INTEGRATED ANNUAL REPORT 2016

nictus
HOLDINGS LIMITED

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 detriment of the Nictus Group.
- Seek new, better and more innovative ways to do my work and perform to the utmost of my abilities.
- Not remain silent in the face of dishonesty, malice, disrespect, intolerance or injustice.

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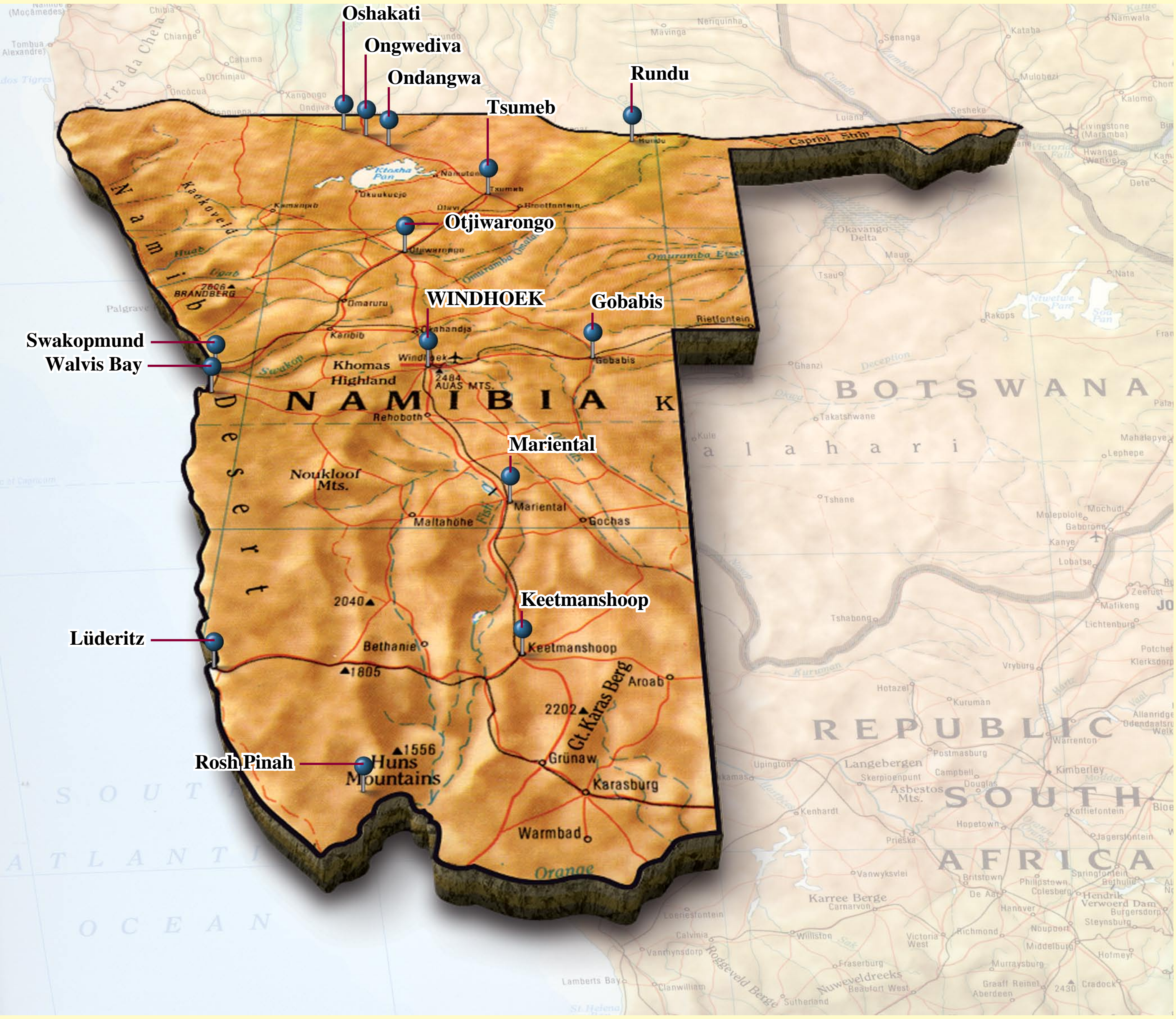


	Furniture Retail	Motor Retail: Auas Motors	Motor Retail: Trentyre	Insurance & Finance: Corporate Guarantee	Insurance & Finance: Hakos Capital
• Oshakati			✓		
• Ongwediva	✓	✓			
• Ondangwa			✓		
• Rundu			✓		
• Tsumeb	✓		✓		
• Otjiwarongo		✓	✓	✓	
• Swakopmund	✓	✓	✓		
• Walvis Bay	✓	✓	✓	✓	
• Windhoek	✓	✓	✓	✓	✓
• Gobabis		✓	✓		
• Mariental		✓	✓		
• Lüderitz			✓		
• Keetmanshoop			✓		
• Rosh Pinah			✓		

NICTUS HOLDINGS LIMITED GROUP STRUCTURE

NICTUS HOLDINGS LIMITED

FURNITURE SEGMENT

- Acacia Properties (Pty) Ltd 100%
- Bonsai Investments Nineteen (Pty) Ltd 100%
- Grenada Investments Two (Pty) Ltd 100%
- Nictus (Pty) Ltd 100%
- Nictus Eiendomme (Pty) Ltd 100%
- Werda Weskusontwikkeling (Pty) Ltd 100%

MOTOR SEGMENT

- Auas Motors (Pty) Ltd 100%
- Fossil Fuel Sales and Services (Pty) Ltd 100%
- Hochland 7191 (Pty) Ltd 100%
- Isuzu Truck (Namibia) (Pty) Ltd 100%
- Khomas Car Rental and Leasing (Pty) Ltd 100%
- Marulaboom Properties (Pty) Ltd 100%
- Mopanie Tree Properties (Pty) Ltd 100%
- NHL Tyre and Tire (Pty) Ltd 100%
- Rubber Tree Properties (Pty) Ltd 100%
- Willow Properties (Pty) Ltd 100%
- Yellow Wood Properties (Pty) Ltd 100%

INSURANCE & FINANCE SEGMENT

- Corporate Guarantee and Insurance Company of Namibia Ltd 100%
  - Futeni Collections (Pty) Ltd 100%
  - Karas Securities Ltd 100%
- Hakos Capital and Finance (Pty) Ltd 100%

FOUR YEAR REVIEW OF THE NICTUS GROUP

- FOR THE YEAR ENDED 31 MARCH

Figures in Namibia Dollar thousand	2016	2015	2014	2013
Statement of Financial Position				
Assets				
Non-current assets	545,606	561,649	451,404	331,844
Current assets	1,068,481	804,180	732,808	582,598
Assets of disposal groups held for sale	2,990	-	-	-
Total assets	**1,617,077**	**1,365,829**	**1,184,212**	**914,442**
Liabilities				
Non-current liabilities	130,592	45,646	44,273	17,709
Current liabilities *	1,329,388	1,186,498	1,032,861	817,469
Liabilities of disposal groups held for sale	1,635	-	-	-
Total liabilities	**1,461,615**	**1,232,144**	**1,077,134**	**835,178**
Equity				
Stated capital	129	129	129	129
Reserves	74,318	74,817	68,989	58,749
Retained income	81,015	58,739	37,960	20,386
Total equity	**155,462**	**133,685**	**107,078**	**79,264**
Total equity and liabilities	**1,617,077**	**1,365,829**	**1,184,212**	**914,442**
Profit and loss account				
Revenue	930,615	1,041,436	725,276	462,771
Cost of sales	(725,855)	(847,252)	(591,441)	(376,215)
Gross profit	**204,760**	**194,184**	**133,835**	**86,556**
Other income	44,533	44,582	37,963	17,411
Operating expenses	(217,877)	(199,005)	(140,694)	(115,706)
Operating profit / (loss)	**31,416**	**39,761**	**31,104**	**(11,739)**
Investment Income	4,359	2,592	6,380	7,376
(Loss) gain on non-current assets held for sale or disposal groups	3,314	-	-	-
Finance costs	(8,638)	(8,731)	(7,852)	(3,895)
Profit / (loss) before taxation	**30,451**	**33,622**	**29,632**	**(8,258)**
Taxation	(2,446)	(4,865)	(5,083)	(1,154)
Profit / (loss) for the year	**28,005**	**28,757**	**24,549**	**(9,412)**

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

FOUR YEAR REVIEW OF THE NICTUS GROUP

- FOR THE YEAR ENDED 31 MARCH

Figures in Namibia Dollar thousand	2016	2015	2014	2013
Performance per ordinary share				
Earnings / (loss) per share	52.40	53.81	45.93	(30.09)
Headline earnings / (loss) per share	49.90	52.66	6.85	(30.60)
Dividend per share (cents)	18.00	15.00	-	56.13
Net worth per share (cents)	290.89	250.14	200.36	148.31
Financial ratios				
Liquidity ratios				
Current ratio	0.80	0.67	0.71	0.71
Liability ratio	7.94	8.88	8.68	9.56
Borrowings ratio	0.85	0.55	0.88	0.91
Dividend cover (times)	2.77	3.51	-	(0.32)
Profitability and asset management				
Net operating profit to turnover (%)	4.20	4.04	5.17	(0.94)
Return on shareholders' equity (%)	18.01	21.51	22.93	(11.87)
Return on assets managed (%)	12.18	18.17	18.36	(2.36)
Net asset turn (times)	2.90	4.47	3.55	
Debt leverage				
Interest cover (times)	4,53	4,97	477.00	(1.12)
Namibian Stock Exchange performance				
Market price High (cents)	240	240	240	250.00
Market price Low (cents)	210	240	240	240
Market price at year end (cents)	210	240	240	240
Price earnings ratio	4.21	4.56	35.04	(7.84)
Earnings yield (%)	23.76	21.94	2.85	(12.75)
Market capitalisation	112,231	128,264	128,264	128,264
Volume of shares traded to weighted number of shares ('000 shares)	2,472	2,500	2	5 569

DEFINITIONS OF RATIOS & TERMS

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

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

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

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

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

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

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

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

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

- **NET ASSET TURN**
  Revenue divided by average net assets.

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

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

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

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

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

- **CURRENT RATIO**
  Current asset to current liabilities.

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

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

NICTUS HOLDINGS LIMITED BOARD OF DIRECTORS

1 PJ de W Tromp (41)

- B.Econ, EDP: USB, SMP: USB
- Years of Service: 13 years
- Chairman: Nictus Holdings Ltd
- Member: Audit Committee
  Remuneration Committee
  Investment Committee
  Human Resource Committee
  IT Steering Committee

2 NC Tromp (67)

- B.Com
- Years of Service: 42 years
- Executive & Strategic Director: Nictus Holdings Ltd
- Chairman: Investment Committee
- Member: Remuneration Committee
  Human Resource Committee
  Risk Committee

3 FR van Staden (52)

- CA (SA), CA (NAM)
- Years of Service: 22 years
- Executive Director: Nictus Holdings Ltd
- Managing Director: Motor Retail
- Chairman: Financial Services
  Risk Committee
- Member: Audit Committee

4 WO Fourie (40)

- CA (SA), CA (NAM)
- Years of Service: 9 years
- Executive Director: Nictus Holdings Ltd
- Managing Director: Financial Services
- Managing Director: Hakos Capital & Finance (Pty) Ltd
- Chairman: Audit Committee
  Remuneration Committee
  IT Steering Committee
- Member: Investment Committee

5 JJ Retief (51)

- B.Com
- Years of Service: 20 years
- Executive Director: Nictus Holdings Ltd
- Managing Director: Furniture Retail
- Chairman: Human Resource Commitee
- Member: Risk Committee

6 GR de V Tromp (35)

- CA (SA), CA (NAM)
- Years of Service: 1 years
- Director: Nictus Holdings Ltd
- Member: Audit Committee

NICTUS HOLDINGS LIMITED EXECUTIVE COMMITTEE

PJ de W Tromp
Executive Chairman

NC Tromp
Executive

WO Fourie
Executive

CHAIRMAN'S REPORT

"We managed to render a solid performance for the 2016 financial year, which, coming from an exceptional 2015, was not an easy task."

INTRODUCTION

The 2016 financial year was a difficult, but interesting year. The Nictus Holdings Group rendered a solid performance in circumstances that were very challenging. Government reduced its spending significantly in certain sectors and this impacted on the retail environment in Namibia.

Our business model "specialising in related diversifications" worked very well for us and was a major contributing factor to the results presented this year. We had a renewed focus in certain areas, especially from senior management and this helped us to match the previous year's exceptional performance.

