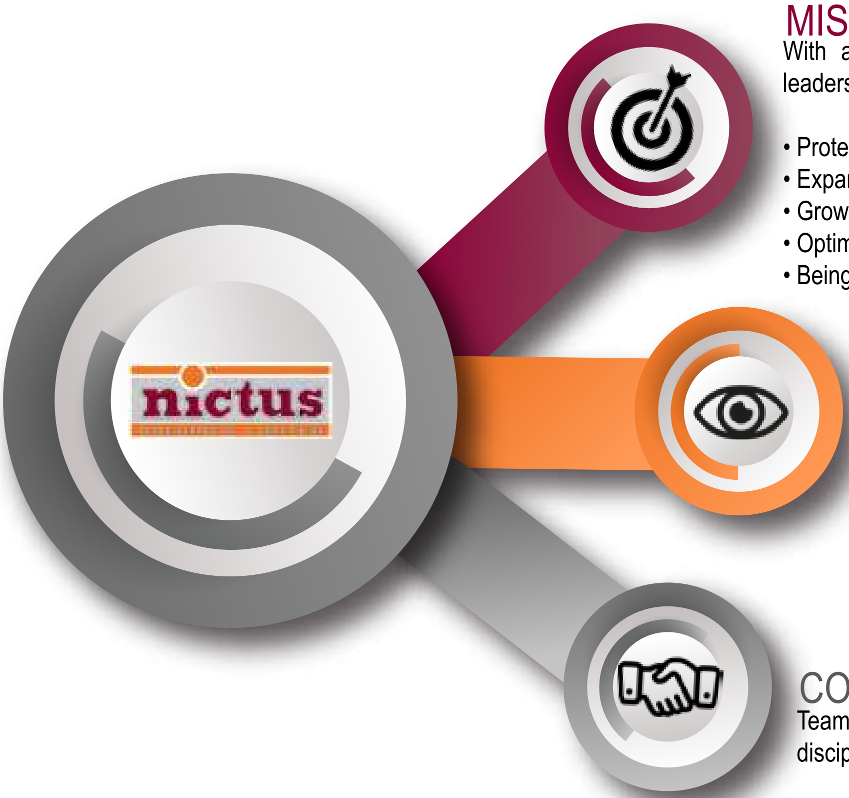
2020 ANNUAL REPORT

Philosophy

Nictus has been very successful in change initiatives. The challenge remains to reach a top level of EXCELLENCE throughout the organisation.

The philosophy and core focus will be to drive EXCELLENCE in every aspect of the organisation and through this establish Nictus as a leading entity.



MISSION

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

- Protecting our independence,
- Expanding our business base throughout Namibia,
- Growing a satisfied customer base,
- Optimizing all resources, being innovative and technology driven,
- Being the preferred employer.

VISION

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

CORE VALUES

Teamwork, Respect, Adaptability, Integrity, Transparency, Fanatic discipline, Individual & collective ownership.

CODE OF CONDUCT

I will,

- Treat others as I want to be treated by them, the golden rule.
- Always strive to do what is best for my Group, my country and my planet.
- Abide by the values, policies and procedures of the Group, the laws of my country and the universal human principles of all that is good and just.
- Be honest, reliable, fair, and open in everything I say, write and do and accept responsibility for the consequences.
- Protect the Group's assets, information and reputation.
- Value and respect the diversity of beliefs, cultures, convictions and habits of the people of our Group and the countries in which we operate.
- Disclose to the Group any real or perceived situations where my private interests or the interests of the members of my immediate or extended family or other persons close to me that may interfere with the interests of the Group.
- Not give or receive gifts or benefits in contravention of the policies of the Group and no gift, irrespective of the value, should influence me to change my business decision to the detriment of the Nictus Group.
- Seek new, better and more innovative ways to do my work and perform to the utmost of my abilities.
- Not remain silent in the face of dishonesty, malice, disrespect, intolerance or injustice.

Contents

Taking Action with a Strategic Focus

Highlights

- Assets increased to N$ 2 billion
- Profit increased to N$ 7.4 million

Group Profile

The Nictus Group of Companies was founded in 1945 and was listed on the JSE in 1969. The company's main business operations were based in the former South West Africa. The main reason for the listing was to build equity to expand its operations into Southern Africa.

During 2012 Nictus Holdings Limited (better known today as Nictus Namibia) was unbundled from the JSE listed company, and on 21 September 2012 was primary listed on the Namibian Stock Exchange (NSX).

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

TrenTyre Namibia is one of the largest tyre service providers in Namibia. It sells new multi-brand tyres, retreaded tyres, wheels and allied services to cater for its customer needs in various sectors of the Namibian economy.

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

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

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

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

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

Operations Footprint

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

Group Structure

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

nictus HOLDINGS LIMITED

RETAIL SEGMENT

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

PROPERTY SEGMENT

- Acacia Properties
- Bel Development
- Bonsai Investments Nineteen
- Grenada Investments Two
- Hochland 7191
- Isuzu Truck (Namibia)
- Marulaboom Properties
- Mopanie Tree Properties
- Nictus Eiendomme
- Rubber Tree Properties
- Werda Weskusontwikkeling
- Willow Properties
- Yellow Wood Properties

INSURANCE & FINANCE SEGMENT

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

Group Five Year Review

Figures in Namibia Dollar thousand	2020	2019	2018	2017	2016
Statements of Financial Position					
Assets					
Non-current assets	876,894	827,762	898,214	781,940	545,606
Current assets	1,133,079	897,124	835,144	869,419	1,068,481
Assets of disposal groups held for sale	-	-	-	-	2,990
Total assets	**2,009,973**	**1,724,886**	**1,733,358**	**1,651,359**	**1,617,077**
Liabilities					
Non-current liabilities	144,906	142,471	152,430	159,973	130,592
Current liabilities*	1,697,508	1,415,363	1,414,884	1,326,041	1,329,388
Liabilities of disposal groups held for sale	-	-	-	-	1,635
Total liabilities	**1,842,414**	**1,557,834**	**1,567,314**	**1,486,014**	**1,461,615**
Equity					
Stated capital	129	129	129	129	129
Reserves	74,399	74,399	74,399	74,318	74,318
Retained income	93,031	92,524	91,516	90,898	81,015
Total equity	**167,559**	**167,052**	**166,044**	**165,345**	**155,462**
Total equity and liabilities	**2,009,973**	**1,724,886**	**1,733,358**	**1,651,359**	**1,617,077**
Statements of Profit or Loss and Other Comprehensive Income					
Revenue	631,060	677,603	831,921	972,001	930,615
Cost of sales	(428,121)	(483,117)	(621,141)	(745,746)	(725,855)
Gross profit	**202,939**	**194,486**	**210,780**	**226,255**	**204,760**
Other operating income	35,839	43,235	49,515	51,590	44,533
Other operating gains (losses)	1,132	2,254	(2,991)	-	-
Other operating expenses	(220,643)	(224,913)	(240,527)	(246,160)	(217,877)
Operating profit	**19,267**	**15,062**	**16,777**	**31,685**	**31,416**
Investment Income	2,682	2,798	2,538	6,471	4,359
Finance costs	(8,904)	(15,046)	(20,268)	(16,370)	(8,638)
Gain on non-current assets held for sale or disposal groups	-	-	-	-	3,314
Profit (loss) before taxation	**13,045**	**2,814**	**(953)**	**21,786**	**30,451**
Taxation	(5,683)	4,342	6,551	(2,283)	(2,446)
Profit for the year	**7,362**	**7,156**	**5,598**	**19,503**	**28,005**

* Included in current liabilities is the insurance contract liability (refer Note 23). Premiums received under this liability are invested in terms of the insurance act enacted in Namibia with the result that certain investments are of a long term nature.

Group Five Year Review continued

	2020	2019	2018	2017	2016
Per share data (cents)					
Basic and diluted earnings per share	14.03	13.64	10.47	36.49	52.40
Basic and diluted earnings per share (before treasury share adjustment)	13.78	13.39	-	-	-
Headline earnings per share	14.12	13.06	13.57	29.98	49.90
Headline earnings per share (before treasury share adjustment)	13.86	12.82	-	-	-
Dividend per share	12.00	12.00	12.00	18.00	18.00
Net worth per share	313.52	312.56	310.69	309.38	290.89
Financial ratios					
Liquidity ratios					
Current ratio	0.67	0.63	0.57	0.66	0.80
Liability ratio	9.69	8.35	8.24	7.58	7.94
Borrowing ratio	0.81	1.01	0.80	0.87	0.85
Dividend cover (times)	1.16	1.07	1.13	1.67	2.77
Profitability and asset management (%)					
Net operating profit to turnover	3.48	2.63	2.32	3.93	4.20
Return on shareholders' equity	4.39	4.28	3.37	11.80	18.01
Return on assets managed	6.00	4.65	4.85	9.60	12.18
Net asset turn (times)	1.73	1.77	2.09	2.45	2.90
Debt leverage					
Interest cover	2.47	1.19	0.95	2.33	4.53
Namibian Stock Exchange performance					
Market price High (cents)	180	180	200	220	240
Market price Low (cents)	160	180	50	200	210
Market price at year end (cents	160	180	180	200	210
Price earnings ratio	11.33	12.25	13.26	6.67	4.21
Earnings yield (%)	8.83	8.16	7.54	14.99	23.76
Market capitalisation (N$'000)	85,510	96,198	96,198	106,887	112,231
Volume of shares traded ('000 shares)	532	2640	982	262	2472

Definitions of Ratios & Terms

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

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

3 **HEADLINE EARNINGS PER SHARE**
Headline earnings per share is determined by adjusting basic earnings per share with separately identifiable re-measurements; divided by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Board of Directors
as at 31 March 2020

Gerard Swart
- CA (NAM) CA (SA)
- Years of Service: 4 years
- Independent Non-Executive Chairman
- Member: Remuneration & Nominations Committee

PJ de W Tromp
- B.Econ, EDP: USB, SMP: USB
- Years of Service: 17 years
- Group Managing Director
- Member: Investment Committee

NC Tromp
- B.Com
- Years of Service: 46 years
- Non-Executive Director
- Chairman: Remuneration & Nominations Committee
- Chairman: Investment Committee

Talita Horn
- CA (NAM) CA (SA)
- Years of Service: 1 years
- Certified Internal Auditor
- Independent Non-Executive Director
- Chairperson: Audit Committee

FR van Staden
- CA (NAM) CA (SA)
- Years of Service: 26 years
- Executive Director
- Managing Director: Property Companies
- Chairman: Risk Committee
- Member: Audit Committee

WO Fourie
- CA (NAM) CA (SA)
- Years of Service: 13 years
- Group Financial Director
- Member: Investment Committee
- Member: Risk Committee

GR de V Tromp
- CA (NAM) CA (SA)
- Years of Service: 5 years
- Non-Executive Director
- Member: Audit Committee


nictus
HOLDINGS LIMITED

Chairman's Report

For the past financial year, the Nictus Group traded under difficult economic circumstances where the aftermath of the strained economy still influenced disposable income in the country. The last month of trading was further negatively affected by the worldwide Covid-19 pandemic.

Segments
The insurance segment contributed largely to the overall profit of the Group and it is anticipated that it will continue to do so. The retail segment remains under pressure and will only be able to improve once we see real economic recovery in the country.

Throughout all segments, timely actions by management to realign the Group to a smaller economy and further curtailing of all expenses to levels where the Group could be profitable again, will bear its fruit in future. I foresee a long period of recovery for the economy once the pandemic in the country ends.

Economic outlook
For the first time in recent history, the world economy declined in an unprecedented manner. However, we are starting to see positive signs of a slow recovery, with stock markets being the most rapid, but it is doubtful that this will be sustainable. Most probably full recovery will take many years. The Nictus Group put various initiatives in place to counter the negative effects of the current unparalleled economic decline. A lot of hard work has already been done to place the Nictus Group on a path of sustainable growth and profitability for the future.

Appreciation
More than ever I would like to thank everyone involved for their loyalty, dedication, and support but above all I honour our Almighty God for leading us and keeping us safe in these challenging times.

Gerard Swart
Chairman of Nictus Holdings Limited

Managing Director's Report

Esteemed Stakeholders,

When the 2020 financial year commenced in April last year, we did not expect any major growth in the retail arena. What we did not anticipate was that we would see an even further contraction on the retail side.

The process of aligning our business to the changing markets and environment received a lot of focus over the past year and it is satisfying to see that we made good progress in this regard. With the Covid-19 pandemic that is forcing a new set of rules upon us, I am confident that with a culture to adapt that was established, we are ready and willing to also face this challenge and further adjust the Group in order to ensure sustainability.

Financial

Pursuing our growth strategy, especially in the furniture sector, was challenging under the circumstances. This was where we experienced the biggest contraction on turnover, however we managed to maintain our market share. The Tyres and Motor divisions were also under pressure but managed to increase their market share and improved on the results of the previous year.

Properties performed better compared with the previous year mainly due to lower interest rates and effective cost management.

Insurance and finance also showed better results than the previous year and managed to grow in turnover and profitability. This was due to concerted claims and cancellation management, as well as focussing on investment income to increase investment margins.

Finance cost was reduced in excess of 40% with decreased and succeeded to grow operating profit by more than 300% in the past year. Although the profit was down on the previous year, I am grateful for the results achieved and believe that from this point on we can only improve on the current status.

Systems and Procedures

We further enhanced our systems and procedures during the past year. We focussed on the control environment throughout the Group and gained a lot of ground in this regard. The recent pandemic opened our eyes to new ways of doing things more effectively and efficiently and this will be further explored in the year ahead.

Customers and Stakeholders

The relationship with our suppliers is key to the long-term success and sustainability of the Group. This was experienced and enhanced during the year under review and will continue in the year to come.

Customers remain pivotal to our business and we managed to grow our market share in most of the sectors we operate in, despite the difficult circumstances. We remain one of the major players in our retail sectors with all the companies, as well as in the insurance industry.

Learning and Growth

Our workforce stabilized to an energetic, enthusiastic core that is driving the business to new heights to come in the next few years. There was much emphasis on the training, upskilling and development of our staff. This will be further rolled out in the year ahead.

In my opinion growth in the next few years and in view of the recent pandemic to a macro economy, is unlikely. The Group will only grow if we reinvent ourselves, and operate more effectively and efficiently by rendering excellent products and service for the next 24 -36 months.

Expectations

With the current situation being unstable and uncertain, I am convinced that we were well-groomed during the past and will be prepared for the challenges that lie ahead. We enforced a learning culture that is adaptable to change and that is maturing as time goes by.

We as a Group will continue to strive to be exceptional wealth creators in these difficult and uncertain times and with the Grace and support of our Heavenly Father, we will prevail.

My best wishes to you all,

Philippus Tromp
Managing Director
Nictus Holdings Limited

Corporate Governance Report

The Board is committed to the highest standards of corporate governance as well as the integrity of the Company's annual report. We accept the challenge to seek excellence and create a culture of performance in the establishment of structures and processes to discharge our responsibilities. We oversee compliance by constantly comparing ourselves against international best practices throughout the Group.

The Group endorses The NamCode, The corporate governance code for Namibia as required by the Namibian Stock Exchange (NSX), which the board believes it has essentially achieved throughout the financial year. We account in accordance with the International Financial Reporting Standards (IFRS), whilst absolute compliance to the Companies Act of Namibia and the NSX Listing Requirements is enshrined in our business moral. While management has considered the reporting framework of the International Integrated Reporting Council, not all of these guidelines have been incorporated in this report.

