nictus
HOLDINGS LIMITED

1945 - 2021

ANNUAL REPORT 2021

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.

VISION

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

MISSION

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

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

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.

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HIGHLIGHTS

- Revenue increased by 4% to N$ 657 million
- Profit increased by 147% to N$ 18,148 million
- Earnings per share increased by 147% to 34.59 c per share
- Final dividend of 18 c per share was declared

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.

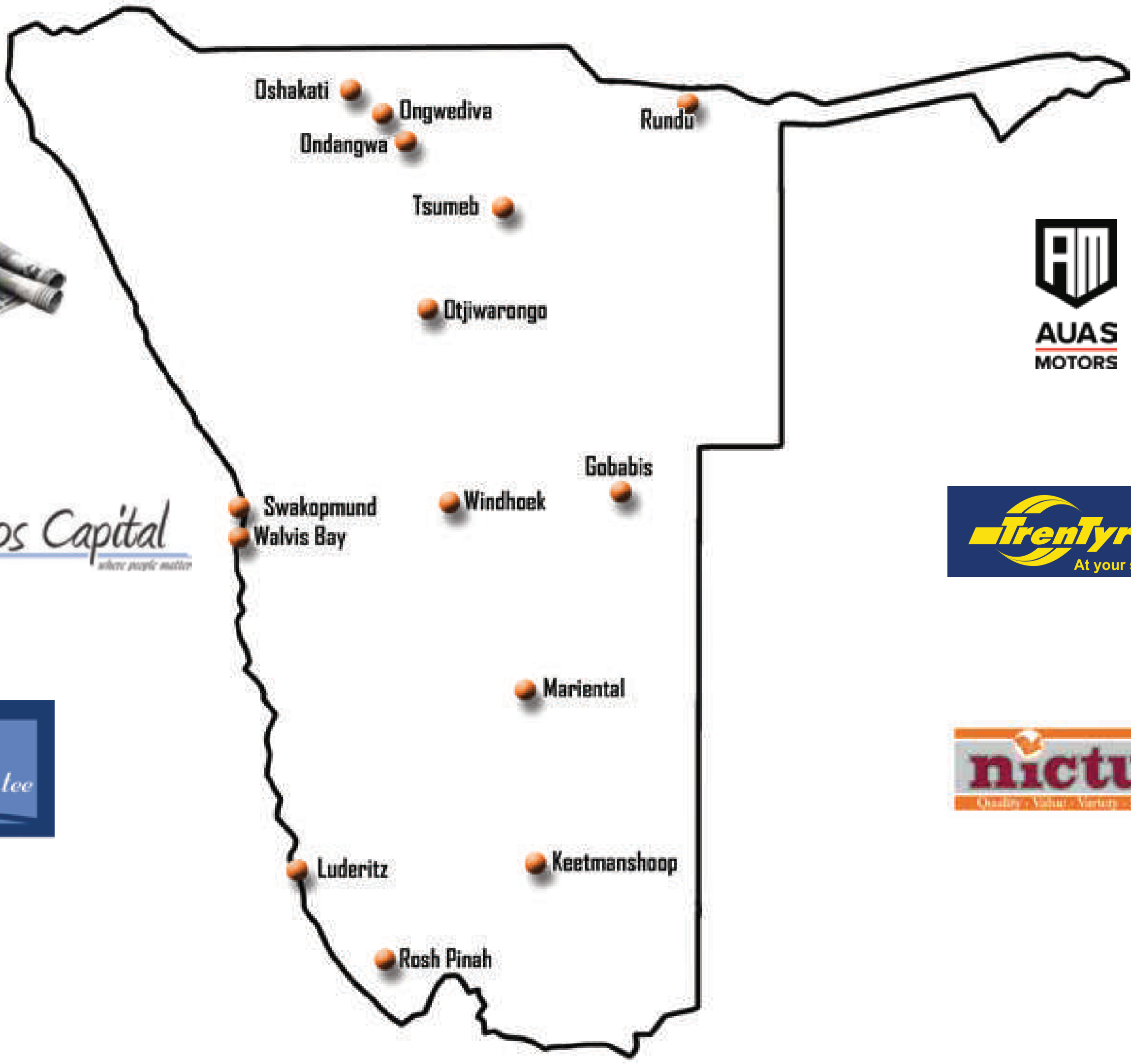
Auas Motors operates the Isuzu, Opel and Suzuki franchises throughout the whole of Namibia and also offers a wide selection of quality used vehicles. Auas is also the service agent for Chevrolet in Namibia.

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 mainly provides financial assistance for the purchase of vehicles and accessories to all Auas Motors branches.

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

OPERATIONS FOOTPRINT



Hakos Capital

Corporate Guarantee

AUAS MOTORS

TrenTyre At your service

nictus

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	Gobabis 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	2021	2020	2019	2018	2017
Statements of Financial Position					
Assets					
Non-current assets	829,262	876,894	827,762	898,214	781,940
Current assets	1,026,249	1,133,079	897,124	835,144	869,419
Total assets	**1,855,511**	**2,009,973**	**1,724,886**	**1,733,358**	**1,651,359**
Liabilities					
Non-current liabilities	142,356	144,906	142,471	152,430	159,973
Current liabilities *	1,533,685	1,697,508	1,415,363	1,414,884	1,326,041
Total liabilities	**1,676,041**	**1,842,414**	**1,557,834**	**1,567,314**	**1,486,014**
Equity					
Stated capital	129	129	129	129	129
Reserves	74,399	74,399	74,399	74,399	74,318
Retained income	104,942	93,031	92,524	91,516	90,898
Total equity	**179,470**	**167,559**	**167,052**	**166,044**	**165,345**
Total equity and liabilities	**1,855,511**	**2,009,973**	**1,724,886**	**1,733,358**	**1,651,359**
Statements of Profit or Loss and Other Comprehensive Income					
Revenue	656,647	631,060	677,603	831,921	972,001
Cost of sales	(475,259)	(428,121)	(483,117)	(621,141)	(745,746)
Gross profit	**181,388**	**202,939**	**194,486**	**210,780**	**226,255**
Other operating income	24,598	35,839	43,235	49,515	51,590
Other operating (losses) / gains	(40)	1,132	2,254	(2,991)	-
Other operating expenses	(175,957)	(220,643)	(224,913)	(240,527)	(246,160)
Operating profit	**29,989**	**19,267**	**15,062**	**16,777**	**31,685**
Investment income	2,495	2,682	2,798	2,538	6,471
Finance costs	(4,864)	(8,904)	(15,046)	(20,268)	(16,370)
Profit / (loss) before taxation	**27,620**	**13,045**	**2,814**	**(953)**	**21,786**
Taxation	(9,472)	(5,683)	4,342	6,551	(2,283)
Profit for the year	**18,148**	**7,362**	**7,156**	**5,598**	**19,503**

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

GROUP FIVE YEAR REVIEW

Figures in Namibia Dollar Thousand	2021	2020	2019	2018	2017
Per share data (cents)					
Basic and diluted earnings per share	34.59	14.03	13.64	10.47	36.49
Basic and diluted earnings per share (before treasury share adjustment)	33.96	13.78	13.39	-	-
Headline earnings per share	34.61	14.12	13.06	13.57	29.98
Headline earnings per share (before treasury share adjustment)	33.98	13.86	12.82	-	-
Dividends per share	12.00	12.00	12.00	12.00	18.00
Net worth per share	335.81	313.53	312.56	310.69	309.38
Financial ratios					
Liquidity ratios					
Current ratio	0.67	0.67	0.63	0.57	0.66
Liability ratio	7.86	9.69	8.35	8.24	7.58
Borrowings ratio	0.67	0.81	1.01	0.80	0.87
Dividend cover (times)	2.83	1.16	1.07	1.13	1.67
Profitability and asset management (%)					
Net operating profit to turnover	4.95	3.48	2.63	2.32	3.93
Return on shareholders' equity	10.11	4.39	4.28	3.37	11.80
Return on assets managed	9.15	6.00	4.65	4.85	9.60
Net asset turn (times)	1.85	1.73	1.77	2.09	2.45
Debt leverage					
Interest cover (including IFRS 16)	6.68	2.47	1.19	0.95	2.33
Interest cover (excluding IFRS 16)	7.42	2.70	1.19	0.95	2.33
Namibian Stock Exchange performance					
Market price High (cents)	160	180	180	200	220
Market price Low (cents)	159	160	180	50	200
Market price at year end (cents)	159	160	180	180	200
Price earnings ratio	4.60	11.33	12.25	13.26	6.67
Earnings yield (%)	21.75	8.83	8.16	7.54	14.99
Market capitalisation (N$ '000)	84,975	85,510	96,198	96,198	106,887
Volume of shares traded ('000 shares)	3,035	532	2,640	982	262

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

GR de V Tromp

- CA (NAM); CA (SA)
- Years of Service: 6 years
- Non-Executive Chairperson
- Member: Audit Committee

PJ de W Tromp

- B.Econ; EDP: USB; SMP: USB
- Years of Service: 11 years
- Group Managing Director
- Member: Investment Committee

NC Tromp

- B.Com
- Years of Service: 42 years
- Non-Executive Director
- Chairperson: Remuneration &
  Nominations Committee
  Investment Committee

TB Horn

- CA (NAM)
- Years of Service: 2 years
- Certified Internal Auditor
- Independent Non-Executive Director
- Chairperson: Audit Committee

WO Fourie

- CA (NAM); CA (SA)
- Years of Service: 11 years
- Group Financial Director
- Member: Investment Committee
  Risk Committee

G Swart

- CA (NAM); CA (SA)
- Years of Service: 5 years
- Independent Non-Executive Lead Director
- Member: Remuneration & Nominations Committee

FR van Staden

- CA (NAM); CA (SA)
- Years of Service: 23 years
- Executive Director
- Managing Director: Corporate Guarantee
- Chairperson: Risk Committee
- Member: Audit Committee

CHAIRMAN'S REPORT

The past year has been one for the record books in the history of the Nictus Group. The Covid pandemic resulting in a National lockdown and severe uncertainty has forced the Group to be vigilant with extremely quick reaction times. Fighting through and surviving one of the deepest recessions in history was for certain not an easy task. Increased focus, grit and efficiency resulted in the financial performance of the Group even through this difficult economic time.

The retail segment had a very good recovery from the past years and was profitable for the year under review. Long term strategies set in the past 3-5 years started realising and we are confident that these will work through in future. Repositioning within the subsidiaries and sound relationships and alignment with suppliers remained a key success factor and we are grateful for the results achieved.

The insurance and finance segment once again contributed significantly to the results of the Group. Although investment margins were under pressure and an increase in insurance claims and endorsements was experienced, the segment remained well positioned to absorb the afore mentioned. Our insurance product proved that with unique risk management of our policyholders, synergies could be achieved for both the insurer and insured through this tough time.

I believe that the economy is slowly recovering and that the National management of the Covid pandemic has been done in such a way to stimulate economic activity. It is expected that interest rates may not change significantly within the next 12 months and therefore innovation and quick reactions to situations will be key to remain successful.

The board is committed to transparency and good corporate governance, maintaining the level of integrity. We continue to build this Group on a sustainable foundation, and we pride ourselves in serving the Namibian people and contributing to the Namibian economy for prosperity of all Namibians.

I would like to congratulate and compliment management and every single employee of the Group for the extraordinary commitment and beliefs for the past year. We as a board sensed an exceptional drive by all to ensure that the Group remains sustainable and profitable not only for the past year, but for years to come. A big thank you to the families of all who also provided unconditional support.

