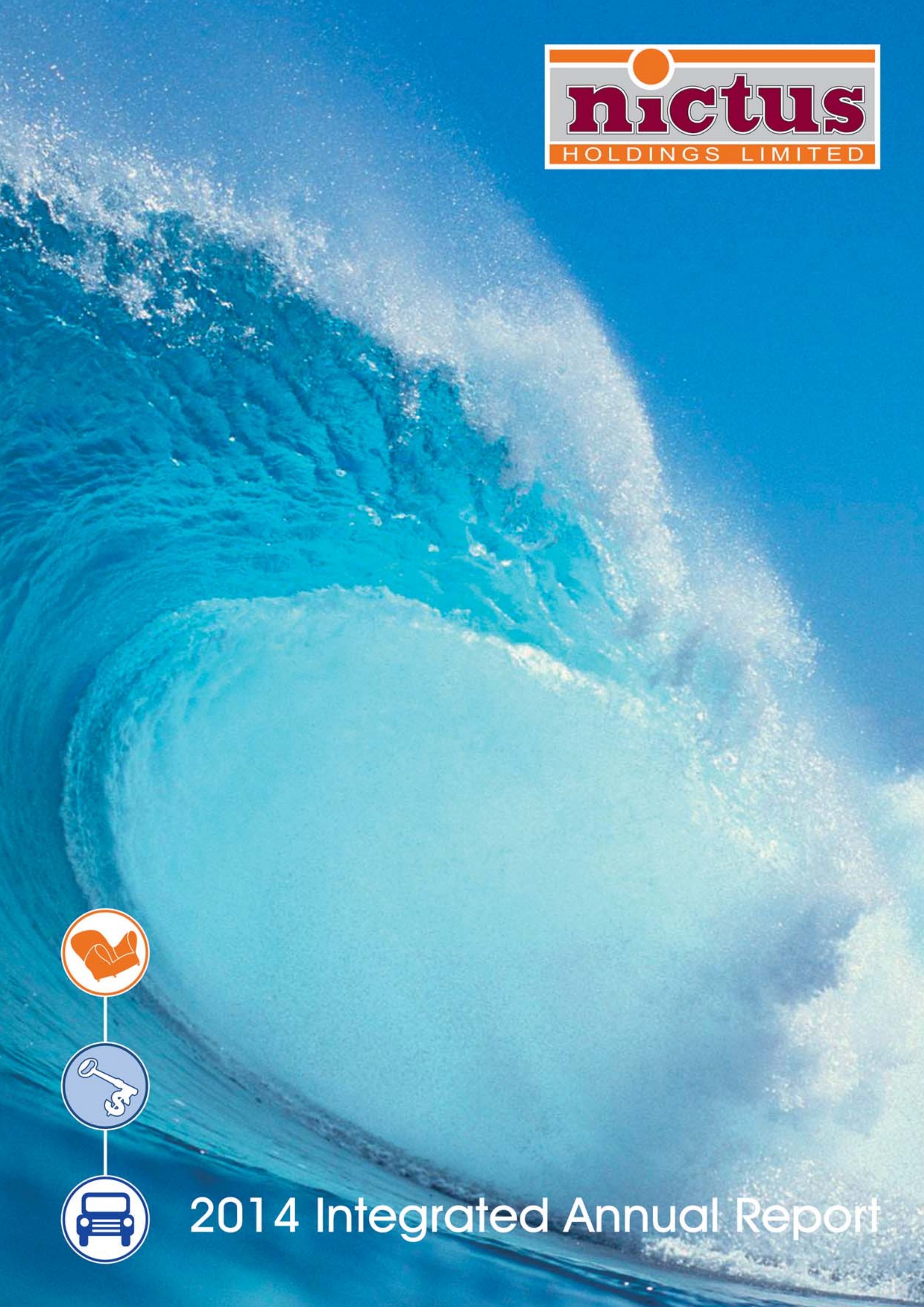


nictus
HOLDINGS LIMITED

2014 Integrated Annual Report

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 through Namibia
- 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

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.

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

INTEGRATED ANNUAL REPORT CONTENTS

CHAIRMAN'S REPORT

The 2014 financial year has been one of the most exciting, though challenging years, in the more than a decade that I have been involved with the Nictus Group. Still dealing with the aftershock following the 2013 geographical split from the South African operations, we were carefully optimistic about what the future would hold in store. Looking back today, only a mere year into our recently embarked voyage, I am confident that it was a step in the right direction and equally enthusiastic about the journey ahead. Although it was a year of transition, we made solid progress on many fronts, including building out strategic platforms, while establishing exciting new ones.

The structure of the board was revisited and an executive board with an executive chairman was concurred as the most beneficial structure to carry out the Namibian operations. This will ensure that the necessary focus be allocated to each business division and trading entities individually. In the short while since the split of the Group and the new approach, it is evident that there is a new momentum building within the Nictus Holdings Group. We have a much more focused approach, eliminating the unnecessary, raising the factors that were neglected and driving the strategy with renewed creativity and innovation. We are confident that with this approach, we will be reaching new and higher objectives.

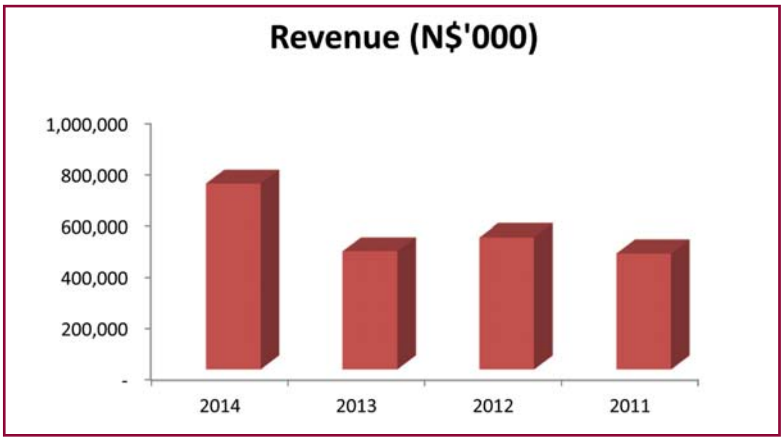
Our vision is to be an independent, diversified, investment holdings group and to expand our business base. We furthered this vision by acquiring Trentyre, the distributor of the international tyre brand, Goodyear. Nictus Holdings Group, through the 15 branches of Trentyre, will now sell, distribute and retread Goodyear and other premium tyre brand products throughout Namibia. With this, Nictus Holdings is expanding its footprint and presence further throughout Namibia. Trentyre brings a new dimension to our motor segment and we believe that with this segment-related acquisition we will complement the existing General Motor franchises nationally. This was the first major acquisition after our Insurance division takeover just over a decade ago, and we plan to use this momentum and experience gained to grow with the economy of Namibia.

I am of the opinion that we are entering a very favourable cycle in the Namibian economy. With the emphasis on growth, we will aim to utilize this opportunity to our utmost best.

The 2014 financial year was an exceptional year for the Group. Considering the results achieved in the previous period, following the split of the group, pressure mounted to regain our profitability. Without exception, everyone at Nictus took the challenge.

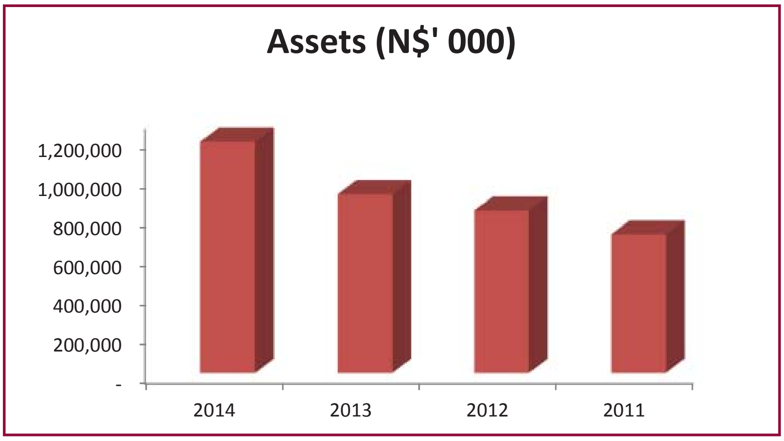
REVENUE

We managed to grow our revenue by 57%. The motor segment, taking into account the acquisition of Trentyre, was the biggest contributor with 68% growth. Sales of vehicles also increased due to the new Isuzu range and the extension and increased variety of the product range of General Motors. Furniture managed a 20% growth with a new branch opening in Ongwediva. All our expectations were exceeded during the five months that it operated in the financial year. We are confident that this will continue into the coming year. Premium income in the insurance segment grew with 27% on last year.



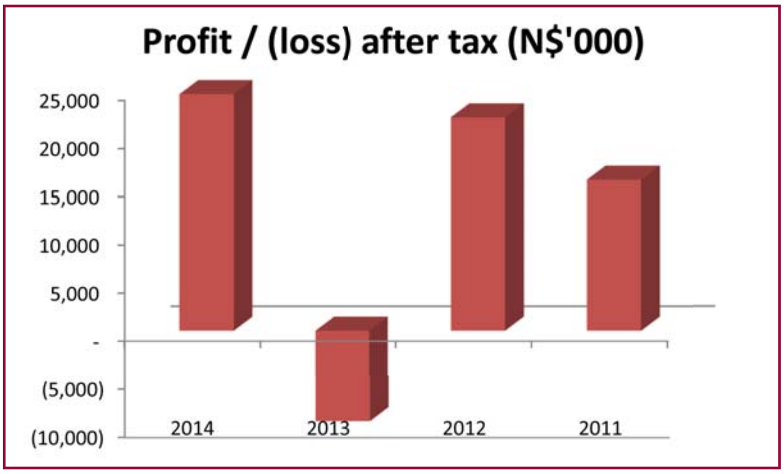
ASSETS

Assets managed to grow by 30% for the current year. This was due to an exceptional year on the Insurance division's side, the Trentyre acquisition and the growth in the Furniture and the Motor segment. The Group's assets managed to reach just under the N$ 1,2 billion, which is a long realised dream for the board and the management of the Group. The main focus is to ensure that the right strategies and support are put in place in order to ensure sustainable growth for the future.



PROFIT

We managed a turnaround from the loss position in the previous year to a profit of N$ 24,5 million. This is a remarkable turnaround. It took a lot of input from management and every staff member, and I thank all of them for their effort and input.



We will also continue our commitment to our employees and to the communities in which we operate and proudly call home. And to you, our valued shareholders, who have placed your confidence and trust in us – we humbly thank you.

This is our legacy at Nictus. I am a realistic optimist, and despite our challenges, I firmly believe there is no company better positioned to be recognized as a leading local retailer. We will continue to strive for excellence in everything we do.

I want to thank our Heavenly Father for his blessings during the year and we put our faith in Him to guide us for the coming year and years to come.