We further acknowledge our responsibility, resulting from our fiduciary duties and duties of care, skill and diligence, to ensure that business within the Group is conducted with transparency, prudence, justice, accountability and integrity.

BOARD OF DIRECTORS

The Board has adopted the ideal future, mission and core values of the Nictus Group ("Nictus") and sets an example by actively pursuing to act within the ambit of its code of conduct. The ethical approach is further established with the appointment of its experienced executives, who pursue sustainable economic, social and environmental performance in a corporate responsible manner. The Board, with the assistance of management, requires all employees to sign the code of conduct as undertaking to conform thereto. This creates an awareness of Nictus' moral and ethical compliance requirements amongst employees, and cultivates a culture of performance and ethical conduct. The Board believes that a strong ethical culture is key in building strong and lasting stakeholder relationships and an internal talent pool to ensure growth and sustainability through appropriate succession planning.

With the assistance of the Company Secretary, an outsourced function to Veritas Board of Executors (Pty) Ltd, the Board gathers its own insights into the corporate governance of the Group and utilises these insights, together with reports received, to ultimately and effectively take responsibility for the corporate governance of the Group.

Strategy, risk, performance and sustainability, based on an ethical foundation, are all key matters in the integrated business plan of Nictus. These factors are examined and deliberated in detail to determine their individual and combined effects on the business and to drive a strategy that would create exceptional value for shareholders and other stakeholders alike.

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

Solvency and liquidity are monitored on a daily basis and the going concern, liquidity and solvency analysis of Nictus is executed by management on an ongoing basis and evaluated by the Audit Committee. Business rescue or turnaround mechanisms would be considered by the Board should the Company or any of its subsidiaries become financially distressed.

The Chairperson of the Board is an Independent Non-executive Director. The Managing Director's mandate is detailed in the business plan, which includes the framework for the delegation of authority. The Board boasts a spread of skills and a wealth of experience.

The majority of the members of the Board are non-executive, half of which are independent. The Board is committed to facilitate a balance of authority and power and believes that, in terms of expertise and experience, an effective composition is achieved. Board decisions are rigorously deliberated and based on the consensus principle.

The appointment of Directors is a formal process, which the Remuneration and Nomination Committee oversees. The induction process is managed by the Chairperson and Managing Director with the guidance of the Company Secretary. Directors are exposed to various development programs. Nictus is committed to the appointment of suitably skilled and experienced Directors. Board members are expected to stay abreast with economic, social, statutory and environmental trends and changes within and outside of the Group to ensure appropriate and timely response to, and compliance with an ever-changing environment.

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

The Board is assisted in fulfilling its duties by well-structured Board Committees and a competent, suitably qualified and experienced Company Secretary. A governance framework exists between the Holding Company and its subsidiary Boards, whilst it has a healthy representation on all subsidiary Boards. Board Committees, appropriately constituted, comprise members and non-members of the Board and their authority, objectives and functions are governed by clearly defined terms of reference, mandates and charters, subject to annual revision. Board Committees report directly to the Board.

Directors and Executives are remunerated in accordance with the approved remuneration policy. Remuneration is based on a fair and responsible combination of factors, including performance, market research and incentives to ensure long-term value for the Group. Nictus' remuneration policy is contained in the annual report and tabled for shareholders' approval at the Annual General Meeting.

The composition of the Board, its Committees and attendance at meetings are summarised in the following table:

Name	Status	Board	Audit Committee	Investment Committee	Risk Committee	Remuneration and Nomination Committee
PJ de W Tromp	Group Managing Director	4/4	3/3[3]	8/9√	1/1[3]	2/2[3]
WO Fourie	Executive	4/4	3/3[3]	8/9√	2/2√	
NC Tromp	Non-executive	4/4		8/9C		2/2C
FR van Staden	Executive	4/4	3/3√		2/2C	
TB Horn[1]	Independent Non-executive	3/3	3/3C			
GR de V Tromp	Non-executive	4/4	3/3√			
Gerard Swart	Independent Non-executive Chairperson	4/4				2/2√
JD Mandy[2]	Independent Non-executive	3/3	1/1√	1/1[3]		
J de W Laubscher	Managing Director: Corporate Guarantee			9/9√	2/2√	

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

1 Appointed as Member of the Board effective 5 April 2019.

2 Retired as Member of the Board effective 29 August 2019.

3 Attended meeting/s by invitation.

AUDIT COMMITTEE

Nictus has an effective Audit Committee, which meets at least bi-annually to fulfil its duties. The performance of the Audit Committee is periodically assessed and reviewed by the Board. The Committee is chaired by a suitably skilled and experienced Independent Non-executive Director and further consists of a suitably skilled and experienced Non-Executive and Executive Director. The external and internal auditors attend the meetings by invitation.

The Audit Committee assists the Board to fulfil its oversight and reporting responsibilities and provides oversight of the annual reporting activities to ensure the balance, transparency and integrity of the report. Nictus applies the considerations of combined assurance in an informal manner, which provides an approach to assurance activities in respect of key risks facing Nictus, with oversight by the Audit Committee. A review of the finance function is conducted by the Audit Committee annually in terms of resources, expertise and experience. The Audit Committee reviews the system of internal control and maintains effective working relationships with the Board, management, internal- and external audit.

The Audit Committee is responsible for the appointment, performance assessment and dismissal of the internal auditor, who has an open line of communication with, and unrestricted access to the Committee. Nictus has a suitably skilled and experienced in-house internal audit function, which reports administratively to the Group Managing Director, and functionally to the Chairperson of the Audit Committee. Internal audits' coverage plan is risk-based and is approved by the Audit Committee annually.

The internal audit function forms an important part of the risk management process and is considered in compiling the risk report, which is presented to the Board for further evaluation.

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

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

GOVERNANCE OF RISK

The Risk Committee has the objectives to attend to the overview and monitoring of Nictus' risk management processes. The Risk Committee reports to the Board and Audit Committee on work undertaken in establishing and maintaining an understanding of the risks that need to be addressed and the adequacy of actions taken by management to appropriately address such risk areas.

The Board considers and determines the levels of risk tolerance as well as risk appetite during its periodic review of the Group's risk profile. This risk profile determines the ambit within which the Board allows management to take on risk-inclined projects. The Board has appointed the Risk Committee to assist in carrying out its risk responsibilities by providing oversight of Nictus' risk management activities.

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

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

Nictus' risk methodology includes the consideration and implementation of appropriate risk responses to identified risks, based on the strategic objectives of the Group.

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

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

INFORMATION TECHNOLOGY ("IT") GOVERNANCE

The Board is responsible for IT governance. The Group's IT manager and consultants provide continuous feedback, through the Group Managing Director, to the Audit Committee and Board on IT governance matters. The Board delegated the responsibility for the implementation of an IT governance framework to the Group IT manager. The Board monitors the application of policies established and implemented.

Nictus promotes an ethical IT governance culture and a common IT language. IT is aligned with the performance and sustainability objectives of Nictus from a safeguarding, strategic and business processes perspective. There are also processes to identify and exploit opportunities to improve performance and sustainability through the use of IT. All IT matters are referred to the Group's IT manager and consultants who advise on the most appropriate technological solutions for the Group. Decisions are taken by the Board. Post implementation audits are conducted on significant IT projects. The Group Managing Director presents to the Audit Committee and Board regarding the value delivered by IT investment. Risk management teams ensure that IT risk management is aligned with Nictus' risk management process. Feedback on IT risks, business continuity and disaster recovery are provided by the Group's IT manager and consultants through the Group Managing Director to the Audit Committee and the Board. Management has processes to identify and comply with relevant IT laws, regulations and standards.

IT systems and processes have been developed for managing information assets effectively, including personal information. This includes information security, information management and privacy. The information security strategy has been approved by the Board and delegated to management for implementation. The Risk Committee and Audit Committee, which assist the Board in risk management, has oversight of IT risks, IT controls and related combined assurance, including financial reporting matters.

Technology is used to continuously improve efficiency.

COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

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

INTERNAL AUDIT

Nictus has an effective risk based internal audit function, with a charter approved by the Board. The in-house internal audit function has a co-source agreement to assist in the performance of the internal audit mandate. Internal audit focuses on governance, risk management, the internal control framework, and follows a systematic approach and investigates and reports on fraud, corruption, unethical behaviour and irregularities.

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

Internal audit is strategically positioned to achieve its objectives, is independent, objective and reports functionally to the Audit Committee and administratively to the Group Managing Director. The internal auditor has a standing invitation to all Executive Committee meetings. Internal audit is appropriately skilled, experienced and resourced to fulfill its mandate.

GOVERNING STAKEHOLDER RELATIONSHIPS

The annual 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 Group and its activities. The Board considers on a continuous basis the feedback regarding the perceptions of particular stakeholder groups. The Board has tasked management to manage stakeholder relationships, including identifying important stakeholder groups, and the developing of strategies and policies to manage these relationships effectively.

Constructive stakeholder engagement within the Group is facilitated through formal and informal mechanisms and shareholders are encouraged to attend the Company's Annual General Meeting. Nictus strives to achieve an appropriate balance between various stakeholder groups' interests and expectations, in making decisions in the best interest of the Company and ultimately its Shareholders, who are treated equitably. Nictus is committed to transparent and effective communication with all stakeholder groups. Such communication takes place through formal and informal channels and through general as well as direct communication initiatives, including community, group and individual meetings. Nictus endeavours to resolve disputes in an effective and efficient manner, through formal and informal processes and management action.

ANNUAL REPORTING AND DISCLOSURE

The Board, assisted by the Audit Committee and management, has established appropriate controls and processes to gather, review and report adequate information regarding Nictus' financial- and sustainability performance in the annual report.

BOARD COMMITTEES

The Board has established committees, which operate within approved mandates or charters, to assist it to fulfil its duties.

The Board committees are as follows:

- Audit Committee

  The Audit Committee consists of an Independent Non-executive Director, a Non-executive Director and an Executive Director, and discharges its duties as set out in its Charter. With the assistance of the Risk Committee, extensive risk identification procedures are followed to identify, evaluate and manage business risks. The Audit Committee reviews the risk management report, which is passed on to the Board for consideration and recommendation. The Committee meets at least twice a year.

  The external and internal auditors attend the meeting by invitation and have unrestricted access to the Chairperson and members of the Audit Committee.

- Risk Committee

  The Risk Committee consists of two Executive Directors and one suitably qualified candidate, who attend to the overview and monitoring of the Group's risk management process by reviewing and assessing the effectiveness of risk management and control processes within the Group. The Committee reports its findings to the Board. Extensive risk identifying procedures are followed, with input from all operational subsidiaries, to identify, quantify and manage business-threatening risks. The Risk Committee compiles the risk management report, which is presented to the Audit Committee for evaluation and to determine the adequacy of risk controls.

- Investment Committee

  The Investment Committee is chaired by a Non-executive Director, and further consists of the Group Managing Director, the Group Financial Director and the Managing Director of Corporate Guarantee and Insurance Company of Namibia Limited. The function of the Investment Committee is to evaluate and advise the Board on all Group and subsidiary investments of substantial monetary value and / or business importance, including involvement in the formulation of investment policies, principles and practices to achieve optimum return on investments.

- Remuneration and Nomination Committee

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

Audit Committee Report

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The committee comprise of various members with extensive financial expertise. The Company's management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. In fulfilling its oversight responsibilities, the committee reviewed and discussed the audited consolidated and separate financial statements and the related schedules in the Annual Report with Company management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The committee is governed by a charter. A copy of the charter is available the Company's registered office. The charter was last amended effective 12 June 2019 The committee held two meetings during the 2020 financial year. The committee is comprised of three directors. The Chairman is an independent non-executive.

The meetings of the committee are designed to facilitate and encourage communication among the committee, the Company, the Company's internal audit function and the Company's independent auditor. The committee discussed with the Company's internal auditors and independent auditor the overall scope and plans for their respective audits.

The committee meets with the internal auditors and the independent auditor, with and without management present if required, to discuss the results of their examinations, their evaluations of the Company's internal control, including internal control over financial reporting, and the overall quality of the Company's financial reporting.

The Audit Committee recognizes the importance of maintaining the independence of the Company's Independent Auditor, both in fact and appearance. Each year, the committee evaluates the qualifications, performance and independence of the Company's Independent Auditor and determines whether to re-engage the current Independent Auditor. In doing so, the Audit Committee considers the quality and efficiency of the services provided by the auditors, the auditors' capabilities and the auditors' technical expertise and knowledge of the Company's operations and industry.

Based on this evaluation, the Audit Committee has retained SGA as the Company's Independent Auditor for 2021. SGA has been the Independent Auditor for the Company since listing on the Namibia Stock Exchange in 2012.

The members of the Audit Committee recommend the retention of SGA to serve as the Company's Independent Auditor. Although the Audit Committee has the sole authority to appoint the Independent Auditors, the Audit Committee will continue to recommend that the Board ask the shareholders, at the Annual Meeting, to ratify the appointment of the Independent Auditors.

The committee reviewed with the independent auditor, which is responsible for expressing an opinion on the conformity of those audited consolidated and separate financial statements and related schedules with International Financial Reporting Standards, its judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the committee.

In addition, the committee has discussed with the independent auditor the firm's independence from Company management and the Company and considered the compatibility of non-audit services with the independent auditor's independence.

The committee also reviewed and discussed together with management and the independent auditor the Company's audited consolidated and separate financial statements for the year ended 31 March 2020 and the results of management's assessment of the effectiveness of the Company's internal control over financial reporting. The committee discussed with management and the independent auditor material weaknesses and significant deficiencies identified during the course of the assessment and the audit and management's plan to remediate those control deficiencies.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, the audited consolidated and separate financial statements the Annual Report for the year ended 31 March 2020.

The committee conclude that we are satisfied we complied with our responsibilities as set out in the audit committe charter.

TB HORN
Audit Committee Chair

Remuneration Report

The Group's remuneration policy reflects the recommendations of the NamCode. It aims to attract and retain those people that will support and contribute to achieving the Group's results and performance.

The policy, philosophy and strategy are encapsulated in the following:

Remuneration should:

- contribute towards attracting and retaining motivated and loyal staff;
- reflect a direct correlation with the vision and results of the Group;
- be reviewed and benchmarked annually;
- support the strategy of the Group; and
- reward performance and motivate staff.

STRUCTURE OF EXECUTIVE REMUNERATION

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

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

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

The total remuneration package evaluation is undertaken annually.

INCENTIVE BONUS PLAN

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

RETIREMENT BENEFITS

A total cost-to-company approach to remuneration packages is followed and no retirement benefits are offered by the Group. Employees are encouraged to make provision for retirement and assistance is offered where the need arises.

EXECUTIVE SERVICE CONTRACTS

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

SUCCESSION PLANNING

The executive committee continuously review the critical positions throughout the Group and is informed of senior level requirements. The objective is to ensure continuity is provided, to develop a pool of individuals with potential and to cater for development and future placement. Succession planning on Board level is undertaken by the Remuneration and Nomination Committee.

BOARD EVALUATION PROCESS

A participative internal evaluation of the Board's performance and the structural environment is undertaken annually. Overall, the Board was considered to be balanced and effective. In spite of continuous progress made during the year under review, there will always remain areas for improvement.

NON-EXECUTIVE DIRECTORS

Non-executive directors are expected to perform the tasks and duties normally associated with the position of a non-executive director as defined in the Companies Act, the NamCode and articles of association of the Company.
The Board and each committee has a charter, which sets out the responsibilities of the Board and the respective sub-committees.