My gratitude goes out to Mr Gerard Swart for the leadership and guidance during his term as chairman and for his distinct and calm manner in leading the Group to new heights. I would also like to thank all Board members throughout the Group for their unconditional support, insight and guidance without which we would not be able to achieve these results.

I would like to thank and compliment the Namibian Government how they managed this pandemic where they were open minded in not enforcing any further national lock downs and to allow trading and economic activity.

Lastly, I would like to give all credit and thanks to our loving God, who protected and guided this group during the past year, as He did for the past 75 years. He remains the cornerstone of every meeting and every discussion and we are humbled by His blessings.

GERARD TROMP
CHAIRMAN

MANAGING DIRECTOR'S REPORT

Winston Churchill's famous observation made, "**Never let a good crisis go to waste**", during the bleakest days of World War II, have a lot to teach us today.

The past 12 months and everything that surrounded it need no introduction. The impact on Nictus as a group was no exception, and we had to, like all other businesses, face this crisis head-on, and plough through the worst parts of it with unprecedented grit.

We were used to adjusting to the ever-changing "new normal" in the past, mostly caused by difficult economic circumstances, but the pandemic took the "new normal" into unknown territory, and we had to reinvent ourselves within a very short period. Thinking back over the year, a few things came to mind that were integral to our results for the year:

Ownership

When the crisis hit we regathered our forces and, since May last year, significant focus was centred on all management levels throughout the group to take ownership of the situation. Defeat was simply not an option and, although salary cuts were introduced, it did not stop us to go all-out to reach, and in many cases exceed, our pre-Covid estimates.

Proactivity

The employees of the group turned the crisis into an opportunity. Proactivity was greatly amplified, which helped us to increase our market share in all segments we compete in, with excellent customer service enshrined throughout, and operating more efficiently in our ways and decision-making.

Optimisation

Not only did we optimise all our systems and processes, but we also increased focus on higher-yielding products, optimised our product ranges and gross margins. Direct import of products by some subsidiaries also rendered exceptional results for the group. Unutilised premises' were optimised in general by, for example, launching our own bedding shop, named "Bedding Boutique". It exceeded our expectations and we will be pursuing this venture in the new financial year. We also had the privilege to introduce the Suzuki brand, as distributor for Namibia, in an effort to expand our product offering, which proved to be successful beyond our expectations.

Leadership

Maturing leadership of the management committee was clearly visible during this time. They led by example, took the difficult decisions, made new plans, stuck to them, responded swiftly to changing circumstances and remained committed, putting themselves on the line during this whole period. I am convinced that the Nictus management team had matured to one of the finest in the country.

Adaptability

We were forced by a phenomenon beyond our modern-day knowledge and experience to become more adaptable. This, in my opinion, is one of the key things that helped us through the past year. In looking back over a number of years, since the takeover of Trentyre, the withdrawal of General Motors and the recession, we were well positioned to adapt to the changing environments. Management did not shy away from any challenge and when needed, adapted daily in their approaches, plans and decisions.

The result: we did not let one of the biggest crises in the history of mankind go to waste. We grew stronger, more efficient, were resilient in our approach and adapted when needed. Led from the front and took ownership by being proactive. We were able to realise more than double our profit of the previous year. This was an immense effort by everyone in the Nictus Group.

I would like to give the Praise and Glory to our Heavenly Farther for this, Who also strengthened our faith through this whole process. Thank you, my fellow board members for keeping your faith in the executive management team, even when the answers eluded everyone and the solutions were not apparent.

I herewith express my sincere gratitude to each employee in the group for the exceptional results achieved. All salary sacrifices made during the year were refunded to employees, a promise we kept: If we work together and succeed, we will share in the success. We stood up to the challenge and proved that we can be exceptional wealth creators. We shall build on the momentum gained, and I am extremely excited about the year ahead of us.

Yours in Creating Exceptional Wealth,

PHILIPPUS TROMP
GROUP MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT

The Board is committed to the highest standards of corporate governance as well as the integrity of the Company's integrated 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). The board believes that it has essentially achieved compliance to The NamCode throughout the financial year. We account therefore in accordance with the International Financial Reporting Standards (IFRS), whilst an 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, pursuing to achieve 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 Eksekuteurskamer (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 a Non-executive Director. A Lead Independent Director is appointed to support the Chairperson or act as such if the Chairperson is conflicted. 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 assistance 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 integrated report and tabled for shareholders' approval at the Annual General Meeting.

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

NAME	STATUS	BOARD	AUDIT COMMITTEE	INVESTMENT COMMITTEE	RISK COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE
PJ de W Tromp	Executive - Managing	4/4		5/5√		
WO Fourie	Executive - Financial	4/4		5/5√	2/2√	
NC Tromp	Non-executive	4/4		5/5C		2/2C
FR van Staden[1]	Executive	4/4	2/2√	1/5√	*2/2C*	
TB Horn	Independent Non-executive	4/4	*2/2C*			
GR de V Tromp[2]	Non-executive Chairperson	4/4C	*2/2√*			
G Swart[3]	Independent Non-executive Lead Independent	4/4C				2/2√
J de W Laubscher[4]	MD: Corporate Guarantee			1/5√	*0/2√*	
H du Plessies[5]	CEO: NHL Tyre & Tire				*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 Managing Director of Corporate Guarantee and Member of the Investment Committee effective 1 December 2020.
2 Appointed as Chairperson of the Board effective 24 November 2020.
3 Resigned as Chairperson of the Board and appointed as Lead Independent Director of the Board effective 24 November 2020.
4 Not re-elected as Director of Corporate Guarantee effective 2 June 2020, resulting in the end of his Membership of the Risk Committee and Investment Committee.
5 Appointed as Member of the Risk Committee effective 28 June 2020.

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. 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 integrated 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, who is responsible for the appointment, performance assessment and dismissal of the in-house internal auditor. 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 and mitigate such risk areas.

The Board considers and determines in conjunction with Subsidiary Boards 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 value delivered by the IT investment is presented by the Group Managing Director to the Audit Committee and Board. 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 follows appropriate 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 integrated report if applicable. The Company Secretary acts as legal compliance officer within the scope of his function. The function and positions of heads of legal compliance vests with the Executive Directors and Chief Executive Officers within the Group with the assistance of the Company Secretary where applicable, while the ultimate responsibility for compliance vests with the Boards of Directors.

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 with EY 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 Chairperson of Audit Committee and administratively to the Group Managing Director. The internal auditor has a standing invitation to all Management Committee meetings, but is however briefed on strategic and risk related developments by senior executives who do attend, and has access to minutes of meetings. The internal auditor attends Audit Committee meetings by invitation and meets frequently with senior executives. Internal audit is appropriately skilled, experienced and resourced to fulfil its mandate.

GOVERNING STAKEHOLDER RELATIONSHIPS

The integrated report, as well as the Group business plan, reflects the interests of the Groups' 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.

INTEGRATED 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 integrated report.

BOARD COMMITTEES

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

• Audit Committee*

The Audit Committee consists of 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 identifying 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 bi-annually.

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 three Executive Directors, who attend to the overview and monitoring of the Groups' 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 and the Board 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 an Executive Director, who is also a Subsidiary Managing Director. The insurance and finance segment is, as a rule, represented at all Investment Committee meetings. 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 required 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.

* The Board decided during June 2021 to combine the functions of the Audit Committee and the Risk Committee into a single committee, to be known as the Audit and Risk Committee. The Board believes that the change is appropriate given the nature, scale and complexity of the Group, and that it would facilitate better efficiency, with the sufficient level of focus on both these functions.

AUDIT COMMITTEE REPORT
for the year ended 31 March 2021

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 at the Company's registered office. The charter was last amended effective 12 June 2019. The committee held two meetings during the 2021 financial year. The committee is comprised of three directors. The Chairperson is an independent non-executive director.

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 2022. 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, who 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 their 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 2021 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 2021.

The committee conclude that we are satisfied we complied with our responsibilities as set out in the audit committee 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; and
- 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 position throughout the Group and is informed of senior level requirements.

The objective is to ensure continuity is provided, to develop a pool of individuals with potential and to cater for development and future placement. Succession planning on Board level is undertaken by the Remuneration and Nomination Committee.

BOARD EVALUATION PROCESS

A participative internal evaluation of the Boards' performance and the structural environment is undertaken annually.

Overall, the Board was considered to be balanced and effective. 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 25 August 2021.

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

GROUP VALUE ADDED STATEMENT

Figures in Namibia Dollar Thousand	2021	2020

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	656,647	631,060
Cost of materials and services and other expenses	(566,142)	(563,541)
Other income	7,866	5,006
Investment income from operations	16,732	30,833
	115,103	**103,358**
Value Distributed		
To Pay Employees		
Salaries, wages, medical and other benefits	74,092	73,693
	74,092	**73,693**
To Pay Providers of Capital		
Finance costs	4,864	8,904
	4,864	**8,904**
To Pay Government		
Withholding tax	-	2,248
Current tax	26	-
	26	**2,248**
To be retained in the business for expansion and future wealth creation:		
Value reinvested		
Depreciation, amortisation and impairments	8,527	7,716
Deferred tax	9,446	3,435
	17,973	**11,151**
Value retained		
Retained profit	18,148	7,362
	18,148	**7,362**
Total Value Distributed	**115,103**	**103,358**

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

Direct and indirect taxes		
Value Added Tax (net payment)	13,398	27,418
Import VAT paid	45,841	51,621
Pay As You Earn	12,384	12,296
	71,623	**91,335**

FINANCIAL CONTENTS

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

EXCELLENCE

EXCEPTIONAL WEALTH CREATOR

DIRECTORS' 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 consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate 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 consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the Group's cash flow forecast for the year to 31 March 2022 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 consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the Group's external auditors and their report is presented on pages 23 to 25.

The consolidated and separate annual financial statements set out on pages 26 to 87, which have been prepared on the going concern basis, were approved by the board on 15 June 2021 and were signed on their behalf by:

PJ de W TROMP

TB HORN

INDEPENDENT AUDITOR'S REPORT

SGA CHARTERED ACCOUNTANTS & AUDITORS

Telephone: +264 61 276 000 | Facsimile: +264 61 232 309
Email: windhoek@sga-na.com | www.sga.com.na
Physical: 24 Orban Street, Klein Windhoek, Windhoek, Namibia
Postal: PO Box 30, Windhoek, Namibia, 10005

PRACTICE NUMBER 9417

To the shareholders of Nictus Holdings Limited

Opinion

We have audited the consolidated and separate annual financial statements of Nictus Holdings Ltd set out on pages 26 to 87, which comprise the directors' report, the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated and separate annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the financial position of Nictus Holdings Ltd as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional 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 Matters	How The Matter Was Handled
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.
IInsurance contract provisions Insurance contract provisions are some of the contra entries to the revenue receivable 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 management in the valuations of the properties to ensure that they were reasonable.

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

Key audit matter	How the matter was addressed in our 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.
NamibRe reinsurance assets, fair value adjustment, income and other income – Corporate Guarantee NamibRe reinsurance is material to the separate and consolidated financial statements. NamibRe reinsurance recognized in the financial statements of the company and the consolidated financial statements comprise of an asset, fair value adjustment and other income that influences the relevant disclosures in the financial statements. Due to the complexity of the balances and transactions, `it is considered a key audit matter.	During the audit we 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 Five Year Financial Review and Value Added Statement as set out on pages 6 and 20 which we obtained prior to the date of this report. Other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, 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 Consolidated and Separate Annual Financial Statements

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

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

Auditor's responsibilities for the audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated and separate annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated and separate annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and the business activities within the group to express an opinion on the consolidated and separate annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

SgA

SGA
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: R Cloete
Partner

Windhoek ... Namibia
16 June 2021

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of Nictus Holdings Limited for the year ended 31 March 2021.