Sincerely

Philippus Tromp
Executive Chairman

BOARD OF DIRECTORS & COMPANY SECRETARY

PJ De W Tromp (39)
- B.Econ, EDP: USB, SMP: USB
- Chairman: Nictus Holdings Limited
- Managing Director: Financial Services
- Member: Audit Committee
  Remuneration Committee
  Investment Committee
  Human Resource Committee

NC Tromp (65)
- B.Com
- Executive Director
- Chairman: Investment Committee
- Member: Remuneration Committee
  Human Resource Committee
  Risk Committee

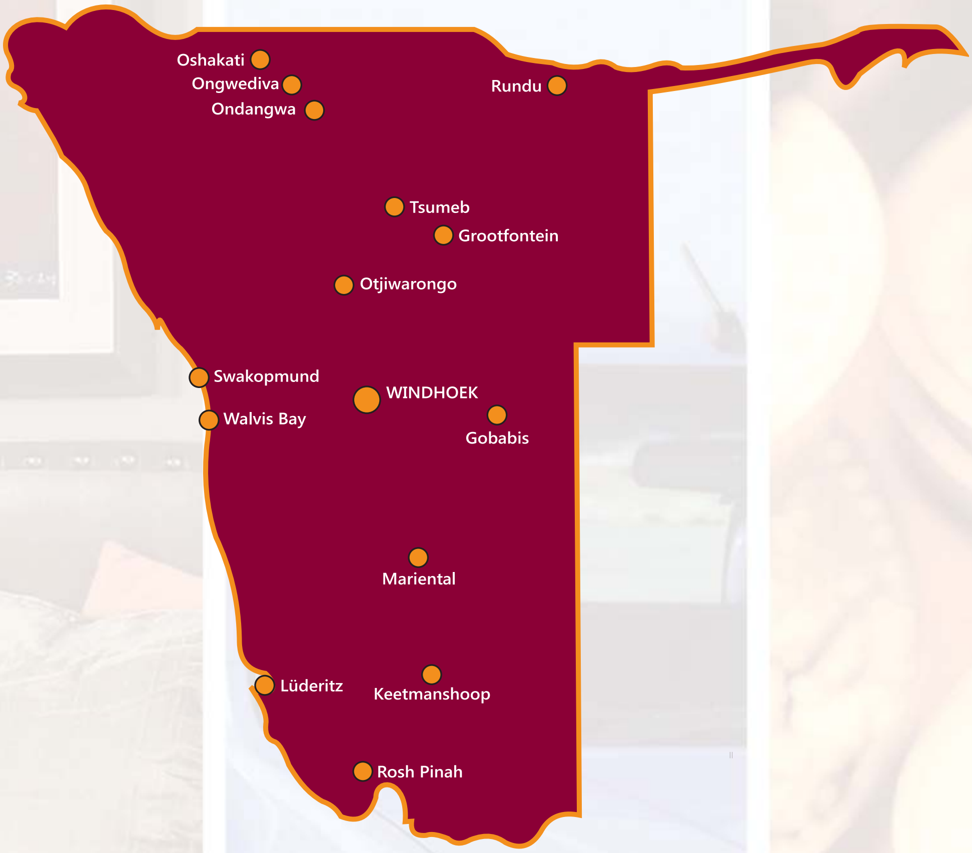
FR van Staden (50)
- CA (SA), CA (NAM)
- Managing Director: Motor Retail
- Chairman: Risk Committee
- Member: Audit Committee

WO Fourie (38)
- CA (SA), CA (NAM)
- Executive Director
- Chairman: Audit Committee
  Remuneration Committee
- Member: Investment Committee

JJ Retief (49)
- B.Com
- Managing Director: Furniture Retail
- Chairman: Human Resource Commitee
- Member: Risk Committee

WJ Bodenstein (32)
- B.Comm LLB
- Company Secretary

NICTUS OPERATIONS FOOTPRINT



	Furniture retail	Motor retail: Auas Motors	Motor retail: Trentyre	Insurance & Finance
Oshakati			✓	
Ongwediva	✓	✓		
Ondangwa			✓	
Rundu			✓	
Tsumeb	✓		✓	
Grootfontein			✓	
Otjiwarongo		✓	✓	✓
Swakopmund	✓	✓	✓	
Walvis Bay	✓	✓	✓	✓
Windhoek	✓	✓	✓	✓
Gobabis		✓	✓	
Mariental		✓	✓	
Lüderitz			✓	
Keetmanshoop			✓	
Rosh Pinah			✓	

NICTUS HOLDINGS LIMITED GROUP STRUCTURE

NICTUS HOLDINGS LIMITED

FURNITURE SEGMENT	MOTOR SEGMENT	INSURANCE & FINANCE SEGMENT
Nictus (Pty) Ltd 100%	Auas Motors (Pty) Ltd 100%	Corporate Guarantee and Insurance Company of Namibia Ltd 100%
Nictus Eiendomme (Pty) Ltd 100%	Hochland 7191 (Pty) Ltd 100%	→ Futeni Collections (Pty) Ltd 100%
Werda Weskusontwikkeling (Pty) Ltd 100%	Khomas Car Rental and Leasing (Pty) Ltd 100%	→ Karas Securities Ltd 100%
Bonsai Investments Nineteen (Pty) Ltd 100%	Hakos Capital and Finance (Pty) Ltd 100%	
Grenada Investments Two (Pty) Ltd 100%	Acacia Properties (Pty) Ltd 100%	
Grenada Investments Three (Pty) Ltd 100%	Willow Properties (Pty) Ltd 100%	
	Yellow Wood Properties (Pty) Ltd 100%	
	Marulaboom Properties (Pty) Ltd 100%	
	Trentyre (Namibia) (Pty) Ltd 100%	

CORPORATE GOVERNANCE REPORT

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 Corporate Governance Code for Namibia, (Nam Code). 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 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:

Name	Status	Board	Audit Committee	Remuneration Committee	Investment Committee	Human Resource Committee	Risk Committee
PJ de W Tromp	Executive chairman	8/8	√ 2/2	√ 1/1	√ 1/1	√ 1/1	
WO Fourie	Executive	8/8	√ C 2/2	√ C 1/1	√ 1/1		
NC Tromp	Executive	8/8		√ 1/1	√ C 1/1	√ 1/1	√
FR van Staden	Executive	8/8	√ 2/2				C √
JJ Retief	Executive	8/8				√ 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 executive director and further consists of two other 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 on how it has discharged its duties.

GOVERNANCE OF RISK (RISK MANAGEMENT COMMITTEE)

The Risk Management Committee assists 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 Nictus's risk management plan to the Group risk management team and the implementation and the monitoring thereof to segment board of directors.

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 is briefed on strategic and risk related developments by senior executives. 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 three 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 three executive directors and are responsible to determine just and equitable remuneration policies for the Group and make related recommendations to the Board.

- **Risk Management Committee**

  The Risk Management Committee consists of 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 the chairman of the board 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 consists of three directors appointed by the Board and meets on a monthly basis. 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 consists of three executive directors.

- **Human Resource committee**

  The human resource committee consists of three executive directors. Its main functions are to advise the board on the management of the human capital aspect of the Group as well as the development of current and future leaders within the Group.

REMUNERATION REPORT

REMUNERATION COMMITTEE

The detail 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 the Nam Code. 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 2014 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

The Group enjoys non-executive directorship representation at segment director's level of the motor, insurance and furniture segments.

Non-executive directors are expected to perform the tasks and duties normally associated with the position of a non-executive director as defined in the Companies Act, the Nam Code 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 2015 are to be approved by the shareholders on 28 August 2014. Fees for the period commencing 1 April 2014 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 34 of the annual report.

FIVE YEAR REVIEW OF THE NICTUS GROUP

Figures in Namibia Dollar thousand	2014	2013	2012	2011	2010
Statement of Financial Position					
Assets					
Non-current assets	451 404	331 844	336 530	295 085	299 228
Current assets	732 808	582 598	494 596	414 036	334 226
Total assets	**1 184 212**	**914 442**	**831 126**	**709 121**	**633 454**
Liabilities					
Non-current liabilities	44 273	17 709	15 212	24 073	21 261
Current liabilities	1 032 861	817 469	697 238	618 403	551 194
Total liabilities	**1 077 134**	**835 178**	**712 450**	**642 476**	**572 455**
Equity					
Stated capital	129	129	129	129	129
Reserves	68 989	58 749	55 439	33 744	37 351
Retained earnings	37 960	20 386	63 108	32 772	23 519
Total equity	**107 078**	**79 264**	**118 676**	**66 645**	**60 999**
Total equity and liabilities	**1 184 212**	**914 442**	**831 126**	**709 121**	**633 454**
Profit and loss account					
Revenue	725 276	462 771	516 346	453 597	350 428
Cost of sales	(591 441)	(376 215)	(424 255)	(380 394)	(282 424)
Gross profit	**133 835**	**86 556**	**92 091**	**73 203**	**68 004**
Other income	37 963	17 411	32 900	27 250	22 835
Operating expenses	(140 694)	(115 706)	(103 104)	(81 775)	(76 751)
Operating profit / (loss)	**31 104**	**(11 739)**	**21 887**	**18 678**	**14 088**
Investment Income	6 380	7 376	5 851	5 045	3 005
Finance costs	(7 852)	(3 895)	(4 266)	(4 476)	(4 696)
Profit / (loss) before taxation	**29 632**	**(8 258)**	**23 472**	**19 247**	**12 397**
Taxation	(5 083)	(1 154)	(1 342)	(3 601)	563
Profit / (loss) for the year	**24 549**	**(9 412)**	**22 130**	**15 646**	**12 960**
Retained income / (loss) for the year	**24 549**	**(9 412)**	**22 130**	**15 646**	**12 960**

Figures in Namibia Dollar thousand	2014	2013
Performance per ordinary share		
Basic earnings / (loss) per share (cents)	45,93	(30,09)
Headline earnings / (loss) per share (cents)	6,85	(30,60)
Dividend per share (cents)	-	56,13
Net worth (cents)	200,36	148,31
Financial ratios		
Liquidity ratios		
Current ratio	0,71	0,71
Liability ratio	8,68	9,56
Borrowings ratio	0,88	0,91
Dividend cover (times)	-	(0,32)
Profitability and asset management		
Net operating profit to turnover (%)	5,17	(0,94)
Return on assets managed (%)	18,36	(2,36)
Return on shareholders' equity (%)	22,93	(11,87)
Net asset turn (times)	3,55	2,50
Debt leverage		
Interest cover (times)	4,77	(1,12)
Namibian Stock Exchange performance		
Market price High (cents)	240	250
Market price Low (cents)	240	240
Market price at year end (cents)	240	240
Price earnings ratio	35,04	(7,84)
Earnings yield (%)	2,85	(12,75)
Market capitalisation (N$'000)	128 264	128 264

The share performance and financial ratios have only been disclosed for the last two years, since the Nictus Holdings Group was listed on the Namibian Stock Exchange during September 2012.