Non-executive directors are expected to provide leadership, expertise and knowledge on strategy and business and contribute to the planning of the Group.

Non-executive directors are compensated based on their contribution to the Group and are remunerated for their services as Directors and Board committees.

Annual fees payable to non-executive directors subsequent to the Annual General Meeting, as considered and recommended by the Board, are to be approved by the shareholders on 27 August 2020.

The detailed remuneration paid to directors is set out in Note 39 of annual financial statements.

Group Value Added Statement

Figures in Namibia Dollar thousand	2020	2019

Group

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

Value Added

Value added by operating activities		
Revenue	631,060	677,603
Cost of materials and services	(563,541)	(619,753)
Other income	5,006	9,919
Investment income from operations	30,833	33,316
	103,358	**101,085**

Value Distributed

To Pay Employees		
Salaries, wages, medical and other benefits	73,693	78,677
	73,693	**78,677**
To Pay Providers of Capital		
Finance costs	8,904	15,046
	8,904	**15,046**
To Pay Government		
Withholding tax	2,248	-
	2,248	**-**
To be retained in the business for expansion and future wealth creation:		
Value reinvested		
Depreciation, amortisation and impairments	7,716	4,548
Deferred tax	3,435	(4,342)
	11,151	**206**
Value retained		
Retained profit	7,362	7,156
	7,362	**7,156**
Total Value Distributed	**103,358**	**101,085**

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

Direct and indirect taxes		
Value added tax (net payment)	27,418	20,095
Import VAT paid	51,621	49,832
Pay As You Earn	12,296	13,030
	91,335	**82,957**

Financial Contents

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

Annual Financial Statements

EXCELLENCE

Exceptional Wealth Creator

Director's Responsibilities & Approval

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

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

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

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

The directors have reviewed the group's cash flow forecast for the year to 31 March 2021 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditors and their report is presented on pages 23 to 25.

The annual financial statements set out on pages 26 to 91, which have been prepared on the going concern basis, were approved by the board on 14 July 2020 and were signed on their behalf by:

PJ de W Tromp (Managing Director)

TB Horn (Chairperson: Audit Committee)

Independent Auditor's Report

To the shareholders of Nictus Holdings Limited

Opinion

We have audited the annual consolidated and separate financial statements of Nictus Holdings Ltd set out on pages 26 to 91, which comprise the directors' report, the statements of financial position as at 31 March 2020, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual consolidated and separate financial statements present fairly, in all material respects, the financial position of Nictus Holdings Ltd as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with section 290 and 291 of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Revised July 2016), parts 1 and 3 of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, which required significant auditor attention in performing the audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon.

Key Audit Matter	How the matter was addressed in the audit
Recognition of Revenue, completeness and accuracy Insurance revenues, which are recognized in the financial statements of the subsidiary and the consolidated financial statements, are material and comprise of net premiums received. Due to the complexity of the composition of insurance revenue, it was considered a key audit matter	During the audit we satisfactorily determined the accuracy, completeness and occurrence of revenue through significant substantive testing.
Insurance contract provisions Insurance contract provisions are some of the contra entries to the premiums received and are also considered a key audit matter.	The accuracy and completeness of insurance contract provisions were satisfactorily tested through significant substantive testing.
Valuation of properties Properties comprise a significant portion of the value of the assets of the group. The properties are classified as investment property in the individual company financial statements and as owner-occupied in the consolidated financial statements. The directors annually perform a valuation of the properties according to a valuation model where the following is considered: • Valuations from external qualified valuator; • Going concern; • Growth anticipation; The Directors' calculation of the value of each property is determined as a combination of the replacement value and capitalization income value.	The accuracy of the valuation of the properties was satisfactorily tested through significant substantive testing. We tested the assumptions used by directors of the property segment in the valuations of the properties to ensure that they were reasonable.

Key Audit Matter	How the matter was addressed in the audit
Recoverability assessment of trade receivables Trade receivables of the Group comprise mainly receivables in relation to the Group's (i) trading business regarding the sale of furniture, vehicles and spare parts, and (ii) services rendered for insurance related activities. The increasing challenges in the economy and operating environment in the country during the year have increased the risks of default on receivables from the Group's customers. In particular, in the event of insolvency of customers, the Group is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements. The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtors with reference to the aging profile, historical payment pattern and the past record of default of the customer. Management would make specific provision against individual balances with reference to the recoverable amount. For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realisation of these receivables are required for the identification of impairment events and the determination of the impairment charge.	•Tested the accuracy of ageing of trade receivables at year end on a sample basis; • Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management; • Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; • Tested subsequent settlement if any, of trade receivables after the balance sheet date on a sample basis; and • Ensured that the requirements of IFRS 9 with respect to trade receivables have been considered and applied. We found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supported based on the available evidence.
Reinsurance assets, liability, fair value adjustment, income and other income – Corporate Guarantee Reinsurance are material to the separate and consolidated financial statements. Reinsurance recognized in the financial statements of the company and the consolidated financial statements comprise of an asset, liability, fair value adjustment and other income that influences the relevant disclosures in the financial statements. Due to the complexity of the balances and transactions, it is considered a key audit matter.	During the audit we have inspected the Government Gazette regulating the reinsurance to NamibRe. By means of analytical and substantive procedures performed we have obtained sufficient and appropriate audit evidence. The rights and obligations, valuation, existence, accuracy and completeness were satisfactory tested.

Other information

The directors are responsible for the other information. The other information comprises the Value Added Statement and Five Year Financial Review as set out on pages 4, 5 and 20 which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

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

Independent Auditor’s Report

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the group and the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and the business activities within the group to express an opinion on the consolidated and separate annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SgA

SGA
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: R Cloete
Partner

Windhoek ... Namibia
14 July 2020

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Nictus Holdings Limited and the Group for the year ended 31 March 2020.

1. Nature of business

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

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

2. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in the notes.

The Group recorded a net profit after tax for the year ended 31 March 2020 of N$ 7,4 million. This represented an increase of 3% from the net profit after tax of the prior year of N$7,1 million.

Group revenue decreased by 7% from N$678 million in the prior year to N$631 million for the year ended 31 March 2020.

The Group's assets increased by 16% from N$ 1,72 billion the prior year to N$ 2 billion at 31 March 2020.

The Company recorded revenue for the year of N$ 53,3 million (2019: N$ 34,4 million). This represents an increase of 55%.

The Company's assets decreased by 17% from N$ 309 million the prior year to N$ 257 million at 31 March 2020.

3. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the consolidated annual financial statements in note 8.

The interest of the Group in the profits and losses of its subsidiaries for the year ended 31 March 2020 are as follows:

	2020 N$ '000	2019 N$ '000
Subsidiaries		
Total profits after income tax	16,721	9,758

There were no significant acquisitions or divestitures during the year ended 31 March 2020.

4. Segmental analysis

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

5. Directorate

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

Directors	Designation	Changes	Nationality
Gerard Swart	Independent Non-executive Chairman		Namibian
TB Horn	Independent Non-executive (Audit Committee Chairperson)		Namibian
PJ de W Tromp	Executive: Managing Director		Namibian
WO Fourie	Executive: Finance Director		Namibian
FR van Staden	Executive		Namibian
NC Tromp	Non-executive		Namibian
GR de V Tromp	Non-executive		Namibian
JD Mandy	Independent non-executive	Retired, 29 August 2019	Namibian

There have been no changes to the directorate for the year under review, except as indicated above.

6. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may decide not to pay dividends.

Ordinary dividends of 12 cents per share (N$ 6,4 million) were declared and paid by the Company on 22 July 2019.

Final dividend of 12 cents per share (N$ 6,4 million) was approved by the board on 14 July 2020 in respect of the year ended 31 March 2020. The dividend will be declared out of retained earnings. The dividend has not been provided for and there are no accounting implications for the current financial year.

Last date to trade ordinary shares “cum” dividend	14 August 2020
Ordinary shares trade “ex” dividend	17 August 2020
Record date	21 August 2020
Payment / issue date	24 August 2020

Share certificates may not be dematerialised between Monday 17 August and Friday 21 August 2020 both days inclusive.

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

7. Stated capital

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

8. Shareholding and Management of the Group

Public and non-public shareholding	**Number of shareholdings**	**%**	**Number of shares**	**%**
Non-public shareholders: Directors and associates	10	1.64	34,239,191	64.06
Non-public shareholders: Strategic holdings (more than 5%)	2	0.33	8,025,455	15.02
Public shareholders	598	98.03	11,178,854	20.92
	610	**100.00**	**53,443,500**	**100.00**

Distribution of shareholders per category	**Number of shareholdings**	**%**	**Number of shares**	**%**
Banks, Brokers, Nominees and Trusts	45	7.38	27,628,595	51.70
Close Corporations	4	0.65	96,402	0.18
Individuals	529	86.72	5,002,889	9.36
Insurance company	2	0.33	491,172	0.92
Other corporations	7	1.15	231,534	0.43
Private companies	20	3.28	19,555,093	36.59
Public companies	3	0.49	437,815	0.82
	610	**100.00**	**53,443,500**	**100.00**

Shareholders with an interest above 5% of issued share capital	**Number of shares**	**%**
KCB Trust	2,825,455	5.29
Landswyd Beleggings (Pty) Ltd	15,604,017	29.20
MRT Trust	5,200,000	9.73
Nico Tromp Trust	5,625,000	10.53
Saffier Trust	5,625,000	10.53
	34,879,472	**65.28**

Directors' interest in share capital

Directors' indirect interest	2020 Number of shares	2019 Number of shares	2020 %	2019 %
FR van Staden *	1,629,030	1,534,193	3.05	2.87
WO Fourie	1,706,171	1,749,821	3.19	3.27
NC Tromp, PJ de W Tromp, GR de V Tromp *	30,894,990	30,587,121	57.81	57.23
	34,230,191	**33,871,135**	**64.05**	**63.37**

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

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

Management of the Group

Various agreements have been executed with entities in which Messrs FR van Staden (Premier Services (Pty) Ltd), PJ de W Tromp (Nature Unlimited Consultations (Pty) Ltd) and WO Fourie (Haida Investment (Pty) Ltd) have material interest, which supply managerial services.

9. Litigation statement

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

10. Auditors

At the annual general meeting, the shareholders will be requested to reappoint SGA Chartered Accountants & Auditors as the independent external auditors of the Company and to confirm Mrs R Cloete as the designated lead audit partner for the 2021 financial year.

11. Secretary

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

Postal and business address:

PO Box 755
1st Floor, Nictus Building
140 Mandume Ndemufayo Avenue
Windhoek, Namibia

12. Events after the reporting period

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. After close monitoring and responses and guidance from state and local governments, in an effort to mitigate the spread of COVID- 19, effective March 2020, the Group had temporarily closed its business premises, with associates working remotely where possible. The Group reopened its business premises on 5 May 2020 and complies with required regulations. The Group continues to monitor developments, including government requirements and recommendations at the national, state, and local level to evaluate possible extensions to all or part of such closures.

In addition, we have taken several steps to further strengthen our statement of financial position, and maintain financial liquidity and flexibility, including reviewing operating expenses, evaluating merchandise purchases and reducing capital expenditures.

At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material impact on our business, results of operations, financial position and cash flows. Despite the uncertainty caused by the pandemic, the Board believe that preventive steps taken by management to mitigate the uncertainty will result in minimising potential severity that the pandemic may have on the Group.

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

13. Date of authorisation for issue of financial statements

The consolidated annual financial statements have been authorised for issue by the directors on 14 July 2020. No authority was given to anyone to amend the annual financial statements after the date of issue.

Statements of Financial Position

for the year ended 31 March 2020

Figures in Namibia Dollar thousand	Note(s)	2020	2019	2020	2019
Assets					
Non-Current Assets					
Property, plant and equipment	4	346,273	342,131	3,113	3,856
Right-of-use assets	5	6,234	-	-	-
Investment property	6	43,642	43,642	9,000	9,000
Intangible assets	7	3,408	2,207	1,695	188
Investments in subsidiaries	8	-	-	144,566	212,545
Trade and other receivables	9	10,757	12,009	-	-
Investments at fair value	10	13,262	753	268	-
Loans and receivables	11	441,112	415,808	-	-
Deferred tax	12	12,206	11,212	4,902	2,481
		876,894	**827,762**	**163,544**	**228,070**
Current Assets					
Inventories	13	121,713	95,996	-	-
Loans to related parties	14	-	-	91,629	78,751
Trade and other receivables	9	235,220	223,962	1,136	2,074
Investments at fair value	10	2,424	21,066	-	-
Loans and receivables	11	111,329	129,650	-	-
Re-insurance asset	15	188,724	-	-	-
Cash and cash equivalents	16	473,669	426,450	200	222
		1,133,079	**897,124**	**92,965**	**81,047**
Total Assets		**2,009,973**	**1,724,886**	**256,509**	**309,117**
Equity and Liabilities					
Equity					
Stated capital	17	129	129	129	129
Reserves	18 & 19	74,399	74,399	-	-
Retained income		93,031	92,524	122,057	180,138
		167,559	**167,052**	**122,186**	**180,267**
Liabilities					
Non-Current Liabilities					
Interest bearing loans and borrowings	20	113,369	115,031	-	-
Deferred tax	12	31,537	27,440	-	-
		144,906	**142,471**	**-**	**-**
Current Liabilities					
Trade and other payables	21	256,510	40,677	2,201	2,707
Loans from related parties	22	-	33,910	110,533	107,377
Interest bearing loans and borrowings	20	37,882	35,493	21,589	18,766
Provisions	23	903	1,083	-	-
Insurance contract liability	24	1,402,213	1,304,200	-	-
		1,697,508	**1,415,363**	**134,323**	**128,850**
Total Liabilities		**1,842,414**	**1,557,834**	**134,323**	**128,850**
Total Equity and Liabilities		**2,009,973**	**1,724,886**	**256,509**	**309,117**

Statements of Profit/Loss & Other Comprehensive Income

for the year ended 31 March 2020

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2020	2019	2020	2019
Revenue	25	631,060	677,603	53,319	34,410
Cost of sales	26	(428,121)	(483,117)	-	-
Gross profit		**202,939**	**194,486**	**53,319**	**34,410**
Other operating income	27	5,006	9,919	91	123
Other operating gains (losses)	28	1,132	2,254	(67,979)	1,729
Investment Income from operations	29	30,833	33,316	-	327
Administrative expenses		(52,404)	(43,680)	(12,343)	(10,867)
Operating expenses		(168,239)	(181,233)	(17,307)	(11,485)
Operating profit (loss)	32	**19,267**	**15,062**	**(44,219)**	**14,237**
Investment income	29	2,682	2,798	256	517
Finance costs	33	(8,904)	(15,046)	(10,391)	(10,423)
Profit (loss) before taxation		**13,045**	**2,814**	**(54,354)**	**4,331**
Taxation	34	(5,683)	4,342	2,421	1,557
Profit (loss) for the year		**7,362**	**7,156**	**(51,933)**	**5,888**
Total comprehensive income (loss) for the year		**7,362**	**7,156**	**(51,933)**	**5,888**

Earnings per share

Per share information					
Basic earnings per share (c)	42	14.03	13.64		
Basic and diluted earnings per share - before treasury share adjustment (c)	42	13.78	13.39		