1. Nature of business

Nictus Holdings Limited is an investment holding 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 2021 of N$ 18,148 million. This represented an increase of 147% from the net profit after tax of the prior year of N$7,362 million.

Group revenue increased by 4% from N$631 million in the prior year to N$657 million for the year ended 31 March 2021

The Group's assets decreased by 8% from N$2 billion the prior year to N$1.9 billion at 31 March 2021. The decrease in the Group's assets is mainly due to the payment of the re-insurance accrual of N$ 192 million during the current financial year which resulted in a decrease in cash and cash equivalents.

The Company recorded revenue for the year of N$62,7 million (2020: N$53,3 million). This represents an increase of 18%.

The Company's assets increased by 30% from N$257 million the prior year to N$332 million at 31 March 2021.

3. Interests in subsidiaries

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

The interest of the Group in the profits and losses of its subsidiaries for the year ended 31 March 2021 are as follows:

Subsidiaries	**2021** **N$**	**2020** **N$**
Total profits before income tax	54,618	16,721

There were no significant acquisitions or divestitures during the year ended 31 March 2021.

4. Segmental analysis

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

5. Directorate

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

Directors	**Designation**	**Nationality**
GR de V Tromp	Non-Executive Chairman	Namibian
TB Horn	Independent Non-Executive	Namibian
NC Tromp	Non-Executive	Namibian
G Swart	Independent Non-Executive Lead Director	Namibian
PJ de W Tromp	Managing Director	Namibian
FR van Staden	Executive	Namibian
WO Fourie	Executive	Namibian

DIRECTORS' REPORT continued

The following directors were re-elected at the Annual General Meeting on 27 August 2020 - PJ de W Tromp, FR van Staden and GR de V Tromp.

TB Horn, FR van Staden and GR de V Tromp were re-elected as members of the Audit Committee. TB Horn was appointed as Chairperson of the Audit Committee with effect from 27 August 2020.

G Swart resigned as Chairman of the Board on 22 October 2020. GR de V Tromp was elected as Non-Executive Chairman and G Swart as Lead Independent Non-Executive Director on 24 November 2020.

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 14 July 2020.

Final dividend of 18 cents per share (N$ 9.6 million) was approved by the board on 15 June 2021 in respect of the year ended 31 March 2021. 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	16 July 2021
Ordinary shares trade “ex” dividend	19 July 2021
Record date	23 July 2021
Payment / issue date	26 July 2021

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

7. Stated capital

There have been no changes to the authorised or issued share capital during the year under review. The 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	11	1.83	36,777,845	68.82
Non-public shareholders: Strategic holdings (more than 5%)	2	0.33	8,025,455	15.02
Public shareholders	587	97.84	8,640,200	16.16
	600	100.00	53,443,500	100.00

Distribution of shareholders per category	Number of shareholdings	%	Number of shares	%
Banks, Brokers, Nominees and Trusts	45	7.50	26,529,181	49.65
Close Corporations	4	0.67	106,402	0.20
Individuals	520	86.67	4,278,087	8.00
Insurance company	2	0.33	491,172	0.92
Other corporations	7	1.17	231,534	0.43
Private companies	19	3.16	21,369,309	39.98
Public companies	3	0.50	437,815	0.82
	600	100.00	53,443,500	100.00

DIRECTORS' REPORT continued

Shareholders with an interest above 5% of issued share capital	Number of shares	%
KCB Trust	2,825,455	5.29
Landswyd Beleggings (Pty) Ltd	17,896,394	33.49
MRT Trust	5,200,000	9.73
Nico Tromp Trust	5,625,000	10.53
Saffier Trust	5,625,000	10.53
	37,171,849	**69.57**

Directors' interest in share capital	Number of shares	%
Directors' indirect interest		
NC Tromp, PJ de W Tromp, GR de V Tromp *	33,433,644	62.56
FR van Staden *	1,629,030	3.05
WO Fourie	1,706,171	3.19
	36,768,845	**68.80**

* 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), NC Tromp (Tromp Consulting International (Pty) Ltd) and WO Fourie (Haida Investment (Pty) Ltd) have material interest, which supply consulting and managerial services.

9. Litigation statement

The Group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. 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 C Matthee as the designated lead audit partner for the 2022 financial year.

11. Secretary

The company secretary is Veritas Eksekuteurskamer (Pty) Ltd.

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

DIRECTORS' REPORT continued

12. Going concern

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

Management have taken a number of measures to monitor and mitigate the effects of COVID-19 during the 2021 financial year. At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. The Board has made an assessment of the Group's solvency and liquidity and has concluded that it is satisfied of the Group's ability to continue as a going concern.

13. Events after the reporting period

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

14. Date of authorisation for issue of financial statements

The consolidated and separate annual financial statements have been authorised for issue by the directors on 15 June 2021. No authority was given to anyone to amend the consolidated and separate annual financial statements after the date of issue.

STATEMENTS OF FINANCIAL POSITION

		Group		Company	
Figures in Namibia Dollar Thousand	Note(s)	2021	2020	2021	2020
Assets					
Non-Current Assets					
Property, plant and equipment	3	343,819	346,273	2,923	3,113
Right-of-use assets	4	4,810	6,234	9,589	-
Investment property	5	43,642	43,642	9,000	9,000
Intangible assets	6	4,707	3,408	1,530	1,695
Investments in subsidiaries	7	-	-	193,545	144,566
Trade and other receivables	8	31,652	10,757	-	-
Investments at fair value	9	24,048	13,262	245	268
Loans and receivables	10	365,891	441,112	-	-
Deferred tax	11	10,693	12,206	4,902	4,902
		829,262	**876,894**	**221,734**	**163,544**
Current Assets					
Inventories	12	110,962	121,713	-	-
Loans to related parties	13	-	-	98,400	91,629
Trade and other receivables	8	183,615	235,220	1,578	1,136
Investments at fair value	9	2,413	2,424	-	-
Loans and receivables	10	190,409	111,329	-	-
Re-insurance asset	14	193,698	188,724	-	-
Other financial assets	15	-	-	356	-
Cash and cash equivalents	16	345,152	473,669	151	200
		1,026,249	**1,133,079**	**100,485**	**92,965**
Total Assets		**1,855,511**	**2,009,973**	**322,219**	**256,509**
Equity and Liabilities					
Equity					
Stated capital	17	129	129	129	129
Reserves		74,399	74,399	-	-
Retained income		104,942	93,031	131,572	122,057
		179,470	**167,559**	**131,701**	**122,186**
Liabilities					
Non-Current Liabilities					
Interest bearing loans and borrowings	20	100,298	108,190	-	-
Finance lease liabilities	4	2,588	5,179	6,628	-
Deferred tax	11	39,470	31,537	-	-
		142,356	**144,906**	**6,628**	**-**
Current Liabilities					
Trade and other payables	21	63,627	256,510	6,336	2,201
Loans from related parties	22	-	-	147,222	110,533
Interest bearing loans and borrowings	20	34,761	35,514	27,371	21,589
Finance lease liabilities	4	2,494	2,368	2,961	-
Provisions	23	71	903	-	-
Insurance contract liability	24	1,432,732	1,402,213	-	-
		1,533,685	**1,697,508**	**183,890**	**134,323**
Total Liabilities		**1,676,041**	**1,842,414**	**190,518**	**134,323**
Total Equity and Liabilities		**1,855,511**	**2,009,973**	**322,219**	**256,509**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
Figures in Namibia Dollar Thousand	Note(s)	2021	2020	2021	2020
Revenue		617,234	573,314	62,652	53,319
Effective interest income		39,413	57,746	-	-
Total revenue	25	**656,647**	**631,060**	**62,652**	**53,319**
Cost of sales	26	(475,259)	(428,121)	-	-
Gross profit		**181,388**	**202,939**	**62,652**	**53,319**
Other operating income	27	7,866	5,006	298	91
Other operating (losses) / gains	28	(40)	1,132	2,751	(67,979)
Investment income from operations	29	16,732	30,833	-	-
Administrative expenses		(34,308)	(52,404)	(9,897)	(12,343)
Operating expenses		(141,649)	(168,239)	(31,286)	(17,307)
Operating profit / (loss)	32	**29,989**	**19,267**	**24,518**	**(44,219)**
Investment income	29	2,495	2,682	47	256
Finance costs	33	(4,864)	(8,904)	(8,813)	(10,391)
Profit / (loss) before taxation		**27,620**	**13,045**	**15,752**	**(54,354)**
Taxation	34	(9,472)	(5,683)	-	2,421
Profit / (loss) for the year		**18,148**	**7,362**	**15,752**	**(51,933)**
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the year		**18,148**	**7,362**	**15,752**	**(51,933)**
Earnings per share					
Per share information					
Basic earnings per share (c)	43	34.59	14.03	-	-
Basic and diluted earnings per share - before treasury share adjustment (c)	43	33.96	13.78	-	-

STATEMENTS OF CHANGES IN EQUITY

Figures in Namibia Dollar Thousand	Stated capital	Revaluation reserve	Insurance contingency reserve	Total reserve	Retained income	Total equity
Group						
Balance at 1 April 2019	**129**	**58,848**	**15,551**	**74,399**	**91,817**	**166,345**
Profit for the year	-	-	-	-	7,362	7,362
Other comprehensive income	-	-	-	-	-	-
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 1 April 2020	**129**	**58,848**	**15,551**	**74,399**	**93,031**	**167,559**
Profit for the year	-	-	-	-	18,148	18,148
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**18,148**	**18,148**
Prescribed dividends	-	-	-	-	176	176
Dividends paid	-	-	-	-	(6,413)	(6,413)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(6,237)**	**(6,237)**
Balance at 31 March 2021	**129**	**58,848**	**15,551**	**74,399**	**104,942**	**179,470**
Note(s)	17	18	19			

STATEMENTS OF CHANGES IN EQUITY

Figures in Namibia Dollar Thousand	Stated capital	Revaluation reserve	Insurance contingency reserve	Total reserve	Retained income	Total equity
Company						
Balance at 1 April 2019	**129**	**-**	**-**	**-**	**180,138**	**180,267**
Loss for the year	-	-	-	-	(51,933)	(51,933)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(51,933)**	**(51,933)**
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 1 April 2020	**129**	**-**	**-**	**-**	**122,057**	**122,186**
Profit for the year	-	-	-	-	15,752	15,752
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**15,752**	**15,752**
Prescribed dividends	-	-	-	-	176	176
Dividends paid	-	-	-	-	(6,413)	(6,413)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(6,237)**	**(6,237)**
Balance at 31 March 2021	**129**	**-**	**-**	**-**	**131,572**	**131,701**
Note(s)	17	18	19			

STATEMENTS OF CASH FLOWS

Figures in Namibia Dollar Thousand	Note(s)	Group 2021	Group 2020	Company 2021	Company 2020
Cash flows from operating activities					
Cash (used in) / generated from operations	35	(89,201)	116,508	27,003	25,619
Investment income		2,495	2,682	47	256
Finance costs		(4,376)	(8,903)	(8,813)	(10,391)
Tax paid	36	(26)	(2,248)	-	-
Net cash from operating activities		**(91,108)**	**108,039**	**18,237**	**15,484**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(2,978)	(9,682)	(819)	(272)
Sale of property, plant and equipment	3	1,467	1,175	-	168
Purchase of other intangible assets	6	(3,197)	(2,557)	(221)	(1,822)
(Purchase) / sale of investments at fair value	9	(10,775)	6,133	23	(268)
Investments in subsidiaries	7	-	-	(46,200)	-
Loans and receivables movement	10	(3,859)	(6,983)	-	-
Movement in other financial assets		-	-	(356)	-
Net cash from investing activities		**(19,342)**	**(11,914)**	**(47,573)**	**(2,194)**
Cash flows from financing activities					
(Repayments of) / proceeds from loans to related parties	13	-	-	(6,771)	(12,878)
(Repayments of) / proceeds from loans from related parties	22	-	(33,910)	36,689	3,156
(Repayment of) / proceeds from borrowings	20	(8,645)	(8,583)	5,782	2,823
Payment on lease liabilities	4	(3,009)	-	-	-
Dividends paid	38	(6,413)	(6,413)	(6,413)	(6,413)
Net cash from financing activities		**(18,067)**	**(48,906)**	**29,287**	**(13,312)**
Total cash movement for the year		**(128,517)**	**47,219**	**(49)**	**(22)**
Cash at the beginning of the year		473,669	426,450	200	222
Total cash at end of the year	16	**345,152**	**473,669**	**151**	**200**

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 2021 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.