The 70-year celebrations for the group also highlighted and reconfirmed the group's commitment to the country and we are confident about our future. We had a lot of feedback from stakeholders who were not aware of all the activities and relationships of companies within the group. The aim was to get their attention and awareness and to build on the already solid basis set, as well as to confirm our commitment to the customers in Namibia. Taking all this into account, I feel that the objectives that were set, were reached with the activities conducted when we celebrated our 70th birthday.

FINANCIAL

We managed to render a solid performance for the 2016 financial year, which, coming from an exceptional 2015, was not an easy task.

Our motor division came under a bit of pressure with a decline in the Southern African vehicle sales and reduced government spending. Vehicle performance was satisfactory - given the circumstances. With a decline in turnover, we managed to equal the profit made the previous year. On the tyre retail segment side we stood our ground with a lot of enhancements and consolidation taking place in the business. Increasing the profit of the motor division with 6% was a commendable achievement, considering the present economic climate.

The furniture sections revenue increased by 9% which resulted in a 6% increase in profit compared to 2015, taken into account that major expenses were incurred with the preparation of opening a new furniture retail outlet in Windhoek.

The insurance and finance section reflected a record year in all respects. Premiums and finance income grew by 29% - which resulted in an increase of 22% in net profit in comparison with the previous financial year. This reconfirmed that there is still an immense market to be tapped and that there is still a great need for our current product offerings.

Overall we managed to achieve more or less the same results as the previous year. We spent an enormous amount on the infrastructure for the furniture and tyre sectors - which we believe is an investment for the future and we will reap the benefits of this in the near future. Share investments on the JSE (Johannesburg Stock Exchange) on a group level did not achieve the desired results, but we are confident that this will improve and yield positive results in the coming year.

CUSTOMER AND STAKEHOLDERS

We as the Nictus Group have always taken pride in the relationships built up and maintained with our customers and stakeholders over the years.

This was confirmed by feedback received after all the activities surrounding our 70-year celebrations. I would like to thank our external stakeholders, including our shareholders, customers, suppliers and manufacturers, industry regulators and business partners, for their continued support over the span of 70 years.

LEARNING AND GROWTH

I believe that in the past year the basis has been established for future growth and expansion. With the envisaged opening of our new furniture retail outlet in the third quarter, we trust that this will have a significant impact on our furniture sector. We are focussing on the synergies between the vehicles and the tyres in the motor division and by doing this we will achieve growth in both market segments.

People are and will remain one of our most valuable assets. We established a human resources department on group level to help us enhance our exceptional workforce and to train and support them for the challenges that lie ahead.

On board level, Gerard Tromp, Gerard Swart and John Mandy (independent non-executive) have been appointed as non-executive directors and I believe that they will add value that will increase in the years to come.

PROSPECTS

I am confident that the current economic and strategic plans currently running, are on the right track, and our foresight will pay off in the near future. Further devaluation of the South African Rand could affect the retail sector of the group where goods are being imported.

I believe with the new furniture store opening later this year, as well as the investment made and to be made into the motor division, together with the untapped market in the financial service industry, we as a group are geared for the future and the stage is set to have a sustainable performance in the Namibian market for years to come.

APPRECIATION

I want to thank my fellow directors for their input and determination. All of us, both management and employees put in tremendous effort during the past year, and I would like to express my appreciation to one and all for their efforts.

I would also like to thank our Heavenly Father for the opportunities and grace we received and wish to dedicate the year's performance and results to His honour and glory.

Philippus Tromp
Executive Chairman

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 NamCode, the Corporate Governance Code for Namibia as required by the NSX. We account therefore in accordance with the International Financial Reporting Standards (IFRS) and do so in the format of integrated reporting, whilst an absolute compliance to the Companies Act 28 of 2004 and the 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 as undertaking to conform thereto, thereby creating the awareness amongst employees of the Company's moral and ethical compliance requirements.

With the assistance of the Company Secretary, the Board gathers its own insights into the corporate governance of the Company and utilises these 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.

Directors are required to disclose conflicts of interest and are required to act in the best interest of the Company at all times. Solvency and liquidity are monitored on a daily basis and the going concern analysis of the Company is executed by the Audit Committee. Solvency and liquidity tests are conducted in terms of the Companies Act. 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 Curriculum Vitae's for the rotating Directors are included in the integrated report. The induction process is managed by the Chairman with the guidance of the Company Secretary and directors are exposed to various development programs. In general, Nictus appoints experienced Directors.

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

The Board is assisted in fulfilling its duties by well-structured Board Committees. Furthermore, a competent, suitably qualified and experienced Company Secretary assists the Board. A governance framework exists between the Company and its subsidiary Boards, whilst the Company 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 performance and market research. The remuneration paid to Directors and certain Senior Executives are disclosed in the remuneration report included 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 Committees and attendance at meetings are summarised in the following table:

Name	Status	Board	Audit Committee	Remuneration Committee	Investment Committee	Risk Committee
PJ de W Tromp	Executive Chairman	4/5	√ 4/4	√ 1/1	√ 9/9	
WO Fourie	Executive	5/5	√ C 4/4	√ C 1/1	√ 9/9	
NC Tromp	Executive	5/5		√ 1/1	√ C 9/9	√ 1/1
FR van Staden	Executive	4/5	√ 4/4			√ C 1/1
JJ Retief	Executive	5/5				√ 1/1
GR de V Tromp*	Non-Executive	2/5				
Gerard Swart **	Independent Non-Executive					
JD Mandy ***	Independent Non-Executive					

√ 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.

* *Appointed: 1 October 2015*

** *Appointed: 1 April 2016*

*** *Appointed: 1 April 2016*

AUDIT COMMITTEE

Nictus has an effective Audit Committee. It meets quarterly 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 in respect of key risks facing the Company, with oversight by the Audit Committee. A review of the finance function is conducted by the Audit Committee annually in terms of resources, expertise and experience.

The Audit Committee 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. The internal audit function forms an important part of the risk management process and is responsible for the compilation of the risk report which is presented to the Board for further evaluation.

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

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

GOVERNANCE OF RISK

The Board decided to dissolve the Risk Management Meeting and that the functions thereof be incorporated in the charter of the Audit Committee. The Audit Committee compiles an annual risk management report, although the Board 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' risk management activities.

The Board has delegated the responsibility to design, implement and monitor Nictus' risk management plan to the Audit Committee.

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

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

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.

INFORMATION TECHNOLOGY ("IT") GOVERNANCE

The Board is responsible for IT governance. The Group's IT consultants provide regular feedback, through a Director, to the Audit Committee and Board on IT governance matters. An IT Committee exists and policies are established, implemented and its application monitored. Nictus promotes an ethical IT governance culture and a common IT language. IT is aligned with the performance and sustainability objectives of the Company and Group from a safeguarding, strategic and business process perspective. There are also processes to identify and exploit opportunities to improve performance and sustainability through the use of IT. The Board has delegated responsibility for the implementation of an IT governance framework to management. All IT matters are referred to the Group's IT consultants who advise on the most appropriate technological solutions for the Group. Decisions are ratified by the Board. Post implementation audits are conducted on significant IT projects. A Director, on behalf of the Group IT Committee presents to the Audit Committee and Board regarding the value delivered by IT investment. IT is represented in the Group and risk management teams which 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's IT consultants, 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 continuously improve audit coverage and efficiency.

COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

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

INTERNAL AUDIT

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

Internal audit is independent and objective and its audit plan is influenced 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, review of reports submitted by internal audit to the Audit Committee. The Audit Committee is responsible for the appointment and dismissal of the internal auditor.

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

GOVERNING STAKEHOLDER RELATIONSHIPS

The integrated report, as well as the Group business plan, reflects the interests of the Group's stakeholders and key actions to maintain positive perceptions about the Company and its activities. The Board considers on a continuous 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 Annual General Meeting. Nictus strives to achieve an appropriate balance between various stakeholder Groupings' interests and expectations, in making decisions in the best interest 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 Executive Committee, 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, which operate within approved mandates or charters, to assist it to fulfil its duties. The Board committees are as follows:

- **Audit Committee**
  The Audit Committee consists of three Executive Directors and discharges its duties as set out in the Companies. The Audit Committee also assumes a Nomination Committee and Risk Management function. An extensive risk identifying procedure is followed, with input from all operational subsidiaries, to identify and evaluate business risks. The Audit Committee compiles the risk management report which is passed onto the Board for consideration and recommendation. The Committee meets quarterly.

  The external auditors attend meetings and have unrestricted access to the Chairman and members of the Audit Committee.

- **Remuneration Committee**
  The Board decided to dissolve the Remuneration Committee during the year under review and that the functions of such Committee be carried out by each respective Board of Directors, taking into consideration that the main Board enjoys a healthy representation on each subsidiary's Board. The Boards determine just and equitable remuneration policies for the Group.

- **Executive Committee**
  The Executive Committee comprises the Chairman of the Board and any two Executive Directors. The Committee meets, as far as possible on a monthly basis and aims to strategically engage management to promote and facilitate high-level, fast decision making and recommendations to the Board.

- **Risk Management Committee**
  The Board decided to dissolve the Risk Management Committee during the year under review and that the functions thereof be carried out by the Audit Committee.

- **IT Committee**
  The IT Committee is Chaired by the Executive Chairman of the Group, with the other member of the Committee being the Financial Director. Operational segment financial and IT representatives and IT consultants are invited to meetings as and when the Committee deems fit. Subsidiary Managing Directors have a standing invitation to attend such meetings. The IT Committee reports to the Audit Committee and Board through the Chairman and strives to meet on a monthly basis.

- **Investment Committee**
  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 and meets, as far as possible, on a monthly basis.

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 2016 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 had a defined contribution pension scheme that was de-registered during the year. Employees of the Group belonged 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 2015.

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 re-presentation 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 2017, are to be approved by the shareholders on 2 September 2016. Fees for the period commencing 1 April 2016 was recommended by the directors after having been considered by the Board.

In view of the increasing levels of responsibility being placed on directors and benchmarks for comparable companies, the fees for non-executive directors are determined at subsidiary board level.

The detailed remuneration paid to directors is set out in note 33 of the annual report.

GROUP VALUE ADDED STATEMENT

- FOR THE YEAR ENDED 31 MARCH 2016

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.

	2016 N$'000	2016 %	2015 N$'000	2015 %
Value Added				
Value added by operating activities				
Revenue	930,615		1,041,436	
Cost of materials and services	(852,135)		(973,044)	
Other income	17,167		16,723	
Investment income from operations	27,366		27,859	
	123,013	**100**	**112,974**	**100**
Value Distributed: applied as follows				
To Pay Employees				
Salaries, wages, medical and other benefits	89,152		77,065	
	89,152	**72**	**77,065**	**68**
To Pay Providers of Capital				
Finance costs	8,638		8,731	
	8,638	**7**	**8,731**	**8**
To be retained in the business for expansion and future wealth creation:				
Value reinvested				
Depreciation, amortisation and impairments	2,978		3,276	
Deferred tax	(2,446)		(4,855)	
Disposal group	(3,314)		-	
	(2,782)	**(2)**	**(1,579)**	**(1)**
Value retained				
Retained profit	28,005		28,757	
	28,005	**23**	**28,757**	**25**
Total Value Distributed	**123,013**	**100**	**112,974**	**100**

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

	2016 N$'000	2016 %	2015 N$'000	2015 %
Direct and indirect taxes				
Value added tax (net payment)	32,825		29,128	
Import VAT paid	90,829		100,105	
Pay As You Earn	12,566		10,251	
	136,220		**139,484**	

Nictus Holdings Ltd Group of Companies

ANNUAL FINANCIAL STATEMENTS

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 seperate Annual financial statements of Nictus Holdings Limited, as set out on pages 25 to 95, which comprise the statement of financial position as at 31 March 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, directors' report and the notes,
comprising a summary of significant accounting policies and other explanatory information.

The company's directors are responsible for the preparation and fair presentation of these consolidated and seperate 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 determine is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatements, whether due to fraud or error.

Our responsibility is to express an opinion on these consolidated and seperate 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 consolidated annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and seperate Annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company`s preparation and fair presentation of the consolidated 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 company`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 consolidated annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated and seperate Annual financial statements of Nictus Holdings Limited for the year then ended 31 March 2016 are prepared, in all material respects, in accordance with International Financial Reporting Standards described in note 1 to the consolidated annual financial statements, and the requirements of the Companies Act of Namibia.

SGA
Chartered Accountants and Auditors (Namibia)

Per: R Cloete
Partner

Windhoek, Namibia
09 June 2015

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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the Group as at the end of the financial year ended 31 March 2016 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 annual financial statements.