Statements of Change in Equity

for the year ended 31 March 2020

Figures in Namibia Dollar thousand	Stated capital	Revaluation reserve	Insurance contingency reserve	Total reserves	Retained income	Total equity
Group						
Balance at 01 April 2018	**129**	**58,848**	**15,551**	**74,399**	**91,516**	**166,044**
Profit for the year	-	-	-	-	7,156	7,156
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**7,156**	**7,156**
Prescribed dividends	-	-	-	-	265	265
Dividends paid	-	-	-	-	(6,413)	(6,413)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(6,148)**	**(6,148)**
Opening balance as previously reported	129	58,848	15,551	74,399	92,524	167,052
Adjustments						
Change in accounting policy	-	-	-	-	(707)	(707)
Balance at 01 April 2019 as restated	**129**	**58,848**	**15,551**	**74,399**	**91,817**	**166,345**
Profit for the year	-	-	-	-	7,362	7,362
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**7,362**	**7,362**
Prescribed dividends	-	-	-	-	265	265
Dividends paid	-	-	-	-	(6,413)	(6,413)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(6,148)**	**(6,148)**
Balance at 31 March 2020	**129**	**58,848**	**15,551**	**74,399**	**93,031**	**167,559**
Note(s)	17	18	19			

Statements of Change in Equity continued

for the year ended 31 March 2020

Figures in Namibia Dollar thousand	Stated capital	Revaluation reserve	Insurance contingency reserve	Total reserves	Retained income	Total equity
Company						
Balance at 01 April 2018	**129**	**-**	**-**	**-**	**180,398**	**180,527**
Profit for the year	-	-	-	-	5,888	5,888
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**5,888**	**5,888**
Prescribed dividends	-	-	-	-	265	265
Dividends	-	-	-	-	(6,413)	(6,413)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(6,148)**	**(6,148)**
Balance at 01 April 2019	**129**	**-**	**-**	**-**	**180,138**	**180,267**
Loss for the year	-	-	-	-	(51,933)	(51,933)
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**(51,933)**	**(51,933)**
Prescribed dividends	-	-	-	-	265	265
Dividends	-	-	-	-	(6,413)	(6,413)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(6,148)**	**(6,148)**
Balance at 31 March 2020	**129**	**-**	**-**	**-**	**122,057**	**122,186**
Note(s)	17	18	19			

Statements of Cash Flows

for the year ended 31 March 2020

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2020	2019	2020	2019
Cash flows from operating activities					
Cash generated from operations	35	116,508	82,410	25,619	22,551
Interest income		2,682	2,798	256	517
Finance costs		(8,903)	(15,046)	(10,391)	(10,423)
Tax paid		(2,248)	-	-	-
Net cash from operating activities		**108,039**	**70,162**	**15,484**	**12,645**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(9,682)	(6,622)	(272)	(298)
Sale of property, plant and equipment	4	1,175	1,345	168	200
Purchase of investment property	6	-	(292)	-	-
Purchase of intangible assets	7	(2,557)	(896)	(1,822)	(65)
Sale of investments at fair value	10	6,133	7,466	(268)	7,466
Increase of loans and receivables		(6,983)	(28,249)	-	-
Net cash from investing activities		**(11,914)**	**(27,248)**	**(2,194)**	**7,303**
Cash flows from financing activities					
(Repayments of) / proceeds from loans to related parties	14	-	-	(12,878)	272
(Repayments of) / proceeds from loans from related parties	22	(33,910)	(6,141)	3,156	(13,618)
(Repayment of) / proceeds from borrowings	20	(8,583)	1,875	2,823	(1,031)
Dividends paid	37	(6,413)	(6,413)	(6,413)	(6,413)
Net cash from financing activities		**(48,906)**	**(10,679)**	**(13,312)**	**(20,790)**
Total cash movement for the year		**47,219**	**32,235**	**(22)**	**(842)**
Cash at the beginning of the year		426,450	394,215	222	1,064
Total cash at end of the year	16	**473,669**	**426,450**	**200**	**222**

Significant Accounting Policies

Corporate information

Nictus Holdings Limited (the Company) is a public company incorporated and domiciled in Namibia. The annual financial statements for the year ended 31 March 2020 comprise the Company and its subsidiaries (together referred to as the Group).

1. Significant accounting policies
The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

1.1 Basis of preparation
The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and the Companies Act of Namibia.

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

They are presented in Namibia Dollars, which is the Group and Company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

1.2 Significant judgements and sources of estimation uncertainty
The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

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

Key sources of estimation uncertainty:

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

Allowance for slow moving, damaged and obsolete inventory
The Group assesses its inventory for impairment at each reporting date.

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Allowance for slow moving, damaged and obsolete inventory is included in the inventory balance at the reporting date.

1.2 Significant judgements and sources of estimation uncertainty (continued)

Fair value adjustment of investment properties and land and buildings

The Group's Board of directors value the Group's investment property portfolio on an annual basis. The fair values are based on valuations and other market information that take into consideration the estimated rental value, market yield and replacement value of the property. Should any of the assumptions used in the valuation calculation change, it could have a material impact on the results of the Group. Investment properties and land and buildings are classified as level 2 in terms of the fair value hierarchy.

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

The residual value of items of property, plant and equipment and intangible assets is the estimated amount for which the item could be exchanged at the end of its useful life between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period, based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Expected manner of realisation of deferred tax
Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability. Refer Note 12 – Deferred tax.

Taxation
Judgement is required in determining the provision for income taxes due to the complexity of legislation.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income.

1.3 Consolidation
Basis of consolidation
The consolidated annual financial statements incorporate the annual financial statements of the Company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity. The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

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

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries in the separate financial statements

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

1.4 Property, plant and equipment
Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year end reporting date.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments.

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

Revaluations are performed annually by the board of directors. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

Any movement in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity to the extent of any credit balance existing in the revaluation reserve i.r.o. that asset.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

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

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

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

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

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

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

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

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

1.6 Intangible assets
An intangible asset is recognised when:

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

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

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

Amortisation is provided to write down the intangible assets , on a straight line basis, to their residual values as follows:

Item	**Useful life**
Computer software	3 years

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

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

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or

Financial assets which are debt instruments:

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

Financial liabilities:

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

Note 40 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

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

Derecognition

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

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

1.7 Financial instruments (continued)

Investments in debt and equity instruments

Classification

Investments in equity instruments are presented in note 10. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the Group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

Recognition and measurement

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

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses) (note 28).

Dividends received on equity investments are recognised in profit or loss when the Group's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 29). Interest received on debt instruments at fair value through profit or loss are included in investment income (note 29).

Impairment

Investments in equity instruments are not subject to impairment provisions.

Derecognition

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

Cash and cash equivalents

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

Loans receivable and trade and other receivables

Classification

Loans to related parties (note 22), loans receivable (note 11) and trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

1.7 Financial instruments (continued)

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 29).

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

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

Impairment

The Group recognises a loss allowance for expected credit losses on loans and trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

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

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

In order to assess whether to apply lifetime ECL or 12 month ECL, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a receivable being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

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

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

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

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

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

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

1.7 Financial instruments (continued)

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

Measurement and recognition of expected credit losses

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

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

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

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 9.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 32).

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

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

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

Write off policy

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

Credit risk
Details of credit risk are included in the trade and other receivables note (note 9) and the financial instruments and risk management note (note 40).

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

Borrowings, loans from related parties and trade payables

Classification

Loans from group companies (note 22), interest bearing loans and borrowings (note 20) as well as trade and other payables (note 21), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

1.7 Financial instruments (continued)

Recognition and measurement

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

They are subsequently measured at amortised cost using the effective interest method.

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

Borrowings and trade payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 40 for details of risk exposure and management thereof.

Derecognition

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

Reclassification

Financial assets

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

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

Financial liabilities

Financial liabilities are not reclassified.

1.8 Income tax and deferred tax

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

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses, tax credits and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

1.9 Leases

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

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

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

1.9 Leases (continued)

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

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense (note 32) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

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

Details of leasing arrangements where the Group is a lessee are presented in note 5 Leases (Group as lessee).

Lease liability

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

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

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

The lease liability is presented within borrowings on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 33).

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

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

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

1.9 Leases (continued)

Right-of-use assets

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

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

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

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

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

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

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

Group as lessor

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

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income (note 27).

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

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

1.10 Leases (Comparatives under IAS 17)

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.

Operating leases - lessor

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

1.10 Leases (Comparatives under IAS 17) (continued)

Operating leases – lessee

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

1.11 Inventories

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

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

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

Work-in-progress comprises of costs incurred during the service and repairs of vehicles and the work is not yet completed. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

1.12 Stated capital

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

Ordinary no par value shares

Ordinary no par value shares are classified as equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Preference shares

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

Dividends

Dividends are recognised as a liability in the period in which they are declared.

1.13 Earnings per share

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

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits are recognised as Cost-to-company (CTC) in the period in which the service is rendered and are not discounted. The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.15 Provisions and contingencies

Provisions are recognised when:

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

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

Contingent assets and contingent liabilities are not recognised.

1.16 Revenue from contracts with customers

The Group recognises revenue from the following major sources:

- Sales of goods - retail
- Rendering of services - retail
- Provision of alternative insurance services
- Finance income earned
- Rental income from letting of commercial properties
- Commission on re-insurance premiums

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

Sale of goods - retail

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

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

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

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

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

Commission on re-insurance premiums are earned for certain services rendered to the re-insurer. Revenue is recognised at a point in time for services rendered.

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

Provision of alternative insurance services
The Group's revenue comprises gross earned premiums (refer note 1.19).

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

Interest income is recognised as it accrues, using the effective interest method. Finance income also comprise interest on instalment debtors arising from credit sales of vehicles, tyres and accessories entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. The earned portion of interest received is recognised as revenue. Interest is earned from the date the sales contract is concluded, over the period of the contract, based on the terms and conditions of the sales and instalment agreement.

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

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

1.17 Cost of sales

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

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

1.18 Translation of foreign currencies

Functional and presentation currency

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

Foreign currency transactions

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

At the end of the reporting period:

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

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

1.19 Classification of insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk. Insurance contracts may also transfer some financial risk.

Corporate Guarantee and Insurance Company of Namibia Limited classifies financial guarantee contracts issued, as insurance contracts.

Premiums

Premiums written comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. The earned portion of premiums received is recognised as revenue. Premiums are disclosed gross of commission to intermediaries and exclude VAT.

Unearned premium provision

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

Claims incurred

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

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

Unexpired risk provision

Provision is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the reporting date exceeds the unearned premium provision in relation to such policies after the deduction of any deferred acquisition costs.

1.19 Classification of insurance contracts (continued)

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

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

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

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

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

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

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

1.20 Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Managing Director, who is the chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Revenue, expenses, assets and liabilities are allocated on a reasonable basis to a segment from customers, suppliers and other segments but exclude non-specific transactions.

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

Segment revenue
Segment revenue consists of revenue reported in the Group's profit or loss that is directly attributable to a segment and the relevant portion of Group revenue that can be allocated on a reasonable basis to the segment.

1.20 Segment reporting (continued)

Segment expenses
Segment expenses consists of expenses resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion of expenses that can be allocated on a reasonable basis to the segment. General administrative expenses, such as head office expenses, and other expenses that arise at Group level and relate to the Group as a whole are also excluded from segment expense. However, costs incurred at Group level on behalf of a segment are included in segment expense.

Segment result
Segment result consists of segment revenue less segment expense.

Segment assets
Segment assets consists of those assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated on a reasonable basis, but do not include income tax assets.

Segment liabilities
Segment liabilities consists of those operating liabilities that result from the operating activities of a segment that are either directly attributable to the segment or can be allocated on a reasonable basis to the segment, but do not include income tax liabilities.

1.21 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

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

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

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

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

2. Changes in accounting policy

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

Application of IFRS 16 Leases

In the current year, the company has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being 1 April 2019. IFRS 16 replaces 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.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the Group's annual financial statements is described below.

The Group has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 April 2019.

Leases where Group is lessee

Leases previously classified as operating leases

The Group undertook the following at the date of initial application for leases which were previously recognised as operating leases:

- recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate at the date of initial application.
- recognised right-of-use assets measured on a lease by lease basis, at either the carrying amount (as if IFRS 16 applied from commencement date but discounted at the incremental borrowing rate at the date of initial application) or at an amount equal to the lease liability adjusted for accruals or prepayments relating to that lease prior to the date of initial application.

The Group applied IAS 36 to consider if these right-of-use assets are impaired as at the date of initial application.

As an exception to the above, no adjustments were made on initial application of IFRS 16 for leases previously classified as operating leases:

- for which the underlying asset is of low value. From the date of initial application, these leases are accounted for in accordance with paragraph 6 of IFRS 16 by recognising the lease payments on a straight-line basis or another systematic basis which is more representative of the pattern of benefits consumed;

The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the Group applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 1 April 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a straight-line basis or another systematic basis which is more representative of the pattern of benefits consumed;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.
  hindsight was applied where appropriate. This was specifically the case for determining the lease term for leases which contained extension or termination options.

2. Changes in accounting policy (continued)

Leases where group is lessor

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in the leased assets. These additional disclosures have been made by the Group.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). Because of this change, the Group has reclassified certain of its sublease agreements as finance leases. As required by IFRS 9, an allowance for expected credit loss has been recognised on the finance lease receivables.

Impact on financial statements

On transition to IFRS 16, the Group recognised an additional right-of-use assets and lease liabilities, as set out below.

When measuring lease liabilities, Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 10.25%.

Reconciliation of previous operating lease commitments to lease liabilities under IFRS 16

	1 April 2019
Operating lease commitment at 31 March 2019 as previously disclosed	13,975
Discounted using the incremental borrowing rate at 1 April 2019	12,516
Modifications & terminations	(909)
Less recognition exemption for:	
Short term leases	(5,717)
Lease liabilities recognised at 1 April 2019	**5,890**

	Group	
Figures in Namibia Dollar thousand	2020	2019

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 31 March 2020 is as follows:

	2020	2019
Statement of Financial Position adjustments		
Deferred tax	358	-
Right-of-use assets (net book value)	6,234	-
Lease liabilities	(7,547)	-
Opening retained earnings	707	-
Profit or Loss effect (see detail below)	**(248)**	**-**

	2020	2019
Profit or loss adjustments		
Finance costs	772	-
Rent expense	(2,537)	-
Depreciation right-of-use asset	2,041	-
Other	(28)	-
	248	**-**

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:

- Plan Amendment, Curtailment or Settlement - Amendments to IAS 19
- Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28
- Prepayment Features with Negative Compensation - Amendment to IFRS 9
- Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle
- Amendments to IFRS 11 Joint Arrangements: Annual Improvements to IFRS 2015 - 2017 cycle
- Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle
- Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle
- Uncertainty over Income Tax Treatments
- IFRS 16 Leases

The impact of IFRS 16 is set out in note 2 Changes in accounting policy. The other standards / interpretations did not impact results nor resulted in additional disclosures for the current financial year.

3.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2020 or later periods:

Standard/ Interpretation:	**Effective date: Years beginning on or after**
• Financial Instruments (IFRS 7; IFRS 9 and IAS 39): Interest Rate Benchmark Reform	1 January 2020
• Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2022
• Amendments to IAS 1 (Financial statement presentation) and IAS 8 (Accounting policies): Disclosure initiative	1 January 2020
• Definition of a business - Amendments to IFRS 3	1 January 2020
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after 1 January 2023.

The Group expects to adopt the standard for the first time in the 2024 annual financial statements.