DEFINITIONS OF RATIOS AND TERMS

BASIC 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

Figures in Namibia Dollar thousand	2014	2014	2013	2013

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

Value Added				
Value added by operating activities				
Revenue	725 276		462 771	
Cost of materials and services	(683 862)		(416 626)	
Other income	28 101		6 032	
Investment income from operations	9 862		11 378	
	79 377	**100**	**63 555**	**100**
Value Distributed: applied as follows				
To Pay Employees				
Salaries, wages, medical and other benefits	49 961		38 527	
	49 961	**63**	**38 527**	**61**
To Pay Providers of Capital				
Finance costs	7 852		3 895	
Dividends	-		30 000	
	7 852	**10**	**33 895**	**53**
To be retained in the business for expansion and future wealth creation:				
Value reinvested				
Depreciation, amortisation and impairments	2 098		1 699	
Deferred tax	(5 083)		(1 154)	
	(2 985)	**(4)**	**545**	**1**
Value retained				
Retained profit / (loss)	24 549		(9 412)	
	24 549	**31**	**(9 412)**	**(15)**
Total Value Distributed	**79 377**	**100**	**63 555**	**100**

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

Direct and indirect taxes				
Value added tax	20 075		12 983	
Pay As You Earn	9 129		7 006	
	29 204		**19 989**	

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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, as set out on pages 19 to 79, which comprise the directors' report, the statements of financial position as at 31 March 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTOR'S RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

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

AUDITORS' 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 management, as well as evaluating the overall presentation of the annual 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 2014, and its consolidated and separate financial performance and its 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
Chartered Accountants and Auditors (Namibia)

Per: A van Coller
Partner

Windhoek, Namibia
09 June 2014

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year ended 31 March 2014 and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated and separate financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and 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 consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group and Company's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, they are satisfied that the Group and Company has or has access to adequate resources to continue in operational existence for the foreseeable future. The directors have made an assessment of the Group's and Company's ability to continue as a going concern and there is no reason to believe that the business will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with the applicable financial reporting framework. The consolidated and separate financial statements have been examined by the Group's external auditors and their report is presented on page 17.

The consolidated and separate annual financial statements set out on pages 19 to 79, which have been prepared on the going concern basis, were approved by the board on 09 June 2014 and were signed on its behalf by:

PJ de W Tromp
Executive Chairman

WO Fourie
Chairman: Audit Committee

DIRECTORS' REPORT TO THE MEMBERS OF NICTUS HOLDINGS LTD

The directors have pleasure in submitting their report on the consolidated financial statements of the Group for the year ended 31 March 2014.

1. Review of financial results and activities

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

The Group recorded a net profit after tax for the year ended 31 March 2014 of N$ 24,5 million. This represented an increase of 361% from the net loss after tax of the prior year of N$ 9,4 million.

The Company recorded a net loss after tax for the year ended 31 March 2014 of N$ 7,1 million. This represented a decrease of 138% from the net profit after tax of the prior year of N$ 18,6 million.

Group revenue increased by 57% from N$ 463 million in the prior year to N$ 725 million for the year ended 31 March 2014.

The Company recorded revenue for the year ended 31 March 2014 of N$ 2,2 million. This represented an increased of 200% from revenue of the prior year of N$ 0,7 million.

The Group's assets increased by 30% from N$ 914 million in the prior year to N$ 1 184 mllion at 31 March 2014.

The Company's assets increased by 32% from N$ 113 million in the prior year to N$ 149 million at 31 March 2014.

2. Interests in subsidiaries

Details of interests in subsidiary companies are presented in the consolidated annual financial statements in note 6.

The interest of the Company in the profits and losses of its subsidiaries are as follows:

	2014 N$ '000	2013 N$ '000
Subsidiaries		
Total profits after taxation	20 066	6 537
	20 066	**6 537**

The Group acquired 100% interest in Trentyre (Namibia) (Pty) Ltd during the current year for a consideration of N$ 32,7 million. Trentyre (Namibia) (Pty) Ltd is one of the largest tyre service providers in Namibia and operates as the distributor and retailer of Goodyear products, as well as operating as an authorised Arctic retreader. It sells and manufactures new multi-brand tyres, retreaded tyres, wheels and allied services.

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

3. Segmental analysis

A detailed segmental analysis is included in note 40 of the consolidated annual financial statements.

4. Directorate

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

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

5. Dividends

Preference dividend paid	2014 N$'000	2013 N$'000
- On 30 September	895	618
- On 31 March	908	613
	1 803	**1 231**

Ordinary dividend paid

Ordinary dividends of N$ 30 million was declared and paid by the Company for the year ended 31 March 2013.

Since 31 March 2014, the following dividend was approved by the Board on 09 June 2014 in respect of the year ended 31 March 2014. The dividend has not been provided for and there are no accounting implications for the current financial year.

	2014 N$'000
15 cents per share	8 017

Last date to trade ordinary shares "cum" dividend	Friday 11 July 2014
Ordinary shares trade "ex" dividend	Monday 14 July 2014
Record date	Friday 18 July 2014
Payment/issue date	Monday 21 July 2014

Share certificates may not be dematerialised between Monday 14 July and Friday 18 July 2014 both days inclusive.

By order of the Board

6. Shareholding and 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.

Composition of shareholders	**Number of shareholders**	**%**	**Number of shares**	**%**
Non public shareholders: Directors and associates	15	2,34	31 000 406	58,01
Non public shareholders: Strategic Holdings (more than 5%)	3	0,47	11 779 449	22,04
Public shareholders	622	97,19	10 663 645	19,95
	640	**100**	**53 443 500**	**100**

Distribution of shareholders	**Number of shareholders**	**%**	**Number of shares**	**%**
Banks / Brokers	2	0,31	123	-
Close Corporations	4	0,63	1 027 546	1,93
Individuals	565	88,28	4 741 133	8,87
Insurance companies	2	0,31	499 426	0,93
Nominees and Trusts	39	6,09	28 186 088	52,74
Other corporations	4	0,63	236 262	0,44
Private companies	19	2,97	5 657 588	10,59
Public companies	5	0,78	13 095 334	24,50
	640	**100**	**53 443 500**	**100**

Shareholders with an interest above 5% in ordinary shares	**Number of shares**	**%**
N.C. Tromp (Director)	26 543 910	49,67
MRT Trust	5 200 000	9,73
KCB Trust	3 670 000	6,87
Ultra Investments (Pty) Ltd	2 909 449	5,44

Indirect interest of directors, including their families, in stated capital	**Number of shares: 2014**	**Number of shares: 2013**
Beneficial:		
N.C. Tromp	26 543 910	26 731 140
Non-beneficial		
W.O. Fourie	1 148 962	1 122 984
J.J. Retief	1 211 996	1 186 018
P.J. de W Tromp	1 414 802	1 389 979
N.C. Tromp	1 936 346	1 912 899
F.R. van Staden	1 512 008	1 486 030
	33 768 024	**33 829 050**

The register of interests of directors and others in shares of the Company is available to the shareholders on request. There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

7. Stated capital

Refer to note 14 of the consolidated annual financial statements for detail of the movement in authorised stated capital. The authorised ordinary no par value shares were increased to one billion (1 000 000 000) ordinary no par value shares during the year ended 31 March 2014.
There have been no changes to the issued stated capital during the year under review. The unissued ordinary shares remain under the control of the directors with the authority to allot and issue such shares at their sole discretion until the next annual general meeting of the shareholders of Nictus Holdings Limited.

8. Events after the reporting period

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

9. Auditors

SGA Chartered Accountants and Auditors (Namibia) continued in office as auditors for the company and its subsidiaries for 2014.

At the annual general meeting, the shareholders will be requested to reappoint SGA Chartered Accountants and Auditors (Namibia) as the independent external auditors of the company and to confirm Mrs A van Coller as the designated lead audit partner for the 2015 financial year.

10. Secretary

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

Registered offices

3rd Floor, Corporate House
17 Luderitz Street, Windhoek
Private Bag 13231, Windhoek
Namibia

11. Date of authorisation for issue of financial statements

The consolidated annual financial statements have been authorised for issue by the directors on 09 June 2014. No authority was given to anyone to amend the consolidated financial statements after the date of issue.

STATEMENTS OF FINANCIAL POSITION

- FOR THE YEAR ENDED 31 MARCH 2014

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2014	2013	2014	2013
Assets					
Non-Current Assets					
Investment property	3	-	-	10 000	-
Property, plant and equipment	4	202 387	145 539	87	10 265
Intangible assets	5	808	689	-	-
Investments in subsidiaries	6	-	-	90 876	58 184
Investments	7	10 668	19 267	9 648	18 598
Deferred tax	8	4 175	5 968	-	-
Loans and receivables	9	233 366	160 381	-	-
		451 404	**331 844**	**110 611**	**87 047**
Current Assets					
Inventories	10	106 076	65 306	-	-
Loans to related parties	11	-	-	28 542	24 290
Investments	7	6 671	4 558	-	-
Current tax receivable		28	28	-	-
Trade and other receivables	12	270 635	239 002	9 349	1 410
Cash and cash equivalents	13	349 398	273 704	-	-
		732 808	**582 598**	**37 891**	**25 700**
Total Assets		**1 184 212**	**914 442**	**148 502**	**112 747**
Equity and Liabilities					
Equity					
Stated capital	14	129	129	129	129
Reserves	15&16	68 989	58 749	-	-
Retained earnings		37 960	20 386	18 539	25 686
		107 078	**79 264**	**18 668**	**25 815**
Liabilities					
Non-Current Liabilities					
Loans from related parties	11	-	-	20 000	20 000
Interest-bearing loans and borrowings	17	25 278	4 989	-	-
Deferred tax	8	18 995	12 720	91	4
		44 273	**17 709**	**20 091**	**20 004**
Current Liabilities					
Loans from related parties	11	14 627	-	92 779	27 218
Interest-bearing loans and borrowings	17	58 359	52 014	14 798	20 064
Trade and other payables	18	75 383	41 509	424	135
Provisions	19	2 768	2 443	-	-
Insurance contract liability	20	872 562	700 269	-	-
Bank overdraft	13	9 162	21 234	1 742	19 511
		1 032 861	**817 469**	**109 743**	**66 928**
Total Liabilities		**1 077 134**	**835 178**	**129 834**	**86 932**
Total Equity and Liabilities		**1 184 212**	**914 442**	**148 502**	**112 747**

STATEMENTS OF COMPREHENSIVE INCOME

- FOR THE YEAR ENDED 31 MARCH 2014

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2014	2013	2014	2013
Revenue	21	725 276	462 771	2 174	725
Cost of sales		(591 441)	(376 215)	-	-
Gross profit		**133 835**	**86 556**	**2 174**	**725**
Other income	22	28 101	6 032	43	(857)
Operating expenses		(95 357)	(74 167)	(2 693)	(2 186)
Investment income from operations	23	9 862	11 378	3 390	27 148
Administrative expenses		(45 337)	(41 538)	(2 738)	(3 175)
Operating profit / (loss)	24	**31 104**	**(11 739)**	**176**	**21 655**
Investment income	23	6 380	7 376	3 553	2 103
Fair value adjustments	25	-	-	(1 234)	-
Finance expenses paid	26	(7 852)	(3 895)	(9 555)	(5 118)
Profit / (loss) before taxation		**29 632**	**(8 258)**	**(7 060)**	**18 640**
Taxation	27	(5 083)	(1 154)	(87)	(6)
Profit / (loss) for the year		**24 549**	**(9 412)**	**(7 147)**	**18 634**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains on property revaluation		5 124	-	-	-
Income tax relating to items that will not be reclassified		(1 859)	-	-	-
Total items that will not be reclassified to profit or loss		**3 265**	**-**	**-**	**-**
Other comprehensive income for the year net of taxation	28	**3 265**	**-**	**-**	**-**
Total comprehensive income / (loss) for the year		**27 814**	**(9 412)**	**(7 147)**	**18 634**
Total comprehensive income / (loss) attributable to:					
Owners of the parent		27 814	(9 412)	(7 147)	18 634
Profit / (loss) attributable to :					
Owners of the parent		24 549	(9 412)	(7 147)	18 634
Earnings per share					
Per share information					
Basic earnings / (loss) per share (cents)	41	45,93	(30,09)		
Diluted earnings / (loss) per share (cents)	41	45,93	(30,09)		

