniture retail**		**Insurance & Finance**		**Head Office**		**Eliminations**		**Consolidated**	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Segment revenue	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**
Sales of goods	356,632	410,671	57,372	53,148	-	-	-	-	1	1,125	414,005	464,944
Rental income	134	10	230	259	-	608	-	-	-	4	364	882
Finance income	-	239	5,601	4,627	31,190	27,345	-	-	(10,759)	(8,687)	26,032	23,524
Management fees	-	-	-	-		-	725	3,293	(725)	(3,293)	-	-
Insurance premium income	-	-	-	-	25,952	26,996	-	-	(3,582)	-	22,370	26,996
Total revenue from external customers	356,766	410,920	63,203	58,034	57,142	54,949	725	3,293	(15,065)	(10,850)	462,771	516,346
Inter-segment revenue	4,730	3,897	1,000	875	1,454	1,794	-	-	(7,184)	(6,566)	-	-
Total segment revenue	361,496	414,817	64,203	58,909	58,596	56,743	725	3,293	(22,249)	(17,416)	462,771	516,346
Segment result												
Operating profit before financing costs	(6,353)	7,912	6,159	5,782	13,491	19,167	23,757	48,690	(41,418)	(53,813)	(4,363)	27,738
Financing costs	(4,688)	(4,702)	(3,054)	(3,174)	-	(340)	(5,118)	(4,388)	8,965	8,338	(3,895)	(4,266)
Profit before taxation	(11,041)	3,210	3,105	2,608	13,491	18,827	18,639	44,302	(32,452)	(45,475)	(8,258)	23,472
Taxation	2,216	(549)	(730)	(1,233)	(229)	(1,116)	(6)	-	(2,405)	1,556	(1,154)	(1,342)
Net profit/(loss) for the year	(8,825)	2,661	2,375	1,375	13,262	17,711	18,633	44,302	(34,857)	(43,919)	(9,412)	22,130
Segment assets *	192,083	245,546	117,140	131,900	761,878	630,537	112,747	140,846	(269,406)	(317,703)	914,442	831,126
Segment liabilities *	145,198	186,067	83,888	99,423	729,803	625,224	86,932	44,879	(210,642)	(243,143)	835,178	712,450
Cash flows from operating activities	29,052	(19,862)	(1,401)	(6,466)	99,940	137,599	17,902	44,495	(190,953)	(196,761)	(45,460)	(40,995)
Cash flows from investing activities	(33,783)	22,957	(19,572)	12,621	(62,646)	(157,000)	(27,485)	(37,632)	135,747	161,709	(7,739)	2,655
Cash flows from financing activities	12,407	(6,517)	20,574	(6,385)	13,244	42,065	(5,460)	(6,569)	55,208	32,738	95,973	55,332
Capital expenditure	(13,843)	(1,246)	(6,603)	(593)	(13)	(451)	(10,288)	-	1,884	(6,611)	(28,863)	(8,901)

* - The segment assets and liabilities include tax assets and liabilities and have been included in the elimination column to agree to the amounts per the financial statements. On the next page a reconciliation is performed to reflect the amount for segment assets and liabilities as defined in the accounting policies.

42. Group segmental analysis (continued)

Reconciliation between consolidated segment assets and liabilities and total consolidated assets and liabilities

Assets	**2013 N$'000**	**2012 N$'000**
Consolidated segment assets	908,445	826,247
Income tax	29	84
Deferred tax	5,968	4,795
Consolidated assets	914,442	831,126
Liabilities		
Consolidated segment liabilities	822,458	701,601
Deferred tax	12,720	10,393
Income tax	-	456
Consolidated liabilities	835,178	712,450

Geographical segments

	Namibia		**Head Office**		**Elimination**		**Total**	
	2013 N$'000	**2012 N$'000**	**2013 N$'000**	**2012 N$'000**	**2013 N$'000**	**2012 N$'000**	**2013 N$'000**	**2012 N$'000**
Revenue from external customers	477,111	523,903	725	3,293	(15,065)	(10,850)	462,771	516,346
Segment assets	1,071,100	1,007,984	112,747	140,846	(269,406)	(317,703)	914,442	831,126
Cash flows from operating activities	127,591	111,271	17,902	44,495	(190,953)	(196,761)	(45,460)	(40,995)
Cash flows from investing activities	(116,001)	(121,422)	(27,485)	(37,632)	135,747	161,709	(7,739)	2,655
Cash flows from financing activities	46,225	29,163	(5,460)	(6,569)	55,208	32,738	95,973	55,332
Capital expenditure	(20,459)	(2,290)	(10,288)	-	1,884	(6,611)	(28,863)	(8,901)