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

Figures in Namibia Dollar thousand	Group 2020	Group 2019	Company 2020	Company 2019

4. Property, plant and equipment

Group	2020			2019		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Land	94,075	-	94,075	94,075	-	94,075
Buildings	235,802	(2,719)	233,083	231,710	(2,062)	229,648
Plant and machinery	23,791	(11,225)	12,566	20,388	(8,837)	11,551
Motor vehicles	11,756	(5,207)	6,549	11,873	(5,016)	6,857
Total	**365,424**	**(19,151)**	**346,273**	**358,046**	**(15,915)**	**342,131**

Company	2020			2019		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Buildings	403	(97)	306	403	(76)	327
Plant and machinery	4,887	(2,080)	2,807	4,974	(1,445)	3,529
Total	**5,290**	**(2,177)**	**3,113**	**5,377**	**(1,521)**	**3,856**

Reconciliation of property, plant and equipment - Group - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Land	94,075	-	-	-	94,075
Buildings	229,648	4,081	-	(646)	233,083
Plant and machinery	11,551	3,761	(168)	(2,578)	12,566
Motor vehicles	6,857	1,840	(1,053)	(1,095)	6,549
	342,131	**9,682**	**(1,221)**	**(4,319)**	**346,273**

Reconciliation of property, plant and equipment - Group - 2019

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

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	327	-	-	(21)	306
Plant and machinery	3,529	272	(168)	(826)	2,807
	3,856	**272**	**(168)**	**(847)**	**3,113**

Reconciliation of property, plant and equipment - Company - 2019

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

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings (Note 20):

Land and buildings	181,272	180,972	-	-

Fair value hierarchy of property

Level 2

Land	94,075	94,075	-	-
Buildings	233,083	229,648	-	-
	327,158	**323,723**	**-**	**-**

Revaluations

Land and buildings are revalued annually by the Group's board of directors. The valuation was based on the market value for existing use. These assumptions were based on current market conditions. The prior year was valued by the Group's board of directors on the same basis.

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

Land	20,892	20,892	-	-
Buildings	159,367	158,541	-	-
	180,259	**179,433**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

4. Property, plant and equipment (continued)

Sensitivity analysis

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

	Group 2020	Group 2019
Land and buildings - Increase	(11,047)	(9,648)
Land and buildings - Decrease	13,841	12,049

Details of properties

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

5. Leases (group as lessee)

The Group leases several buildings for use in its business operations.

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

The Group adopted IFRS 16 for the first time in the current financial period. Comparative figures have been accounted for in accordance with IAS 17 and accordingly, any assets recognised under finance leases in accordance with IAS 17 for the comparative have been recognised as part of property, plant and equipment. The information presented in this note for right-of-use assets therefore only includes the current period.

Net carrying amounts of right-of-use assets

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

Buildings	6,234	-	-	-

Additions to right-of-use assets

Buildings	8,276	-	-	-

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 32), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	(2,041)	-	-	-

Other disclosures

Interest expense on lease liabilities	(772)	-	-	-
Expenses on short term leases included in operating expenses	(10,013)	-	-	-
Income from subleasing right-of-use assets	1,392	-	-	-

Figures in Namibia Dollar thousand	Group 2020	Group 2019	Company 2020	Company 2019

5. Leases (group as lessee) (continued)

Finance lease liabilities

Lease liabilities have been included in the interest bearing loans and borrowings line item on the statements of financial position. Refer to note 20 Interest bearing loans and borrowings.

The maturity analysis of lease liabilities is as follows:

	Group 2020	Group 2019	Company 2020	Company 2019
Within one year	2,515	-	-	-
Two to five years	5,211	-	-	-
	7,726	-	-	-
Less finance charges component	(179)	-	-	-
	7,547	**-**	**-**	**-**

	Group 2020	Group 2019	Company 2020	Company 2019
Non-current liabilities	5,178	-	-	-
Current liabilities	2,369	-	-	-
	7,547	**-**	**-**	**-**

Comparative information for leases under IAS 17

The information presented for lease liabilities for the comparative period has been prepared on the basis of IAS 17, and therefore only represents the liability as at that date for finance leases and not for operating leases. In addition to the information presented in the table above, IAS 17 required an entity to present a reconciliation of the present value of lease payments for finance leases. This information is presented in the table which follows:

	Group 2020	Group 2019	Company 2020	Company 2019
Operating leases - as lessee (expense)				
Present value of minimum lease payments due				
- within 1 year	-	10,949	-	730
- in second to fifth year inclusive	-	3,025	-	-
	-	**13,974**	**-**	**730**
Operating leases - as lessor (income)				
Present value of minimum lease payments due				
- within 1 year	-	1,633	-	717
- in second to fifth year inclusive	-	2,904	-	433
	-	**4,537**	**-**	**1,150**

Exposure to liquidity and currency risk

Refer to note 40 Financial instruments and risk management for the details of liquidity and currency risk exposure and management.

6. Investment property

Group	2020			2019		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment property	43,642	-	43,642	43,642	-	43,642

Company	2020			2019		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment property	9,000	-	9,000	9,000	-	9,000

Reconciliation of investment property - Group - 2020

	Opening balance	Total
Investment property	43,642	43,642

Reconciliation of investment property - Group - 2019

	Opening balance	Additions	Total
Investment property	43,350	292	43,642

Reconciliation of investment property - Company - 2020

	Opening balance	Total
Investment property	9,000	9,000

Reconciliation of investment property - Company - 2019

	Opening balance	Total
Investment property	9,000	9,000

Figures in Namibia Dollar thousand	Group 2020	Group 2019	Company 2020	Company 2019
Fair value hierarchy of investment property				
Level 2				
Investment property	43,642	43,642	9,000	9,000

Details of property

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

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

6. Investment property (continued)

Details of valuation

Investment property are revalued annually by the Group's board of directors. The valuation was based on the market value for existing use. These assumptions were based on current market conditions. The prior year was valued by the Group's board of directors on the same basis.

Amounts recognised in profit and loss for the year

Rental income from investment property	1,383	1,461	717	676
Direct operating expenses from rental generating property	-	(57)	-	(27)
	1,383	**1,404**	**717**	**649**

Sensitivity analysis

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

	Group 2020	**Group 2019**
Investment property - Increase	(546)	(560)
Investment property - Decrease	637	589

7. Intangible assets

Group	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	8,273	(4,865)	3,408	6,741	(4,534)	2,207

Company	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	2,026	(331)	1,695	204	(16)	188

Reconciliation of intangible assets - Group - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	2,207	2,557	(1,356)	3,408

Reconciliation of intangible assets - Group - 2019

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

Figures in Namibia Dollar thousand	Group 2020	Group 2019	Company 2020	Company 2019

7. Intangible assets (continued)

Reconciliation of intangible assets - Company - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	188	1,822	(315)	1,695

Reconciliation of intangible assets - Company - 2019

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

8. Investment in subsidiaries

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

Company

Name of company	Carrying amount 2020	Carrying amount 2019
Acacia Properties (Pty) Ltd	8,023	8,730
Auas Motors (Pty) Ltd	9,848	9,848
Bel Development (Pty) Ltd	16,788	16,969
Bonsai Investments Nineteen (Pty) Ltd	32,115	40,000
Corporate Guarantee and Insurance Company of Namibia Ltd	24,012	24,012
Grenada Investments Two (Pty) Ltd	1,800	1,800
Hakos Capital and Finance (Pty) Ltd	7,520	8,050
Hochland 7191 (Pty) Ltd	-	-
Isuzu Truck (Namibia) (Pty) Ltd	1,200	1,200
Khomas Car Rental and Leasing (Pty) Ltd	-	-
Marulaboom Properties (Pty) Ltd	800	800
Mopanie Tree Properties (Pty) Ltd	-	-
NHL Tyre & Tire (Pty) Ltd	12,500	12,500
Nictus (Pty) Ltd	21,670	54,013
Nictus Eiendomme (Pty) Ltd	472	472
Rubbertree Properties (Pty) Ltd	6,359	32,692
Werda Weskusontwikkeling (Pty) Ltd	200	200
Willow Properties (Pty) Ltd	1,028	1,028
Yellow Wood Properties (Pty) Ltd	231	231
Indirectly held through Corporate Guarantee and Insurance Company of Namibia Ltd:		
Futeni Collections (Pty) Ltd	-	-
Karas Securities (Pty) Ltd	-	-
	144,566	212,545

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

An impairment of N$ 68 million was made for the current year. Refer to note 28 for details.

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

9. Trade and other receivables

Financial instruments:				
Trade receivables	206,063	223,330	2	16
Trade receivables - related parties	-	-	121	1,608
Unearned finance charges	(3,902)	(5,303)	-	-
Loss allowance i.t.o IFRS 9	(4,732)	(2,809)	-	-
Trade receivables at amortised cost	197,429	215,218	123	1,624
Deposits	191	183	-	-
Operating lease receivables	71	71	-	-
Sundry Debtors	559	483	-	-
Other receivable	579	1,002	563	339
Non-financial instruments:				
VAT	47,089	18,876	450	111
Refundable taxes	20	20	-	-
Prepayments	39	118	-	-
Total trade and other receivables	**245,977**	**235,971**	**1,136**	**2,074**

Split between non-current and current portions

Non-current assets	10,757	12,009	-	-
Current assets	235,220	223,962	1,136	2,074
	245,977	**235,971**	**1,136**	**2,074**

Categorisation of trade and other receivables

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

At amortised cost	198,829	216,957	686	1,963
Non-financial instruments	47,148	19,014	450	111
	245,977	**235,971**	**1,136**	**2,074**

Exposure to credit risk

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

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

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

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

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

9. Trade and other receivables (continued)

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

Group	2020	2020	2019	2019
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 1,16% (2019: 0,05%)	190,472	(27)	206,658	(99)
Less than 30 days past due: 0,64% (2019: 0,06%)	3,806	(1,081)	3,352	(2)
31 - 60 days past due: 1,90% (2019: 3,68%)	2,022	(110)	1,684	(62)
61 - 90 days past due: 4,26% (2019: 7,76%)	1,249	(125)	1,689	(131)
91 - 120 days past due: 32,02% (2019: 40,85%)	3,973	(1,272)	4,495	(1,836)
More than 120 days past due: 128,83% (2019: 35,96%)	2,038	(2,117)	1,888	(679)
Total	**203,560**	**(4,732)**	**219,766**	**(2,809)**

Company	2020	2020	2019	2019
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 0% (2019: 0%)	687	-	355	-

Reconciliation of loss allowances

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

Opening balance in accordance with IFRS 9	**(2,809)**	**(6,072)**	**-**	**-**
Provisions reversed on settled trade receivables	(631)	1,794	-	-
Provision utilised	(1,292)	1,469	-	-
Closing balance	**(4,732)**	**(2,809)**	**-**	**-**

Exposure to currency risk

Refer to note 40 for details of currency risk management for trade receivables.

Fair value of trade and other receivables

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

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

10. Investments at fair value

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

Mandatorily at fair value through profit or loss:				
Listed equity investments at fair value through profit or loss	2,692	21,066	268	-
Debt investments at fair value through profit or loss	12,994	753	-	-
	15,686	**21,819**	**268**	**-**

Split between non-current and current portions

Non-current assets	13,262	753	268	-
Current assets	2,424	21,066	-	-
	15,686	**21,819**	**268**	**-**

Fair value hierarchy of investments

Level 1				
Listed equity investments	2,692	21,066	268	-
Debt investments	12,994	753	-	-
	15,686	**21,819**	**268**	**-**

Risk exposure

The investments held by the Group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 40 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

11. Loans and receivables

Loans and receivables				
Secured advances	533,421	525,654	-	-
Other loans and receivables	16,070	14,454	-	-
Preference shares	2,950	5,350	-	-
	552,441	**545,458**	**-**	**-**
Non-current assets				
Loans and receivables	441,112	415,808	-	-
Current assets				
Loans and receivables	111,329	129,650	-	-
	552,441	**545,458**	**-**	**-**

Figures in Namibia Dollar thousand	Group 2020	Group 2019	Company 2020	Company 2019

11. Loans and receivables (continued)

Other loans and receivables
These loans and receivables include advances made to individuals, companies and other entities in the normal course of business as asset based financing. A portion of the receivable arising is in turn financed by a reciprocal agreement with an AA+ rated local bank. The loans are secured by underlying assets financed. Refer to Note 20 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% (2019: prime less 2% to prime less 1.5%).

Preference shares
Karas Securities (Pty) Limited invests in preference shares with various redemption dates. The preference shares bear dividends linked to Namibian prime bank overdraft rate. The preference dividends are payable monthly.

Secured advances
These loans and receivables include advances made to individuals, companies and other entities. These advances are secured by asset based financing, rights to claims in Corporate Guarantee and Insurance Company of Namibia Limited, pledges and suretyships.

Loans and receivables past due but not impaired

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

	Group 2020	Group 2019	Company 2020	Company 2019
Not past due	552,441	545,458	-	-

Reconciliation of provision for impairment of loans and receivables

	Group 2020	Group 2019	Company 2020	Company 2019
Opening balance	-	(163)	-	-
Unused amounts reversed	-	163	-	-
	-	**-**	**-**	**-**

Credit quality of other financial assets

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

Loans and receivables

Credit rating	Group 2020	Group 2019	Company 2020	Company 2019
Performing (internal credit grade)	552,441	545,458	-	-

Risk exposures

The loans and receivables held by the Group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 40 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

12. Deferred tax

Deferred tax liability

Plant and equipment	(4,370)	(4,589)	(786)	(912)
Land and buildings	(45,861)	(43,744)	(581)	(567)
Insurance contingency reserve	(4,976)	(4,976)	-	-
Furniture trade receivables	-	(6,911)	-	-
Computer software	(377)	(200)	(214)	(32)
Re-insurance Asset	(60,392)	-	-	-
Right of use Asset	(1,995)	-	-	-
Total deferred tax liability	**(117,971)**	**(60,420)**	**(1,581)**	**(1,511)**

Deferred tax asset

Impairment of trade receivables	312	562	-	-
Finance lease liabilities	2,415	-	-	-
No claim bonus provision	7,708	7,648	-	-
Other provisions	1,510	3,438	177	339
Deferred tax balance from temporary differences other than unused tax losses	11,945	11,648	177	339
Tax losses available for set off against future taxable income	86,695	32,544	6,306	3,653
Total deferred tax asset	**98,640**	**44,192**	**6,483**	**3,992**

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

Deferred tax liability	(31,537)	(27,440)	-	-
Deferred tax asset	12,206	11,212	4,902	2,481
Total net deferred tax (liability) asset	**(19,331)**	**(16,228)**	**4,902**	**2,481**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(16,228)	(20,570)	2,481	924
Charged to profit or loss	(3,435)	4,342	2,421	1,557
Charged to equity (IFRS 16)	332	-	-	-
	(19,331)	**(16,228)**	**4,902**	**2,481**

Recognition of deferred tax asset / liability

Deferred tax assets have been recognised based on the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

No unrecognised deferred tax liabilities exists.

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

12. Deferred tax (continued)

Tax rates

The deferred tax rate applied to the fair value adjustments of investment properties, financial assets or owner occupied property is determined at 32% (2019: 32%).

13. Inventories

Work in progress	160	265	-	-
Finished goods	407	-	-	-
Merchandise	101,640	96,630	-	-
Right to return goods asset	21,301	-	-	-
	123,508	96,895	-	-
Inventories (write-downs)	(1,795)	(899)	-	-
	121,713	**95,996**	**-**	**-**

No inventory is pledged as security.