1.2 Significant judgements and sources of estimation uncertainty

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

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

Critical judgements in applying accounting policies

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

Key sources of estimation uncertainty Impairment of financial assets:

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

Allowance for slow moving, damaged and obsolete inventory

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

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

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

Fair value adjustment of investment properties and land and buildings

The Group's board of directors value the Group's investment property portfolio on an annual basis. The fair values are based on valuations and other market information that take into consideration the estimated rental value (40%) and replacement value (60%) of the property. A market yield (9%) is applied to the estimated rental value to arrive at the gross property valuation. Should any of the assumptions used in the valuation calculation change, it could have a material impact on the results of the Group. Investment properties and land and buildings are classified as level 2 in terms of the fair value hierarchy.

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 11 – 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.

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.

SIGNIFICANT ACCOUNTING POLICIES continued

1.4 Property, plant and equipment (continued)

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
Distribution rights	5 years

SIGNIFICANT ACCOUNTING POLICIES continued

1.7 Financial instruments

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

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

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss.

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

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

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

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

Derecognition

Financial assets

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

Financial liabilities

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

Investments in debt and equity instruments

Classification

Investments in equity instruments are presented in note 9. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the Group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

Recognition and measurement

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

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

1.7 Financial instruments (continued)

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 13), loans receivable (note 10) and trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 8).

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Application of the effective interest method

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

1.7 Financial instruments (continued)

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).

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

Measurement and recognition of expected credit losses

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

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

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

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 8.

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

SIGNIFICANT ACCOUNTING POLICIES continued

1.7 Financial instruments (continued)

Credit risk

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

Derecognition

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

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.

Recognition and measurement

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

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

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

Borrowings and trade payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 41 for details of risk exposure and management thereof.

Derecognition

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

Reclassification

Financial assets

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

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

Financial liabilities

Financial liabilities are not reclassified.

Fair value hierarchy

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

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

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

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

The fair values of quoted investments are based on current quoted closing prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

SIGNIFICANT ACCOUNTING POLICIES continued

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.

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 4 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 4).

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

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

SIGNIFICANT ACCOUNTING POLICIES continued

1.9 Leases (continued)

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

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

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

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position. Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

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

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

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

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.

SIGNIFICANT ACCOUNTING POLICIES continued

1.10 Inventories

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

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

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

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

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

1.11 Stated capital

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

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

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

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

1.12 Earnings per share

The Group presents basic 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.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits are recognised as cost-to-company (CTC) in the period in which the service is rendered and are not discounted.

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

1.14 Provisions and contingencies

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

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

Contingent assets and contingent liabilities are not recognised.

SIGNIFICANT ACCOUNTING POLICIES continued

1.15 Revenue from contracts with customers

The Group recognises revenue from the following major sources:
- Sales of goods - retail
- Rendering of services - retail
- Provision of alternative insurance services
- Finance income earned
- Rental income from letting of commercial properties

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.

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

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

Rendering of services - retail 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.

Revenue is recognised at a point in time for services rendered.

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

Provision of alternative insurance services

The Group's revenue comprises gross earned premiums (refer note 1.18).

Finance income earned

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

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

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

SIGNIFICANT ACCOUNTING POLICIES continued

1.15 Revenue from contracts with customers (continued)

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.

1.16 Cost of sales

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

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

1.17 Translation of foreign currencies Functional and presentation currency

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

Foreign currency transactions

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

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

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

1.18 Classification of insurance contracts

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

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES continued

1.18 Classification of insurance contracts (continued)

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

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

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

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

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

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

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

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

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

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

1.19 Segment reporting

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

The basis of segmental reporting has been set out in note 42.

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

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

SIGNIFICANT ACCOUNTING POLICIES continued

1.19 Segment reporting (continued)

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

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

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

1.20 Borrowing costs

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

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

The capitalisation of borrowing costs commences when:

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

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

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

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

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standards / Interpretations

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- IFRS 3 Business Combinations: Definition of Business
- IAS 1 Presentation of Financial Statements: Definition of Material
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after
• IFRS 16 Leases: COVID-19-Related Rent Concessions	1 June 2020
• Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform Phase 2	1 January 2021
• IFRS 1 First-time Adoption of International Financial Reporting Standards: Annual Improvements to	1 January 2022
• IFRS 3 Business Combinations: Reference to the Conceptual Framework	1 January 2022
• IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
• IFRS 9 Financial Instruments: Annual Improvements to IFRS Standards 2018–2020	1 January 2022
• IAS 41 Agriculture: Annual Improvements to IFRS Standards 2018–2020	1 January 2022
• IAS 16 Property, Plant and Equipment: Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
• IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
• IFRS 17 Insurance contracts	1 January 2023
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

IFRS 17 Insurance Contracts

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

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

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

The adoption of this standard is currently not quantifiable and a workgroup was established to determine the impact thereof. This may result in more disclosure than is currently provided for the annual financial statements.

Figures in Namibia Dollar Thousand

3. Property, plant and equipment

Group	2021			2020		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	94,075	-	94,075	94,075	-	94,075
Buildings	235,971	(2,929)	233,042	235,802	(2,719)	233,083
Plant and machinery	25,700	(13,738)	11,962	23,791	(11,225)	12,566
Motor vehicles	8,947	(4,207)	4,740	11,756	(5,207)	6,549
Total	**364,693**	**(20,874)**	**343,819**	**365,424**	**(19,151)**	**346,273**

Company	2021			2020		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Buildings	403	(117)	286	403	(97)	306
Plant and machinery	5,568	(3,055)	2,513	4,887	(2,080)	2,807
Motor vehicles	138	(14)	124	-	-	-
Total	**6,109**	**(3,186)**	**2,923**	**5,290**	**(2,177)**	**3,113**

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Land	94,075	-	-	-	94,075
Buildings	233,083	479	-	(520)	233,042
Plant and machinery	12,566	2,264	(47)	(2,821)	11,962
Motor vehicles	6,549	236	(1,394)	(651)	4,740
	346,273	**2,979**	**(1,441)**	**(3,992)**	**343,819**

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 - Company - 2021

	Opening balance	Additions	Depreciation	Total
Buildings	306	-	(20)	286
Plant and machinery	2,807	681	(975)	2,513
Motor vehicles	-	138	(14)	124
	3,113	**819**	**(1,009)**	**2,923**

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**

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

3. Property, plant and equipment (continued)

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	160,075	181,272	-	-

Fair value hierarchy of property

Level 2

Land	94,075	94,075	-	-
Buildings	233,041	233,083	-	-
	327,116	**327,158**	**-**	**-**

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	156,597	159,367	-	-
	177,489	**180,259**	**-**	**-**

Sensitivity analysis

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

Land and buildings - Increase	(11,047)	(11,047)	-	-
Land and buildings - Decrease	13,841	13,841	-	-

Details of properties

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

4. 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:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Buildings	4,810	6,234	9,589	-

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

4. Leases (group as lessee) (continued)

Additions to right-of-use assets

Buildings	4,507	8,276	9,589	-

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	(2,654)	(2,041)	-	-

Other disclosures

Interest expense on lease liabilities	(489)	(772)	-	-
Expenses on short term leases included in operating expenses	(8,455)	(10,013)	-	-
Income from subleasing right-of-use assets	634	1,392	-	-

Finance lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	2,793	2,515	3,579	-
Two to five years	2,823	5,211	7,159	-
	5,616	7,726	10,738	-
Less finance charges component	(534)	(179)	(1,149)	-
	5,082	**7,547**	**9,589**	**-**
Non-current liabilities	2,588	5,178	6,628	-
Current liabilities	2,494	2,369	2,961	-
	5,082	**7,547**	**9,589**	**-**

Exposure to liquidity and currency risk

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

5. Investment property

Group	2021			2020		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment property	43,642	-	43,642	43,642	-	43,642

Company	2021			2020		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Investment property	9,000	-	9,000	9,000	-	9,000

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

5. Investment property (continued)

Reconciliation of investment property - Group - 2021

	Opening balance	Total
Investment property	43,642	43,642

Reconciliation of investment property - Group - 2020

	Opening balance	Total
Investment property	43,642	43,642

Reconciliation of investment property - Company - 2021

	Opening balance	Total
Investment property	9,000	9,000

Reconciliation of investment property - Company - 2020

	Opening balance	Total
Investment property	9,000	9,000

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.

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	772	1,383	586	717

Sensitivity analysis

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

Investment property - Increase	(546)	(546)	-	-
Investment property - Decrease	637	637	-	-

Figures in Namibia Dollar Thousand

6. Intangible assets

Group	2021			2020		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Distribution rights	2,500	(498)	2,002	-	-	-
Computer software	8,800	(6,095)	2,705	8,273	(4,865)	3,408
Total	**11,300**	**(6,593)**	**4,707**	**8,273**	**(4,865)**	**3,408**

Company	2021			2020		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	2,247	(717)	1,530	2,026	(331)	1,695

Reconciliation of intangible assets - Group - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Distribution Rights	-	2,500	-	(498)	2,002
Computer software	3,408	697	(17)	(1,383)	2,705
	3,408	**3,197**	**(17)**	**(1,881)**	**4,707**

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 - Company - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	1,695	221	(386)	1,530

Reconciliation of intangible assets - Company - 2020

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

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

7. Investment in subsidiaries

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

Company

	Shares at cost 2021	Shares at cost 2020
Acacia Properties (Pty) Ltd	8,729	8,729
Auas Motors (Pty) Ltd	9,848	9,848
Bel Development (Pty) Ltd	16,968	16,968
Bonsai Investments Nineteen (Pty) Ltd	40,000	40,000
Corporate Guarantee and Insurance Company of Namibia Ltd	24,012	24,012
Grenada Investments Two (Pty) Ltd	1,800	1,800
Hakos Capital and Finance (Pty) Ltd	8,050	8,050
Hochland 7191 (Pty) Ltd	-	-
Isuzu Truck (Namibia) (Pty) Ltd	1,200	1,200
Khomas Car Rental and Leasing (Pty) Ltd	1,200	-
Marulaboom Properties (Pty) Ltd	800	800
Mopanie Tree Properties (Pty) Ltd	-	-
NHL Tyre & Tire (Pty) Ltd	12,500	12,500
Nictus (Pty) Ltd	99,012	54,012
Nictus Eiendomme (Pty) Ltd	472	472
Rubbertree Properties (Pty) Ltd	32,692	32,692
Werda Weskusontwikkeling (Pty) Ltd	200	200
Willow Properties (Pty) Ltd	1,028	1,028
Yellow Wood Properties (Pty) Ltd	231	231
Indirectly held through Corporate Guarantee and Insurance Company of Namibia Ltd:	-	-
Futeni Collections (Pty) Ltd	-	-
Karas Securities (Pty) Ltd	-	-
	258,742	212,542
Impairment of investment in subsidiaries	(65,197)	(67,976)
Carrying amount at the end of the year	193,545	144,566

Values shown as nil have been rounded off to the nearest Namibian dollar thousand. The directors performed a valuation on investments in subsidiaries and based on these valuations there was an increase in expected cashflows and profitability, which is mainly due to the decrease in interest rates for the past 18 months. An impairment reversal of N$ 2,8 million (2020: impairment of N$68 million) was recognised during the current year.