STATEMENTS OF CHANGES IN EQUITY

- FOR THE YEAR ENDED 31 MARCH 2014

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 01 April 2012	**-**	**129**	**129**	**46 243**	**9 196**	**55 439**	**63 108**	**118 676**
Loss for the year	-	-	-	-	-	-	(9 412)	(9 412)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(9 412)**	**(9 412)**
Issue of ordinary no par value shares	129	-	129	-	-	-	-	129
Cancellation of ordinary par value shares	-	(129)	(129)	-	-	-	-	(129)
Transfer from retained earnings to contingency reserve	-	-	-	-	3 310	3 310	(3 310)	-
Dividends paid to ordinary shareholders	-	-	-	-	-	-	(30 000)	(30 000)
Total contributions by and distributions to owners of company recognised directly in equity	**129**	**(129)**	**-**	**-**	**3 310**	**3 310**	**(33 310)**	**(30 000)**
Balance at 01 April 2013	**129**	**-**	**129**	**46 243**	**12 506**	**58 749**	**20 386**	**79 264**
Profit for the year	-	-	-	-	-	-	24 549	24 549
Other comprehensive income	-	-	-	3 265	-	3 265	-	3 265
Total comprehensive income for the year	**-**	**-**	**-**	**3 265**	**-**	**3 265**	**24 549**	**27 814**
Transfer from retained earnings to contingency reserve	-	-	-	-	6 975	6 975	(6 975)	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**6 975**	**6 975**	**(6 975)**	**-**
Balance at 31 March 2014	**129**	**-**	**129**	**49 508**	**19 481**	**68 989**	**37 960**	**107 078**
Note(s)	14	14	14	15&28	16		28	

STATEMENTS OF CHANGES IN EQUITY

- FOR THE YEAR ENDED 31 MARCH 2014

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
Company								
Balance at 01 April 2012	**-**	**129**	**129**	**-**	**-**	**-**	**37 052**	**37 181**
Profit for the year	-	-	-	-	-	-	18 634	18 634
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**18 634**	**18 634**
Issue of ordinary no par value shares	129	-	129	-	-	-	-	129
Cancellation of ordinary par value shares	-	(129)	(129)	-	-	-	-	(129)
Dividends paid to ordinary shareholders	-	-	-	-	-	-	(30 000)	(30 000)
Total contributions by and distributions to owners of company recognised directly in equity	**129**	**(129)**	**-**	**-**	**-**	**-**	**(30 000)**	**(30 000)**
Balance at 01 April 2013	**129**	**-**	**129**	**-**	**-**	**-**	**25 686**	**25 815**
Loss for the year	-	-	-	-	-	-	(7 147)	(7 147)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(7 147)**	**(7 147)**
Balance at 31 March 2014	**129**	**-**	**129**	**-**	**-**	**-**	**18 539**	**18 668**
Note(s)	14	14	14	15&28	16		28	

STATEMENTS OF CASH FLOWS

- FOR THE YEAR ENDED 31 MARCH 2014

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2014	2013	2014	2013
Cash flows from operating activities					
Cash generated from / (used in) operations	30	164 395	69 287	(20 442)	(10 079)
Investment income from operations received		6 380	7 376	3 553	2 103
Dividends received		-	-	13 010	30 996
Finance expenses paid		(7 852)	(3 895)	(9 555)	(5 118)
Tax paid	31	-	(400)	-	-
Net cash generated from / (used in) operating activities		**162 923**	**72 368**	**(13 434)**	**17 902**
Cash flows from investing activities					
Acquisition of property, plant and equipment	4	(18 995)	(28 863)	(43)	(10 288)
Proceeds on disposal of property, plant and equipment	4	1 555	2 553	-	-
Acquisition of investment property	3	-	-	(1 055)	-
Acquisition of intangible assets	5	(366)	(528)	-	-
Business combinations	38	(24 087)	-	-	-
Acquisition of investments		-	(16 804)	-	(18 598)
Disposal of investments		6 486	-	8 950	-
Loans and receivables advanced		(72 985)	-	-	-
Loans and receivables repaid		-	35 903	-	-
Disposal of subsidiary		-	-	-	1 401
Acquisition of subsidiary		-	-	(32 692)	-
Net cash used in investing activities		**(108 392)**	**(7 739)**	**(24 840)**	**(27 485)**
Cash flows from financing activities					
Proceeds from interest-bearing loans and borrowings		18 608	-	-	5 130
Repayment of interest-bearing loans and borrowings		-	(2 462)	(5 266)	-
Dividends paid	32	-	(30 000)	-	(30 000)
Loans to related parties repaid		-	-	(4 252)	(5 577)
Loans advanced to related parties		14 627	10 607	65 561	24 987
Net cash generated from / (used in) financing activities		**33 235**	**(21 855)**	**56 043**	**(5 460)**
Total cash movement for the year		**87 766**	**42 774**	**17 769**	**(15 043)**
Cash and cash equivalents at the beginning of the year		252 470	209 696	(19 511)	(4 468)
Total cash and cash equivalents at end of the year	13	**340 236**	**252 470**	**(1 742)**	**(19 511)**

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 2014 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), and the requirements of the Companies Act of Namibia.

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 the 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 investment property;
Note 4 - Fair value adjustment of land and buildings;
Note 3&4&5- Residual values and useful lives of investment property, property, plant and equipment and intangible assets;
Note 8 - Utilisation of tax losses;
Note 9&11&12- Valuation of loans and receivables;
Note 10- Valuation of inventory;
Note 20 - Insurance provisions and liabilities; and
Note 7&36&37- Valuation of investments and other financial instruments.

Fair value adjustment of investment properties and land and buildings

The Group's Board of directors value the Group’s investment property portfolio on an annual basis. An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the locations and category of properties being valued, also provides supportive information used in the valuation process. The fair values are based on valuations and other market information that take into consideration the estimated rental value and replacement value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. Should any of the assumptions used in the valuation calculation change, it could have a material impact on the results of the Group.

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

The residual value of items of investment property; property, plant and equipment and intangible assets is the estimated amount for which an item of investment property; 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 investment property; property, plant and equipment and intangible assets are determined based on historical factors with regards to similar items of investment property; property, plant and equipment and intangible assets.

1.1 Significant judgements and estimates (continued)

Expected manner of realisation for deferred tax

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

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and Company 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 and Company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group and Company 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 and Company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Loans and receivables

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

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.

Insurance provisions and liabilities

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

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 end of the reporting period. 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 the end of each reporting period. 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 provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

1.2 Basis of consolidation

Subsidiaries

Subsidiaries are those entities controlled by the Group. The Group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Transactions eliminated on consolidation

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

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

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 ofbusiness, 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 and costs incurred subsequently to add to, or to replace a part of, or service 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

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 to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other costs are recognised in the profit or loss as an expense as incurred.

1.4 Property, plant and equipment (continued)

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.

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 for items of property, plant and equipment have been assessed as follows:

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

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

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 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.

An intangible asset arising from development (or from the development phase of an internal project) 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 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.

1.7 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.

1.7 Financial instruments (continued)

Subsequent measurement

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

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

Loans to related parties are classified as loans and receivables.

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

Trade and other receivables are classified as loans and receivables.

Cash and cash equivalents
Cash and cash equivalents 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.

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

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

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

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
Financial assets that the Group has the positive intention and ability to hold to maturity are classified as held to maturity. Held-to maturity investments are measured at amortised cost using the effective interest rate 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.

1.7 Financial instruments (continued)

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.

Bank overdraft and 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 fair value, 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.

1.8 Income tax and deferred tax

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

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

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

1.8 Income tax and deferred tax (continued)

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).

1.9 Leases

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

Finance leases - lessor

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

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

Finance leases – lessee

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

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

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

Operating leases - lessor

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

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

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

Operating leases – lessee

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

Any contingent rents are expensed in the period they are incurred.

1.10 Inventories

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

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

The cost of inventories 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 the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The 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.

1.11 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 an asset may be 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.

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.

1.11 Impairment of assets (continued)

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.

1.12 Stated capital

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

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

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

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

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.

1.13 Employee benefits

Short-term employee benefits

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

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

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

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.

1.14 Provisions and contingencies

Provisions are recognised when:

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

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

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.

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

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

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

1.15 Revenue

The Group's revenue comprises of the following:
- sale of goods,
- rental income,
- finance income,
- insurance premium income, and
- management fees.

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

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

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

1.15 Revenue (continued)

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income

Some properties in the Group comprise a portion held to earn rental income and another portion is held for 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.

1.16 Other income

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

1.17 Finance costs

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

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

1.18 Translation of foreign currencies

Functional and presentation currency

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

Foreign currency transactions

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.

At the end of the reporting period:

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

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

1.19 Classification of insurance contracts

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

The Group classifies financial guarantee contracts issued as insurance contracts.

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

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

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.

1.19 Classification of insurance contracts (continued)

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

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

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

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

1.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's 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.

1.21 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.

Investment property and 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 related parties
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.

1.22 Interests 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.

1.23 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:
- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:
- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

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

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

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

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

At the date of authorisation of these annual financial statements, the following standards and interpretations have become 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 28 (2011) Investments in Associates and Joint Ventures
- IFRS 10 Consolidated Financial Statements
- IAS 27 Separate Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 1 Presentation of Financial Statements - presentation of items of other Comprehensive income
- IAS 19 Employee Benefits Revised
- Amendments to IFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities
- IAS 16 - Amendments to recognition and classification of servicing equipment
- Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities
- IAS 34 - Amendments to improve the disclosure for interim financial reporting and segment information for total assets and liabilities
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.

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's accounting periods beginning on or after 01 April 2014 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 on 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.

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

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

2. New Standards and Interpretations (continued)

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

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.

IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets

The amendment brings the disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the disclosure requirements of IFRS 13 Fair Value Measurements.

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.

IFRIC 21 Levies

The interpretation provides guidance on accounting for levies payable to government. It specifies that the obligating event giving rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. A constructive obligation for levies that will be triggered by operating in future is not raised by virtue of the entity being economically compelled to operate in future or for being a going concern. Furthermore, if the obligating event occurs over a period of time, then the liability is recognised progressively. An asset is recognised if an entity has prepaid a levy before the obligating event. This accounting also applies to interim reporting.

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

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

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

IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting

The amendment provides guidance on whether an entity is required to discontinue hedging when the derivatives which are designated hedging instruments are novated to a central counterparty.

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.

IFRS 10, IFRS 12 and IAS 27 – Investment Entities

The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27.