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

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

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

The directors have reviewed the Group cash flow forecast for the year to 31 March 2017 and, in the light of this review and the current financial position, they are satisfied that the Group has or has access to adequate resources to continue in operational existence for the foreseeable future. The directors have made an assessment of the Group's and Company's ability to continue as a going concern and there is no reason to believe that the business will not be going concerns in the year ahead.

The external auditors are responsible for independently auditing and reporting on the Group's consolidated and separate annual financial statements are fairly presented within the applicable financial reporting framework. The consolidated and separate annual financial statements have been examined by the Group's external auditors and their report is presented on page 2.

The consolidated and separate annual financial statements set out on pages 21 to 95, which have been prepared on the going concern basis, were approved by the board on 09 June 2016 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 Nictus Holdings Limited and the group for the year ended 31 March 2016.

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 2016 of N$ 28.0 million. This represented a decrease of 3% from the net profit after tax of the prior year of N$ 28,7 million.

The Company recorded a net profit after tax for the year ended 31 March 2016 of N$12,0 million. This represented a decrease of 82% from the net profit after tax of the prior year of N$ 68,8 million.

Group revenue decreased by 10% from N$ 1,04 billion in the prior year to N$931 million for the year ended 31 March 2016.

The Company recorded revenue for the year ended 31 March 2016 of N$21,8 million. This represented a increase of 92% from the revenue of the prior year of N$ 11,3 million.

The Group's assets increased by 18% from N$ 1,36 billion in the prior year to N$1,62 billion at 31 March 2016.

The Company's assets decreased by 3% from N$ 236,6 million in the prior year to N$230,4 million at 31 March 2016.

2. Interests in subsidiaries

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

The interest of the Company in the profits and losses of its subsidiaries for the year ended 31 March 2016 are as follows:

	2016 N$ '000	2015 N$ '000
Subsidiaries		
Total profits after taxation	52,340	62,417

The group is in the process of selling 100% interest in Fossil Fuel Sales and Services (Pty) Ltd. The effective date of the transaction is 1 April 2016 for a value of N$ 0,85 million.

3. Segmental analysis

A detailed segmental analysis is included in note 38 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
PJ De W Tromp (Executive Chairman)	Namibian	1 October 2009
WO Fourie (Executive director)	Namibian	1 July 2010
JJ Retief (Executive director)	Namibian	1 October 2009
NC Tromp (Executive director)	Namibian	18 May 2012
FR van Staden (Executive director)	Namibian	1 October 2009
GR de V Tromp (Non-executive director)	Namibian	1 October 2015
G Swart (Independent non-executive and Lead director)	Namibian	1 April 2016
JD Mandy	Namibian	1 April 2016

5. Dividends

Preference dividend paid	**2016 N$'000**	**2015 N$'000**
- On 30 September	1,514	1,028
- On 31 March	1,577	1,486
	3,091	**2,514**

Ordinary dividend paid

Ordinary dividends of N$ 9,6 million was declared and paid by the Company for the year ended 31 March 2015.

Since 31 March 2016, the following dividend was approved by the Board on 9 June 2016 in respect of the year ended 31 March 2016. The dividend has not been provided for and there are no accounting implications for the current financial year.

	2016 N$'000
18 cents per share	9 620

Last date to trade ordinary shares "cum" dividend	Friday 8 July 2016
Ordinary shares trade "ex" dividend	Monday 11 July 2016
Record date	Friday 15 July 2016
Payment/issue date	Monday 18 July 2016

Share certificates may not be dematerialised between Monday 11 July and Friday 15 July 2016 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 NC Tromp (Tromp Consulting International (Pty) Ltd), FR van Staden (Premier Services (Pty) Ltd), JJ Retief (H&Z Properties (Pty) Ltd), PJ de W Tromp (Nature Unlimited Consultations (Pty) Ltd) and WO Fourie (Haida Investment CC) have material interest.

Composition of shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders: Directors and associates	13	2.04	34,896,759	65.30
Non-public shareholders: Strategic holdings (more than 5%)	2	0.31	8,025,455	15.01
Public shareholders	624	97.65	11,223,096	19.69
	639	**100**	**54,145,310**	**100**

Distribution of shareholders	Number of shareholders	%	Number of shares	%
Banks / Brokers	2	0.31	4,877	0.01
Close Corporations	3	0.47	1,362,256	2.55
Individuals	559	87.48	4,716,416	8.83
Insurance companies	1	-	27,252	0.05
Nominees and Trusts	45	7.04	27,544,779	51.54
Other corporations	6	0.94	192,772	0.36
Private companies	21	3.29	18,697,786	34.99
Public companies	2	0.31	897,362	1.68
	639	**100**	**53,443,500**	**100**

Shareholders with an interest above 5% in ordinary shares	Number of shares	%
NC Tromp	27,371,037	51.21
MRT Trust	5,200,000	9.73
KCB Trust	2,825,455	5.29

Indirect interest of directors, including their families, in stated capital	2016	2015
Beneficial:		
NC Tromp	27,371,037	26,693,910
Non-beneficial:		
NC Tromp	3,271,539	5,151,088
WO Fourie	1,454,491	1,388,677
JJ Retief	1,146,415	1,211,996
PJ de W Tromp	1,354,846	1,420,427
FR van Staden	1,439,427	1,512,008
GR de V Tromp	2,169,918	-
	38,207,673	**37,378,106**

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

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

8. Events after the reporting period

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

9. Auditors

SGA Chartered Accountants and Auditors (Namibia) continued in office as auditors for the company for 2016.

At the annual general meeting, the shareholders will be requested to re-appoint SGA Chartered Accountants and Auditors (Namibia) as the independent external auditors of the company and to confirm Mrs R Cloete as the designated lead audit partner for the 2017 financial year.

10. Secretary

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

Registered offices

1st Floor, Nictus Building
140 Mandume Ndemufayu Avenue, 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 08 June 2016. No authority was given to anyone to amend the consolidated annual financial statements after the date of issue.

12. Going concern

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

13. Acknowledgements

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and consumers for their continued support of the Group.

STATEMENTS OF FINANCIAL POSITION

- FOR THE YEAR ENDED 31 MARCH 2016

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2016	2015	2016	2015
Assets					
Non-Current Assets					
Property, plant and equipment	3	312,717	237,935	2,065	62
Investment property	4	-	-	11,700	11,000
Intangible assets	5	952	1,171	-	-
Investments in subsidiaries	6	-	-	98,376	90,876
Investments	7	226,298	318,076	8,365	10,802
Deferred tax	8	5,639	4,467	-	-
		545,606	**561,649**	**120,506**	**112,740**
Current Assets					
Inventories	9	132,216	120,271	-	-
Loans to group companies	10	-	-	104,801	117,277
Trade and other receivables	11	453,840	270,985	5,014	6,543
Investments	7	9,893	9,198	-	-
Current tax receivable		31	28	-	-
Cash and cash equivalents	12	472,501	403,698	61	112
		1,068,481	**804,180**	**109,876**	**123,932**
Non-current assets held for sale and assets of disposal groups	42	2,990	-	-	-
Total Assets		**1,617,077**	**1,365,829**	**230,382**	**236,672**
Equity and Liabilities					
Equity					
Stated capital	13	129	129	129	129
Reserves	14&15	74,318	74,817	-	-
Retained income		81,015	58,739	81,733	79,332
		155,462	**133,685**	**81,862**	**79,461**
Liabilities					
Non-Current Liabilities					
Loans from related parties	10	-	-	15,000	15,000
Interest-bearing loans and borrowings	16	100,701	19,389	-	-
Deferred tax	8	29,891	26,257	91	91
		130,592	**45,646**	**15,091**	**15,091**
Current Liabilities					
Loans from related parties	10	42,293	35,106	89,542	112,025
Interest-bearing loans and borrowings	16	45,569	32,404	38,838	25,664
Trade and other payables	17	78,641	78,667	2,253	1,017
Provisions	18	3,775	3,607	-	-
Insurance contract liability	19	1,152,608	1,030,939	-	-
Bank overdraft	12	6,502	5,775	2,796	3,414
		1,329,388	**1,186,498**	**133,429**	**142,120**
Liabilities of disposal groups	42	1,635	-	-	-
Total Liabilities		**1,461,615**	**1,232,144**	**148,520**	**157,211**
Total Equity and Liabilities		**1,617,077**	**1,365,829**	**230,382**	**236,672**

STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

- FOR THE YEAR ENDED 31 MARCH 2016

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2016	2015	2016	2015
Revenue	20	930,615	1,041,436	21,782	11,338
Cost of sales		(725,855)	(847,252)	-	-
Gross profit		**204,760**	**194,184**	**21,782**	**11,338**
Other income	21	17,167	16,723	161	188
Operating expenses		(152,677)	(136,622)	(7,354)	(3,401)
Investment income from operations	22	27,366	27,859	5,055	68,609
Administrative expenses		(65,200)	(62,383)	(2,741)	(3,990)
Operating profit	23	**31,416**	**39,761**	**16,903**	**72,744**
Investment revenue	22	4,359	2,592	5,368	7,187
Fair value adjustments	24	-	-	700	932
Gain on non-current assets held for sale or disposal groups	42	3,314	-	-	-
Finance costs	25	(8,638)	(8,731)	(10,950)	(12,053)
Profit before taxation		**30,451**	**33,622**	**12,021**	**68,810**
Taxation	26	(2,446)	(4,865)	-	-
Profit for the year		**28,005**	**28,757**	**12,021**	**68,810**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains and losses on property revaluation		3,200	7,982	-	-
Income tax relating to items that will not be reclassified		192	(2,115)	-	-
Total items that will not be reclassified to profit or loss		**3,392**	**5,867**	**-**	**-**
Other comprehensive income for the year net of taxation	27	**3,392**	**5,867**	**-**	**-**
Total comprehensive income for the year		**31,397**	**34,624**	**12,021**	**68,810**
Earnings per share					
Per share information					
Earnings per share (cents)	39	52.40	53.81	-	-
Diluted earnings per share (cents)	39	52.40	53.81	-	-

STATEMENTS OF CHANGES IN EQUITY

- FOR THE YEAR ENDED 31 MARCH 2016

Figures in Namibia Dollar thousand	Stated capital	Revaluation reserve	Contingency reserve	Total reserves	Retained income	Total equity
Group						
Balance at 01 April 2014	**129**	**49,508**	**19,481**	**68,989**	**37,960**	**107,078**
Profit for the year	-	-	-	-	28,757	28,757
Other comprehensive income	-	5,867	-	5,867	-	5,867
Total comprehensive income for the year	**-**	**5,867**	**-**	**5,867**	**28,757**	**34,624**
Transfer from contingency reserve to retained earnings	-	-	(39)	(39)	39	-
Dividends paid to ordinary shareholders	-	-	-	-	(8,017)	(8,017)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(39)**	**(39)**	**(7,978)**	**(8,017)**
Balance at 01 April 2015	**129**	**55,375**	**19,442**	**74,817**	**58,739**	**133,685**
Profit for the year	-	-	-	-	28,005	28,005
Other comprehensive income	-	3,392	-	3,392	-	3,392
Total comprehensive income for the year	**-**	**3,392**	**-**	**3,392**	**28,005**	**31,397**
Transfer from contingency reserve to retained earnings	-	-	(3,891)	(3,891)	3,891	-
Dividends paid to ordinary shareholders	-	-	-	-	(9,620)	(9,620)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(3,891)**	**(3,891)**	**(5,729)**	**(9,620)**
Balance at 31 March 2016	**129**	**58,767**	**15,551**	**74,318**	**81,015**	**155,462**
Note(s)	13	14&27	15		27	

STATEMENTS OF CHANGES IN EQUITY

- FOR THE YEAR ENDED 31 MARCH 2016

Figures in Namibia Dollar thousand	Share capital	Revaluation reserve	Other NDR	Total reserves	Retained income	Total equity
Company						
Balance at 01 April 2014	**129**	**-**	**-**	**-**	**18,539**	**18,668**
Profit for the year	-	-	-	-	68,810	68,810
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**68,810**	**68,810**
Dividends paid to ordinary shareholders	-	-	-	-	(8,017)	(8,017)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(8,017)**	**(8,017)**
Balance at 01 April 2015	**129**	**-**	**-**	**-**	**79,332**	**79,461**
Profit for the year	-	-	-	-	12,021	12,021
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**12,021**	**12,021**
Dividends paid to ordinary shareholders	-	-	-	-	(9,620)	(9,620)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(9,620)**	**(9,620)**
Balance at 31 March 2016	**129**	**-**	**-**	**-**	**81,733**	**81,862**
Note(s)	13	14&27	15		27	