8. Trade and other receivables

	2021	2020	2021	2020
Financial instruments:				
Trade receivables	199,447	206,063	14	2
Trade receivables - related parties	-	-	144	121
Unearned finance charges	(3,435)	(3,902)	-	-
Loss allowance	(1,564)	(4,732)	-	-
Trade receivables at amortised cost	194,448	197,429	158	123
Deposits	622	191	-	-
Operating lease receivables	-	71	-	-
Sundry debtors	2,571	559	-	-
Other receivable	738	579	40	563
Non-financial instruments:				
VAT	12,067	47,089	981	450
Refundable taxes	20	20	-	-
Prepayments	4,801	39	399	-
Total trade and other receivables	**215,267**	**245,977**	**1,578**	**1,136**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

8. Trade and other receivables (continued)

Split between non-current and current portions

Non-current assets	31,652	10,757	-	-
Current assets	183,615	235,220	1,578	1,136
	215,267	**245,977**	**1,578**	**1,136**

Categorisation of trade and other receivables

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

At amortised cost	198,379	198,829	198	686
Non-financial instruments	16,888	47,148	1,380	450
	215,267	**245,977**	**1,578**	**1,136**

Exposure to credit risk

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

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

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

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

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

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. The credit insurance in place significantly reduces the expected credit losses as any losses that will arise will be fully recovered.

Trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

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

Group	2021	2021	2020	2020
	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% (2020: 1,16%)	187,524	-	190,472	(27)
Less than 30 days past due: 0,28% (2020: 0,64%)	993	(3)	3,806	(1,081)
31 - 60 days past due: 0,24% (2020: 1,90%)	2,915	(7)	2,022	(110)
61 - 90 days past due: 2,73% (2020: 4,26%)	1,371	(37)	1,249	(125)
91 - 120 days past due: 22,55% (2020: 32,02%)	5,029	(1,134)	3,973	(1,272)
More than 120 days past due: 18,16% (2020: 128,83%)	2,111	(383)	2,038	(2,117)
Total	**199,943**	**(1,564)**	**203,560**	**(4,732)**

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

8. Trade and other receivables (continued)

Company	2021 Estimated gross carrying amount at default	2021 Loss allowance (Lifetime expected credit loss)	2020 Estimated gross carrying amount at default	2020 Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 0% (2020: 0%)	198	-	687	-

Reconciliation of loss allowances

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

	Group 2021	Group 2020	Company 2021	Company 2020
Opening balance	**(4,732)**	**(2,809)**	**-**	**-**
Provisions reversed on settled trade receivables	1,136	(631)	-	-
Provision raised	-	(1,292)	-	-
Receivables written off as uncollectible	2,032	-	-	-
Closing balance	**(1,564)**	**(4,732)**	**-**	**-**

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

Exposure to currency risk

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

Fair value of trade and other receivables

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

9. Investments at fair value

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

	Group 2021	Group 2020	Company 2021	Company 2020
Mandatorily at fair value through profit or loss:				
Listed equity investments	2,658	2,692	245	268
Debt investments	23,803	12,994	-	-
	26,461	**15,686**	**245**	**268**

Split between non-current and current portions

	Group 2021	Group 2020	Company 2021	Company 2020
Non-current assets	24,048	13,262	245	268
Current assets	2,413	2,424	-	-
	26,461	**15,686**	**245**	**268**

Fair value hierarchy of investments

	Group 2021	Group 2020	Company 2021	Company 2020
Level 1				
Listed equity investments	2,658	2,692	245	268
Debt investments	23,803	12,994	-	-
	26,461	**15,686**	**245**	**268**

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

9. Investments at fair value (continued)

Risk exposure

The investments held by the Group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 41 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

10. Loans and receivables

Loans and receivables				
Secured advances	540,330	533,421	-	-
Other loans and receivables	15,970	16,070	-	-
Preference shares	-	2,950	-	-
	556,300	**552,441**	**-**	**-**

Non-current assets				
Loans and receivables	365,891	441,112	-	-
Current assets				
Loans and receivables	190,409	111,329	-	-
	556,300	**552,441**	**-**	**-**

Other loans and receivables
These loans and receivables include advances made to individuals, companies and other entities in the normal course of business as asset based financing. A portion of the receivable arising is in turn financed by a reciprocal agreement with Nedbank Namibia Limited. The loans are secured by underlying assets financed. Refer to Note 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% (2020: 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:

Not past due	556,300	552,441	-	-

Credit quality of other financial assets

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

Loans and receivables

Credit rating				
Performing (internal credit grade)	556,300	552,441	-	-

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

10. Loans and receivables (continued)

Risk exposures

The loans and receivables held by the Group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 41 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

11. Deferred tax

Deferred tax liability

Plant and equipment	(3,843)	(4,370)	(602)	(786)
Land and buildings	(48,008)	(45,861)	(594)	(581)
Insurance contingency reserve	(4,976)	(4,976)	-	-
Installment debtors	(790)	-	-	-
Intangible assets	(1,072)	(377)	(282)	(214)
Deposits paid	(10)	-	-	-
Re-insurance Asset	(61,983)	(60,392)	-	-
Right of use Asset	(4,062)	(1,995)	(3,069)	-
Prepayments	(136)	-	(127)	-
Other financial assets	-	-	(114)	-
Total deferred tax liability	**(124,880)**	**(117,971)**	**(4,788)**	**(1,581)**

Deferred tax asset

Impairment of trade receivables	330	312	-	-
Finance lease liabilities	4,150	2,415	3,069	-
No claim bonus provision	5,294	7,708	-	-
Other provisions	2,778	1,510	1,483	177
Amounts received in advance	345	-	-	-
Deposits received	111	-	-	-
Deferred tax balance from temporary differences other than unused tax losses	13,008	11,945	4,552	177
Tax losses available for set off against future taxable income	83,095	86,695	5,138	6,306
Total deferred tax asset	**96,103**	**98,640**	**9,690**	**6,483**

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	(39,470)	(31,537)	-	-
Deferred tax asset	10,693	12,206	4,902	4,902
Total net deferred tax (liability) asset	**(28,777)**	**(19,331)**	**4,902**	**4,902**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(19,331)	(16,228)	4,902	2,481
Charged to profit or loss	(9,446)	(3,435)	-	2,421
Charged to equity (IFRS 16)	-	332	-	-
	(28,777)	**(19,331)**	**4,902**	**4,902**

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

11. Deferred tax (continued)

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.

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% (2020: 32%).

12. Inventories

Work in progress	775	160	-	-
Finished goods	317	407	-	-
Merchandise	100,837	101,640	-	-
Stock in transit	2,282	-	-	-
Right to return goods asset	9,384	21,301	-	-
	113,595	123,508	-	-
Inventories (write-downs)	(2,633)	(1,795)	-	-
	110,962	**121,713**	**-**	**-**

Inventory of N$ 64,344,636 (2020: N$ 36,325,750) was pledged as security.

13. Loans to related parties

Acacia Properties (Pty) Ltd	-	-	1,821	1,106
Bel Development (Pty) Ltd	-	-	8,132	8,084
Bonsai Investments Nineteen (Pty) Ltd	-	-	22,261	17,345
Grenada Investments Two (Pty) Ltd	-	-	5,179	4,307
Hochland 7191 (Pty) Ltd	-	-	10,530	9,904
Isuzu Truck (Namibia) (Pty) Ltd	-	-	7,594	7,799
Marulaboom Properties (Pty) Ltd	-	-	3,883	3,499
Mopanie Tree Properties (Pty) Ltd	-	-	1,120	1,120
NHL Tyre & Tire (Pty) Ltd	-	-	-	145
Nictus Eiendomme (Pty) Ltd	-	-	1,955	1,882
Rubber Tree Properties (Pty) Ltd	-	-	24,026	22,769
Werda Weskusontwikkeling (Pty) Ltd	-	-	6,801	6,510
Willow Properties (Pty) Ltd	-	-	2,424	4,387
Yellow Wood Properties (Pty) Ltd	-	-	2,674	2,772
	-	**-**	**98,400**	**91,629**

The above loans due to related parties bear interest at Standard Bank Namibia bank overdraft rates ranging from 25% of prime to prime (2020: 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	-	-	98,400	91,629

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.

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

13. Loans to related parties (continued)

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

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

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

Credit rating framework

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

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

Credit loss allowances

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

Exposure to currency and interest rate risk

Refer to note 41 Financial instruments and financial risk management for details of currency and interest rate risk management for group loans receivable.

Fair value of group loans receivable

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

14. Re-insurance asset

	Group 2021	Group 2020	Company 2021	Company 2020
Re-insurance asset	193,698	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 prior financial year.

Exposure to credit and currency risk

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

Fair value of 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

	Group 2021	Group 2020	Company 2021	Company 2020
Level 2	193,698	188,724		

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

15. Other financial assets

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

Insurance asset	-	-	356	-
	-	**-**	**356**	**-**

16. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	168	182	15	29
Bank balances	231,501	6,183	136	171
Short-term deposits	113,483	467,304	-	-
	345,152	**473,669**	**151**	**200**

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	-	-
AA	206,934	339,307	-	-
A	188	-	-	-
A+	-	27	-	-
A1+	-	41	-	-
AA+	63	57	-	-
A-	107,763	-	-	-
AA-	135	123	-	-
BB+	2	3	-	-
BBB+	-	128,845	-	-
BBB-	30	76	-	-
F1+	4,097	4,625	136	171
F+	25,772	196	-	-
	344,984	**473,487**	**136**	**171**

Fair value of cash and cash equivalents

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

Exposure to currency risk

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

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 2020	53,444	53,444	53,444	53,444

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

17. Stated capital (continued)

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

Issued				
53 443 500 Ordinary no par value shares (2020: 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 (no movement for the year)	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	107,688	122,115	-	-
Loan from related party	27,371	21,589	27,371	21,589
	135,059	**143,704**	**27,371**	**21,589**

Split between non-current and current portions

Non-current liabilities	100,298	108,190	-	-
Current liabilities	34,761	35,514	27,371	21,589
	135,059	**143,704**	**27,371**	**21,589**

Bank loans of the Group are from Nedbank Namibia Limited, bearing interest at Namibian bank prime overdraft rates ranging from prime less 1.25% to prime less 2% (2020: 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 3 and 10 for details.

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

The loan from Veritrust (Pty) Ltd is repayable on demand, bearing interest at Standard Bank Namibia bank prime overdraft rate (2020: prime) and secured by a cash guarantee issued by Corporate Guarantee and Insurance Company of Namibia Ltd.