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

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

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

Figures in Namibia Dollar thousand

3. Investment property

Company	2014					
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment property	10 000	-	10 000	-	-	-

Reconciliation of investment property - Company - 2014

	Opening balance	Additions resulting from capitalised subsequent expenditure	Transfer from property, plant and equipment (owner-occupied)	Fair value adjustments	Total
Investment property	-	1 055	10 179	(1 234)	10 000

	Company 2014	Company 2013
Fair value of investment property	10 000	-

Other disclosures

During the current reporting period, the property was leased to one of its subsidiaries, Auas Motors (Pty) Ltd. The property was thus transferred from owner-occupied property to investment property in the separate financial statements of the Company. The property does not qualify as investment property in the consolidated annual financial statements, because the property is owner-occupied from a Group perspective.

Details of property

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

Details of valuation

The property was valued by the Company's directors at 31 March 2014. The valuation was based on open market value for existing use. These assumptions are based on current market conditions.

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

Fair value hierarchy of investment property

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

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

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

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

Level 2		
Investment property	10 000	-

Figures in Namibia Dollar thousand

4. Property, plant and equipment

Group	2014					
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	101 816	-	101 816	78 581	-	78 581
Buildings	93 644	(1 712)	91 932	63 105	(1 555)	61 550
Plant and machinery	7 011	(2 731)	4 280	4 471	(2 597)	1 874
Motor vehicles	12 426	(8 067)	4 359	3 460	74	3 534
Total	**214 897**	**(12 510)**	**202 387**	**149 617**	**(4 078)**	**145 539**

Company	2014					
	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	149	(62)	87	109	(23)	86
Total	**149**	**(62)**	**87**	**10 288**	**(23)**	**10 265**

Reconciliation of property, plant and equipment - Group - 2014

	Opening balance	Additions	Additions through business combinations	Disposals	Revaluations	Depreciation	Total
Land	78 581	3 767	19 972	-	(504)	-	101 816
Buildings	61 550	11 270	13 609	-	5 628	(125)	91 932
Plant and machinery	1 874	2 971	383	(193)	-	(755)	4 280
Motor vehicles	3 534	987	1 722	(913)	-	(971)	4 359
	145 539	**18 995**	**35 686**	**(1 106)**	**5 124**	**(1 851)**	**202 387**

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 - Company - 2014

	Opening balance	Additions	Disposals	Transfer to investment property	Depreciation	Total
Land	6 185	-	-	(6 185)	-	-
Buildings	3 994	-	-	(3 994)	-	-
Plant and machinery	86	43	(2)	-	(40)	87
	10 265	**43**	**(2)**	**(10 179)**	**(40)**	**87**

Figures in Namibia Dollar thousand

4. Property, plant and equipment (continued)

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**

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. A first continuing covering mortgage bond is registered in the name of Trentyre (Namibia) (Pty) Ltd over Erf 1610, Windhoek to the value of N$10 million. Also refer to note 13 for further details. Motor vehicles with a net book value of N$ 1,4 million serve as security over bank loans. Also refer to note 17 for further details.

Revaluations

Land and buildings are revalued annually. The Group's board of directors revalued the land and buildings at 31 March 2014. The valuation was based on the open market value for existing use. These assumptions were based on current market conditions. The prior year was valued by the Group's board of directors at 31 March 2013 at the carrying value of the land and buildings.

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

	Group 2014	Group 2013	Company 2014	Company 2013
Land	31 992	28 225	-	6 185
Buildings	41 132	28 000	-	993
	73 124	**56 225**	**-**	**7 178**

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

5. Intangible assets

Group	2014					
	Cost	Accumulated amortisation and accumulated impairment losses	Carrying value	Cost	Accumulated amortisation and accumulated impairment losses	Carrying value
Computer software	2 769	(1 961)	808	2 403	(1 714)	689

Reconciliation of intangible assets - Group - 2014

	Opening balance	Additions	Amortisation	Total
Computer software	689	366	(247)	808

Figures in Namibia Dollar thousand

5. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2013

	Opening balance	Additions	Amortisation	Total
Computer software	380	528	(219)	689

6. Investments in subsidiaries

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

Company

Name of company	Held by	% voting power 2014	% voting power 2013	% holding 2014	% holding 2013	Carrying amount 2014	Carrying amount 2013
Acacia Properties (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	730	730
Auas Motors (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	9 848	9 848
Bonsai Investments Nineteen (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	-	-
Corporate Guarantee and Insurance Company of Namibia Ltd	NHL *	100 %	100 %	100 %	100 %	24 012	24 012
Grenada Investments Two (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	-	-
Grenada Investments Three (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	-	-
Hakos Capital and Finance (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	8 050	8 050
Hochland 7191 (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	-	-
Khomas Car Rental and Leasing (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	-	-
Marulaboom Properties (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	-	-
Nictus (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	13 613	13 613
Nictus Eiendomme (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	472	472
Werda Weskusontwikkeling (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	200	200
Willow Properties (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	1 028	1 028
Yellow Wood Properties (Pty) Ltd	NHL *	100 %	100 %	100 %	100 %	231	231
Trentyre (Namibia) (Pty) Ltd	NHL *	100 %	- %	100 %	- %	32 692	-
Indirectly held through Corporate Guarantee and Insurance Company of Namibia Ltd:							
Futeni Collections (Pty) Ltd		100 %	100 %	100 %	100 %	-	-
Karas Securities Ltd		100 %	100 %	100 %	100 %	-	-
						90 876	58 184
Impairment of investment in subsidiaries						-	-
						90 876	58 184

* - Nictus Holdings Ltd

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

The company acquired 100% of the voting power of Trentyre (Namibia) (Pty) Ltd during the year. Refer to note 38 for more details.

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

7. Investments

At fair value through profit or loss				
Listed shares	15 650	23 156	8 979	18 598
Unlisted shares	669	669	669	-
Debt securities	1 020	-	-	-
	17 339	**23 825**	**9 648**	**18 598**
Non-current assets				
At fair value through profit or loss	10 668	19 267	9 648	18 598
Current assets				
At fair value through profit or loss	6 671	4 558	-	-
	17 339	**23 825**	**9 648**	**18 598**

Debt securities consists of government bonds which bear interest at 9.5% per annum.

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

Sensitivity analysis - equity price risk
A significant part of the Group's equity investments are listed on the Johannesburg Securities Exchanges (JSE). 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$ 0.156 million after tax (2013: an increase of N$ 0.232 million); an equal change in the opposite direction would have decreased profit by N$ 0.156 million after tax (2013: a decrease of N$ 0.232 million). This analysis assumes that all other variable remain constant. The analysis was performed on the same basis for 2013.

Fair value hierarchy of financial assets at fair value through profit or loss

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

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

Level 1				
Listed shares	15 650	23 156	8 979	18 598
Debt securities	1 020	-	-	-
	16 670	**23 156**	**8 979**	**18 598**
Level 3				
Unlisted shares	669	669	669	-
	17 339	**23 825**	**9 648**	**18 598**

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

7. Investments (continued)

Reconciliation of financial assets at fair value through profit or loss measured at level 3 - Group - 2014

	Opening balance	Total
Unlisted shares	669	669

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

	Opening balance	Total
Unlisted shares	669	669

The Company has acquired unlisted shares in a property holding company. The following significant judgements and assumptions were made to determine that the Company does not have significant influence over the property holding company even though it holds 29% of the voting rights:
- No representation on the board of directors of the property holding company and
- No provision of essential technical information.

Reconciliation of financial assets at fair value through profit or loss measured at level 3 - Company - 2014

	Opening balance	Purchases	Total
Unlisted shares	-	669	669

8. Deferred tax

Recognised deferred tax assets

	Group 2014	Group 2013	Company 2014	Company 2013
No claim bonus provision	3 669	3 154	-	-
Other provisions	2 589	-	-	-
Impairment of trade receivables	1 998	2 814	-	-
Deferred tax balance from temporary differences other than unused tax losses	8 256	5 968	-	-
Tax losses available for set off against future taxable income	8 518	6 844	-	-
	16 774	12 812	-	-
Total deferred tax asset	**16 774**	**12 812**	**-**	**-**

Recognised deferred tax liabilities

	Group 2014	Group 2013	Company 2014	Company 2013
Land and buildings	(17 950)	(10 414)	-	-
Plant and equipment	(1 298)	(1 105)	(91)	(4)
Computer software	(87)	(42)	-	-
Furniture trade receivables	(5 830)	(3 876)	-	-
Contingency reserve	(6 429)	(4 127)	-	-
Total deferred tax liability	**(31 594)**	**(19 564)**	**(91)**	**(4)**

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

8. Deferred tax (continued)

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

Deferred tax asset	4 175	5 968	-	-
Deferred tax liability	(18 995)	(12 720)	(91)	(4)
Total net deferred tax liability	**(14 820)**	**(6 752)**	**(91)**	**(4)**

Reconciliation of the opening with the closing balance

At beginning of the year	(6 752)	(5 598)	(4)	2
Charged to other comprehensive income - revaluation of assets	(1 859)	-	-	-
Charged to profit or loss	(5 083)	(1 154)	(87)	(6)
Business combination	(907)	-	-	-
Other	(219)	-	-	-
	(14 820)	**(6 752)**	**(91)**	**(4)**

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

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% (2013: 33%) is applied.

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

9. Loans and receivables

Loans and receivables	7 431	1 295	-	-
Long-term portion of trade debtors	16 603	11 760	-	-
Secured advances	205 332	138 326	-	-
Preference shares	4 000	9 000	-	-
	233 366	**160 381**	**-**	**-**

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% (2013: 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$ 205,5 million (2013: N$ 138,3 million).

The short-term portion of secured advances are included under trade receivables in note 12.

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 12.

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

Gross				
Not past due	233 366	160 381	-	-
Past due 31 - 120 days	3 643	5 594	-	-
	237 009	**165 975**	**-**	**-**
Provision for impairment				
Past due 31 - 120 days	(3 643)	(5 594)	-	-
Reconciliation of provision for impairment				
Opening balance	(5 594)	(4 596)	-	-
Provision raised during the year	-	(1 500)	-	-
Provision reversed during the year	1 951	502	-	-
	(3 643)	**(5 594)**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

10. Inventories

Raw materials, components	755	-	-	-
Work in progress	1 039	1 738	-	-
Merchandise and finished goods	107 788	65 743	-	-
	109 582	67 481	-	-
Inventories (write-downs)	(3 506)	(2 175)	-	-
	106 076	**65 306**	**-**	**-**

Inventory pledged as security

Inventory was pledged as security for floorplan facilities N$ 30,6 million (2013: N$ 30,5 million) of the Group Refer note 17 for details.

No inventories are stated at net realisable value.