STATEMENTS OF CASH FLOWS

- FOR THE YEAR ENDED 31 MARCH 2016

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2016	2015	2016	2015
Cash flows from operating activities					
Cash generated (used in) / from operations	29	(36,631)	190,380	14,674	8,746
Interest income		4,359	2,592	5,368	7,187
Dividends received		-	-	5,055	67,455
Finance costs		(8,638)	(8,731)	(10,950)	(12,053)
Tax paid	30	(3)	(10)	-	-
Net cash generated (used in) / from operating activities		**(40,913)**	**184,231**	**14,147**	**71,335**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(79,823)	(35,197)	(2,085)	(33)
Proceeds on disposal of property, plant and equipment	3	5,946	5,384	21	-
Purchase of investment property	4	-	-	-	(68)
Purchase of intangible assets	5	(281)	(780)	-	-
Decrease / (increase) of investments		91,103	(76,569)	(5,063)	(1,154)
Net cash used in investing activities		**16,945**	**(107,162)**	**(7,127)**	**(1,255)**
Cash flows from financing activities					
Proceeds from interest-bearing loans and borrowings		94,477	-	13,174	10,866
Repayment of interest-bearing loans and borrowings		-	(31,844)	-	-
Dividends paid	31	(9,620)	(8,017)	(9,620)	(8,017)
Loans to related parties repaid		-	-	-	(88,735)
Loans advanced to related parties		7,187	20,479	(22,483)	14,246
Proceeds from loans from group companies		-	-	12,476	-
Net cash generated from / (used in) financing activities		**92,044**	**(19,382)**	**(6,453)**	**(71,640)**
Total cash movement for the year		**68,076**	**57,687**	**567**	**(1,560)**
Cash at the beginning of the year		397,923	340,236	(3,302)	(1,742)
Total cash at end of the year	12	**465,999**	**397,923**	**(2,735)**	**(3,302)**

1. Presentation of Consolidated Financial Statements

Nictus Holdings Limited (the Company) is a company incorporated in the Republic of Namibia. The consolidated financial statements of the Company for the year ended 31 March 2016 comprise the Company and its subsidiaries (together referred to as the Group).

The 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 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 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 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 land and buildings;
Note 4 - Fair value adjustment of investment property;
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 10&11 - Valuation of loans and receivables;
Note 9 - Valuation of inventory;
Note 19 - Insurance provisions and liabilities; and
Note 7&35&36 - 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.

1.1 Significant judgements and estimates (continued)

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.

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 recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the 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 1.19.

1.1 Significant judgements and estimates (continued)

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the 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 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 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 Property, plant and equipment

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.

Cost 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.

1.3 Property, plant and equipment (continued)

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

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

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

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

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

Subsequent costs
Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred

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

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

Item	**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 prospectively as a change in accounting estimate.

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

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

1.3 Property, plant and equipment (continued)

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

1.4 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is property held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or for administration purposes.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Subsequent to initial recognition investment property is measured at fair value with any change therein recognised in profit or loss. Revaluations are performed on annually by the board of directors.

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.

1.5 Earnings per share

The Group presents earnings 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.

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.

1.6 Intangible assets (continued)

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

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.

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.

Offset

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

1.7 Financial instruments (continued)

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.

Loans to (from) group companies

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

Loans to group companies are classified as loans and receivables.

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

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

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.

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.

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.

1.10 Inventories

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

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

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

Work-in-progress comprises of costs incurred during the service and repairs of vehicles and the work is not yet completed.

1.10 Inventories (continued)

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..

1.12 Stated capital (continued)

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 37.

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
- 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 instalment debtors arising from credit sales entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. The earned portion of interest received is recognised as revenue. Interest is earned from the date that the sales contract is concluded, over the period of the contract, based on the terms and conditions of the sales and instalment agreement.
Dividend income is recognised on the date that the Group's right to receive payment is established, 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 1.19.

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 financial statements are presented in Namibia Dollar which is the Group'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 annual financial statements are recognised in profit or loss in the period in which they arise. Non-monetary assets and liabilities measured at historical cost are translated to functional currency at the exchange rate at the date that the historical cost was determined.

1.19 Classification of insurance contracts

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

The Group classifies financial guarantee contracts issued as insurance contracts.

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

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

1.19 Classification of insurance contracts (continued)

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

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

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

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

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

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

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

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

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

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.

1.19 Classification of insurance contracts (continued)

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 three 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 consolidated annual 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 is relevant to its operations:

Standard/ Interpretation:

- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions
- IFRS 9: Classification, Measurement and Derecognition of Financial Instruments

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group 's accounting periods beginning on or after 01 April 2016 or later periods:

Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project

The amendment clarifies that non-current assets held for distribution to owners should be treated consistently with non-current assets held for sale. It further specifies that if a non-current asset held for sale is reclassified as a non-current asset held for distribution to owners or vice versa, that the change is considered a continuation of the original plan of disposal.

The effective date of the Group is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

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

Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project

The amendment provides additional guidance regarding transfers with continuing involvement. Specifically, it provides that cash flows excludes cash collected which must be remitted to a transferee. It also provides that when an entity transfers a financial asset but retains the right to service the asset for a fee, that the entity should apply the existing guidance to consider whether it has continuing involvement in the asset.

The effective date of the Group is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

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

Amendment to IAS 19: Employee Benefits: Annual Improvements project

The amendment clarifies that when a discount rate is determined for currencies where there is no deep market in high quality corporate bonds, then market yields on government bonds in that currency should be used.

The effective date of the Group is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

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

2. New Standards and Interpretations (continued)

Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements

The amendment provides new requirements when an entity presents subtotals in addition to those required by IAS 1 in its consolidated annual financial statements. It also provides amended guidance concerning the order of presentation of the notes in the consolidated annual financial statements, as well as guidance for identifying which accounting policies should be included. It further clarifies that an entity's share of comprehensive income of an associate or joint venture under the equity method shall be presented separately into its share of items that a) will not be reclassified subsequently to profit or loss and b) that will be reclassified subsequently to profit or loss.

The effective date of the Group is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

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

Amendment to IAS 34: Interim Financial Reporting. Annual Improvements project

The amendment allows an entity to present disclosures required by paragraph 16A either in the interim consolidated annual financial statements or by cross reference to another report, for example, a risk report, provided that other report is available to users of the consolidated annual financial statements on the same terms as the interim consolidated annual financial statements and at the same time.

The effective date of the Group is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

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

IFRS 9: Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

2. New Standards and Interpretations (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

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

The Group expect to adopt the standard for the first time in the 2019 consolidated annual financial statements.

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

IFRS 15: Revenue from Contracts with Customers

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

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

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2017.

The Group expects to adopt the standard for the first time in the 2018 consolidated annual financial statements.

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

2. New Standards and Interpretations (continued)

Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

The amendments apply to the acquisitions of interest in joint operations. When an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3, it shall apply, to the extent of its share, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this IFRS and disclose the information that is required in those IFRSs in relation to business combinations. This applies to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business.

The effective date of the amendments is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendments for the first time in the 2017 consolidated annual financial statements.

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

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendment clarifies that a depreciation or amortisation method that is based on revenue that is generated by an activity that includes the use of the asset is not an appropriate method. This requirement can be rebutted for intangible assets in very specific circumstances as set out in the amendments to IAS 38.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

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

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

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents profit or loss only to the extent of the unrelated investors interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents profit or loss.

The effective date of the Group is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

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

Amendment to IAS 27: Equity Method in Separate Financial Statements

The amendment adds the equity method to the methods of accounting for investments in subsidiaries, associates and joint ventures in the separate consolidated annual financial statements of an entity.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

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

2. New Standards and Interpretations (continued)

IFRS 14: Regulatory Deferral Accounts

The new standard is an interim standard applicable to entities subject to rate regulation. The standard is only applicable to entities adopting IFRS for the first time. It permits entities to recognise regulatory deferral account balances in the statement of financial position. When the account has a debit balance, it is recognised after total assets. Similarly, when it has a credit balance, it is recognised after total liabilities. Movements in these accounts, either in profit or loss or other comprehensive income are allowed only as single line items.

The effective date of the standard is for years beginning on or after 01 January 2016.

The Group expects to adopt the standard for the first time in the 2017 consolidated annual financial statements.

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

Amendments to IFRS 10, 12 and IAS 28: Investment Entities. Applying the consolidation exemption

The amendment clarifies the consolidation exemption for investment entities. It further specifies that an investment entity which measures all of its subsidiaries at fair value is required to comply with the "investment entity" disclosures provided in IFRS 12. The amendment also specifies that if an entity is itself not an investment entity and it has an investment in an associate or joint venture which is an investment entity, then the entity may retain the fair value measurement applied by such associate or joint venture to any of their subsidiaries.

The effective date of the Group is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

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

Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants

The amendment defines bearer plants and include bearer plants within the scope of IAS 16 Property, Plant and Equipment. A bearer plant is defined as a living plant used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce. Bearer plants were previously within the scope of IAS 41 Agriculture.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

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

2. New Standards and Interpretations (continued)

IFRS 16: Leases

New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right-to-use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other non-financial liabilities. As a consequence, a lessee recognise depreciation of the right-to-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows.

IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and account for those two types of leases differently.

IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

IFRS 16 supersedes the following Standards and Interpretations:

- IAS 17 Leases;
- IFRIC 4 Determining whether an Arrangement contains a Lease;
- SIC-15 Operating Leases - Incentives; and
- SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

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

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

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

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

3. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Group						
Land	102,274	-	102,274	98,474	-	98,474
Buildings	198,453	(2,614)	195,839	129,423	(1,962)	127,461
Plant and machinery	15,144	(8,299)	6,845	7,855	(3,633)	4,222
Motor vehicles	15,296	(7,537)	7,759	17,552	(9,774)	7,778
Total	**331,167**	**(18,450)**	**312,717**	**253,304**	**(15,369)**	**237,935**
Company						
Buildings	350	(16)	334	-	-	-
Plant and machinery	1,882	(151)	1,731	172	(110)	62
Total	**2,232**	**(167)**	**2,065**	**172**	**(110)**	**62**

Reconciliation of property, plant and equipment - Group - 2016

	Opening balance	Additions	Reclassifications within property, plant and equipment	Disposals	Revaluations	Depreciation	Total
Land	98,474	-	-	-	3,800	-	102,274
Buildings	127,461	72,761	-	(3,146)	(600)	(637)	195,839
Plant and machinery	4,222	3,531	-	(14)	-	(894)	6,845
Motor vehicles	7,778	3,531	-	(2,622)	-	(928)	7,759
	237,935	**79,823**	**-**	**(5,782)**	**3,200**	**(2,459)**	**312,717**

Reconciliation of property, plant and equipment - Group - 2015

	Opening balance	Additions	Reclassifications within property, plant and equipment	Disposals	Revaluations	Depreciation	Total
Land	101,816	-	(4,915)	-	1,573	-	98,474
Buildings	91,932	24,455	4,915	-	6,409	(250)	127,461
Plant and machinery	4,280	1,847	-	(1,003)	-	(902)	4,222
Motor vehicles	4,359	8,895	-	(3,769)	-	(1,707)	7,778
	202,387	**35,197**	**-**	**(4,772)**	**7,982**	**(2,859)**	**237,935**

Reconciliation of property, plant and equipment - Company - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	-	350	-	(16)	334
Plant and machinery	62	1,735	(21)	(45)	1,731
	62	**2,085**	**(21)**	**(61)**	**2,065**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	87	33	(4)	(54)	62

Property, plant and equipment encumbered as security

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

Buildings with a net book value of N$ 140,89 million (N$ 15,87 million) serve as security over bank loans. Also refer to note 16 for further details.
Motor vehicles with a net book value of N$ 0,69 million (2015: N$ 0,96 million) serve as security over bank loans.

Assets subject to finance lease (Net carrying amount):				
Buildings	93,325	15,868	-	-
Motor vehicles	686	957	-	-
	94,011	**16,825**	**-**	**-**

Revaluations

Land and building are revalued annually. The Group's board of directors revalued the land and buildings at 31 March 2016. The valuation was based on the market value for existing use. These assumptions were based on current market conditions. The prior year was valued by the Group's board of directors at 31 March 2015 at the carrying value of the land and buildings.