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

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

20. Interest bearing loans and borrowings (continued)

Exposure to liquidity, currency and interest rate risk

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

Fair value

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

21. Trade and other payables

Financial instruments:				
Trade payables	47,353	59,002	1,702	2,201
Sundry creditors	760	813	-	-
Accruals	14,170	3,355	4,634	-
Re-insurance accrual	-	192,635	-	-
Non-financial instruments:				
VAT	1,344	705	-	-
	63,627	**256,510**	**6,336**	**2,201**

Exposure to liquidity, currency and interest rate risk

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

Fair value of trade and other payables

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

22. Loans from related parties

Subsidiaries				
Futeni Collections (Pty) Ltd	-	-	70,675	57,456
Karas Securities (Pty) Ltd	-	-	60,000	45,000
Auas Motors (Pty) Ltd	-	-	2,200	-
NHL Tyre & Tire (Pty) Ltd	-	-	7,497	-
Nictus (Pty) Ltd	-	-	3,508	4,071
Hakos Capital and Finance (Pty) Ltd	-	-	3,342	4,006
	-	**-**	**147,222**	**110,533**

Split between non-current and current portions

Current liabilities	-	-	147,222	110,533

The above loans from related parties bear interest at Namibian bank overdraft rates ranging from 50% of prime less 1% to prime (2020: ranging from prime less 3% to prime) and have no fixed terms of repayment, but repayable on demand. The loans from subsidiaries are unsecured.

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

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

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

22. Loans from related parties (continued)

Exposure to liquidity, currency and interest rate risk

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

Fair value of related party loans payable

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

23. Provisions

Reconciliation of provisions - Group - 2021

	Opening balance	Reversed	Total
Service and maintenance plan provisions	149	(78)	71
Used vehicle extended warranty provision	449	(449)	-
Used vehicle warranty provision	27	(27)	-
Workshop comeback provision	169	(169)	-
Workshop warranty provisions	109	(109)	-
	903	**(832)**	**71**

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**

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		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

24. Insurance contract liability

Gross provision for IBNR	6,518	8,756		
Gross provision for no claim bonus	16,543	24,089		
Gross provision for unearned premiums	1,409,671	1,369,368		
	1,432,732	**1,402,213**		
Analysis of movements in gross IBNR				
Opening balance	8,756	3,934		
IBNR portion created	(2,238)	4,822		
	6,518	**8,756**		
Analysis of movements in no claim bonus provision				
Opening balance	24,089	23,900		
No claim bonus charged to profit or loss	51,244	74,781		
No claim bonus paid	(58,790)	(74,592)		
	16,543	**24,089**		
Analysis of movements in gross unearned premiums				
Opening balance	1,369,368	1,276,367		
Claims paid	(35,306)	(5,070)		
IBNR created	2,238	(4,822)		
Net written premiums	171,467	198,107		
Net underwriting result	(98,096)	(95,214)		
	1,409,671	**1,369,368**		

Process used to determine significant assumptions

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

Claim provisions

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

Notified claims

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

Claims incurred but not yet reported (IBNR)

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

Premium provisions

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

Assumptions

The assumption that has the greatest effect on the measurement of insurance contract provisions is the percentage applied to gross premiums written in the IBNR calculation. A 7% of written premium assumption has been used for 2021 and 2020 financial years.

Changes in assumptions

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

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

24. Insurance contract liability (continued)

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 2021	Group 2020	Company 2021	Company 2020
	1,715	1,981		

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

Risk exposures

Refer to note 41 Financial instruments and risk management for details of liquidity, currency and interest rate risk management for the insurance contract liability.

Fair value of insurance contract liability

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

25. Revenue

	Group 2021	Group 2020	Company 2021	Company 2020
Revenue from contracts with customers				
Sale of goods	502,579	470,379	-	-
Rendering of services	59,797	49,804	20,059	18,374
Insurance premium income	42,311	29,651	-	-
Rental Income	1,382	2,265	586	717
Interest received	39,413	57,746	-	-
	645,482	**609,845**	**20,645**	**19,091**
Revenue other than from contracts with customers				
Interest received	-	-	2,407	7,124
Dividends received	-	-	39,600	27,104
Re-insurance income	11,165	21,215	-	-
	656,647	**631,060**	**62,652**	**53,319**

Disaggregation of revenue from contracts with customers

	Group 2021	Group 2020	Company 2021	Company 2020
Sale of goods				
Sale of goods - retail segment	502,579	470,379	-	-
Rendering of services				
Administration and management fees received from subsidiaries	-	-	20,059	18,374
Services revenue - retail segment	59,797	49,804	-	-
	59,797	**49,804**	**20,059**	**18,374**
Effective interest income				
Interest received	39,413	57,746	-	-
Rental income				
Rental Income	1,382	2,265	586	717
Other revenue				
Insurance premium income - insurance and finance segment	42,311	29,651	-	-
Total revenue from contracts with customers	**645,482**	**609,845**	**20,645**	**19,091**

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020
25. Revenue (continued)				
Timing of revenue recognition				
At a point in time				
Sale of goods	502,579	470,379	-	-
Rendering of services	59,797	49,804	20,059	18,374
Other revenue	42,311	29,651	-	-
	604,687	**549,834**	**20,059**	**18,374**
Over time				
Rental income	1,382	2,265	586	717
Inetrest received	39,413	57,746	-	-
	40,795	**60,011**	**586**	**717**
Total revenue from contracts with customers	**645,482**	**609,845**	**20,645**	**19,091**
Insurance premium income consists of:				
Net written premiums	169,607	198,106		
Change in net provision for unearned premiums	(127,296)	(168,455)		
	42,311	**29,651**		
26. Cost of sales				
Sale of goods	474,892	420,369	-	-
Rendering of services	367	7,752	-	-
	475,259	**428,121**	**-**	**-**
27. Other operating income				
Stamp duty and documentation income	177	221	-	-
Bad debts recovered	308	185	-	-
Sundry income	7,381	4,600	298	91
	7,866	**5,006**	**298**	**91**
28. Other operating (losses) / gains				
(Losses) / gains on disposals, scrappings and settlements				
Property, plant and equipment	(10)	(46)	-	-
Listed investments	(3)	4	-	10
	(13)	**(42)**	**-**	**10**
Fair value (losses) / gains of listed equity investments	(27)	1,174	(27)	(12)
Impairment on investments in subsidiaries	-	-	2,778	(67,977)
	(27)	**1,174**	**2,751**	**(67,989)**
Total other operating (losses) / gains	**(40)**	**1,132**	**2,751**	**(67,979)**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

29. Investment income

Investment income from operations				
Dividends received - listed investments	2,659	6,288	-	-
Interest received on bank and other	3,989	24,044	-	-
Dividends received - unlisted investments	10,084	501	-	-
	16,732	**30,833**	**-**	**-**
Investment income from financial assets:				
Interest received - bank and other cash	2,483	2,682	35	256
Interest and dividends - financial assets	12	-	12	-
Total interest income	**2,495**	**2,682**	**47**	**256**
Total investment income	**19,227**	**33,515**	**47**	**256**

30. Employee costs

As at 31 March 2021 the Group had 413 employees (2020: 444). Employee benefits expense is made up of the following for all employees, excluding executive directors:

Employee costs				
Salaries, wages, bonuses and other benefits	74,092	73,693	18,901	9,086

31. Depreciation, amortisation and impairment losses

Depreciation				
Property, plant and equipment, right-of-use asset	6,646	6,360	1,009	847
Amortisation				
Intangible assets	1,881	1,356	386	315
Total depreciation, amortisation and impairment				
Depreciation	6,646	6,360	1,009	847
Amortisation	1,881	1,356	386	315
	8,527	**7,716**	**1,395**	**1,162**

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

32. Operating profit / (loss)

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

Auditor's remuneration - external				
Audit fees	1,989	1,965	449	409
Tax and secretarial services	81	-	-	-
	2,070	**1,965**	**449**	**409**
Remuneration, other than to employees				
Secretarial services	1,206	1,063	690	643
Consulting and professional fees				
Consulting fees and other benefits	11,396	9,839	11,134	9,491
Operating lease charges				
Premises	2,671	3,256	4,118	2,464
Equipment	152	145	-	-
	2,823	**3,401**	**4,118**	**2,464**
Movement in credit loss allowances				
Trade and other receivables	1,565	1,936	-	-
Insurance expenses				
Claims incurred	28,284	8,102	-	-
No claim bonus allocations	48,905	74,781	-	-
	77,189	**82,883**	**-**	**-**

33. Finance costs

Preference dividends	-	-	2,842	3,178
Bank and other	2,041	3,102	-	-
Related parties	2,334	5,029	5,971	7,213
Lease liability interest	489	772	-	-
Total finance costs	**4,864**	**8,903**	**8,813**	**10,391**

34. Taxation

Major components of the tax expense (income)

Current				
Withholding tax - current period	-	2,248	-	-
Current tax	26	-	-	-
	26	**2,248**	**-**	**-**
Deferred				
Originating and reversing temporary differences	9,446	3,435	-	(2,421)
	9,472	**5,683**	**-**	**(2,421)**

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

34. Taxation (continued)

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit / (loss) before tax	27,620	13,045	15,752	(54,354)
Tax at the applicable tax rate of 32% (2020: 32%)	8,838	4,174	5,041	(17,393)
Tax effect of adjustments on taxable income				
Exempt income	(4,730)	(7,310)	(13,564)	14,907
Tax losses utilised	4,971	8,742	7,589	-
Non-deductible expenses	393	77	934	65
	9,472	**5,683**	**-**	**(2,421)**
The estimated tax losses available for set-off against future taxable income amount to	311,042	304,377	42,306	22,237

During the prior year the allowance on installment 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 N$ 51,7 million (2020: N$ 33,5 million). Deferred tax assets not raised amount to N$ 16,5 million (2020: N$ 10,7 million).

35. Cash generated from operations

Profit before taxation	27,620	13,045	15,752	(54,354)
Adjustments for:				
Depreciation and amortisation	8,527	7,716	1,395	1,162
Losses / (gains) on disposals of property, plant and equipment	(10)	42	-	-
Interest income	(2,495)	(2,682)	(47)	(256)
Finance costs	4,864	8,903	8,813	10,391
Movements in provisions	(832)	(180)	-	-
Prescribed dividends	176	265	176	265
Gain on modification of operating leases	(1,174)	-	-	-
Impairment on investments in subsidiaries	-	-	(2,778)	67,977
Changes in working capital:				
Inventories	10,751	(25,717)	-	-
Trade and other receivables	30,710	(10,006)	(442)	938
Trade and other payables	(192,883)	215,833	4,134	(504)
Insurance contract liability	30,519	98,013	-	-
Re-insurance asset	(4,974)	(188,724)	-	-
	(89,201)	**116,508**	**27,003**	**25,619**

The cash used in operations is due to a re-insurance accrual payment of N$192 million made during the current financial year.