11. Loans to / (from) related parties

Current loans to related parties

Acacia Properties (Pty) Ltd	-	-	1 724	1 103
Bonsai Investments Nineteen (Pty) Ltd	-	-	13 756	6 087
Grenada Investments Two (Pty) Ltd	-	-	816	3 240
Grenada Investments Three (Pty) Ltd	-	-	512	302
Hochland 7191 (Pty) Ltd	-	-	4 343	5 574
Marulaboom Properties (Pty) Ltd	-	-	848	3 288
Nictus (Pty) Ltd	-	-	2 379	-
Nictus Eiendomme (Pty) Ltd	-	-	177	66
Werda Weskusontwikkeling (Pty) Ltd	-	-	2 168	2 506
Willow Properties (Pty) Ltd	-	-	-	222
Yellow Wood Properties (Pty) Ltd	-	-	1 819	1 902
	-	**-**	**28 542**	**24 290**

Current loans from related parties

Auas Motors (Pty) Ltd	-	-	(19 675)	-
Futeni Collections (Pty) Ltd	-	-	(30 137)	(11 478)
Hakos Capital and Finance (Pty) Ltd	-	-	(13 294)	(3 707)
Karas Securities Ltd	-	-	(10 000)	(10 000)
Nictus (Pty) Ltd	-	-	-	(2 033)
Nictus Ltd	(14 627)	-	(14 627)	-
Trentyre (Namibia) (Pty) Ltd	-	-	(5 032)	-
Willow Properties (Pty) Ltd	-	-	(14)	-
	(14 627)	**-**	**(92 779)**	**(27 218)**

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

Non-current loans from related parties

Karas Securities Ltd	-	-	(20 000)	(20 000)

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

11. Loans to / (from) related parties (continued)

Current assets	-	-	28 542	24 290
Non-current liabilities	-	-	(20 000)	(20 000)
Current liabilities	(14 627)	-	(92 779)	(27 218)
	(14 627)	**-**	**(84 237)**	**(22 928)**

Fair value of loans to and from related parties

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

12. Trade and other receivables

Trade receivables	249 013	224 590	29	35
Deposits	95	42	-	-
VAT	13 017	6 888	1 771	1 375
Vehicle incentive claims	3 542	5 557	-	-
Sundry debtors	1 044	1 925	-	-
Other receivable	3 924	-	7 549	-
	270 635	**239 002**	**9 349**	**1 410**

The short-term portion of secured advances included under trade receivables is N$ 51,3 million (2013: N$ 95,4 million) and preference shares of N$ 5 million (2013: N$ 8,5 million).

Credit risk of trade and other receivables

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

Fair value of trade and other receivables

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

Segmental split				
Motor retail	71 085	26 794	-	-
Furniture retail	35 542	30 445	-	-
Insurance & Finance	159 148	180 382	-	-
Head Office	4 860	1 381	9 349	1 410
	270 635	**239 002**	**9 349**	**1 410**

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

Gross				
Not past due	249 759	225 754	7 551	35
Past due 0 - 30 days	6 338	3 046	27	-
Past due 31 - 120 days	1 856	2 655	-	-
Past due 121 - 365 days	1 622	2 892	-	-
More than one year	2 540	3 896	-	-
	262 115	**238 243**	**7 578**	**35**

Impairment allowance				
Past due 31 - 120 days	992	781	-	-
Past due 121 - 365 days	965	2 030	-	-
More than one year	2 540	3 318	-	-
	4 497	**6 129**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

12. Trade and other receivables (continued)

Reconciliation of provision for impairment of trade and other receivables

Opening balance	6 129	5 244	-	-
Provision utilised	85	2 155	-	-
Provision raised	(1 717)	(1 270)	-	-
	4 497	**6 129**	**-**	**-**

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	387	264	-	-
Bank balances	168 964	168 627	-	-
Short-term deposits	180 047	104 813	-	-
Bank overdraft	(9 162)	(21 234)	(1 742)	(19 511)
	340 236	**252 470**	**(1 742)**	**(19 511)**
Current assets	349 398	273 704	-	-
Current liabilities	(9 162)	(21 234)	(1 742)	(19 511)
	340 236	**252 470**	**(1 742)**	**(19 511)**

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	11 239	7 766	3 258	1 489

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

Suretyship of N$10 million was signed in favour of Trentyre (Namibia) (Pty) Ltd as security for the overdraft facility.

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

14. Stated capital

Authorised - no par value shares				
1 000 000 000 Ordinary no par value shares (2013: 55 000 000)	150	150	150	150
Reconciliation of number of no par value shares authorised ('000):				
Opening balance 1 April	55 000	-	55 000	-
Increase in authorised shares during the year	945 000	54 700	-	54 700
Conversion from par value to no par value shares	-	300	-	300
	1 000 000	**55 000**	**55 000**	**55 000**

The authorised ordinary shares were increased to one billion (1 000 000 000) no par value ordinary shares during the year ended 31 March 2014.

During the year ended 31 March 2013 the authorised ordinary shares were converted to no par value ordinary shares and increased to fifty five million (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				
53 443 500 Ordinary no par value shares (2013: 53 443 500 Ordinary no par value shares)	129	129	129	129

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All stated capital is fully paid up.

15. 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	46 243	-	-
Revaluation of property	3 265	-	-	-
	49 508	**46 243**	**-**	**-**

16. Contingency reserve

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

Opening balance	12 506	9 196	-	-
Transfer from retained earnings to contingency reserve	6 975	3 310	-	-
	19 481	**12 506**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013
17. Interest-bearing loans and borrowings				
Non-current				
Bank loans	15 557	-	-	-
Unsecured loans	9 721	4 989	-	-
	25 278	**4 989**	**-**	**-**
Current				
Wesbank new vehicle finance	36 783	29 028	-	-
Bank loans	2 698	-	-	-
Unsecured loans	18 878	22 986	14 798	20 064
	58 359	**52 014**	**14 798**	**20 064**
	83 637	**57 003**	**14 798**	**20 064**

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 (2013: 21 days). 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.

Bank loans
Bank loans of the Group are from Standard Bank of Namibia Limited. The loans bear interest at Standard Bank Namibia overdraft rates ranging from prime less 1,5% to prime less 0,75%.

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

The non-current portion of the unsecured loans is due to a reciprocal agreement with Nedbank Namibia Limited. The loans bear interest at the Nedbank Namibia Bank overdraft rate ranging from less 2% to less 1,5% (2013: 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 2014	Group 2013	Company 2014	Company 2013
Non-current liabilities				
At amortised cost	25 278	4 989	-	-
Current liabilities				
At amortised cost	58 359	52 014	14 798	20 064
	83 637	**57 003**	**14 798**	**20 064**

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

18. Trade and other payables

Trade payables	52 634	27 088	424	135
VAT	1 094	2 860	-	-
Sundry creditors	9 854	6 828	-	-
Accruals	11 801	4 733	-	-
	75 383	**41 509**	**424**	**135**

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 35.

19. Provisions

Reconciliation of provisions - Group - 2014

	Opening balance	Utilised during the year	Total
Used vehicle extended warranty provision	326	7	333
Used vehicle warranty provision	153	53	206
Workshop warranty provision	379	125	504
Workshop comeback provision	855	64	919
Service and maintenance plan provision	730	76	806
	2 443	**325**	**2 768**

Reconciliation of provisions - Group - 2013

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

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.

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013
20. Insurance contract liability				
Gross provision for unearned premiums	847 808	681 956	-	-
Gross provision for no claim bonus	11 118	9 559	-	-
Gross provision for IBNR	13 636	8 754	-	-
	872 562	**700 269**	**-**	**-**
Analysis of movements in gross unearned premiums				
Opening balance	681 956	567 825	-	-
Claims paid	(3 680)	(8 778)	-	-
Movement from other liability to insurance contract liability	-	9 087	-	-
IBNR provided	(4 882)	(2 317)	-	-
Net written premiums	194 353	127 413	-	-
Net underwriting result	(19 939)	(11 274)	-	-
	847 808	**681 956**	**-**	**-**
Analysis of movements in no claim bonus provision				
Opening balance	9 559	8 179	-	-
No claim bonus charge to profit or loss	33 566	25 826	-	-
No claim bonus paid	(32 007)	(24 446)	-	-
	11 118	**9 559**	**-**	**-**
Analysis of movements in gross IBNR				
Opening balance	8 754	6 437	-	-
IBNR portion provided	4 882	2 317	-	-
	13 636	**8 754**	**-**	**-**

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.

Claims incurred but not yet reported (IBNR)
Due to the short duration between the occurence, reporting and settlement of claims, the IBNR is calculated at 7% of the net written premium.

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

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

20. 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 2014 and 2013 financial years.

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

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

	Group 2014	Group 2013	Company 2014	Company 2013
IBNR at 1% of net written premiums	1 943	1 274	-	-

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.

21. Revenue

	Group 2014	Group 2013	Company 2014	Company 2013
Sale of goods	672 351	414 005	-	-
Management fees	-	-	1 924	725
Rental income	281	364	250	-
Finance income	24 203	26 032	-	-
Insurance premium income	28 441	22 370	-	-
	725 276	**462 771**	**2 174**	**725**

	Group 2014	Group 2013	Company 2014	Company 2013
Insurance premium income consists of:				
Net written premiums	194 353	127 413	-	-
Change in net provision for unearned premiums	(165 912)	(105 043)	-	-
	28 441	**22 370**	**-**	**-**

22. Other income

	Group 2014	Group 2013	Company 2014	Company 2013
Administration and management fees received	-	1 140	-	-
Sundry income	7 442	4 892	43	(857)
Gain from a bargain purchase	20 659	-	-	-
	28 101	**6 032**	**43**	**(857)**

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013
23. Investment income				
Investment income from operations				
Dividend received on listed financial assets	220	3 323	-	-
Fair value adjustment on listed financial assets	(8 841)	(2 303)	(9 620)	(3 848)
Dividends received on unlisted financial assets	838	2 435	13 010	30 996
Interest received on bank and other	17 645	7 923	-	-
	9 862	**11 378**	**3 390**	**27 148**
Investment income				
Related parties	-	-	2 664	2 103
Bank and other	6 380	7 376	889	-
	6 380	**7 376**	**3 553**	**2 103**
	16 242	**18 754**	**6 943**	**29 251**

For better disclosure purposes, the 2013 fair value adjustment on the Nictus Ltd shares were reclassified in the prior and current year as part of the disclosures relating to listed financial assets.