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

	Group 2016	**Group 2015**	**Company 2016**	**Company 2015**
Land	27,076	27,076	-	-
Buildings	139,486	70,302	-	-
	166,562	**97,378**	**-**	**-**

Fair value hierarchy of property

For 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				
Land	102,274	98,474	-	-
Buildings	195,893	127,461	-	-
	298,167	**225,935**	**-**	**-**

Figures in Namibia Dollar thousand

3. Property, plant and equipment (continued)

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

4. Investment property

Company	2016			2015		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment property	11,700	-	11,700	11,000	-	11,000

Reconciliation of investment property - Company - 2016

	Opening balance	Additions resulting from capitalised subsequent expenditure	Fair value adjustments	Total
Investment property	11,000	-	700	11,700

Reconciliation of investment property - Company - 2015

	Opening balance	Additions resulting from capitalised subsequent expenditure	Fair value adjustments	Total
Investment property	10,000	68	932	11,000

	Company 2016	**Company 2015**
Fair value of investment properties	11,700	11,000

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 2016. The valuation was based on open market value for existing use. These assumptions are based on current market conditions. The prior year was valued by the Group's board of directors at 31 March 2015 at the carrying value of the land and buildings.

The original cost including additions amount to Land N$ 6,2 million (2015: N$ 6,2 million) and Buildings N$ 5,1 million (2015: N$ 5,1 million).

	Company	
Figures in Namibia Dollar thousand	2016	2015

4. Investment property (continued)

Amounts recognised in profit and loss for the year

	2016	2015
Rental income from investment property	631	600
Direct operating expenses from rental generating property	(24)	(7)
	607	**593**

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	2016	2015
Investment property	11,700	11,000

5. Intangible assets

Group	2016			2015		
	Cost	Accumulated amortisation and accumulated impairment losses	Carrying value	Cost	Accumulated amortisation and accumulated impairment losses	Carrying value
Computer software	3,830	(2,878)	952	3,549	(2,378)	1,171

Reconciliation of intangible assets - Group - 2016

	Opening balance	Additions	Amortisation	Total
Computer software	1,171	281	(500)	952

Reconciliation of intangible assets - Group - 2015

	Opening balance	Additions	Amortisation	Total
Computer software	808	780	(417)	1,171

Figures in Namibia Dollar thousand

6. Investment 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 2016	% voting power 2015	% holding 2016	% holding 2015	Carrying amount 2016	Carrying amount 2015
Acacia Properties (Pty) Ltd		100.00 %	100.00 %	100.00 %	100.00 %	730	730
Auas Motors (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	9,848	9,848
Bonsai Investment Nineteen (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	-	-
Corporate Guarantee and Insurance Company of Namibia Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	24,012	24,012
Fossil Fuel Sales and Services (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	-	-
Grenada Investments Two (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	-	-
Hakos Capital and Finance (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	8,050	8,050
Hochland 7191 (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	-	-
Isuzu Truck (Namibia) (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	-	-
Khomas Car Rental and Leasing (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	-	-
Marulaboom Properties (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	-	-
Mopanie Tree Properties (Pty) Ltd **	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	-	-
NHL Tyre and Tire (Pty) Ltd #	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	7,500	-
Nictus (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	13,613	13,613
Nictus Eiendomme (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	472	472
Rubber Tree Properties (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	32,692	32,692
Werda Weskusontwikkeling (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	200	200
Willow Properties (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	1,028	1,028
Yellow Wood Properties (Pty) Ltd	NHL *	100.00 %	100.00 %	100.00 %	100.00 %	231	231
Indirectly held through Corporate Guarantee and Insurance Company of Namibia Ltd:							
Futeni Collections (Pty) Ltd		100.00 %	100.00 %	100.00 %	100.00 %	-	-
Karas Securities Ltd		100.00 %	100.00 %	100.00 %	100.00 %	-	-
						34,590	34,590
Impairment of investment in subsidiaries						-	-
						98,376	90,876

* - Nictus Holdings Ltd

** - The subsidiary's name was changed from Grenada Investments Three (Pty) Ltd to Mopanie Tree Properties (Pty) Ltd during the year

\# - The subsidiary's name was changed from NHL Tyre and Tire Corporation (Pty) Ltd to NHL Tyre and Tire (Pty) Ltd during the year.

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

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015
7. Investments				
At fair value through profit or loss				
Debt securities	1,020	1,020	-	-
Listed shares	17,589	19,331	7,696	10,133
Unlisted shares	669	669	669	669
	19,278	**21,020**	**8,365**	**10,802**
Loans and receivables				
Loans and receivables	46,066	23,233	-	-
Long-term portion of trade receivables	14,019	16,256	-	-
Secured advances	156,828	266,765	-	-
	216,913	**306,254**	**-**	**-**
Total investments	**236,191**	**327,274**	**8,365**	**10,802**
Non-current assets				
Designated as at fair value through profit or loss (fair value through income)	9,385	11,822	8,365	10,802
Loans and receivables	216,913	306,254	-	-
	226,298	**318,076**	**8,365**	**10,802**
Current assets				
Designated as at fair value through profit or loss (fair value through income)	9,893	9,198	-	-
	236,191	**327,274**	**8,365**	**10,802**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

7. Investments (continued)

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

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

Sensitivity analysis - equity price risk
A significant part of the Group's equity investments are listed on the Johannesburg Securities Exchange (JSE) and Namibian Stock Exchange (NSX). 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$ 0,18 millon after tax (2015: an increase of N$ 0.19 million); an equal change in the opposite direction would have decreased profit by N$ 0,18 million after tax (2015: a decrease of N$ 0.19 million). This analysis assumes that all other variable remain constant. The analysis was performed on the same basis for 2015.

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

The underlying loans and receivables have various repayment terms, with interest bearing at the Nedbank Namibia Limited prime bank overdraft ranging from prime less 2% to prime less 1.5% (2015: 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$ 215,4 million (2015: N$ 266,8 million).

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

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

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

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

Gross				
Not past due	216,913	306,254	-	-
Past due 121 - 365 days	1,793	3,494	-	-
	218,706	**309,748**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015
7. Investments (continued)				
Provision for impairment				
Past due 121 - 365 days	(1,793)	(3,494)	-	-
Reconciliation of provision for impairment of loans and receivables				
Opening balance	(3,494)	(3,643)	-	-
Provision reversed during the year	1,701	149	-	-
	(1,793)	**(3,494)**	**-**	**-**

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	17,589	19,331	7,696	10,133
Debt securities	1,020	1,020	-	-
	18,609	**20,351**	**7,696**	**10,133**
Level 2				
Loans and receivables	218,706	309,254	-	-
Level 3				
Unlisted shares	669	669	669	669
	237,984	**330,274**	**8,365**	**10,802**

	Company	
Figures in Namibia Dollar thousand	2016	2015

7. Investments (continued)

Reconciliation of financial assets at fair value through profit or loss measured at level 3 - Group - 2016

	Opening balance	Total
Unlisted shares	669	669

Reconciliation of financial assets at fair value through profit or loss measured at level 3 - Group - 2015

	Opening balance	Total
Unlisted shares	669	669

The Company holds 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 - 2016

	Opening balance	Total
Unlisted shares	669	669

Reconciliation of financial assets at fair value through profit or loss measured at level 3 - Company - 2015

	Opening balance	Total
Unlisted shares	669	669

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015
8. Deferred tax				
Recognised deferred tax asset				
No claim bonus provision	5,189	4,535	-	-
Other provisions	2,852	2,522	214	214
Impairment of trade receivables	1,997	2,378	-	-
Deferred tax balance from temporary differences other than unused tax losses	10,038	9,435	214	214
Tax losses available for set off against future taxable income	1,131	4,471	1,205	1,123
	11,169	13,906	1,419	1,337
Total deferred tax asset	**11,169**	**13,906**	**1,419**	**1,337**
Recognised deferred tax liability				
Plant and equipment	(1,321)	(1,832)	(91)	(9)
Land and buildings	(21,278)	(20,992)	(1,419)	(1,419)
Computer software	(76)	(148)	-	-
Furniture trade receivables	(7,779)	(6,308)	-	-
Contingency reserve	(4,967)	(6,416)	-	-
Total deferred tax liability	**(35,421)**	**(35,696)**	**(1,510)**	**(1,428)**

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	5,639	4,467	-	-
Deferred tax liability	(29,891)	(26,257)	(91)	(91)
Total net deferred tax liability	**(24,252)**	**(21,790)**	**(91)**	**(91)**
Reconciliation of deferred tax liability				
At beginning of year	(21,790)	(14,820)	(91)	(91)
Reduction due to rate change	485	-	-	-
Charged to other comprehensive income - revaluation of assets	(359)	(2,115)	-	-
Charged to profit or loss	(2,446)	(4,855)	-	-
Other	(142)	-	-	-
	(24,252)	**(21,790)**	**(91)**	**(91)**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

8. Deferred tax (continued)

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 32% (2015: 33%) is applied.

9. Inventories

	Group 2016	Group 2015	Company 2016	Company 2015
Raw materials, components	887	791	-	-
Work in progress	1,962	747	-	-
Merchandise and finished goods	133,297	121,974	-	-
	136,146	123,512	-	-
Inventories (write-downs)	(3,930)	(3,241)	-	-
	132,216	**120,271**	**-**	**-**

Inventory pledged as security

No inventory is pledged as security

No inventory is stated at net realisable value.

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015
10. Loans to (from) group companies				
Current loans to related parties				
Acacia Properties (Pty) Ltd	-	-	8,839	2,589
Auas Motors (Pty) Ltd	-	-	25,775	4,884
Bonsai Investments Nineteen (Pty) Ltd	-	-	29,172	31,912
Fossil Fuel Sales and Services (Pty) Ltd	-	-	552	1,200
Grenada Investments Two (Pty) Ltd	-	-	1,412	642
Hochland 7191 (Pty) Ltd	-	-	-	22,731
Isuzu Truck (Namibia) (Pty) Ltd	-	-	7,906	7,906
Marulaboom Properties (Pty) Ltd	-	-	1,785	1,141
Mopanie Tree Properties (Pty) Ltd	-	-	1	-
Nictus (Pty) Ltd	-	-	3,422	9,751
Nictus Eiendomme (Pty) Ltd	-	-	132	-
NHL Tyre and Tire Corporation (Pty) Ltd	-	-	22,190	31,000
Werda Weskusontwikkeling (Pty) Ltd	-	-	1,416	1,616
Willow Properties (Pty) Ltd	-	-	126	190
Yellow Wood Properties (Pty) Ltd	-	-	2,073	1,715
	-	**-**	**104,801**	**117,277**
Current loans from related parties				
Futeni Collections (Pty) Ltd	-	-	(5,535)	(30,998)
Hakos Capital and Finance (Pty) Ltd	-	-	(6,456)	(8,796)
Hochland 7191 (Pty) Ltd	-	-	(234)	-
Karas Securities Ltd	-	-	(30,000)	(30,000)
Mopanie Tree Properties (Pty) Ltd	-	-	-	(98)
Nictus Ltd	(42,293)	(35,106)	(42,293)	(35,106)
Nictus Eiendomme (Pty) Ltd	-	-	-	(7,027)
Rubbertree (Pty) Ltd	-	-	(5,024)	-
	(42,293)	**(35,106)**	**(89,542)**	**(112,025)**

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	-	-	(15,000)	(15,000)

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

Current assets	-	-	104,801	117,277
Non-current liabilities	-	-	(15,000)	(15,000)
Current liabilities	(42,293)	(35,106)	(89,542)	(112,025)
	(42,293)	**(35,106)**	**259**	**(9,748)**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015
11. Trade and other receivables				
Trade receivables	421,241	247,113	4,957	333
Deposits	428	276	-	-
VAT	24,865	15,798	-	23
Vehicle incentive claims	1,501	3,637	-	-
Sundry debtors	831	396	-	-
Other receivable	4,974	3,765	57	6,187
	453,840	**270,985**	**5,014**	**6,543**

The short-term portion of secured advances included under trade receivables is N$ 204,5 million (2015: N$ 41,2 million) and preference shares of N$ 13 million (2015: N$ 8 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.