36. Tax paid

Current tax for the year recognised in profit or loss	(26)	(2,248)	-	-

Figures in Namibia Dollar Thousand

37. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2021

	Opening balance	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Borrowings	143,704	-	-	(8,645)	135,059
Insurance contract liability	1,402,213	-	-	30,519	1,432,732
Finance lease liabilities	7,547	544	544	(3,009)	5,082
	1,553,464	**544**	**544**	**18,865**	**1,572,873**
Total liabilities from financing activities	**1,553,464**	**544**	**544**	**18,865**	**1,572,873**

Reconciliation of liabilities arising from financing activities - Group - 2020

	Opening balance	Cash flows	Closing balance
Borrowings	150,524	(6,820)	143,704
Insurance contract liability	1,304,200	98,013	1,402,213
Finance lease liabilities	-	7,547	7,547
Loans from group companies	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 - Company - 2021

	Opening balance	New leases	Total non-cash movements	Cash flows	Closing balance
Borrowings	21,589	-	-	5,782	27,371
Finance lease liabilities	-	9,589	9,589	-	9,589
Loans from related parties	110,533	-	-	36,689	147,222
	132,122	**9,589**	**9,589**	**42,471**	**184,182**
Total liabilities from financing activities	**132,122**	**9,589**	**9,589**	**42,471**	**184,182**

Reconciliation of liabilities arising from financing activities - Company - 2020

	Opening balance	Cash flows	Closing balance
Borrowings	18,766	2,823	21,589
Loans from group companies	107,377	3,156	110,533
	126,143	**5,979**	**132,122**
Total liabilities from financing activities	**126,143**	**5,979**	**132,122**

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

38. Dividends paid

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

39. Related parties

Relationships	
Subsidiaries	Refer to note 7
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	G 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 40. The Group encourages employees to purchase goods and services from Group companies. These transactions are generally conducted on terms no more favourable than those entered to with third parties on an arm's length basis, although in some cases, nominal discounts are granted. Transactions with key personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key personnel during the year, nor have they resulted in any non-performing debts at year-end.

Similar policies are applied to key personnel at subsidiary level who are not defined as key management personnel at Group level. Certain directors of the Group are also non-executive directors of other public companies which may transact with the Group. The relevant directors do not believe that they have significant influence over the financial and operational policies of those companies. Those companies are therefore not regarded as related parties.

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

	Group 2021	Group 2020	Company 2021	Company 2020
Related party balances				
Loans from subsidiaries (excl preference shares)	-	-	(87,221)	(65,533)
Loan from Veritrust (Pty) Ltd	(27,371)	(21,589)	(27,371)	(21,589)
Loans to subsidiaries	-	-	98,401	91,629
Preference shares issued to subsidiary	-	-	(60,000)	(45,000)
Unearned premium reserve account: related companies	(684)	-	-	-
Related party balances with key management, personnel and companies affiliated with key management in the Group				
Unearned premium reserve account	(31,052)	(21,831)	-	-
Loans and receivables: Preference shares	-	2,950	-	-
Other loans and receivables	18,254	-	-	-
Trade receivable / (trade payable)	374	544	-	-

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

39. Related parties (continued)

Related party transactions				
Interest received from subsidiaries	-	-	(2,627)	(7,902)
Interest paid to subsidiaries	-	-	3,858	2,962
Preference dividends paid to subsidiary	-	-	2,842	3,178
Interest paid to Veritrust (Pty) Ltd	2,332	2,088	2,332	2,088
Interest paid to Nictus Ltd	-	2,942	-	2,942
Rent paid to subsidiary	-	-	4,306	2,464
Admin fees (received from) subsidiaries	-	-	(19,875)	(18,337)
Dividends received from subsidiaries	-	-	(39,600)	(27,104)
Gross written premiums: related companies	(638)	-	-	-
Change in provision for unearned premiums	(33)	-	-	-
Related party transactions with key management, personnel and companies affiliated with key management in the Group				
Gross written premiums	(2,442)	(1,733)	-	-
Cancellations and endorsements	593	3,493	-	-
Claims paid	3,202	322	-	-
Change in provision for unearned premiums	(2,173)	(2,304)	-	-
Preference dividends (received) / paid	(223)	(501)	-	-
Interest paid / (received)	(925)	-	-	-
Purchases / (sales)	(1,472)	-	-	-

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

40. Directors' emoluments

Executive

2021

	Management and consulting fees - Holding company	Management and consulting fees - Subsidiaries	Total
PJ de W Tromp	2,849	-	2,849
FR van Staden	1,545	713	2,258
WO Fourie	2,009	-	2,009
	6,403	**713**	**7,116**

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**

Figures in Namibia Dollar Thousand

40. Directors' emoluments (continued)

Non-executive

2021

	Directors' fees	Consulting fees	Directors' fees - subsidiaries	Total
GR de V Tromp	240	-	-	240
TB Horn	276	-	-	276
NC Tromp	288	1,022	690	2,000
G Swart	420	-	-	420
	1,224	**1,022**	**690**	**2,936**

2020

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

41. Financial instruments and risk management

Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

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

Figures in Namibia Dollar Thousand

41. Financial instruments and risk management (continued)

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.

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		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans receivable	10	556,300	-	556,300	552,441	-	552,441
Investments at fair value through profit or loss	9	26,461	-	26,461	15,686	-	15,686
Trade and other receivables	8	199,943	(1,564)	198,379	203,561	(4,732)	198,829
Cash and cash equivalents	16	345,152	-	345,152	473,669	-	473,669
Re-insurance asset	14	193,698	-	193,698	188,724	-	188,724
		1,321,554	**(1,564)**	**1,319,990**	**1,434,081**	**(4,732)**	**1,429,349**

Figures in Namibia Dollar Thousand

41. Financial instruments and risk management (continued)

Company		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	13	98,400	-	98,400	91,629	-	91,629
Investments at fair value through profit or loss	9	245	-	245	268	-	268
Trade and other receivables	8	198	-	198	686	-	686
Cash and cash equivalents	16	151	-	151	200	-	200
		98,994	**-**	**98,994**	**92,783**	**-**	**92,783**

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.

Group - 2021

		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	62,283	-	-	-	62,283	62,283
Borrowings	20	34,761	22,762	44,209	33,327	135,059	135,059
Lease liabilities	4	2,494	1,367	1,221	-	5,082	5,082
Insurance contract liability	24	1,432,732	-	-	-	1,432,732	1,432,732
		1,532,270	**24,129**	**45,430**	**33,327**	**1,635,156**	**1,635,156**

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	35,514	24,430	32,140	51,621	143,705	143,705
Lease liabilities	4	2,368	2,093	3,086	-	7,547	7,547
Insurance contract liability	24	1,402,213	-	-	-	1,402,213	1,402,213
		1,695,900	**26,523**	**35,226**	**51,621**	**1,809,270**	**1,809,270**

Figures in Namibia Dollar Thousand

41. Financial instruments and risk management (continued)

Company - 2021

		Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Total liabilities						
Trade and other payables	21	6,335	-	-	6,335	6,335
Loans from group companies	22	147,222	-	-	147,222	147,222
Borrowings	20	27,371	-	-	27,371	27,371
Lease liabilities	4	2,961	3,190	3,438	9,589	9,589
		183,889	**3,190**	**3,438**	**190,517**	**190,517**

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**

Foreign currency risk

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

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

Interest rate risk

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

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

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

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		2021	2020	2021	2020
Assets					
Trade and other receivables	8	10.00 %	11.26 %	74,532	75,753
Loans and receivables: preference shares	10	- %	7.18 %	-	2,950
Cash and cash equivalents	16	5.60 %	7.55 %	340,330	468,722
Other loans and receivables	8	9.30 %	10.39 %	15,971	16,070
Loans and receivables: secured advances	10	5.82 %	8.09 %	540,330	533,421
				971,163	**1,096,916**
Liabilities					
Loans from group companies	22	7.50 %	9.30 %	(27,371)	(21,589)
Bank loans	20	6.33 %	9.78 %	(107,688)	(122,116)
				(135,059)	**(143,705)**

Figures in Namibia Dollar Thousand

41. Financial instruments and risk management (continued)

	Note	Average effective interest rate		Carrying amount	
Company		2021	2020	2021	2020
Assets					
Loans to group companies	13	3.56 %	9.78 %	80,768	74,760
Trade and other receivables	8	3.64 %	4.75 %	356	120
				81,124	**74,880**
Liabilities					
Loans from group companies	22	5.19 %	6.31 %	(174,592)	(132,122)

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 2021, if the Group interest rate had been 1% per annum (2020: 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 5,3 million (2020: N$ 8.5 million) lower and N$ 5,3 million (2020: N$ 8.5 million) higher.

At 31 March 2021, if the Company interest rate had been 1% per annum (2020: 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 1,3 million (2020: N$ 0.7 million) lower and N$ 1,3 million (2020: N$ 0.7 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	2021	2021	2020	2020
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Listed shares 1% (2020: 1 %)	27	(27)	27	(27)

Company	2021	2021	2020	2020
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Listed shares 1% (2020: 1%)	2	(2)	3	(3)

Figures in Namibia Dollar Thousand

41. Financial instruments and risk management (continued)

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.

Categories of financial assets

Group - 2021

	Note(s)	Fair value through profit or loss	Amortised cost	Total	Fair value
Investments at fair value	9	26,461	-	26,461	26,461
Trade and other receivables	8	-	198,379	198,379	198,379
Cash and cash equivalents	16	-	345,152	345,152	345,152
Loans and receivables	10	-	556,300	556,300	556,300
Re-insurance asset	14	193,698	-	193,698	193,698
		220,159	**1,099,831**	**1,319,990**	**1,319,990**

Group - 2020

	Note(s)	Fair value through profit or loss	Amortised cost	Total	Fair value
Investments at fair value	9	15,686	-	15,686	15,686
Trade and other receivables	8	-	198,829	198,829	198,829
Cash and cash equivalents	16	-	473,669	473,669	473,669
Loans and receivables	10	-	552,441	552,441	552,441
Re-insurance asset	14	188,724	-	188,724	188,724
		204,410	**1,224,939**	**1,429,349**	**1,429,349**

Company - 2021

	Note(s)	Fair value through profit or loss	Amortised cost	Total	Fair value
Loans to group companies	13	-	98,400	98,400	98,400
Investments at fair value	9	245	-	245	245
Trade and other receivables	8	-	198	198	198
Cash and cash equivalents	16	-	151	151	151
Other financial assets	15	356	-	356	356
		601	**98,749**	**99,350**	**99,350**

Company - 2020

	Note(s)	Fair value through profit or loss	Amortised cost	Total	Fair value
Loans to group companies	13	-	91,629	91,629	91,629
Investments at fair value	9	268	-	268	268
Trade and other receivables	8	-	686	686	686
Cash and cash equivalents	16	-	200	200	200
		268	**92,515**	**92,783**	**92,783**

Figures in Namibia Dollar Thousand

41. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2021

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	21	62,283	-	62,283	62,283
Borrowings	20	135,059	-	135,059	135,059
Finance lease liabilities	4	-	5,082	5,082	5,082
Insurance contract liabilities	24	1,432,732	-	1,432,732	1,432,732
		1,630,074	**5,082**	**1,635,156**	**1,635,156**

Group - 2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	21	255,805	255,805	255,805
Borrowings	20	143,704	143,704	143,704
Finance lease liabilities	4	7,547	7,547	7,547
Insurance contract liability	24	1,402,213	1,402,213	1,402,213
		1,809,269	**1,809,269**	**1,809,269**

Company - 2021

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	21	6,335	-	6,335	6,335
Loans from group companies	22	147,222	-	147,222	147,222
Borrowings	20	27,371	-	27,371	27,371
Finance lease obligations	4	-	9,589	9,589	9,589
		180,928	**9,589**	**190,517**	**190,517**

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**

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.

41. Financial instruments and risk management (continued)

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

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

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

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

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

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

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

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

42. Group segmental analysis

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

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

Reportable Segment	Products and services
Retail	Operates the Isuzu, Opel and Suzuki franchise throughout Namibia, in additions 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 mainly for own use.
Head office	Investment holding company.