Notice of Annual General Meeting

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

Notice is hereby given that the annual general meeting of the shareholders of Nictus will be held in the 1st floor boardroom, Nictus Building, 17 Lüderitz Street, Windhoek, on **22 August 2013** at **14h30** (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 year ended 31 March 2013 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: approval of minutes of previous annual general meeting

"Resolved to approve the minutes of the previous annual general meeting."

In order for this ordinary resolution number 1 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 number 2 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.3 Ordinary resolution 3: re-election of JJ Retief as a director

"Resolved that **JJ Retief** be and is hereby re-elected as a director of the Company."

In order for this ordinary resolution number 3 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 remuneration policy

"Resolved to approve, by way of a non-binding, advisory vote, the remuneration policy of the Company as set out on page 86 of the annual report of which this notice forms part."

In order for this ordinary resolution number 4 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

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

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

In order for this ordinary resolution number 5 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 up to 15% (fifteen per cent) of the authorised but unissued ordinary shares in the Company from time to time, whether created before or after the passing of this resolution and/or to grant options to subscribe for such 15% (fifteen per cent) of the authorised but unissued shares from time to time, for such purposes and on such terms and conditions as they may determine, provided that such transaction(s) has/have been approved by the NSX and are subject to the NSX Listings Requirements, the Companies Act and the following conditions, namely that -

3.6.1 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 number 6 to be passed, the support of more than 75% (seventy five per cent) of the voting rights exercised on the resolution by all equity shares holders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

3.7 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 number 7 to become effective.

3.8 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 number 2, 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 number 2 to be passed the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.9 Special resolution 3: increase in Authorised Share Capital of the Company

"Resolved that, in terms of section 81 of the Companies Act, the Authorised Share Capital of the Company be increased from 55.000.000 (fifty five million) ordinary no par value shares to 1.000.000.000 (one billion) ordinary no par value shares".

In order for special resolution number 3 to be passed the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the shareholders present in person, or represented by proxy, at the annual general meeting is required.

3.10 Ordinary resolution 7: 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 number 7 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.

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 23 to 24;

4.2 major shareholders – page 23;

4.3 directors' interests in ordinary shares – page 23 and 24; and

4.4 stated capital of the Company – page 58.

5. LITIGATION STATEMENT

The directors in office whose names appear on page 22 of the annual report, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have, or have had, in the recent past, being at least the previous 12 (twelve) months from the date of this annual report, a material effect on the Group's financial position.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors in office, whose names appear on page 22 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolutions contain all information required by the NSX Listings Requirements.

7. MATERIAL CHANGES

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

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

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

9. ATTENDANCE AND PROXIES

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

9.1.1 a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, participate in and vote at the annual general meeting in place of that shareholder; and

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

9.2 Forms of proxy (which form may be found enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the registered offices of the Company, c/o Veritas Board of Executors (Proprietary) Limited, 3rd floor, Corporate House, 17 Lüderitz Street, Windhoek (Private Bag 13231, Windhoek) or the transfer Secretaries, c/o Veritas Board of Executors (Proprietary) Limited, 3rd floor, Corporate House, 17 Lüderitz Street, Windhoek (Private Bag 13231, Windhoek). Forms of proxy must be received not later than 10:00 on 20 August 2013. 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 special general meeting.

10. VOTING

10.1 On a show of hands every shareholder present in person or by proxy, and if a member is a body corporate, its representatives, shall have one vote and on a poll every shareholder present in person or by proxy and, if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

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

10.3 Shareholders are encouraged to attend the annual general meeting.

By order of the Board
Nictus Holdings Limited

Veritas Board of Executors (Proprietary) Limited
Secretary
Windhoek

29 May 2013

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 vision and results of the Group;
- be reviewed and benchmarked annually;
- support the strategy of the Group; and
- reward performance and motivate staff.