	Group 2016	Group 2015	Company 2016	Company 2015
Segmental split				
Motor retail	59,894	75,050	-	-
Furniture retail	73,187	42,886	-	-
Insurance & Finance	320,167	151,556	-	-
Head Office	592	1,493	5,014	6,543
	453,840	**270,985**	**5,014**	**6,543**

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

	Group 2016	Group 2015	Company 2016	Company 2015
Gross				
Not past due	416,264	238,465	5,014	6,520
Past due 0 - 30 days	7,763	8,502	-	-
Past due 31 - 120 days	7,439	4,698	-	-
Past due 121 - 365 days	2,098	10,369	-	-
More than one year	2,098	890	-	-
	435,662	**262,924**	**5,014**	**6,520**
Impairment allowance				
Past due 0 - 30 days	-	3,081	-	-
Past due 31 - 120 days	4,475	2,753	-	-
Past due 121 - 365 days	1,583	1,301	-	-
More than one year	629	602	-	-
	6,687	**7,737**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

11. Trade and other receivables (continued)

Reconciliation of provision for impairment of trade and other receivables

Opening balance	7,737	4,497	-	-
Provision raised	(155)	3,982	-	-
Provision utilised	(895)	(742)	-	-
	6,687	**7,737**	**-**	**-**

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	245	315	13	13
Bank balances	231,013	204,325	48	99
Short-term deposits	241,243	199,058	-	-
Bank overdraft	(6,502)	(5,775)	(2,796)	(3,414)
	465,999	**397,923**	**(2,735)**	**(3,302)**
Current assets	472,501	403,698	61	112
Current liabilities	(6,502)	(5,775)	(2,796)	(3,414)
	465,999	**397,923**	**(2,735)**	**(3,302)**

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 available for future operating activities and commitments	6,498	7,225	-	1,585

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

Suretyship of N$9 million was signed in favour of the Company from each of the following subsidiary companies as security for the overdraft facility:
Nictus (Pty) Ltd
NHL Tyre and Tire Corporation (Pty) Ltd
Auas Motors (Pty) Ltd
Marulaboom Properties (Pty) Ltd
Grenada Investments Two (Pty) Ltd

After year-end, the board resolved to cancel the existing overdraft facilites for the Group.

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

13. Stated capital

Authorised - no par value shares				
1 000 000 000 Ordinary no par value shares (2015: 1 000 000 000)	150	150	150	150
Reconciliation of number of no par value shares authorised:				
Reported as at 01 April	1,000,000	1,000,000	1,000,000	1,000,000

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.

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 (2015: 53 443 500 Ordinary no par value shares)	129	129	129	129

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

14. Revaluation reserve

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

Opening balance	55,375	49,508	-	-
Revaluation of property	3,392	5,867	-	-
	58,767	**55,375**	**-**	**-**

15. 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	19,442	19,481	-	-
Transfer from contingency reserve to retained earnings	(3,891)	(39)	-	-
	15,551	**19,442**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015
16. Interest-bearing loans and borrowings				
Non-current				
Bank loans	92,512	11,647	-	-
Unsecured loans	8,189	7,742	-	-
	100,701	**19,389**	**-**	**-**
Current				
Bank loans	3,135	3,249	-	-
Unsecured loans	42,434	29,155	38,838	25,664
	45,569	**32,404**	**38,838**	**25,664**
	146,270	**51,793**	**38,838**	**25,664**

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

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

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

Loans from Nedbank Namibia Limited bear interest at Nedbank Namibia prime less 1,25% and is secured by first mortgage bond Refer note 3.

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

The non-current portion of the loans is due to a reciprocal agreement with Nedbank Namibia Limited. The loans bear interest at the Nedbank Namibia Bank overdraft rate ranging from less 2% to less 1,5% (2015: prime less 2% to less 1,5%)

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

Non-current liabilities				
Fair value through profit or loss	100,701	19,389	-	-
Current liabilities				
At amortised cost	45,569	32,404	38,838	25,664
	146,270	**51,793**	**38,838**	**25,664**
17. Trade and other payables				
Trade payables	63,234	54,329	1,665	1,017
Sundry creditors	931	7,638	-	-
Accruals	10,396	13,194	-	-
VAT	4,080	3,506	588	-
	78,641	**78,667**	**2,253**	**1,017**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

17. Trade and other payables (continued)

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 34.

18. Provisions

Reconciliation of provisions - Group - 2016

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Used vehicle warranty provision	179	-	(91)	-	88
Used vehicle extended warranty provision	271	-	(74)	-	197
Workshop warranty provision	624	86	-	-	710
Workshop comeback provision	1,105	172	-	-	1,277
Service and maintenance plan provisions	1,428	396	-	(321)	1,503
	3,607	**654**	**(165)**	**(321)**	**3,775**

Reconciliation of provisions - Group - 2015

	Opening balance	Utilised during the year	Raised during the year	Total
Used vehicle warranty provision	206	(27)	-	179
Used vehicle extended warranty provision	333	(182)	120	271
Workshop warranty provision	504	-	120	624
Workshop comeback provision	919	-	186	1,105
Service and maintenance plan provisions	806	(159)	781	1,428
	2,768	**(368)**	**1,207**	**3,607**

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

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

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

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

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

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

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015
19. Insurance contract liability				
Gross provision for unearned premiums	1,125,506	1,003,588	-	-
Gross provision for no claim bonus	16,216	13,742	-	-
Gross provision for IBNR	10,886	13,609	-	-
	1,152,608	**1,030,939**	**-**	**-**
Analysis of movements in gross unearned premiums				
Opening balance	1,003,588	847,808	-	-
Claims paid	(12,109)	(14,324)	-	-
IBNR created	2,723	27	-	-
Net written premiums	146,726	185,648	-	-
Net underwriting result	(15,422)	(15,571)	-	-
	1,125,506	**1,003,588**	**-**	**-**
Analysis of movements in no claim bonus provision				
Opening balance	13,742	11,118	-	-
No claim bonus charge to profit or loss	52,395	42,926	-	-
No claim bonus paid	(49,921)	(40,302)	-	-
	16,216	**13,742**	**-**	**-**
Analysis of movements in gross IBNR				
Opening balance	13,609	13,636	-	-
IBNR portion reversed	(2,723)	(27)	-	-
	10,886	**13,609**	**-**	**-**

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 occurrence, reporting and settlement of claims, the IBNR is calculated at 7% of the net written premium.

Premium provisions

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

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

19. Insurance contract liability (continued)

Assumptions
The assumption that has the greatest effect on the measurement of insurance contract provisions is the percentage applied to gross premiums written in the IBNR calculation. A 7% of written premium assumption before consolidated entries has been used for 2016 and 2015 financial years.

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

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

IBNR at 1% of net written premiums	1,467	1,856	-	-

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

20. Revenue

Sale of goods	851,566	978,392	-	-
Management fees	-	325	21,151	10,738
Rental Income	296	682	631	600
Finance income	47,104	30,977	-	-
Insurance premium income	31,649	31,060	-	-
	930,615	**1,041,436**	**21,782**	**11,338**

Insurance premium income consists of:				
Net written premiums	146,726	185,648	-	-
Change in net provision for unearned premiums	(115,077)	(154,588)	-	-
	31,649	**31,060**	**-**	**-**

21. Other income

Sundry income	17,167	16,723	160	188

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015
22. Investment revenue				
Investment income from operations				
Dividends received on listed financial assets	5,793	275	327	-
Fair value adjustment on listed financial assets	(2,320)	2,570	(2,437)	1,154
Dividends received on unlisted financial assets	777	792	7,165	67,455
Interest received on bank and other	23,116	24,222	-	-
	27,366	**27,859**	**5,055**	**68,609**
Investment income				
Related parties	-	-	4,829	6,922
Bank and other	4,359	2,592	539	265
	4,359	**2,592**	**5,368**	**7,187**
	31,725	**30,451**	**10,423**	**75,796**

23. Operating profit

Operating profit for the year is stated after accounting for the following:

	Group 2016	Group 2015	Company 2016	Company 2015
Insurance expenses				
Claims incurred	12,109	14,297	-	-
No claim bonus allocations	52,395	42,926	-	-
	64,504	**57,223**	**-**	**-**
Operating lease charges				
Premises				
• Contractual amounts	11,361	10,333	3,166	2,931
Equipment				
• Contractual amounts	458	299	-	-
	11,819	**10,632**	**3,166**	**2,931**
(Profit) / loss on disposal of property, plant and equipment	(1,329)	(612)	-	4
Allowance for impairment raised on trade receivables	-	3,982	-	-
Gain on sale of non-current assets held for sale and net assets of disposal groups	(3,314)	-	-	-
Amortisation of intangible assets	500	417	-	-
Depreciation on property, plant and equipment	2,459	2,859	61	54
Amount expensed in respect of employee costs:				
- Salaries	72,512	63,676	2,890	992
- Defined contribution funds	5,655	7,397	104	154
- Medical aid contribution	5,470	5,308	63	92

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015
24. Fair value adjustments				
Investment property (Fair value model)	-	-	700	932
25. Finance costs				
Related parties	3,399	2,332	5,215	7,447
Preference dividends	-	-	3,091	2,514
Bank and other	2,602	4,311	7	4
Interest paid to affiliated companies	2,637	2,088	2,637	2,088
	8,638	**8,731**	**10,950**	**12,053**
26. Taxation				
Major components of the tax expense				
Current				
Local income tax - current period	-	10	-	-
Deferred				
Originating and reversing temporary differences	2,446	4,855	-	-
	2,446	**4,865**	**-**	**-**
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	30,451	33,622	12,021	68,810
Tax at the applicable tax rate of 32% (2015: 33%)	(9,744)	(11,095)	(3,847)	(22,707)
Tax effect of adjustments on taxable income				
Tax losses utilised	4,467	-	3,195	-
Exempt income	2,324	1,237	2,621	22,949
Rate Change	507	-	-	-
Deferred tax not recognised	-	4,993	-	(262)
Non-deductible expenses	-	-	(1,969)	20
	(2,446)	**(4,865)**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

26. Taxation (continued)

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

	56,818	58,870	10,961	20,051

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:

	32,850	31,204	7,243	16,647

27. Other comprehensive income

Components of other comprehensive income - Group - 2016

	Gross	Tax	Net
Items that will not be reclassified to profit or loss			
Movements on revaluation			
Gains on property valuation	3,200	192	3,392

Components of other comprehensive income - Group - 2015

	Gross	Tax	Net
Items that will not be reclassified to profit or loss			
Movements on revaluation			
Gains on property valuation	7,982	(2,115)	5,867

28. Auditors' remuneration

Fees	2,299	2,025	421	445

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

29. Cash (used in) generated from operations

Profit before taxation	30,451	33,622	12,021	68,810
Adjustments for:				
Depreciation and amortisation	2,959	3,276	61	54
(Profit) / loss on disposal of property, plant and equipment	(1,329)	(612)	-	4
Dividends received	-	-	(5,055)	(67,455)
Investment income	(4,359)	(2,592)	(5,368)	(7,187)
Finance costs	8,638	8,731	10,950	12,053
Fair value adjustments	-	-	(700)	(932)
Movements in provisions	169	839	-	-
Movements in insurance contract liability	121,669	158,377	-	-
Changes in working capital:				
Inventories	(11,945)	(14,195)	-	-
Trade and other receivables	(182,858)	(350)	1,529	2,806
Trade and other payables	(26)	3,284	1,236	593
	(36,631)	**190,380**	**14,674**	**8,746**

30. Tax paid

Balance at beginning of the year	28	28	-	-
Current tax for the year recognised in profit or loss	-	(10)	-	-
Balance at end of the year	(31)	(28)	-	-
	(3)	**(10)**	**-**	**-**

31. Dividends paid

Dividends	(9,620)	(8,017)	(9,620)	(8,017)

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

32. Related parties

Relationships:

Subsidiaries	Refer to note 6
Affiliated and related companies	Veritrust (Pty) Ltd
	Nictus Ltd
Members of key management	N.C. Tromp
	F.R. van Staden
	J.J. Retief
	W.O. Fourie
	P.J. de W. Tromp
	G.R. de V. Tromp
	G. Swart (Appointed 1 April 2016)
	J.D. Mandy (Appointed 8 June 2016)

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 33.