24. Operating profit / (loss)

Operating profit / (loss) for the year is stated after accounting for the following:

	Group 2014	Group 2013	Company 2014	Company 2013
Insurance expenses				
Claims incurred	8 562	11 095	-	-
No claim bonus allocations	33 566	25 826	-	-
	42 128	**36 921**	**-**	**-**
Operating lease charges				
Premises				
• Contractual amounts	6 726	4 430	2 723	2 519
Equipment				
• Contractual amounts	288	350	-	-
	7 014	**4 780**	**2 723**	**2 519**
(Profit) / loss on disposal of property, plant and equipment	(231)	(159)	2	-
Write off of investment in subsidiary	-	-	-	545
Loss on disposal of subsidiary	-	-	-	511
Allowance for impairment raised on trade receivables	85	2 155	-	-
Amortisation on intangible assets	247	219	-	-
Depreciation on property, plant and equipment	1 851	1 480	40	23
Employee costs				
Amount expensed in respect of:				
- Salaries	41 330	31 350	956	828
- Defined contribution funds	4 818	3 812	122	104
- Medical aid contribution	3 813	3 365	67	68
Listing and unbundling fees	-	1 291	-	1 291

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013
25. Fair value adjustments				
Investment property (Fair value model)	-	-	(1 234)	-
26. Finance expenses paid				
Related parties	2 839	1 082	6 224	2 492
Preference dividends	-	-	1 803	1 231
Bank and other	3 485	866	-	(552)
Interest paid to affiliated companies	1 528	1 947	1 528	1 947
	7 852	**3 895**	**9 555**	**5 118**
27. Taxation				
Major components of the tax expense				
Deferred				
Originating and reversing of temporary differences	5 083	1 154	87	6
Reconciliation of the effective tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit / (loss) before taxation	29 632	(8 258)	(7 060)	18 640
Tax at the applicable tax rate of 33% (2013: 34%)	(9 779)	2 808	2 330	(6 338)
Tax effect of adjustments on taxable income				
Charitable donations income	(6)	277	(6)	(2)
Effect of rate change on current year	(261)	-	-	-
Non-deductible expenses	85	(1 790)	108	(2 174)
Impairment loss	-	(33)	-	-
Deferred tax not recognised	4 332	(4 455)	2 403	(2 031)
Exempt income	546	2 039	(4 922)	10 539
	(5 083)	**(1 154)**	**(87)**	**(6)**

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

N$	79 204	72 058	22 199	14 918

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$	36 024	43 260	22 199	14 918

Figures in Namibia Dollar thousand	2014	2013	2014	2013

28. Other comprehensive income

Components of other comprehensive income - Group - 2014

	Gross	Tax	Net
Items that will not be reclassified to profit or loss			
Movements on revaluation			
Gains on property revaluation	5 124	(1 859)	3 265

29. Auditors' remuneration

	2014	2013	2014	2013
Audit fees	1 983	1 294	472	88
Audit fees: Unbundling 31 August 2012	-	825	-	333
	1 983	**2 119**	**472**	**421**

30. Cash generated from / (used in) operations

	2014	2013	2014	2013
Profit / (loss) before taxation	29 632	(8 258)	(7 060)	18 640
Adjustments for:				
Depreciation and amortisation	2 098	1 699	40	23
(Profit) / loss on disposal of property, plant and equipment	(231)	(159)	2	-
Gain from a bargain purchase	(20 659)	-	-	-
Dividend income	-	-	(13 010)	(30 996)
Investment income	(6 380)	(7 376)	(3 553)	(2 103)
Finance expenses paid	7 852	3 895	9 555	5 118
Fair value adjustments	-	-	1 234	-
Movements in provisions	325	(619)	-	-
Movements in insurance contract liability	172 293	117 828	-	-
Changes in working capital:				
Inventories	(14 555)	7 856	-	-
Trade and other receivables	(3 803)	(35 945)	(7 939)	(498)
Trade and other payables	(2 177)	(9 634)	289	(263)
	164 395	**69 287**	**(20 442)**	**(10 079)**

For better disclosure purposes, the movement in the insurance contract liability previously classified under financing activities, were reclassified to operating activities in the current year.

31. Tax paid

	2014	2013	2014	2013
Balance at beginning of the year	28	(372)	-	-
Balance at end of the year	(28)	(28)	-	-
	-	**(400)**	**-**	**-**

32. Dividends paid

	2014	2013	2014	2013
Dividends	-	(30 000)	-	(30 000)

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

33. Related parties

Relationships:	
Subsidiaries	Refer to note 6
Affiliated companies	Veritrust (Pty) Ltd
	Nictus 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 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 34.

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 nonperforming debts at year-end.

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

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

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

Related party balances

Loan accounts of related parties

	Group 2014	Group 2013	Company 2014	Company 2013
Loan from Nictus Limited	(14 627)	-	(14 627)	-
Loans from subsidiaries (excluding preference shares)	-	-	(68 152)	(17 218)
Loans to subsidiaries (excluding preference shares)	-	-	28 542	24 290
Preference shares issued to subsidiary (Karas Securities Ltd)	-	-	(30 000)	(30 000)

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013
33. Related parties (continued)				
Related party balances with key management, personnel and companies affiliated with key management in the Group				
Loans and receivables: Secured advances	6 425	3 777	-	-
Loans and receivables: Preference shares	5 000	5 000	-	-
Loans due to affiliated companies	(14 798)	(20 064)	(14 798)	(20 064)
Unearned premium reserve account	(9 810)	(10 027)	-	-
Trade payables due to subsidiaries	-	-	63	40
Trade receivables due from subsidiaries	-	-	4 522	29
Trade receivables due from Nictus Limited	-	-	6	-
Trade receivables due from key management	1 738	-	-	-
Related party transactions				
Interest paid to / (received from) related parties				
Nictus Limited	2 839	1 082	2 839	1 082
Veritrust (Pty) Ltd	1 528	1 947	1 528	1 947
Interest paid to subsidiaries	-	-	3 385	1 676
Interest received from subsidiaries	-	-	(2 664)	(2 103)
Rent paid to / (received from) related parties				
Rent paid to subsidiaries	-	-	528	480
Rent received from subsidiaries	-	-	(250)	-
Management fees paid to / (received from) related parties				
Management fees received from fellow subsidiaries	-	(1 140)	-	-
Management fees received from subsidiaries	-	-	(1 924)	(725)
Management fees received from affiliated companies	(2 072)	-	(2 072)	-
Related party transactions with key management, personnel and companies affiliated with key management in the Group				
Gross written premiums	(1 899)	(1 366)	-	-
Cancellations and endorsements	360	-	-	-
Claims paid	108	8	-	-
Change in provision for unearned premiums	217	2 682	-	-
Interest received on loans and receivables	(585)	(318)	-	-
Preference dividends received on loans and receivables	(425)	(435)	-	-
Dividends paid to / (received from) related parties				
Nictus Limited	-	30 000	-	30 000
Dividends received from subsidiaries	-	-	(13 010)	(30 996)

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.

Figures in Namibia Dollar thousand

34. Directors' emoluments

Executive

2014

	Directors' fees - Holding company	Management and consulting fees - holding company	Directors' fees - subsidiaries	Management and consulting fees - subsidiaries	Total
WO Fourie	7	1 011	7	351	1 376
JJ Retief	11	72	9	1 374	1 466
PJ De W Tromp	9	-	51	1 320	1 380
NC Tromp	7	582	67	2 200	2 856
FR van Staden	7	103	49	1 838	1 997
	41	**1 768**	**183**	**7 083**	**9 075**

2013

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

* Highest earner other than directors.

Non-executive

2013

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

Figures in Namibia Dollar thousand

35. 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

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 2014	Carrying amount	Contractual cash flows	12 months or less	1 - 2 years
Unsecured loans	46 854	50 758	23 465	27 293
Wesbank vehicle finance	36 783	37 157	37 157	-
Loans from related parties	14 627	15 870	15 870	-
Trade and other payables	75 383	75 383	75 383	-
Bank overdraft	9 162	9 162	9 162	-
Insurance contract liability	872 562	872 562	872 562	-

At 31 March 2013	Carrying amount	Contractual cash flows	12 months or less	1 - 2 years
Unsecured loans	27 974	30 487	25 112	5 375
Wesbank vehicle finance	29 028	29 323	29 323	-
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	-

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

35. Risk management (continued)

Company

At 31 March 2014	Carrying amount	Contractual cash flows	12 months or less	1 - 2 years
Unsecured loans	14 798	16 167	16 167	-
Loans from related parties	82 779	82 779	82 779	-
Trade and other payables	424	424	424	-
Bank overdraft	1 742	1 742	1 742	-
Cumulative redeemable preference shares	30 000	33 046	10 595	22 451

At 31 March 2013	Carrying amount	Contractual cash flows	12 months or less	1 - 2 years
Unsecured loans	20 064	21 920	21 920	-
Loans from related parties	17 218	17 218	17 218	-
Trade and other payables	134	134	134	-
Bank overdraft	19 511	19 511	19 511	-
Cumulative redeemable preference shares	30 000	33 046	10 595	22 451

Interest rate risk

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

Cash flow interest rate risk

Variable rate instruments				
Financial assets	857 721	690 024	45 768	42 923
Financial liabilities	(181 715)	(78 237)	(129 743)	(86 793)
	676 006	**611 787**	**(83 975)**	**(43 870)**

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 2013.

As at 31 March				
Variable rate instruments	6 760	6 118	(840)	(439)

35. Risk management (continued)

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.

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&12 for additional disclosures regarding credit risks.

35. Risk management (continued)

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.

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 on the next page.

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.

35. Risk management (continued)

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 risk management

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

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

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

There are no externally imposed capital requirements.

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

Figures in Namibia Dollar thousand

36. Financial assets by category

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

Group - 2014

	Loans and receivables	Fair value through profit or loss - held for trading	Total
Cash and cash equivalents	349 398	-	349 398
Investments	-	17 339	17 339
Loans and receivables	233 366	-	233 366
Trade and other receivables (excluding VAT)	257 618	-	257 618
	840 382	**17 339**	**857 721**

Group - 2013

	Loans and receivables	Fair value through profit or loss - held for trading	Total
Cash and cash equivalents	273 704	-	273 704
Investments	-	23 825	23 825
Loans and receivables	160 381	-	160 381
Trade and other receivables (excluding VAT)	232 114	-	232 114
	666 199	**23 825**	**690 024**

Company - 2014

	Loans and receivables	Fair value through profit or loss - held for trading	Total
Investments	-	9 648	9 648
Loans to related parties	28 542	-	28 542
Trade and other receivables (excluding VAT)	7 578	-	7 578
	36 120	**9 648**	**45 768**

Company - 2013

	Loans and receivables	Fair value through profit or loss - held for trading	Total
Investments	-	18 598	18 598
Loans to related parties	24 290	-	24 290
Trade and other receivables (excluding VAT)	35	-	35
	24 325	**18 598**	**42 923**

Figures in Namibia Dollar thousand

37. Financial liabilities by category

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

Group - 2014

	Financial liabilities at amortised cost	Total
Bank overdraft	9 162	9 162
Interest-bearing loans and borrowings	83 637	83 637
Loans from related parties	14 627	14 627
Trade and other payables (excluding VAT)	74 289	74 289
	181 715	**181 715**

Group - 2013

	Financial liabilities at amortised cost	Total
Other financial liabilities	-	-
Bank overdraft	21 234	21 234
Interest-bearing loans and borrowings	57 003	57 003
Trade and other payables (excluding VAT)	38 649	38 649
	116 886	**116 886**

Company - 2014

	Financial liabilities at amortised cost	Total
Bank overdraft	1 742	1 742
Interest-bearing loans and borrowings	14 798	14 798
Loans from related parties	82 779	82 779
Preference shares	30 000	30 000
Trade and other payables (excluding VAT)	424	424
	129 743	**129 743**

Company - 2013

	Financial liabilities at amortised cost	Total
Bank overdraft	19 511	19 511
Interest-bearing loans and borrowings	20 064	20 064
Loans from related parties	17 218	17 218
Preference shares	30 000	30 000
Trade and other payables (excluding VAT)	135	135
	86 928	**86 928**

Refer to note 1.21 for determining of fair values for financial liabilities.

	Group	
Figures in Namibia Dollar thousand	2014	2013

38. Business combinations

Trentyre (Namibia) (Pty) Ltd

On 01 December 2013, the Group acquired 100% of the shares and voting interest in Trentyre (Namibia) (Pty) Ltd, which resulted in the Group obtaining control over Trentyre (Namibia) (Pty) Ltd. Trentyre (Namibia) (Pty) Ltd is one of the largest tyre service providers in Namibia. It sells and manufactures new multi-brand tyres, retreaded tyres, wheels and allied services. As a result of the acquisition, the Group is expecting to be the leading distributor and retailer of Goodyear products, as well as operating as an authorised Arctic retreader in Namibia. It is also expecting to reduce costs through economies of scale.