Remuneration structure

The Group remuneration strategy makes provision for:

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

COMPOSITION OF THE TOTAL REMUNERATION PACKAGE

The factors considered in structuring the total remuneration package are:

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

REMUNERATION INCENTIVES

Short term incentives

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

- meet predetermined annual targets and;
- perform exceptionally.

Staff who have transgressed the Group ethical code are ineligible to share in the incentive scheme and extraneous factors do not influence the incentive evaluation.

Long term incentive

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

- Senior management and executive directors are eligible to participate.
- The remuneration committee determines the structure and percentile quantum of the incentive. The allocation is determined by the Executive Committee and reported to the remuneration committee.

GOVERNANCE

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

VARIATION

The policy may be varied by the remuneration committee at any time within the structure of the delegated authority as contained in the approved charter.

Brief Curriculum Vitae of Retiring Directors & New Directors

WO Fourie (37)
- CA (SA), CA (NAM)
- Non-Executive Director

JJ Retief (48)
- B.Com
- Chairman: Nictus Holding Limited

WO Fourie

WO Fourie is a CA (SA) and a CA (NAM) and completed his accounting articles in 2002. After completion of his articles he joined a large diamond mining company during 2003. In 2007 he joined the Nictus Limited Group as the Group Financial Manager and was appointed as the Group Financial Director of the Nictus Limited Group during 2010. He also serves as Chairman of the Risk Committee of the Nictus Limited Group as well as on the Executive Committee of the Nictus Limited Group.

In the Nictus Holdings Group, he was appointed during 2010 as director and serves as the non-executive Chairman of the Audit Committee.

JJ Retief

JJ Retief has a B.Com degree and was appointed to the board of Nictus Holdings Limited as a director during 2006 and served as a member of the Risk Committee until 2013. He is in charge of the furniture segment in Namibia and serves as Chairman of the Nictus Holdings Group. He has served the Nictus Limited Group for the past 16 years and is currently a non-executive director on the Nictus Limited Group main board of directors.

EXCELLENCE

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 first floor boardroom, Corporate House, 17 Lüderitz Street, Windhoek, on **14 August 2013** at **14:30** (Namibian time), or at any adjournment thereof.

I/We..

of...(address)

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

1... or, failing him/her

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

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

Resolutions	***For***	***Against***	***Abstained***	***Precluded****
01. *Ordinary resolution 1:* approval of minutes of previous annual general meeting				
02. *Ordinary resolution 2:* re-election of WO Fourie as a director				
03. *Ordinary resolution 3:* re-election of JJ Retief as a director				
04. *Ordinary resolution 4:* approval of remuneration policy				
05. *Ordinary resolution 5:* re-appointment of SGA as auditors				
06. *Ordinary resolution 6:* authority to issue ordinary shares				
07. *Special resolution 1:* general authority to repurchase shares				
08. *Special resolution 2:* financial assistance to entities related or inter-related to the Company				
09. *Special resolution 3:* increase in Authorised Share Capital of the Company				
10. *Ordinary resolution 7:* signing authority				

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

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

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

Signature ....

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

Please read the notes on the reverse hereof

Notes to Proxy

1. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the Company) to attend, speak and, on a poll or by show of hands, vote in place 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 the shareholder's choice in the space provided, with or without deleting 'the chairman of the annual general meeting'. The person whose name stands first on the form of proxy and who is present at the annual general meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.

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

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

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

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

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

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

9. Forms of proxy have to be lodged with or posted to the registered office of the Company, c/o Veritas Board of Executors (Proprietary) Limited, 3rd floor, Corporate House, 17 Lüderitz Street, Windhoek (Private Bag 13231, Windhoek) or the transfer Secretaries, Veritas Board of Executors (Proprietary) Limited, 3rd floor, Corporate House, 17 Lüderitz Street, Windhoek (Private Bag 13231, Windhoek). Forms of proxy must be received not later than 10:00 on 20 August 2013.

Annual Report Notes

Nictus Holdings Limited
P.O. Box 755, Windhoek, Namibia
3rd Floor, Corporate House, 17 Lüderitz Street, Windhoek