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

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

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

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

Related party balances

Loan accounts of related parties				
Loan from Nictus Ltd	(42,293)	(35,106)	(42,293)	(35,106)
Loans from subsidiaries (excluding preference shares)	-	-	(16,882)	(46,919)
Loans to subsidiaries (excluding preference shares)	-	-	108,629	117,277
Preference shares issued to subsidiary (Karas Securities Ltd)	-	-	(45,000)	(45,000)

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015
32. Related parties (continued)				
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Trade payables due to subsidiaries	-	-	-	(3)
Trade payables due to Nictus Ltd	-	-	-	(8)
Trade receivables due from subsidiaries	-	-	-	5,050
Trade receivables due from key management	2,982	1,261	-	-
Related party balances with key management, personnel and companies affiliated with key management in the Group				
Investments: Loans and receivables (Secured advances)	-	7,720	-	-
Investments: Loans and receivables (Preference shares)	10,000	5,000	-	-
Loans due to affiliated companies	(38,838)	(25,580)	(38,838)	(25,580)
Unearned premium reserve account	(23,043)	(12,446)	-	-
Related party transactions				
Interest paid to / (received from) affiliated and related parties				
Nictus Ltd	3,399	2,332	3,399	2,332
Veritrust (Pty) Ltd	2,637	2,088	2,637	2,088
Interest paid to subsidiaries	-	-	3,698	5,115
Interest received from subsidiaries	-	-	(7,095)	(6,922)
Rent paid to / (received from) related parties				
Rent paid to subsidiaries	-	-	624	632
Rent received from subsidiaries	-	-	(631)	(600)
Management fees paid to / (received from) related parties				
Management fees received from subsidiaries	-	-	(18,966)	(10,738)
Related party transactions with key management, personnel and companies affiliated with key management in the Group				
Gross written premiums	3,075	(1,742)	-	-
Cancellations and endorsements	1,546	304	-	-
Claims paid	393	52	-	-
Change in provision for unearned premiums	2,519	12,446	-	-
Interest received on loans and receivables	-	(451)	-	-
Preference dividends received on loans and receivables	-	(443)	-	-
Dividends received from related parties				
Dividends received from subsidiaries	-	-	(7,165)	(67,455)

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

32. Related parties (continued)

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.

33. Directors' emoluments

Executive

2016

	Directors' fees - Holding company	Management and consulting fees - Holding company	Directors' fees - subsidiaries	Management and consulting fees - subsidiaries	Total
NC Tromp	-	1,647	193	2,825	4,665
JJ Retief	-	-	34	1,712	1,746
PJ De W Tromp	-	970	141	1,466	2,577
FR van Staden	-	129	190	2,818	3,137
WO Fourie	-	663	34	1,097	1,794
	-	**3,409**	**592**	**9,918**	**13,919**

2015

	Directors' fees - Holding company	Management and consulting fees - Holding company	Directors' fees - subsidiaries	Management and consulting fees - subsidiaries	Total
WO Fourie	9	983	26	616	1,634
JJ Retief	9	82	26	1,703	1,820
PJ De W Tromp	20	663	138	1,550	2,371
NC Tromp	9	768	200	2,675	3,652
FR van Staden	7	129	181	1,893	2,210
	54	**2,625**	**571**	**8,437**	**11,687**

Non-executive

2016

	Directors' fees	Total
GR de V Tromp	625	625

Figures in Namibia Dollar thousand

34. 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 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
- Medium term loans from Standard Bank Namibia Limited

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

Figures in Namibia Dollar thousand

34. Risk management (continued)

Group	Carrying amount	Contractual cash flow	12 months or less	1 - 2 years	2 - 5 years
At 31 March 2016					
Unsecured loans	50,623	50,623	42,434	8,189	-
Loans from related parties	42,293	42,293	42,293	-	-
Bank loans	95,647	95,647	3,512	3,629	88,506
Bank overdraft	6,502	6,502	6,502	-	-
Trade and other payables (excluding VAT)	74,606	74,606	74,606	-	-
Insurance contract liability	1,152,608	1,152,608	1,152,608	-	-
At 31 March 2015					
Unsecured loans	36,897	36,897	31,723	9,500	92
Bank loans	14,896	14,896	3,419	3,504	7,973
Trade and other payables (excluding VAT)	75,161	75,161	75,161	-	-
Loans from related parties	35,106	38,353	38,353	-	-
Bank overdraft	5,775	5,775	5,775	-	-
Insurance contract liability	1,030,939	1,030,939	1,030,939	-	-

Company	Carrying amount	Contractual cash flow	12 months or less	1 - 2 years
At 31 March 2016				
Unsecured loans	38,838	38,838	38,838	-
Trade and other payables (Excluding VAT)	1,665	1,665	1,665	-
Loans from related parties	59,175	59,175	59,175	-
Bank overdraft	2,796	2,796	2,796	-
Cumulative redeemable preference shares	45,000	48,386	32,258	17,257
At 31 March 2015				
Unsecured loans	25,664	28,202	28,202	-
Trade and other (Excluding VAT)	1,017	1,017	1,017	-
Loans from related parties	82,025	82,025	82,025	-
Bank overdraft	3,414	3,414	3,414	-
Cumulative redeemable preference shares	45,000	47,966	31,943	16,024

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

34. Risk management (continued)

Interest rate risk

Cash flow interest rate risk

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

Variable rate instruments				
Financial assets	1,137,367	986,159	118,471	134,711
Financial liabilities	(269,372)	(167,835)	(147,841)	(157,120)
	867,995	**818,324**	**(29,370)**	**(22,409)**
As at 31 March				
Variable rate instruments	8,680	8,183	(294)	(224)

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 2015.

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

Market risk

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

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

34. Risk management (continued)

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

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

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

Insurance risks

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

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

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

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

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

34. 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 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.

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

34. Risk management (continued)

Interest rate risk

Cash flow interest rate risk

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

Variable rate instruments				
Financial assets	1,137,367	986,159	118,471	134,711
Financial liabilities	(269,372)	(167,835)	(147,841)	(157,120)
	867,995	**818,324**	**(29,370)**	**(22,409)**
As at 31 March				
Variable rate instruments	8,680	8,183	(294)	(224)

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 2015.

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

Market risk

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

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

Figures in Namibia Dollar thousand

35. Financial assets by category

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

Group - 2016

	Loans and receivables	Fair value through profit or loss - held for trading	Total
Cash and cash equivalents	472,501	-	472,501
Investments	216,913	19,278	236,191
Trade and other receivables (excluding VAT)	428,675	-	428,675
	1,118,089	**19,278**	**1,137,367**

Group - 2015

	Loans and receivables	Fair value through profit or loss - held for trading	Total
Cash and cash equivalents	403,698	-	403,698
Investments	306,254	21,020	327,274
Trade and other receivables (excluding VAT)	255,187	-	255,187
	965,139	**21,020**	**986,159**

Company - 2016

	Loans and receivables	Fair value through profit or loss - held for trading	Total
Loans to related parties	105,031	-	105,031
Investments	-	8,365	8,365
Trade and other receivables (excluding VAT)	5,014	-	5,014
Cash and cash equivalents	61	-	61
	110,106	**8,365**	**118,471**

Company - 2015

	Loans and receivables	Fair value through profit or loss - held for trading	Total
Loans to related parties	117,277	-	117,277
Investments	-	10,802	10,802
Trade and other receivables (excluding VAT)	6,520	-	6,520
Cash and cash equivalents	112	-	112
	123,909	**10,802**	**134,711**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

36. Financial liabilities by category

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

Group - 2016

	Financial liabilities at amortised cost	Total
Loans from related parties	42,293	42,293
Bank overdraft	6,502	6,502
Interest-bearing loans and borrowings	146,270	146,270
Trade and other payables (excluding VAT)	74,606	74,606
	269,671	**269,671**

Group - 2015

	Financial liabilities at amortised cost	Total
Loans from related parties	35,106	35,106
Bank overdraft	5,775	5,775
Interest-bearing loans and borrowings	51,793	51,793
Trade and other payables (excluding VAT)	75,161	75,161
	167,835	**167,835**

Company - 2016

	Financial liabilities at amortised cost	Total
Bank overdraft	2,796	2,796
Interest-bearing loans and borrowings	38,838	38,838
Loans from related parties	59,542	59,542
Preference shares	45,000	45,000
Trade and other payables (excluding VAT)	1,665	1,665
	147,841	**147,841**

Company - 2015

	Financial liabilities at amortised cost	Total
Bank overdraft	3,414	3,414
Interest-bearing loans and borrowings	25,664	25,664
Loans from related parties	82,025	82,025
Preference shares	45,000	45,000
Trade and other payables (excluding VAT)	1,017	1,017
	157,120	**157,120**

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

36. Financial liabilities by category (continued)

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

37. Commitments

Capital expenditure

	Group 2016	Group 2015	Company 2016	Company 2015
Approved by directors and contracted for				
• Property, plant and equipment	109,369	115,217	-	-

This committed expenditure relates to property and will be financed by a combination of the Group's own reserves and external financing.

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)

	Group 2016	Group 2015	Company 2016	Company 2015
Minimum lease payments due				
- within one year	6,400	4,521	-	3,155
- in second to fifth year inclusive	5,598	2,141	-	-
	11,998	**6,662**	**-**	**3,155**

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 financial year, the Company provided a guarantee of N$ 18 million in favour of Dr Weder, Kauta & Hoveka Inc for the purchase of Erf 149, Walvisbay (Boel's Family Property Holding Trust).

Figures in Namibia Dollar thousand

38. Group segmental analysis

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

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

Reportable Segment	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 retreater.
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.

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 all prior periods which are presented.

Transactions within the reportable segments take place on an arm's length basis.

The segment information provided to the Board is presented on the next page:

Figures in Namibia Dollar thousand	2016	2015	2016	2015

38. Group segmental analysis (continued)

2016

	Revenue				Separately disclosable items	
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Net profit after taxation	Finance costs	Taxation
Motor retail	769,308	(6,426)	762,882	10,858	14,240	2,234
Furniture retail	104,106	(3,565)	100,541	5,319	7,306	139
Insurance & Finance	94,949	(2,757)	92,192	31,732	1,295	3,107
Head Office	21,782	-	21,782	11,420	12,833	-
Total	**990,145**	**(12,748)**	**977,397**	**59,329**	**35,674**	**5,480**
Reconciling items						
Intersegment eliminations				(31,324)		
Profit for the year				**28,005**		

2015

	Revenue				Separately disclosable items	
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Net profit after taxation	Finance costs	Taxation
Motor retail	902,547	(6,488)	896,059	10,232	14,662	3,186
Furniture retail	95,039	(3,588)	91,451	4,915	8,866	1,976
Insurance & Finance	74,956	(3,127)	71,829	25,948	1,404	2,628
Head office	11,338	-	11,338	67,879	12,053	-
Total	**1,083,880**	**(13,203)**	**1,070,677**	**108,974**	**36,985**	**7,790**
Reconciling items						
Intersegment eliminations				(80,217)		
Profit for the year				**28,757**		

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

38. Group segmental analysis (continued)

Analysis of revenue by product/service

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

Product / service				
Sale of goods	851,566	978,392	-	-
Rental income	296	682	631	600
Finance income	47,104	30,977	-	-
Insurance premium income	31,649	31,060	-	-
Management fees	-	325	21,151	10,738
Total revenue	**930,615**	**1,041,436**	**21,782**	**11,338**

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

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

38. Group segmental analysis (continued)

2016

	Capital expenditure	Total assets	Total liabilities
Motor retail	3,764	306,264	240,995
Furniture retail	73,024	287,212	261,067
Insurance & Finance	-	1,267,221	1,206,223
Head Office	-	230,497	148,520
Total	**76,788**	**2,091,194**	**1,856,805**
Reconciling items			
Intersegment eliminations		(474,117)	(395,190)
Total as per statement of financial position		**1,617,077**	**1,461,615**

2015

	Capital expenditure	Total assets	Total liabilities
Motor retail	17,734	345,791	277,476
Furniture retail	17,304	178,114	147,736
Insurance & Finance	58	1,162,559	1,115,658
Head Office	101	236,672	157,211
Total	**35,197**	**1,923,136**	**1,698,081**
Reconciling items			
Intersegment eliminations		(557,307)	(465,937)
Total as per statement of financial position		**1,365,829**	**1,232,144**

Geographical information

	2016		2015	
	Revenue by location of customer	**Non-current assets by location of assets**	**Revenue by location of customer**	**Non-current assets by location of assets**
Namibia	955,813	1,840,112	1,059,339	1,686,464
Head Office	21,782	230,497	11,338	236,672
Intersegment eliminations	(46,980)	(453,532)	(29,241)	(557,307)
Total	**930,615**	**1,617,077**	**1,041,436**	**1,365,829**

	Group	
Figures in Namibia Dollar thousand	2016	2015

39. Earnings per share

Earnings per share

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.

	2016	2015
Weighted average number of shares		
Weighted average number of shares in issue for earnings per share and headline earnings per share:	53,443,500	53,443,500
Earnings per share		
From continuing operations (cents per share)	52.40	53.81
Reconciliation of profit or loss for the year to basic earnings		
Profit or loss for the year attributable to equity holders of the parent	28,005	28,757

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.

	2016	2015
Diluted earnings per share		
From continuing operations (cents per share)	52.40	53.81

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

	Group	
Figures in Namibia Dollar thousand	2016	2015

39. Earnings per share (continued)

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.