Segmental revenue and results

The board assesses the performance of the operating segments based on the measure of profit / (loss) after taxation. This measure excludes the effects of non-recurring expenditure from the operating segments such as restructure costs and legal expenses. The measure also excludes the effects of d 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 an liabilities and have been included in the elimination column to agree to the amounts per financial statements.

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

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

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

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Figures in Namibia Dollar Thousand	2021					
Business segment	**Retail**	**Property Companies**	**Insurance & Finance**	**Head Office**	**Eliminations**	**Consolidated**
Segment revenue						
Sales of goods and rendering of services	563,620	-	11,165	-	(1,244)	**573,541**
Rental income	9,539	21,604	-	-	(29,761)	**1,382**
Finance income	5,130	-	59,043	2,407	(27,166)	**39,413**
Management fees	-	-	-	20,059	(20,059)	**-**
Insurance premium income	-	-	41,173	-	1,138	**42,311**
Dividends received from related parties	-	-		39,600	(39,600)	**-**
Total revenue from external customers	578,289	21,604	111,381	62,065	(116,692)	**656,647**
Inter-segment revenue	9	-	2,909	-	(2,918)	**-**
Total segment revenue	578,298	21,604	114,290	62,065	(119,610)	**656,647**
Segment result						
Operating profit before financing costs	20,537	16,614	35,514	24,247	(64,428)	**32,484**
Financing costs	(5,871)	(11,183)	(993)	(8,811)	21,994	**(4,864)**
Profit before taxation	14,666	5,431	34,521	15,436	(42,434)	**27,620**
Taxation	(4,663)	(1,340)	(7,597)	-	4,128	**(9,472)**
Net profit/(loss) for the year	10,003	4,091	26,924	15,436	(38,306)	**18,148**
Segment assets	298,856	393,080	1,554,030	313,221	(703,677)	**1,855,511**
Segment liabilities	203,411	290,297	1,507,771	190,525	(515,963)	**1,676,041**
Cash flows from operating activities	22,335	5,145	(80,538)	18,237	(56,287)	**(91,108)**
Cash flows from investing activities	(17,272)	(2,742)	137,427	(47,573)	(89,182)	**(19,342)**
Cash flows from financing activities	(4,672)	(2,378)	(585,410)	29,287	545,106	**(18,067)**
Capital expenditure	(4,558)	(2,761)	(260)	(1,040)	(131)	**(8,750)**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

Figures in Namibia Dollar Thousand	2020					
Business segment	**Retail**	**Property Companies**	**Insurance & Finance**	**Head Office**	**Eliminations**	**Consolidated**
Segment revenue						
Sales of goods and rendering of services	521,324	-	21,215	-	(1,141)	**541,398**
Rental income	82	24,207	-	-	(22,025)	**2,264**
Finance income	6,895	-	85,993	7,124	(42,265)	**57,747**
Management fees	-	-	-	18,374	(18,374)	**-**
Insurance premium income	-	-	20,396	-	9,255	**29,651**
Dividends received from related parties	-	-		27,104	(27,104)	**-**
Total revenue from external customers	528,301	24,207	127,604	52,602	(101,654)	**631,060**
Inter-segment revenue	166	-	4,382	-	(4,548)	**-**
Total segment revenue	528,467	24,207	131,986	52,602	(106,201)	**631,060**
Segment result						
Operating profit before financing costs	138	19,043	37,309	(44,368)	9,827	**21,949**
Financing costs	(11,115)	(20,753)	2,827	(10,597)	30,735	**(8,903)**
Profit before taxation	(10,977)	(1,710)	40,136	(54,965)	40,562	**13,046**
Taxation	(1,754)	421	(8,809)	2,421	2,037	**(5,684)**
Net profit/(loss) for the year	(12,731)	(1,289)	31,327	(52,544)	42,599	**7,362**
Segment assets	247,944	390,489	1,720,668	247,509	(596,637)	**2,009,973**
Segment liabilities	208,702	291,480	1,661,733	134,323	(453,823)	**1,842,414**
Cash flows from operating activities	7,557	(3,179)	121,931	15,484	(33,754)	**108,039**
Cash flows from investing activities	(6,947)	(2,221)	(48,925)	(2,194)	48,373	**(11,914)**
Cash flows from financing activities	(1,524)	5,217	(24,664)	(13,312)	(14,623)	**(48,906)**
Capital expenditure	(6,378)	(2,177)	(580)	(272)	(275)	**(9,682)**

	Group		Company	
Figures in Namibia Dollar Thousand	2021	2020	2021	2020

43. Earnings per share

Basic earnings per share

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

	2021	2020
Reconciliation of profit for the year to basic earnings		
Profit for the year attributable to equity holders of the parent	18,148	7,362
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)	34.59	14.03
Basic earnings per share before treasury share adjustment (cents)	33.96	13.78

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.

	2021	2020
Reconciliation between earnings and headline earnings		
Basic earnings	18,148	7,362
Adjusted for:		
Loss on disposal of plant and equipment	10	46
	18,158	**7,408**
Headline earnings per share (cents)	34.61	14.12
Headline earnings per share before treasury share adjustment (cents)	33.98	13.86
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.

44. Contingencies

Nictus Holdings Limited provided limited guarantee for a total amount of N$10 million in respect of the loan between Futeni Collection (Pty) Ltd and Nictus Eiendomme (Pty) Ltd. The outstanding loan balance at 31 March 2021 amounted to N$4,3 million (2020: N$ 3,7 million).

Nictus Holdings Limited provided limited guarantee for a total amount of N$12,3 million in respect of loans between Futeni Collection (Pty) Ltd and Acacia Properties (Pty) Ltd. The outstanding loan balances at 31 March 2021 amounted to N$0,5 million (2020: N$ 11 million).

Nictus Holdings Limited provided a letter of guarantee for a total amount of N$6 million in respect of cumulative redeemable preference shares issued by Karas Securities (Pty) Ltd to Hakos Capital and Finance (Pty) Ltd. The outstanding balance at 31 March 2021 amounted to N$40 million (2020: N$ 40 million).

45. Going concern

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

Management have taken a number of measures to monitor and mitigate the effects of COVID-19 during the 2021 financial year. At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. The Board has made an assessment of the Group's solvency and liquidity and has concluded that it is satisfied of the Group's ability to continue as a going concern.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS continued

46. Events after the reporting period

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

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 of packages.
- Organisational profiles are determined for use in the evaluation process.
- Performance evaluation and development requirements are considered during the process.
- The scarcity of appropriately qualified staff influences package structure.
- The total remuneration package consists of a cash component and benefits.

REMUNERATION INCENTIVES

Short-term incentives

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

- meet predetermined annual targets; and
- perform exceptionally.

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

Long-term incentive

The incentive scheme is aimed at retaining employees and meeting Group performance as set out in the rules over a 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 Executive Management and approved by the Board.

GOVERNANCE

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

VARIATION

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

NOTICE OF THE ANNUAL GENERAL MEETING

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

Notice is hereby given that the annual general meeting of the shareholders of Nictus in respect of the year ended 31 March 2021 will be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on 25 August 2021 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 2021 will be presented to shareholders as required in terms of section 294 of the Companies Act.

3. RESOLUTIONS FOR CONSIDERATION AND APPROVAL

3.1 Ordinary resolution 1: re-election of TB Horn as a director

"Resolved that TB Horn be and is hereby re-elected as a director of the Company."

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

3.2 Ordinary resolution 2: re-election of WO Fourie as a director

"Resolved that WO Fourie be and is hereby re-elected as a director of the Company."

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

3.3 Ordinary resolution 3: re-election of NC Tromp as a director

"Resolved that NC 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.

3.4 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 87 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."

Board/Committee	Annual fees (NAD)		
	Membership	Chairperson (additional fee)	Lead Independent (additional fee)
Board	243,495	292,194	48,699
Audit and Risk Committee	64,932	19,480	N/A
Investment Committee	64,932	19,480	N/A
Remuneration and Nomination Committee	32,466	9,740	N/A

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

3.6 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 are hereby re-appointed as auditors of the Company (the designated auditor meeting the requirements of section 278 of the Companies Act), to hold office until the conclusion of the next annual general meeting of the Company."

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

3.7 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 and Risk Committee

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

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

3.9 Ordinary resolution 9: re-election of GR de V Tromp as a member of the Audit and Risk Committee

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

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

3.10 Ordinary resolution 10: appointment of TB Horn as Chairperson of the Audit and Risk Committee

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

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

3.11 Ordinary resolution 11: 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.

3.12 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.

3.13 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 and 28;

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

4.4 share capital of the Company – pages 62 to 63.

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 Eksekuteurskamer (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek (Private Bag 13231, Windhoek) or the Transfer Secretaries, c/o Veritas Eksekuteurskamer (Proprietary) Limited, 1st floor, Nictus Building, Mandume Ndemufayo avenue, Windhoek (PO Box 755, Windhoek). Forms of proxy must be received by no later than 12:00 on 23 August 2021. 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 Eksekuteurskamer (Proprietary) Limited
Secretary

Windhoek
30 June 2021

BRIEF CV's OF DIRECTORS FOR RE-ELECTION

TB HORN (51)

- CA (NAM)
- Years of Service: 2 years
- Certified Internal Auditor
- Independent Non-executive Director
- Chairperson: Audit Committee

TB Horn is a qualified chartered accountant (Namibia and South Africa) and certified internal auditor. She served on the Institute of Chartered Accountants Namibia Council for a number of years, and was president of the institute from 2016 to 2018. She was also an audit partner of a big four auditing firm in Namibia for 5 years, leading the internal audit and corporate governance practice.

NC TROMP (72)

- B.Com
- Years of Service: 42 years
- Non-executive Director
- Chairperson: Remuneration and Nomination Committee
  Investment Committee

After completing his accounting articles in 1972, NC Tromp joined the Group and became the Group Managing Director in 1979. He served as Group Chairman from 1998 to 2003 and is currently the Chairman of the Investment Committee and Remuneration and Nominations Committee. NC Tromp serves on all Subsidiary Boards of Directors as Non-executive Director.

WO FOURIE (45)

- CA (NAM), CA (SA)
- Years of Service: 11 years
- Group Financial Director
- Member: Investment Committee
  Risk Committee

WO Fourie is a CA (SA) and a CA (NAM) and completed his accounting articles in 2002. In 2007 he joined the Nictus Limited Group as the Group Financial Manager and was appointed as the Group Financial Director (Nictus Limited Group) during 2010. He currently serves as Group Financial Director (Nictus Holdings 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 25 August 2021 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 TB Horn as a director				
2. **Ordinary resolution 2**: re-election of WO Fourie as a director				
3. **Ordinary resolution 3**: re-election of NC Tromp 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 and Risk Committee				
9. **Ordinary resolution 9**: re-election of GR de V Tromp as a member of the Audit and Risk Committee				
10. **Ordinary resolution 10**: appointment of TB Horn as Chairperson of the Audit and Risk Committee				
11. **Ordinary resolution 11**: signing authority				
12. **Special resolution 1**: general authority to repurchase shares				
13. **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 initialed by the signatory(ies).*

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

9. *Forms of proxy have to be lodged with or posted to the registered office of the Company, c/o Veritas Eksekuteurskamer (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo avenue, Windhoek (Private Bag 13231, Windhoek) or the transfer Secretaries, Veritas Eksekuteurskamer (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo avenue, Windhoek (PO Box 755, Windhoek). Forms of proxy must be received no later than 12:00 on 23 August 2021.*

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 Lead Director)
TB Horn (Independent)
NC Tromp
GR de V Tromp (Chairman)

Transfer Secretaries
Veritas Eksekuteurskamer (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