14. Loans to related parties

Acacia Properties (Pty) Ltd	-	-	1,106	368
Bel Development (Pty) Ltd	-	-	8,084	8,062
Bonsai Investments Nineteen (Pty) Ltd	-	-	17,345	9,348
Grenada Investments Two (Pty) Ltd	-	-	4,307	2,727
Hochland 7191 (Pty) Ltd	-	-	9,904	7,795
Isuzu Truck (Namibia) (Pty) Ltd	-	-	7,799	7,399
Marulaboom Properties (Pty) Ltd	-	-	3,499	2,517
Mopanie Tree Properties (Pty) Ltd	-	-	1,120	1,120
NHL Tyre & Tire (Pty) Ltd	-	-	145	-
Nictus Eiendomme (Pty) Ltd	-	-	1,882	1,624
Rubber Tree Properties (Pty) Ltd	-	-	22,769	24,763
Werda Weskusontwikkeling (Pty) Ltd	-	-	6,510	6,353
Willow Properties (Pty) Ltd	-	-	4,387	3,916
Yellow Wood Properties (Pty) Ltd	-	-	2,772	2,759
	-	**-**	**91,629**	**78,751**

The above loans due to related parties bear interest at Standard Bank Namibia overdraft rates ranging from prime less 1% to prime, are unsecured and have no fixed terms of repayment, but repayable on demand.

Split between non-current and current portions

Current assets	-	-	91,629	78,751

Exposure to credit risk

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

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

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

14. Loans to related parties (continued)

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

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

Credit rating framework

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

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

Credit loss allowances

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

Exposure to currency and interest rate risk

Refer to note 40 Financial instruments and financial risk management for details of currency and interest rate risk management for group loans receivable.

Fair value of group loans receivable

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

15. Re-insurance asset

Re-insurance asset	188,724	-	-	-

The Re-insurance asset has been shown for the first time in the 2020 financial year due to compulsory re-insurance becoming effective in December 2019. Re-insurance income under note 25 is for 18 months covering the period from 27 June 2018 until 31 March 2020.

Refer to Government Gazette of the Republic of Namibia, No. 6496 issued on 29 December 2017. Government Notices No. 332 to 338 included in the Gazette provides detailed requirements in respect of re-insurance that became effective in the current financial year.

Exposure to credit and currency risk

Refer to note 40 Financial instruments and financial risk management for details of credit and currency risk management for reinsurance asset.

Fair value of Re-insurance asset

The fair value of re-insurance asset approximates the carrying values of the ceded portion of the underlying re-insured policies.

Fair value hierarchy of Re-insurance asset		
Level 2	188,724	-

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

16. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	182	148	29	22
Bank balances	6,183	126,448	171	200
Short-term deposits	467,304	299,854	-	-
	473,669	**426,450**	**200**	**222**

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

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

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

Credit rating				
AAA	187	180	-	-
AA	339,307	224,265	-	-
A	-	4,975	-	-
A+	27	-	-	-
A1+	41	-	-	-
AA+	57	22,814	-	200
AA-	123	6,516	-	-
BB+	3	1,442	-	-
BBB+	128,845	166,109	-	-
BBB-	76	-	-	-
F1+	4,625	-	171	-
F+	196	-	-	-
	473,487	**426,301**	**171**	**200**

Fair value of cash and cash equivalents

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

Exposure to currency risk

Refer to note 40 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

17. Stated capital

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

Reconciliation of number of shares issued:				
Reported as at 1 April 2019	53,444	53,444	53,444	53,444

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

Figures in Namibia Dollar thousand	Group 2020	Group 2019	Company 2020	Company 2019

17. Stated capital (continued)

Issued				
53 443 500 Ordinary no par value shares (2019: 53 443 500)	129	129	129	129

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

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

18. Revaluation reserve

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

Opening balance	58,848	58,848	-	-

19. Insurance contingency reserve

The directors decided to keep the contingency reserve unchanged. This is to ensure provision is made for uncertain future events that could occur.

Opening balance (no movement for the year)	15,551	15,551	-	-

20. Interest bearing loans and borrowings

Held at amortised cost				
Secured				
Bank loans	122,115	131,758	-	-
Lease liability	7,547	-	-	-
Loan from related party	21,589	18,766	21,589	18,766
	151,251	**150,524**	**21,589**	**18,766**

Split between non-current and current portions

Non-current liabilities	113,369	115,031	-	-
Current liabilities	37,882	35,493	21,589	18,766
	151,251	**150,524**	**21,589**	**18,766**

Bank loans of the Group are from AA+ rated local banks, bearing interest at Namibian bank prime overdraft rates ranging from prime less 0,75% to prime less 2%. The loans are secured by first mortgage bonds over properties and financing of underlying assets. Refer to note 4 and 11 for details.

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

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

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

20. Interest bearing loans and borrowings (continued)

Refer to note 36 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 40 Financial instruments and financial risk management for the fair value of borrowings.

Exposure to liquidity, currency and interest rate risk

Refer to note 40 Financial instruments and financial risk management for details of liquidity, currency and interest rate risk management for borrowings.

Fair value

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

21. Trade and other payables

Financial instruments:				
Trade payables	59,002	34,664	2,201	2,563
Trade payables - related parties	-	-	-	144
Sundry creditors	813	2,590	-	-
Accruals	3,355	2,958	-	-
Re-insurance accrual	192,635	-	-	-
VAT	705	465	-	-
	256,510	**40,677**	**2,201**	**2,707**

Exposure to liquidity, currency and interest rate risk

Refer to note 40 Financial instruments and financial risk management for details of liquidity, currency and interest rate risk exposure and management.

Fair value of trade and other payables

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

22. Loans from related parties

Subsidiaries				
Futeni Collections (Pty) Ltd	-	-	57,456	21,764
Karas Securities (Pty) Ltd	-	-	45,000	45,000
NHL Tyre & Tire (Pty) Ltd	-	-	-	2,391
Nictus (Pty) Ltd	-	-	4,071	4,312
Hakos Capital and Finance (Pty) Ltd	-	-	4,006	-
	-	**-**	**110,533**	**73,467**
Associates				
Nictus Ltd	-	33,910	-	33,910

Split between non-current and current portions

Current liabilities	-	33,910	110,533	107,377

22. Loans from related parties (continued)

The above loans due to and from related parties bear interest at Standard Bank Namibia overdraft rates ranging from prime less 3% to prime and have no fixed terms of repayment, but repayable on demand. The loans from subsidiaries are unsecured. The loan from Nictus Limited was secured by a cash guarantee issued by Corporate Guarantee and Insurance Company of Namibia Limited.

Refer to note 36 Changes in liabilities arising from financing activities for details of the movement in loans from group companies during the reporting period.

Exposure to liquidity, currency and interest rate risk

Refer to note 40 Financial instruments and financial risk management for details of liquidity, currency and interest rate risk exposure and management.

Fair value of related party loans payable

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

23. Provisions

Reconciliation of provisions - Group - 2020

	Opening balance	Raised	Reversed	Total
Service and maintenance plan provisions	441	-	(292)	149
Used vehicle extended warranty provision	313	136	-	449
Used vehicle warranty provision	35	-	(8)	27
Workshop comeback provision	173	-	(4)	169
Workshop warranty provisions	121	-	(12)	109
	1,083	**136**	**(316)**	**903**

Reconciliation of provisions - Group - 2019

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

The provisions represent managements best estimates 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 kilometers, on warranty claims.
Used vehicle warranty provision covers the risk for a period of 30 days after sale, on major defects on used vehicles.

Workshop warranty provision covers the risk that warranty claims from Isuzu Motors South Africa (Proprietary) Limited 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 maintenance plans sold on new vehicles.

	Group	
Figures in Namibia Dollar thousand	2020	2019

24. Insurance contract liability

Gross provision for IBNR	8,756	3,934
Gross provision for no claim bonus	24,089	23,900
Gross provision for unearned premiums	1,369,368	1,276,367
	1,402,213	**1,304,201**

Analysis of movements in gross IBNR		
Opening balance	3,934	10,662
IBNR portion created	4,822	(6,728)
	8,756	**3,934**

Analysis of movements in no claim bonus provision		
Opening balance	23,900	20,222
No claim bonus charged to profit or loss	74,781	74,081
No claim bonus paid	(74,592)	(70,403)
	24,089	**23,900**

Analysis of movements in gross unearned premiums		
Opening balance	1,276,367	1,245,427
Claims paid	(5,070)	(19,788)
IBNR created	(4,822)	(6,728)
Net written premiums	198,107	171,871
Net underwriting result	(95,214)	(114,415)
	1,369,368	**1,276,367**

Process used to determine significant assumptions

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

Claim provisions

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

Notified claims

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

Claims incurred but not yet reported (IBNR)

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

Premium provisions

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

Figures in Namibia Dollar thousand	Group 2020	Group 2019	Company 2020	Company 2019

24. 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 has been used for 2020 and 2019 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 have the following effect on the before tax profit:

	Group 2020	Group 2019
IBNR at 1% of net written premiums	1,981	1,719

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

Risk exposures
Refer to note 40 Financial instruments and risk management for details of liquidity, currency and interest rate risk management for the insurance contract liability.

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

25. Revenue

	Group 2020	Group 2019	Company 2020	Company 2019
Revenue from contracts with customers				
Sale of goods	470,379	546,303	-	-
Rendering of services	49,804	33,851	18,374	18,024
Insurance premium income	29,651	32,422	-	-
	549,834	**612,576**	**18,374**	**18,024**
Revenue other than from contracts with customers				
Rental Income	2,265	2,098	717	677
Interest received (trading)	57,746	62,929	7,124	5,159
Dividends received (trading)	-	-	27,104	10,550
Re-insurance income	21,215	-	-	-
	81,226	**65,027**	**34,945**	**16,386**
	631,060	**677,603**	**53,319**	**34,410**

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

25. Revenue (continued)

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

	Group 2020	Group 2019	Company 2020	Company 2019
Sale of goods				
Sale of goods - retail segment	470,379	546,303	-	-
Rendering of services				
Administration and management fees received from subsidiaries	-	-	18,374	18,024
Services revenue - retail segment	49,804	33,851	-	-
	49,804	**33,851**	**18,374**	**18,024**
Other revenue				
Insurance premium income - insurance and finance segment	29,651	32,422	-	-
Total revenue from contracts with customers	**549,834**	**612,576**	**18,374**	**18,024**

Timing of revenue recognition

	Group 2020	Group 2019	Company 2020	Company 2019
At a point in time				
Sale of goods	(470,379)	(546,303)	-	-
Rendering of services	(49,804)	(33,851)	(18,374)	(18,024)
Other revenue	(29,651)	(32,422)	-	-
	(549,834)	**(612,576)**	**(18,374)**	**(18,024)**

	Group 2020	Group 2019
Insurance premium income consists of:		
Net written premiums	198,106	171,871
Change in net provision for unearned premiums	(168,455)	(139,449)
	29,651	**32,422**

26. Cost of sales

	Group 2020	Group 2019	Company 2020	Company 2019
Sale of goods	420,369	476,099	-	-
Rendering of services	7,752	7,018	-	-
	428,121	**483,117**	**-**	**-**

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019
27. Other operating income				
Stamp duty and documentation income	221	154	-	-
Bad debts recovered	185	206	-	-
Sundry income	6,525	6,701	91	123
Other income	(1,925)	1,019	-	-
Finance income received	-	1,839	-	-
	5,006	**9,919**	**91**	**123**
28. Other operating gains (losses)				
Gains (losses) on disposals, scrappings and settlements				
Property, plant and equipment	(46)	306	-	30
Listed investments	4	6	10	6
	(42)	**312**	**10**	**36**
Fair value gains / (losses) of listed equity investments	1,174	1,942	(12)	1,693
Impairment on investments in subsidiaries	-	-	(67,977)	-
	1,174	**1,942**	**(67,989)**	**1,693**
Total other operating gains (losses)	**1,132**	**2,254**	**(67,979)**	**1,729**
29. Investment income				
Dividend income				
Listed investments	6,288	7,897	-	327
Interest received on bank and other	24,044	24,733	-	-
Unlisted investments	501	686	-	-
Total dividend income	**30,833**	**33,316**	**-**	**327**
Interest income				
Investments in financial assets:				
Bank and other cash	2,682	2,798	256	517
Total investment income	**33,515**	**36,114**	**256**	**844**

30. Employee costs

As at 31 March 2020 the Group had 444 employees (2019: 445). Employee benefits expense is made up of the following for all employees, excluding executive directors:

	Group 2020	Group 2019	Company 2020	Company 2019
Employee costs				
Salaries, wages, bonuses and other benefits	73,693	78,677	9,086	6,298

Figures in Namibia Dollar thousand	Group 2020	Group 2019	Company 2020	Company 2019
31. Depreciation, amortisation and impairment losses				
Depreciation				
Property, plant and equipment, right-of-use asset	6,360	3,672	847	842
Amortisation				
Intangible assets	1,356	876	315	16
Total depreciation, amortisation and impairment				
Depreciation	6,360	3,672	847	842
Amortisation	1,356	876	315	16
	7,716	**4,548**	**1,162**	**858**

32. Operating profit (loss)

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

Figures in Namibia Dollar thousand	Group 2020	Group 2019	Company 2020	Company 2019
Auditor's remuneration - external				
Audit fees	1,965	2,055	409	422
Remuneration, other than to employees				
Secretarial services	1,063	925	643	380
Operating lease charges				
Premises	3,256	7,684	2,464	730
Equipment	145	286	-	-
	3,401	**7,970**	**2,464**	**730**
Movement in credit loss allowances				
Trade and other receivables	1,936	(2,214)	-	-
Insurance expenses				
Claims incurred	8,102	13,056	-	-
No claim bonus allocations	74,781	74,081	-	-
	82,883	**87,137**	**-**	**-**

Figures in Namibia Dollar thousand	Group 2020	Group 2019	Company 2020	Company 2019

33. Finance costs

Preference dividends	-	-	3,178	3,221
Bank and other	3,102	8,758	-	-
Related parties	5,029	6,288	7,213	7,202
Lease liability interest	772	-	-	-
Total finance costs	**8,903**	**15,046**	**10,391**	**10,423**

34. Taxation

Major components of the tax expense (income)

Current				
Withholding tax - current period	2,248	-	-	-
Deferred				
Originating and reversing temporary differences	3,435	(4,342)	(2,421)	(1,557)
	5,683	**(4,342)**	**(2,421)**	**(1,557)**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit before tax	13,045	2,814	(54,354)	4,331
Tax at the applicable tax rate of 32% (2019: 32%)	4,174	900	(17,393)	1,386
Tax effect of adjustments on taxable income				
Exempt income	(7,310)	(10,895)	14,907	(3,481)
Tax losses utilised	8,742	5,653	-	-
Non-deductible expenses	77	-	65	538
	5,683	**(4,342)**	**(2,421)**	**(1,557)**
The estimated tax losses available for set-off against future taxable income amount to	304,377	112,617	22,237	11,418

During the current year the allowance on instalment debtors was reassessed resulting in a change in calculated tax losses carried forward from the prior year of N$ 11,1 million. The restatement has no effect on the Group's profits.