	2016	2015
Headline earnings per share (cents)	49.91	52.66
Reconciliation between earnings and headline earnings		
Basic earnings	28,005	28,757
Adjusted for:		
Profit on disposal of property, plant and equipment	(1,329)	(612)
	26,676	**28,145**
Reconciliation between diluted earnings and diluted headline earnings		
Diluted earnings	28,005	28,757
Adjusted for:		
Profit on disposal of property, plant and equipment	(1,329)	(612)
	26,676	**28,145**
Dividends per share		
Final (cents)	18.00	15.00

40. 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.

41. 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 2016.

	Group		Company	
Figures in Namibia Dollar thousand	2016	2015	2016	2015

42. Disposal groups held for sale

The Group has decided to sell their investment in Fossil Fuel Sales and Services (Pty) Ltd. The assets and liabilities of the disposal group are set out below.

Profit and loss

	Group 2016	Group 2015	Company 2016	Company 2015
Revenue	91,507	-	-	-
Expenses	(88,061)	-	-	-
Net profit before tax	3,446	-	-	-
Tax	(132)	-	-	-
	3,314	**-**	**-**	**-**

Assets and liabilities

	Group 2016	Group 2015	Company 2016	Company 2015
Assets of disposal group				
Investments	446	-	-	-
Inventories	1,330	-	-	-
Trade and other receivables	304	-	-	-
Other assets	910	-	-	-
	2,990	**-**	**-**	**-**
Liabilities of disposal group				
Other liabilities	1,635	-	-	-
Equity				
Other	185	-	-	-

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;
- 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 in centive. 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.

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 ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on ***2 September 2016*** at ***16:00 (Namibian time)***, to deal with the business as set out below and to consider and, if deemed appropriate, pass the ordinary and special resolutions set out in this notice.

1. GENERAL PURPOSE OF THE ANNUAL GENERAL MEETING

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

2. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The consolidated audited annual financial statements of the Company and its subsidiaries, incorporating the reports of the auditors, the audit committee and the directors for the year ended 31 March 2016 will be presented to shareholders as required in terms of section 294 of the Companies Act.

3. RESOLUTIONS FOR CONSIDERATION AND APPROVAL

3.1 **Ordinary resolution 1: approval of minutes of previous annual general meeting**
"Resolved to approve the minutes of the previous annual general meeting."

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

3.2 **Ordinary resolution 2: re-election of WO Fourie as a director**
"Resolved that WO Fourie be and is hereby re-elected as a director of the Company."

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

3.3 **Ordinary resolution 3: re-election of 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 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: 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 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: election of GR de V Tromp as a director**
"Resolved that GR de V Tromp be and is hereby elected as a director 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.

A brief curriculum vitae is set out on page 103 of the integrated annual report.

3.6 **Ordinary resolution 6: election of JD Mandy as a director**

"Resolved that JD Mandy be and is hereby elected as a director of the Company."

In order for this ordinary resolution number 6 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.

A brief curriculum vitae is set out on page 103 of the integrated annual report.

3.7 **Ordinary resolution 7: election of Gerard Swart as a director**

"Resolved that Gerard Swart be and is hereby elected as a director of the Company."

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.

A brief curriculum vitae is set out on page 103 of the integrated annual report.

3.8 **Ordinary resolution 8: 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 pages 96 of the annual report of which this notice forms part."

In order for this ordinary resolution number 8 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.

3.9 **Ordinary resolution 9: 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 9 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.

3.10 **Ordinary resolution 10: 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 -

3.10.1 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;

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

3.10.3 the shares which are the subject of the issue -

3.10.3.1 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;

3.10.3.2 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

3.10.3.3 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;

3.10.4 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

3.10.5 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 10 to be passed, the support of more than 75% (seventy five per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

3.11 **Ordinary resolution 11: election of an Audit Committee**
"Resolved that an Audit Committee, comprising at least three members, shall be elected at each annual general meeting notwithstanding that he board of the company shall appoint a person to fill any vacancy on the audit committee within a reasonable time after such vacancy arises."

In order for this ordinary resolution number 11 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.

3.12 **Ordinary resolution 12: election of JD Mandy as a member of the Audit Committee**
"Resolved that JD Mandy, a director of the Company, be and is hereby elected as a member of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

In order for this ordinary resolution number 12 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

3.13 **Ordinary resolution 13: election of FR van Staden as a member of the Audit Committee**
"Resolved that FR van Staden, a director of the Company, be and is hereby elected as a member of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

In order for this ordinary resolution number 13 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

3.14 **Ordinary resolution 14: election of GR de V Tromp as a member of the Audit Committee**
"Resolved that GR de V Tromp, a director of the Company, be and is hereby elected as a member of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

In order for this ordinary resolution number 14 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

3.15 **Ordinary resolution 15: appointment of JD Mandy as Chairman of the Audit Committee**
"Resolved that JD Mandy, a director of the Company, be and is hereby elected as chairman of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

In order for this ordinary resolution number 15 to be passed, the support of more than 50% (seventy five per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

3.16 **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.

3.17 **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.

3.18 **Ordinary resolution 16: 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 16 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4. ADDITIONAL INFORMATION

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

4.1 directors and management – pages 22 to 23;

4.2 major shareholders – page 23;

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

4.4 share capital of the Company – page 69.

5. LITIGATION STATEMENT

The directors in office whose names appear on pages 6 and 22-23 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 pages 6 and 22-23 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolutions contain all information required by the NSX Listings Requirements.

7. MATERIAL CHANGES

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

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

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

9. ATTENDANCE AND PROXIES

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

9.1.1 a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, participate in and vote at the annual general meeting in 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, 1st floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek (Private Bag 13231, Windhoek) or the transfer Secretaries, c/o Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek (Private Bag 13231, Windhoek). Forms of proxy must be received not later than 12:00 on **31 August 2016**. 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

BRIEF CURRICULUM VITAE OF RETIRING DIRECTORS

FR VAN STADEN (52)

- CA (SA) and a CA (NAM)
- Executive Director: Nictus Holdings Limited
- Managing Director: Motor Retail
- Chairman: Financial Services
- 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 a member of the Audit Committee of Nictus Holdings Group. He also serves as trustee of the NAMMED Medical Scheme. He has served the Nictus Group for the past 22 years.

WO FOURIE (40)

- CA (SA) and a CA (NAM)
- Executive Director: Nictus Holdings Limited (Group Financial Director)
- Managing Director: Financial Services
- Member: IT Committee
Investment Committee
Executive Committee

WO Fourie is a CA (SA) and a CA (NAM) and completed his accounting articles in 2002. After completion of his articles he joined a large diamond mining company during 2003. In 2007 he joined the Nictus Limited Group as the Group Financial Manager and was appointed as the Group Financial Director during 2010. He currently serves as Chairman of the Audit Committee of the Nictus Holdings Group, as well as being a member on the IT Committee, Investment Committee and Executive Committee of the Nictus Holdings Group. He has served the Nictus Group for the past 9 years.

PJ DE W TROMP (41)

- B.Econ, EDP: USB, SMP: USB
- Chairman: Nictus Holdings Limited
Furniture Retail
IT Committee
Executive Committee
- Member: Investment 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 Chairman of the Furniture Retail Segment, IT Committee and Executive committee and as a member of the Audit and Investment Committees of the Group. He further serves as a non-executive director of Nictus Limited listed on the JSE. He has served the Nictus Group for the past 13 years.

GR DE V TROMP (35)

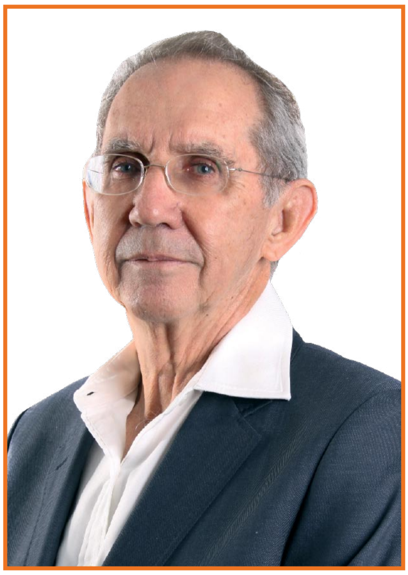
- CA (SA) and a CA (NAM)
- Non-executive Director: Nictus Holdings Limited
- Member: Audit Committee

GR de V Tromp has a B Com marketing degree and is a chartered accountant (South Africa and Namibia) and completed his articles in 2008. He joined the Group as Group company secretary in 2009 after completion of his articles, which role he fulfilled until 2012. Gerard has held the position of Managing Director of the furniture subsidiary of the JSE listed Nictus Limited since 2012, took up position as Deputy Managing Director of the Nictus Limited Group during 2015 and was appointed Group Managing Director of the Nictus Limited Group during 2016.

JD MANDY (70)

- CA (NAM)
- Independent non-executive Director: Nictus Holdings Limited
- Member & Chairman: Audit Committee

John D Mandy is a qualified chartered accountant (Namibia) and a fellow of the Chartered Secretaries of Southern Africa. He has a number of years of experience in senior executive roles at Pupkewitz Group Holdings, Namibian Harvest Investments Limited, Stocks and Stocks Properties and Arthur Andersen & Co. In addition, he occupied the position of chief executive officer of the Namibian Stock Exchange for a period of 10 years until the end of 2012. He was elected as an independent non-executive director and member and chairman of the Audit and Risk Committee of Nictus Limited in 2013, 2014 and 2015.



G SWART (61)

- CA (NAM)
- Independent non-executive Director: Nictus Holdings Limited

G Swart is a qualified chartered accountant (South Africa and Namibia) and boasts 34 years'experience in the accounting profession, of which 24 years as audit partner. He was also the managing partner of a chartered accountant and audit firm for 15 years. Gerard is an independent non-executive director of the JSE listed Nictus Limited, a member of its Audit and Risk Committee and member and chairman of its Remuneration Committee.

EXCELLENCE

FORM OF PROXY

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

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

For completion by registered members of Nictus unable to attend the annual general meeting of the Company to be held on the ground floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on **2 September 2016** at **16:00** (Namibian time), or at any adjournment thereof.

I/We...

of...(address)

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

1.. or, failing him/her

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

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

Resolutions	For	Against	Abstained	Precluded*
01. *Ordinary resolution 1:* approval of minutes of previous annual general meeting				
02. *Ordinary resolution 2:* re-election of WO Fourie as a director				
03. *Ordinary resolution 3:* re-election of FR van Staden as a director				
04. *Ordinary resolution 4:* re-election of PJ de W Tromp as a director				
05. *Ordinary resolution 5:* election of GR de V Tromp as a director				
06. *Ordinary resolution 6:* election of JD Mandy as a director				
07. *Ordinary resolution 7:* election of Gerard Swart as a director				
08. *Ordinary resolution 8:* approval of remuneration policy				
09. *Ordinary resolution 9:* re-appointment of SGA as auditors				
10. *Ordinary resolution 10:* authority to issue ordinary shares				
11. *Ordinary resolution 11:* election of an Audit Committee				
12. *Ordinary resolution 12:* election of JD Mandy as a member of the Audit Committee				
13. *Ordinary resolution 13:* re-election of FR van Staden as a member of the Audit Committee				
14. *Ordinary resolution 14:* election of GR de V Tromp as a member of the Audit Committee				
15. *Ordinary resolution 15:* appointment of JD Mandy as Chairman of the Audit Committee				
16. *Special resolution 1:* general authority to repurchase shares				
17. *Special resolution 2:* financial assistance to entities related or inter-related to the Company				
18. *Ordinary resolution 16:* signing authority				

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

Form of proxy and notes continues on the reverse hereof

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

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

Signature ....

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

NOTES TO THE FORM OF PROXY

1. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the Company) to attend, speak and, on a poll 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, 1st floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek (Private Bag 13231, Windhoek) or the transfer Secretaries, Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek (Private Bag 13231, Windhoek). Forms of proxy must be received not later than 12:00 on **31 August 2016**.

ANNUAL REPORT NOTES

ANNUAL REPORT NOTES

NICTUS HOLDINGS Ltd.
COMPANY DETAILS

Company registration number
1962/1735

NSX Share code
NHL, ISIN number: NA000A1J2SS6

Executive Directors
P J de W Tromp (Chairman - Executive)
N C Tromp • F R van Staden
J J Retief • W O Fourie

Non-executive Directors
G R de V Tromp • G Swart (Independent)
JD Mandy (Independent)

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

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

Sponsor on the NSX
Simonis Storm Securities (Pty) Ltd

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

Please visit our website
www.nictusholdings.com

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