Fair value of assets acquired and liabilities assumed

	2014	2013
Property, plant and equipment	35 685	-
Deferred tax	(907)	-
Inventories	26 215	-
Trade and other receivables	27 830	-
Cash and cash equivalents	8 605	-
Interest-bearing loans and borrowings	(8 026)	-
Trade and other payables	(36 051)	-
Total identifiable net assets	53 351	-
Gain from a bargain purchase	(20 659)	-
	32 692	**-**

Acquisition date fair value of consideration paid

	2014	2013
Cash	(32 692)	-

Receivables acquired

Receivables acquired per major class are as follows, as at acquisition date:

Group	2014		
	Fair value	Gross contractual amounts	Contractual amounts not expected to be recovered
Trade and other receivables	27 830	22 658	391

Acquisition related costs

The acquisition related costs amounted to N$ 0.329 million. These costs have been expensed in the year of acquisition and are included in administrative expenses in comprehensive income.

Gain on acquisition

A gain of N$ 20,7 million was recognised on acquisition. The gain was the direct result of Trentyre (Namibia) (Pty) Ltd's freehold land and buildings that was valued using the cost model instead of the revaluation model that is the current accounting policy for the Nictus Holdings Group. A change in accounting policy in the financial statements of Trentyre (Namibia) (Pty) Ltd was necessary to align with the Group policies. The gain has been included in the other income in the statement of comprehensive income.

Revenue and profit or loss of Trentyre (Namibia) (Pty) Ltd

Revenue of N$ 85,3 million and a four month profit of N$ 1,1 million of Trentyre (Namibia) (Pty) Ltd have been included in the Group's results since the date of acquisition.

	Group		Company	
Figures in Namibia Dollar thousand	2014	2013	2014	2013

38. Business combinations (continued)

Group revenue and profit or loss for full year

Had all the business combinations taken place at the beginning of the reporting year, the revenue for the Group would have been N$ 896 million and the net profit would have been N$ 25 486 million.

39. Commitments

Capital expenditure

Approved by directors and contracted for	-	16 033	-	-

This committed expenditure relates to property and will be financed by internal funds when incurred.

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 (expense)

Minimum lease payments due				
- within one year	4 016	3 728	2 921	2 705
- in second to fifth year inclusive	4 706	4 371	3 155	2 921
	8 722	**8 099**	**6 076**	**5 626**

Operating lease payments represent rentals payable by the Group for certain of its office 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. During the current financial year, the Company provided a guarantee of N$ 6 570 million in favour of Dr Weder, Kauta & Hoveka Inc for the purchase of Erf 507, Windhoek (Furntech Properties CC).

40. Group segmental analysis

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

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

Reportable Segment	**Products and services**
Motor retail	Operates the General Motors (GM) franchise throughout Namibia, in addition to operating as distributor and retailer of Goodyear products and authorised Arctic retreader.
Furniture retail	Furniture retail company with branches located throughout Namibia.
Insurance & Finance	Short term insurance through the alternative risk transfer model.
Head Office	Investment holding company of a group of companies which retails automobiles, furniture and provide financial and insurance services in Namibia.

Figures in Namibia Dollar thousand

40. Group segmental analysis (continued)

Segmental revenue and results

The Board assesses the performance of the operating segments based on the measure of profit / (loss) after taxation. This measure excludes the effects of non-recurring expenditure from the operating segments such as restructure costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments. The results of discontinued operations are not included in the measure of profit / (loss) after taxation. This measure is consistent with the prior period.

Transactions within the reportable segments take place on an arms length basis.

The segment information provided to the Board is presented below:

2014

	Revenue				Separately disclosable items	
	Total segment revenue	Inter-segment revenue	Total revenue from external customers	Net profit / (loss) after taxation	Interest expense	Taxation
Motor retail	608 361	(5 063)	603 298	7 620	9 018	2 741
Furniture retail	77 115	(1 597)	75 518	3 481	2 624	2 945
Insurance & Finance	57 852	(172)	57 680	17 267	-	(125)
Head Office	2 174	-	2 174	(5 913)	9 555	87
Total	**745 502**	**(6 832)**	**738 670**	**22 455**	**21 197**	**5 648**
Reconciling items						
Intersegment eliminations				2 094		
Profit for the year				**24 549**		

2013

	Revenue				Separately disclosable items	
	Total segment revenue	Inter-segment revenue	Total revenue from external customers	Net profit / (loss) after taxation	Interest expense	Taxation
Motor retail	361 496	(4 730)	356 766	(8 825)	4 688	(2 216)
Furniture retail	64 203	(1 000)	63 203	2 375	3 054	730
Insurance & Finance	58 596	(1 454)	57 142	13 262	-	229
Head Office	725	-	725	18 633	5 118	6
Total	**485 020**	**(7 184)**	**477 836**	**25 445**	**12 860**	**(1 251)**
Reconciling items						
Intersegment eliminations				(34 857)		
Loss for the year				**(9 412)**		

Figures in Namibia Dollar thousand

40. Group segmental analysis (continued)

Analysis of revenue by product / service

Revenue from external customers was derived from the following products and services:

Product / service	Group 2014 N$'000	Group 2013 N$'000	Company 2014 N$'000	Company 2013 N$'000
Sale of goods	672 351	414 005	-	-
Rental income	281	364	250	-
Finance income	24 203	26 032	-	-
Insurance premium income	28 441	22 370	-	-
Management fees	-	-	1 924	725
Total revenue	**725 276**	**462 771**	**2 174**	**725**

Segment assets and liabilities

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

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

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

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

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

2014

	Capital expenditure	Total assets	Total liabilities
Motor retail	8 439	366 386	257 927
Furniture retail	9 448	134 101	106 202
Insurance & Finance	-	940 336	903 915
Head Office	1 108	148 502	129 834
Total	**18 995**	**1 589 325**	**1 397 878**
Reconciling items			
Intersegment eliminations		(405 113)	(320 744)
Total as per statement of financial position		**1 184 212**	**1 077 134**

	Group	
Figures in Namibia Dollar thousand	2014	2013

40. Group segmental analysis (continued)

2013

	Capital expenditure	Total assets	Total liabilities
Motor retail	13 843	192 083	145 198
Furniture retail	6 603	117 140	83 888
Insurance & Finance	13	761 878	729 803
Head Office	8 404	112 747	86 932
Total	**28 863**	**1 183 848**	**1 045 821**
Reconciling items			
Intersegment eliminations		(269 406)	(210 643)
Total as per statement of financial position		**914 442**	**835 178**

Geographical information

	2014		2013	
	Revenue by location of customer	**Non-current assets by location of assets**	**Revenue by location of customer**	**Consolidated assets**
Namibia	736 496	1 440 823	477 111	1 071 100
Head Office	2 174	148 502	725	112 747
Intersegment eliminations	(13 394)	(405 113)	(15 065)	(269 405)
Total	**725 276**	**1 184 212**	**462 771**	**914 442**

41. Earnings per share

Basic earnings per share

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

	2014	2013
Weighted average number of shares		
Weighted average number of shares in issue for basic earnings per share and headline earnings per share:	53 443 500	31 279 542
Basic earnings / (loss) per share		
From continuing operations (cents per share)	45,93	(30,09)
Reconciliation of profit or loss for the year to basic earnings		
Profit or loss for the year attributable to equity holders of the parent	24 549	(9 412)

	Group	
Figures in Namibia Dollar thousand	2014	2013

41. Earnings per share (continued)

Diluted earnings per share

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

	2014	2013
Diluted earnings / (loss) per share		
From continuing operations (cents per share)	45,93	(30,09)

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

Headline earnings and diluted headline earnings per share

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

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

	2014	2013
Headline earnings / loss per share (cents)	6,85	(30,60)
Diluted headline earnings / (loss) per share (cents)	6,85	(30,60)
Reconciliation between earnings / (loss) and headline earnings / (loss)		
Basic earnings (loss)	24 549	(9 412)
Adjusted for:		
Profit on disposal of property, plant and equipment	(231)	(159)
Gain from a bargain purchase	(20 659)	-
	3 659	**(9 571)**
Reconciliation between diluted earnings / (loss) and diluted headline earnings / (loss)		
Diluted earnings / (loss)	24 549	(9 412)
Adjusted for:		
Gain from a bargain purchase	(20 659)	-
Profit on disposal of property, plant and equipment	(231)	(159)
	3 659	**(9 571)**

42. Going concern

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

43. Events after the reporting period

There were no events after the reporting period which affected the presentation of the consolidated and separate annual financial statements for the year ended 31 March 2014.

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 Luderitz Street, Windhoek, on **28 August 2014** 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 2014 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 FR van Staden as a director

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

In order for this ordinary resolution 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 PJ De W Tromp as a director

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

In order for this ordinary resolution 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 84 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 1 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 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 2 above -

4.1 directors and management – pages 19 to 20;

4.2 major shareholders – page 21;

4.3 directors' interests in ordinary shares – page 21; and

4.4 share capital of the Company – page 21 and 56.

5. LITIGATION STATEMENT

The directors in office whose names appear on page 19 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 19 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 14:30 on 25 August 2014. 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 at the annual general meeting.

By order of the Board
Nictus Holdings Limited

Veritas Board of Executors (Proprietary) Limited
Secretary
Windhoek

9 June 2014

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

FR VAN STADEN (50)

- CA (SA), CA (NAM)
- Managing Director: Motor Retail
- Chairman: Risk Committee
- Member: Audit Committee

FR van Staden is a CA (SA) and CA (NAM) and was appointed as Director: Finance and Administration during 1997 of the Nictus Limited Group. He served on the Nictus Limited board until 30 August 2013. Since 1 April 2010 he has served as Managing Director of the Vehicle segment of Nictus Holdings Group. He is currently serving as Chairman of the Risk Committee as well as being a member of the Audit Committee of Nictus Holdings Group. He also serves as trustee of the NAMMED Medical Scheme.

PJ DE W TROMP (39)

- B.Econ, EDP: USB, SMP: USB
- Chairman: Nictus Holdings Limited
- Managing Director: Financial Services
- Member: Audit Committee, Remuneration Committee,
  Investment Committee, Human Resource Committee

PJ De Wet Tromp has a B.Econ, EDP: USB; SMP; USB and was appointed as the Executive Chairman of Nictus Holdings Group during August 2013. He currently serves as a member of the Audit, Remuneration, Investment and Human Resources Committees of the Group. He further serves as a non-executive director of Nictus Limited listed on the JSE and secondary listed on the NSX. He is in charge of the insurance segment in Namibia and has served the Nictus Group for the past 11 years.

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 28 August 2014 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 FR van Staden as a director				
03. *Ordinary resolution 3:* re-election of PJ De W Tromp 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. *Ordinary resolution 7:* signing authority				

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

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

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

Signature ....

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

Please read the notes on the reverse hereof

NOTES TO THE FORM OF PROXY

1. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the Company) to attend, speak and, on a poll 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 14:30 on 25 August 2014.

EXCELLENCE

EXCELLENCE

TAKING ACTION WITH
A STRATEGIC FOCUS

Please visit our website at: ***www.nictusholdings.com***