Estimated taxation losses of the Company and certain subsidiaries not utilised to create a deferred tax asset to reduce the deferred tax liability and available for future set-off against future taxable income amount to:

30,928	22,140	-	-

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

35. Cash generated from operations

Profit before taxation	13,045	2,814	(54,354)	4,331
Adjustments for:				
Depreciation and amortisation	7,716	4,548	1,162	861
Losses / (gains) on disposals of property, plant and equipment	42	(306)	-	(33)
Interest income	(2,682)	(2,798)	(256)	(517)
Finance costs	8,903	15,046	10,391	10,423
Fair value gains	-	-	-	(1,693)
Movements in provisions	(180)	(1,203)	-	-
Prescribed dividend	265	265	265	265
Impairment on Investments	-	-	67,977	-
Changes in working capital:				
Inventories	(25,717)	31,659	-	-
Trade and other receivables	(10,006)	33,372	938	12,033
Trade and other payables	215,833	(28,876)	(504)	(3,118)
Insurance contract liability	98,013	27,889	-	-
Re-insurance asset	(188,724)	-	-	-
	116,508	**82,410**	**25,619**	**22,552**

36. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2020

	Opening balance	Cash flows	Closing balance
Borrowings	150,524	727	151,251
Insurance contract liability	1,304,200	98,013	1,402,213
Loan from related party	33,910	(33,910)	-
	1,488,634	**64,830**	**1,553,464**
Total liabilities from financing activities	**1,488,634**	**64,830**	**1,553,464**

Reconciliation of liabilities arising from financing activities - Group - 2019

	Opening balance	Cash flows	Closing balance
Borrowings	148,649	1,875	150,524
Insurance contract liability	1,276,311	27,889	1,304,200
Loans from group companies	40,051	(6,141)	33,910
	1,465,011	**23,623**	**1,488,634**
Total liabilities from financing activities	**1,465,011**	**23,623**	**1,488,634**

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

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

Reconciliation of liabilities arising from financing activities - Company - 2020

	Opening balance	Cash flows	Closing balance
Borrowings	18,766	2,823	21,589
Loans from related parties	107,377	(294)	107,083
	126,143	**2,529**	**128,672**
Total liabilities from financing activities	**126,143**	**2,529**	**128,672**

Reconciliation of liabilities arising from financing activities - Company - 2019

	Opening balance	Cash flows	Closing balance
Borrowings	19,797	(1,031)	18,766
Loans from related parties	107,105	272	107,377
	126,902	**(759)**	**126,143**
Total liabilities from financing activities	**126,902**	**(759)**	**126,143**

37. Dividends paid

Dividends	(6,413)	(6,413)	(6,413)	(6,413)

38. Related parties

Relationships	
Subsidiaries	Refer to note 8
Related companies	Veritrust (Pty) Ltd
	Nictus Ltd
Members of key management	NC Tromp (non-executive director)
	GR de V Tromp (non-executive director)
	PJ de W Tromp
	WO Fourie
	FR van Staden
Independent non-executive directors	Gerard Swart
	TB Horn

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

Transactions with key management personnel
Details pertaining to directors' and key management compensations are set out in Note 39.
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.

	Group		Company	
Figures in Namibia Dollar thousand	2020	2019	2020	2019

38. Related parties (continued)

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:

	Group 2020	Group 2019	Company 2020	Company 2019
Related party balances				
Loan accounts - Owing (to) by related parties				
Loan from Nictus Ltd	-	(33,910)	-	(33,910)
Loans from subsidiaries (excl preference shares)	-	-	(65,533)	(28,467)
Loan from Veritrust (Pty) Ltd	(21,589)	(18,766)	(21,589)	(18,766)
Loans to subsidiaries	-	-	91,629	78,751
Preference shares issued to subsidiary	-	-	(45,000)	(45,000)
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Amounts due from subsidiaries	-	-	-	1,608
Amounts due to subsidiaries	-	-	-	(144)
Amounts due from key management	544	1,513	-	-
Related party balances with key management, personnel and companies affiliated with key management in the Group				
Unearned premium reserve account	(21,831)	(24,135)	-	-
Loans and receivables: Preference shares	2,950	5,350	-	-
Related party transactions				
Interest paid to (received from) related parties				
Interest received from subsidiaries	-	-	(7,902)	(5,159)
Interest paid to subsidiaries	-	-	2,962	914
Preference dividends paid to subsidiary	-	-	3,178	3,221
Interest paid to Veritrust (Pty) Ltd	2,088	2,339	2,088	2,339
Interest paid to Nictus Ltd	2,942	3,949	2,942	3,949
Rent paid to subsidiary	-	-	2,464	808
Admin fees (received from) subsidiaries	-	-	(18,337)	(17,970)
Dividends received				
Dividends received from Nictus Ltd	-	-	-	(327)
Dividends received from subsidiaries	-	-	(27,104)	(10,550)
Related party transactions with key management, personnel and companies affiliated with key management in the Group				
Gross written premiums	(1,733)	1,029		
Cancellations and endorsements	3,493	494		
Claims paid	322	25		
Change in provision for unearned premiums	(2,304)	12,696		
Preference dividends paid	501	686		

Loans due to and by subsidiaries, excluding preference shares, bear interest at Namibian prime bank overdraft rates ranging from prime less 3% to prime, are unsecured and have no fixed terms of repayment. Intercompany trade receivables and payables are subject to the same terms and conditions applied to the general public. Interest is charged at market related rates and settlement is expected to be made in cash.

Figures in Namibia Dollar thousand

39. Directors' emoluments

Executive

2020

	Management and consulting fees - Holding company	Total
PJ de W Tromp	2,849	2,849
WO Fourie	2,009	2,009
FR van Staden	2,258	2,258
	7,116	**7,116**

2019

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

Non-executive

2020

	Directors' fees	Consulting fees	Directors' fees - subsidiaries	Total
NC Tromp	108	1,172	720	2,000
GR de V Tromp	113	-	-	113
Gerard Swart	480	-	-	480
JD Mandy	257	-	120	377
TB Horn	198	-	-	198
	1,156	**1,172**	**840**	**3,168**

2019

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

40. Financial instruments and risk management

Financial risk management

Overview

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

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

The board has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board on its activities.

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

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

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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

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

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

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

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

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

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

Figures in Namibia Dollar thousand

40. Financial instruments and risk management (continued)

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

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

Group		2020			2019		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans receivable	11	552,441	-	552,441	545,458	-	545,458
Investments at fair value through profit or loss	10	15,686	-	15,686	21,819	-	21,819
Trade and other receivables	9	203,561	(4,732)	198,829	219,766	(2,809)	216,957
Cash and cash equivalents	16	473,669	-	473,669	426,450	-	426,450
Re-insurance asset	15	188,724	-	188,724	-	-	-
		1,434,081	**(4,732)**	**1,429,349**	**1,213,493**	**(2,809)**	**1,210,684**

Company		2020			2019		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	14	91,629	-	91,629	78,751	-	78,751
Investments at fair value through profit or loss	10	268	-	268	-	-	-
Trade and other receivables	9	686	-	686	1,963	-	1,963
Cash and cash equivalents	16	200	-	200	222	-	222
		92,783	**-**	**92,783**	**80,936**	**-**	**80,936**

Liquidity risk

The Group is exposed to liquidity risk, which is the risk that the Group will encounter difficulties in meeting its obligations as they become due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

In the current and prior year, the Company's current liabilities exceeded the current assets. Group Loans will not be recalled until such time that the Company has sufficient funds to settle these liabilities. For external payables the Company will obtain funds from its subsidiaries and related companies to settle these in the normal course of business.

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

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

Figures in Namibia Dollar thousand

40. Financial instruments and risk management (continued)

Group - 2020

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Total liabilities							
Trade and other payables	21	255,805	-	-	-	255,805	255,805
Borrowings	20	37,882	26,522	35,226	51,621	151,251	151,251
Insurance contract liability	24	1,402,213	-	-	-	1,402,213	1,402,213
		1,695,900	**26,522**	**35,226**	**51,621**	**1,809,269**	**1,809,269**

Group - 2019

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Total liabilities							
Trade and other payables	21	40,212	-	-	-	40,212	40,212
Loans from group companies	22	33,910	-	-	-	33,910	33,910
Borrowings	20	35,493	30,683	27,161	57,187	150,524	150,524
Insurance contract liability	24	1,304,200	-	-	-	1,304,200	1,304,200
		1,413,815	**30,683**	**27,161**	**57,187**	**1,528,846**	**1,528,846**

Company - 2020

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	21	2,201	2,201	2,201
Loans from group companies	22	110,533	110,533	110,533
Borrowings	20	21,589	21,589	21,589
		134,323	**134,323**	**134,323**

Company - 2019

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	21	2,707	2,707	2,707
Loans from group companies	22	107,377	107,377	107,377
Borrowings	20	18,766	18,766	18,766
		128,850	**128,850**	**128,850**

Foreign currency risk

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

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

40. Financial instruments and risk management (continued)

Interest rate risk

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

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

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

Interest rate profile

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

	Note	Average effective interest rate		Carrying amount	
Group		2020	2019	2020	2019
Assets					
Trade and other receivables	9	11.26 %	13.25 %	75,753	98,376
Loans and receivables: preference shares	11	7.18 %	7.33 %	2,950	5,350
Cash and cash equivalents	16	7.55 %	8.20 %	468,722	411,599
Other loans and receivables	9	10.39 %	12.35 %	16,070	14,490
Loans and receivables: secured advances	11	8.09 %	9.47 %	533,421	525,654
				1,096,916	**1,055,469**
Liabilities					
Loans from group companies	22	9.30 %	10.38 %	(21,589)	(52,676)
Bank loans	20	9.78 %	9.50 %	(122,116)	(131,758)
				(143,705)	**(184,434)**

	Note	Average effective interest rate		Carrying amount	
Company		2020	2019	2020	2019
Assets					
Loans to group companies	14	9.78 %	10.50 %	74,760	62,642
Trade and other receivables	9	4.75 %	6.00 %	120	120
				74,880	**62,762**
Liabilities					
Loans from group companies	22	6.31 %	9.40 %	(132,122)	(126,143)

Interest rate sensitivity analysis

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

At 31 March 2020, if the Group interest rate had been 1.000% per annum (2019: 1.000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 8,5 million (2019: N$ 8.7 million) lower and N$ 8,5 million (2019: N$ 8.7 million) higher.

40. Financial instruments and risk management (continued)

At 31 March 2020, if the Company interest rate had been 1.000% per annum (2019: 1.000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 0,7 million (2019: N$ 0.6 million) lower and N$ 0,7 million (2019: N$ 0.6 million) higher.

Price risk

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

The Group is not exposed to commodity price risk.

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

Price risk sensitivity analysis

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

Group	2020	2020	2019	2019
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Listed shares 1% (2019: 1 %)	27	(27)	211	(211)

Capital risk management

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

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

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

40. Financial instruments and risk management (continued)

Categories of financial assets

Group - 2020

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	10	15,686	-	15,686	15,686
Trade and other receivables	9	-	198,829	198,829	198,829
Cash and cash equivalents	16	-	473,669	473,669	473,669
Loans and receivables	11	-	552,441	552,441	552,441
Re-insurance asset	15	188,724	-	188,724	188,724
		204,410	**1,224,939**	**1,429,349**	**1,429,349**

Group - 2019

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	10	21,819	-	21,819	21,819
Trade and other receivables	9	-	216,957	216,957	216,957
Cash and cash equivalents	16	-	426,450	426,450	426,450
Loans and receivables	11	-	545,458	545,458	545,458
		21,819	**1,188,865**	**1,210,684**	**1,210,684**

Company - 2020

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to group companies	14	-	91,629	91,629	91,629
Investments at fair value	10	268	-	268	268
Trade and other receivables	9	-	686	686	686
Cash and cash equivalents	16	-	200	200	200
		268	**92,515**	**92,783**	**92,783**

Company - 2019

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	14	78,751	78,751	78,751
Trade and other receivables	9	1,963	1,963	1,963
Cash and cash equivalents	16	222	222	222
		80,936	**80,936**	**80,936**

Figures in Namibia Dollar thousand

40. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	21	255,805	255,805	255,805
Borrowings	20	151,251	151,251	151,251
Insurance contract liabilities	24	1,402,213	1,402,213	1,402,213
		1,809,269	**1,809,269**	**1,809,269**

Group - 2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	21	40,212	40,212	40,212
Loans from group companies	22	33,910	33,910	33,910
Borrowings	20	150,524	150,524	150,524
Insurance contract liability	24	1,304,200	1,304,200	1,304,200
		1,528,846	**1,528,846**	**1,528,846**

Company - 2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	21	2,201	2,201	2,201
Loans from group companies	22	110,533	110,533	110,533
Borrowings	20	21,589	21,589	21,589
		134,323	**134,323**	**134,323**

Company - 2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	21	2,707	2,707	2,707
Loans from group companies	22	73,467	73,467	73,467
Borrowings	20	52,676	52,676	52,676
		128,850	**128,850**	**128,850**

40. Financial instruments and risk management (continued)

Insurance risks

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

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

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

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

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

Underwriting strategy
The Group's underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a portfolio of similar risks spread over a large geographical area. The underwriting strategy is continuously monitored, updated and determines the classes of business to be written and the industry sectors to which the Group is prepared to accept exposure. Management meets monthly to review underwriting information including premium income and loss ratios by class, territory and industry.

Concentrations of insurance risk and policies mitigating the concentrations
Within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon the Group's resources. The Group monitors the concentration risk by geographical segment and class of business. The Group is broadly represented within Namibia and exposures to risks are representative of the economic activity in the various regions. The Group has exposure to all major lines of insurance business with very limited exposure to specialised areas of insurance.

Exposure relating to catastrophic events
The Group sets out the total aggregate exposure that it is prepared to accept in certain regions to a range of events such as natural catastrophes. The aggregate position is reviewed annually.

The Group considers that its most significant exposure would arise in the event of a major environmental disaster. This analysis has been performed through identifying key concentration of risks based on different classes of businesses exposed in the event of such an incident.

Other risk and policies for mitigating these risks
Insurance companies are exposed to the risk of false, invalid and exaggerated claims. Measurements are in place to improve the Group's ability to proactively detect fraudulent claims.

Claims development
The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term, subject to pre-determined time scales dependent on the nature of the insurance contract. The Group is therefore exposed to the risk that claims reserves will not be adequate to fund historic claims (run-off risk). To manage run-off risk the Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. Consequently, the Company's history has proven the reserves to be sufficient to fund the actual claims paid.

41. Group segmental analysis

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

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

Reportable Segment	Products & Services
Retail	Operates the Isuzu and Opel franchise throughout Namibia, in addition to operating as distributor and retailer of predominantly Goodyear products. Furniture retail company with branches located throughout Namibia.
Insurance & Finance	Insurance and finance Short term insurance through the alternative risk transfer model as well as vehicle financing.
Property Companies	Property companies Property companies mainly for own use.
Head Office	Head office Investment holding company

Segmental revenue and results

The Board assesses the performance of the operating segments based on the measure of profit / (loss) after taxation. This measure excludes the effects of non-recurring expenditure from the operating segments such as restructure costs and legal expenses. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments. The results of discontinued operations are not included in the measure of profit / (loss) after taxation. This measure is consistent with all prior periods which are presented.

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

Segment assets and liabilities

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

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

Capital expenditure reflects additions to non-current assets, other than financial instruments, deferred tax assets, 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 statements of financial position

Figures in Namibia Dollar thousand

41. Group segmental analysis

Business segment	Retail		Property Companies		Insurance & Finance	
Segment revenue	2020 N$'000	2019 N$'000	2020 N$'000	2019 N$'000	2020 N$'000	2019 N$'000
Sales of goods and rendering of services	521,324	580,866	-	-	21,215	-
Rental income	82	357	24,207	24,637	-	-
Finance income	6,895	10,586	-	-	85,993	79,678
Management fees	-	-	-	-	-	-
Insurance premium income	-	-	-	-	20,396	21,762
Dividends received from related parties	-	-	-	-		
Total revenue from external customers	528,301	591,809	24,207	24,637	127,604	101,440
Inter-segment revenue	166	11	-	-	4,382	7,592
Total segment revenue	528,467	591,820	24,207	24,637	131,986	109,032
Segment result						
Operating profit before financing costs	138	2,188	19,043	19,247	37,309	26,115
Financing costs	(11,115)	(13,103)	(20,753)	(23,405)	2,827	(1,426)
Profit before taxation	(10,977)	(10,915)	(1,710)	(4,158)	40,136	24,689
Taxation	(1,754)	1,286	421	305	(8,809)	(958)
Net profit/(loss) for the year	(12,731)	(9,629)	(1,289)	(3,853)	31,327	23,731
Segment assets	247,944	231,199	390,489	388,987	1,720,668	1,420,312
Segment liabilities	208,702	178,518	291,480	288,078	1,661,733	1,365,598
Cash flows from operating activities	7,557	43,384	(3,179)	(9,623)	121,931	58,438
Cash flows from investing activities	(6,947)	(2,506)	(2,221)	(4,238)	(48,925)	19,474
Cash flows from financing activities	(1,524)	(45,026)	5,217	14,088	(24,664)	(41,317)
Capital expenditure	(6,378)	(1,395)	(2,177)	(5,042)	(580)	(412)

Figures in Namibia Dollar thousand

Business segment	Head Office		Eliminations		Consolidated	
Segment revenue	2020 N$'000	2019 N$'000	2020 N$'000	2019 N$'000	2020 N$'000	2019 N$'000
Sales of goods and rendering of services	-	-	(1,141)	(712)	**541,398**	**580,154**
Rental income	-	-	(22,025)	(22,896)	**2,264**	**2,098**
Finance income	7,124	5,159	(42,265)	(32,494)	**57,747**	**62,929**
Management fees	18,374	18,024	(18,374)	(18,024)	**-**	**-**
Insurance premium income	-	-	9,255	10,660	**29,651**	**32,422**
Dividends received from related parties	27,104	10,550	(27,104)	(10,550)	**-**	**-**
Total revenue from external customers	52,602	33,733	(101,654)	(74,015)	**631,060**	**677,603**
Inter-segment revenue	-	-	(4,548)	(7,603)	**0**	**-**
Total segment revenue	52,602	33,733	(106,201)	(81,618)	**631,060**	**677,603**
Segment result						
Operating profit before financing costs	(44,368)	14,155	9,827	(43,845)	**21,949**	**17,860**
Financing costs	(10,597)	(10,423)	30,735	33,311	**(8,903)**	**(15,046)**
Profit before taxation	(54,965)	3,732	40,562	(10,534)	**13,046**	**2,814**
Taxation	2,421	1,557	2,037	2,152	**(5,684)**	**4,342**
Net profit/(loss) for the year	(52,544)	5,289	42,599	(8,382)	**7,362**	**7,156**
Segment assets	247,509	300,117	(596,637)	(615,728)	**2,009,973**	**1,724,886**
Segment liabilities	134,323	128,850	(453,823)	(403,211)	**1,842,414**	**1,557,834**
Cash flows from operating activities	15,484	12,646	(33,754)	(34,683)	**108,039**	**70,162**
Cash flows from investing activities	(2,194)	(68,498)	48,373	28,520	**(11,914)**	**(27,248)**
Cash flows from financing activities	(13,312)	55,010	(14,623)	6,566	**(48,906)**	**(10,679)**
Capital expenditure	(272)	(298)	(275)	525	**(9,682)**	**(6,622)**

	Group	
Figures in Namibia Dollar thousand	2020	2019

42. Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Treasury shares are held by a subsidiary and was acquired at the beginning of the previous financial year. Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

	2020	2019
Reconciliation of profit for the year to basic earnings		
Profit for the year attributable to equity holders of the parent	7,362	7,156
Weighted average number of shares (000's)		
Shares in issue	53,444	53,444
Treasury shares	(983)	(983)
	52,461	**52,461**
Basic earnings per share (cents)	14.03	13.64
Basic earnings per share (before treasury share adjustment) (cents)	13.78	13.39

Headline earnings and diluted headline earnings per share

Headline earnings per share is determined by adjusting basic earnings per share with separately identifiable re-measurement divided by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.Headline earnings and diluted headline earnings are presented after tax and non- controlling interest.

	2020	2019
Reconciliation between earnings and headline earnings		
Basic earnings	7,362	7,156
Adjusted for:		
Loss / (Profit) on disposal of property, plant and equipment	46	(306)
	7,408	**6,850**
Headline earnings per share (c)	14.12	13.06
Headline earnings per share before treasury share adjustment (c)	13.86	12.82
Dividends per share		
Final (c)	12.00	12.00

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

43. Going concern

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

44. Events after the reporting period

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. After close monitoring and responses and guidance from state and local governments, in an effort to mitigate the spread of COVID- 19, effective March 2020, the Group had temporarily closed its business premises, with associates working remotely where possible. The Group reopened its business premises on 5 May 2020 and complies with required regulations. The Group continues to monitor developments, including government requirements and recommendations at the national, state, and local level to evaluate possible extensions to all or part of such closures.

In addition, we have taken several steps to further strengthen our statement of financial position, and maintain financial liquidity and flexibility, including reviewing operating expenses, evaluating merchandise purchases and reducing capital expenditures.

At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material impact on our business, results of operations, financial position and cash flows. Despite the uncertainty caused by the pandemic, the Board believe that preventive steps taken by management to mitigate the uncertainty will result in minimising potential severity that the pandemic may have on the Group.

Remuneration Policy

OBJECTIVE

The Group remuneration policy aims to attract and retain those people that will support and contribute to achieving the Group's results and performance. The policy, philosophy and strategy is encapsulated in the following:

Remuneration should:

- contribute towards attracting and retaining motivated and loyal staff;
- reflect a direct correlation with the ideal future and results of the Group;
- be reviewed and benchmarked annually;
- support the strategy of the Group; and
- reward performance and motivate staff.

Remuneration structure

The Group remuneration strategy makes provision for:

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

COMPOSITION OF THE TOTAL REMUNERATION PACKAGE

The factors considered in structuring the total remuneration package are:

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

REMUNERATION INCENTIVES

Short-term incentives

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

- meet predetermined annual targets; and
- perform exceptionally.

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

Long-term incentive

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

- Senior management and executive directors are eligible to participate.
- The relevant Boards of Directors determine the structure and percentile quantum of the incentive. The allocation is determined by the Executive Committee and reported to the Board.

GOVERNANCE

The Board, assist ed by the Remuneration and Nomination Committee, stands at the forefront of developing remuneration policies, reviewing the philosophy strategy and practice, to meet best practice and achieve the Group's overall objectives.

VARIATION

The policy may be varied by the Board at any time within the structure of their authority.

Notice of the Annual General Meeting

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

Notice is hereby given that the annual general meeting of the shareholders of Nictus in respect of the year ended 31 March 2020 will be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on 27 August 2020 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 2020 will be presented to shareholders as required in terms of section 294 of the Companies Act.

3. RESOLUTIONS FOR CONSIDERATION AND APPROVAL

3.1 Ordinary resolution 1: re-election of GR de V Tromp as a director

"Resolved that GR de V Tromp be and is hereby re-elected as a director of the Company."

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

3.2 Ordinary resolution 2: 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 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 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: non-binding advisory vote for approval of the Company's remuneration policy

"Resolved to approve, by way of a non-binding, advisory vote, the remuneration policy of the Company as set out on page 92 of the annual report of which this notice forms part."

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

3.5 Ordinary resolution 5: approval of non-executive directors' remuneration

"Resolved that the Company be and is hereby authorised to pay remuneration to its non-executive directors for their services as directors, and that the remuneration structure and amounts as set out below, be and are hereby approved until such time as rescinded or amended by the ordinary shareholders by way of an ordinary resolution."

Non-executive Director	Annual Fee NAD	Board NAD	Audit Committee NAD	Investment Committee NAD	Remuneration and Nominations Committee NAD
Gerard Swart	420 000	420 000	-	-	-
TB Horn	276 000	240 000	36 000	-	-
NC Tromp	288 000	240 000	-	24 000	24 000
GR de V Tromp	240 000	240 000	-	-	-

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

3.6 Ordinary resolution 6: re-appointment of SGA as auditors

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

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

3.7 Ordinary resolution 7: 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 -

3.7.1 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;

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

3.7.3 the shares which are the subject of the issue -

3.7.3.1 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;

3.7.3.2 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

3.7.3.3 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;

3.7.4 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

3.7.5 separately, such shares as have been reserved to be issued by the Company in terms of its share and other employee incentive schemes."

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

Election of an Audit Committee

3.8 Ordinary resolution 8: re-election of TB Horn as a member of the Audit Committee

"Resolved that TB Horn, an independent non-executive director of the Company, be and is hereby elected as a member of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

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

3.9 Ordinary resolution 9: re-election of FR van Staden as a member of the Audit Committee

"Resolved that FR van Staden, an executive director of the Company, be and is hereby elected as a member of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

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

3.10 Ordinary resolution 10: re-election of GR de V Tromp as a member of the Audit Committee

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

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

3.11 Ordinary resolution 11: appointment of TB Horn as Chairperson of the Audit Committee

"Resolved that TB Horn, an independent non-executive director of the Company, be and is hereby elected as chairperson of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company."

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

3.12 Ordinary resolution 12: signing authority

"Resolved that each director, or the secretary of the Company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to the implementation of the resolutions passed at the annual general meeting of the Company and set out in this notice."

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

3.13 Special resolution 1: general authority to repurchase shares

"Resolved that the Company, in terms of its memorandum and articles of association, or one of its wholly-owned subsidiaries, in terms of such wholly-owned subsidiary's memorandum and articles of association as the case may be, and subject to the relevant subsidiary passing the necessary special resolution, be and is hereby authorised by way of a general approval, to acquire the Company's own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide, subject to the Listings Requirements and the Companies Act"

Section 89 of the Companies Act authorises the board of directors of a Company to approve the acquisition of its own shares subject to the provisions of section 89 having been met. The Companies Act requires the approval of a 75% (seventy five per cent) majority of the votes cast by shareholders present or represented by proxy at the annual general meeting for special resolution to become effective.

3.14 Special resolution 2: financial assistance to entities related or inter-related to the Company

"Resolved that, as a general approval, the Company may, in terms of section 44 of the Companies Act, provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 44(1) of the Companies Act) to any related or inter-related Company or to any juristic person who is a member of or related to any such Company/ies."

The effect of special resolution, if adopted, is to confer the authority on the board of directors of the Company to authorise financial assistance to companies related or inter-related to the Company or to any juristic person who is a member of or related to any such companies generally as the board of directors may deem fit, on the terms and conditions, and for the amounts that the board of directors may determine from time to time, for a period of two years from the date of the adoption of the special resolution and in particular as specified in the special resolution.

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

4. ADDITIONAL INFORMATION

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

4.1 directors and management – pages 26 and 28;

4.2 major shareholders – page 27;

4.3 directors' interests in ordinary shares – page 28; and

4.4 share capital of the Company – pages 66 to 67.

5. LITIGATION STATEMENT

The directors in office whose names appear on page 26 of the annual report, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have, or have had, in the recent past, being at least the previous 12 (twelve) months from the date of this annual report, a material effect on the Group's financial position.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors in office, whose names appear on page 26 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolutions contain all information required by the NSX Listings Requirements.

7. MATERIAL CHANGES

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

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

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

9. ATTENDANCE AND PROXIES

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

9.1.1 a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, participate in and vote at the annual general meeting in his or her stead; and

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

9.2 Forms of proxy (which form may be found enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the registered offices of the Company, c/o Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek (Private Bag 13231, Windhoek) or the Transfer Secretaries, c/o Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, Mandume Ndemufayo avenue, Windhoek (PO Box 755, Windhoek). Forms of proxy must be received by no later than 12:00 on 24 August 2020. Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered.

9.3 Attention is drawn to the "Notes" to the form of proxy.

9.4 The completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

10. VOTING

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

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

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

By order of the Board

Nictus Holdings Limited

Veritas Board of Executors (Proprietary) Limited
Secretary

Windhoek
14 July 2020

Brief CV's of Directors for Re-election

PJ DE W TROMP (44)

- B.Econ, EDP: USB, SMP: USB
- Group Managing Director
- Chairperson: Property Segment
Retail Segment
Insurance & Finance Segment
- Member: Investment Committee

PJ De W Tromp has a B.Econ, EDP: USB; SMP; USB and was appointed as the Executive Chairman of Nictus Holdings Group during August 2013 until April 2017, when he was appointed Group Managing Director. He currently serves as Chairperson of the Property Segment, Retail Segment, Insurance & Finance Segment and Executive Committee, and as a member of the Investment Committee of the Group. He further serves as a non-executive director of Nictus Limited listed on the JSE, and chairs it Social and Ethics Committee. He has served the Nictus Group for the past 17 years.

FR VAN STADEN (56)

- CA (SA) and a CA (NAM)
- Executive Director:
- Chairperson: Risk Committee
- Member: Audit Committee

FR van Staden is a CA (SA) and CA (NAM) and was appointed as Director: Finance and Administration during 1997 of the Nictus Limited Group. He served on the Nictus Limited board until 30 August 2013. Since 1 April 2010 he has served as Managing Director of the Vehicle segment of Nictus Holdings Group until 2016. He is currently serving as Chairperson of the Risk Committee of the Nictus Holdings Group and director of the Property segment. He has served the Nictus Group for the past 26 years.

GR de V Tromp (39)

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

GR de V Tromp has a BCom marketing degree and is a chartered accountant (South Africa and Namibia) and completed his articles in 2008. After completion of his articles, he joined the Group in 2009 as Company Secretary, which role he fulfilled until 2012. During 2012, he was appointed as Managing Director of the furniture segment in South Africa. During 2014, he was appointed as deputy Managing Director of the Nictus Limited Group. On 18 April 2016, he was appointed as Managing Director of the Nictus Limited Group.

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

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

For completion by registered members of Nictus unable to attend the annual general meeting of the Company to be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on **27 August 2020** 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 chairperson of the annual general meeting,

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

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

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

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

Signed at ________________________ on (date)_________________________ Signature: ____

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

Notes to the Proxy Form

1. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the Company) to attend, speak and, on a poll, vote in the stead of that shareholder at the annual general meeting.

2. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided, with or without deleting 'the chairperson of the annual general meeting'. The person whose name stands first on the form of proxy and who is present at the annual general meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.

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

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

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

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

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

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

9. Forms of proxy have to be lodged with or posted to the registered office of the Company, c/o Veritas 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 (PO Box 755, Windhoek). Forms of proxy must be received no later than 12:00 on **24 August 2020**.

Annual Report Notes

NICTUS HOLDINGS LIMITED
COMPANY DETAILS

Company registration number
1962/1735

NSX Share code: NHL
ISIN number: NA000A1J2SS6

Executive Directors
PJ de W Tromp (Managing Director)
FR van Staden
WO Fourie

Non-executive Directors
Gerard Swart (Independent Chairman)
TB Horn (Independent)
NC Tromp
GR de V Tromp

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

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

Sponsor on the NSX
Simonis Storm Securities (Pty) Ltd

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

Please visit our website
www.nictusholdings.com