Oakhurst Insurance Company Ltd

(Registration Number 2006/000723/06)
Financial Statements for the four months ended 30 June 2020

Directors' Report

The directors present their report for the financial year ended (four months) 30 June 2020.

1. Review of activities

Main business and operations

Oakhurst Insurance Company Ltd is incorporated in South Africa and operates as a non-life insurer principally in South Africa.

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

The company was incorporated on 16 January 2006 and obtained its certificate to commence business on the same date.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The company recorded a net profit after tax for the period ended 30 June 2020 of R 34 158 021 decreasing from the net profit after tax of the prior year of R 38 563 996.

The company changed its financial year-end from February to June. The information presented in the statement of comprehensive income, changes in equity, cash flows and related notes thus only present the relevant figures and information for the four month period.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position to meet its foreseeable cash requirements, with cash and cash equivalents of R 136 525 964 at year end and a solvency coverage ratio of 1.99 (minimum solvency ratio of 4.23) reported to the Prudential Authority in the company's annual return at 30 June 2020. The reported solvency capital ratio results in a 1.0 cover requirement in terms of the Insurance Act, 2017. The directors have considered the impact of Covid-19 on the company, and the directors believe that the company has adequate financial resources to continue in operation for the foreseeable future. The directors are also not aware of any material adverse issues of statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

4. Events after reporting date

The directors have assessed the impact of Covid-19 since the end of the financial year to the date of this report and believe the risk does not have a material effect on the financial position of the company at year-end. The pandemic is viewed as a non-adjusting post balance sheet event. The company is not able to quantify the impact of the Covid-19 pandemic on future results currently as there are too many variables to estimate it reliably.

On 1 October 2020 the name of the company was changed to Dotsure Ltd.

Directors' Report

5. Directors' interest in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest in and which significantly affected the business of the company.

6. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets, gross collections, gross claims and possible liabilities arising from business transactions with its reinsurers on an daily basis.

7. Share capital

No changes were made to the authorised or issued share capital of the company during the financial year under review.

8. Dividend

The company's dividend policy is to consider an interim and 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 pass on the payment of dividends.

Given the current state of global economic environment, the board believes that it would be more appropriate for the company to conserve cash to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board has resolved not to declare a dividend for the financial year ended 30 June 2020.

9. Holding company

The holding company is Badger Holdings (Pty) Ltd which holds 100% (29 February 2020: 100%) of the company's equity. Badger Holdings (Pty) Ltd is incorporated in South Africa.

10. Ultimate holding company

The company's ultimate holding company is Badger International (Pty) Ltd which is incorporated in South Africa.

11. Directorate

The directors of the company during the year and up to the date of this report are as follows:

Directors	**Designation**
BH Hogan	Group Chairman
SK Phage	Chief Executive Officer
LG Fivaz	Independent Non-executive Director
A Skosana	Independent Non-executive Director
MC Brewis	Independent Non-executive Director

12. Special resolutions

No special resolutions were made by the company during the period covered by this report.

Directors' Report

13. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company 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.

14. Independent auditors

Deloitte & Touche were appointed as the independent external auditors of the company for the 30 June 2020 financial year. G Dixon was the designated audit partner.

Deloitte & Touche will continue in office as the auditors for the company for the 30 June 2021 financial year.

15. Company Secretary

The company designated secretary is FG Claughton.

Postal address:	PO Box 9738 George 6529
Business address:	Hurteria Building 127 A York Street George 6529

16. Public interest score

The company has a public interest score of 1 233 (29 February 2020: 1 227) at the financial year-end.

17. Date of authorisation for the issue of financial statements

The financial statements have been audited in compliance with section 30 of the Companies Act of South Africa and have been authorised for issue by the directors on 6 November 2020. No authority was given to anyone to amend the financial statements after the date of issue.

18. Acknowledgements

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

Oakhurst Insurance Company Ltd

(Registration Number 2006/000723/06)

Financial Statements for the four months ended 30 June 2020

Statement of Financial Position

Figures in R	Notes	30 June 2020	29 February 2020
Assets			
Equipment and leasehold improvements	5	2 425	5 085
Investments	6	269 472 128	252 849 389
Deferred tax assets	7	5 836 361	9 201 938
Reinsurers' share of insurance liabilities	8	23 714 607	19 651 708
Prepayments		2 240 457	2 274 338
Current tax assets	9	2 708 803	2 630 669
Deferred acquisition cost		2 968 258	1 815 318
Trade and other receivables	10	56 964 027	60 135 108
Cash and cash equivalents	11	136 525 964	140 360 265
Total Assets		**500 433 030**	**488 923 818**
Equity and Liabilities			
Equity			
Share capital	13	20 000 100	20 000 100
Fair value deficit		(10 741 137)	(15 714 896)
Retained income		330 650 652	296 492 631
Total Equity		**339 909 615**	**300 777 835**
Liabilities			
Insurance liabilities	8	62 712 376	62 997 564
Provisions	14	9 482 108	5 442 398
Deferred reinsurance income		924 726	1 029 489
Liability Swiss Re	15	4 302 771	9 937 894
Collections in advance		21 393 707	45 399 392
Trade and other payables	16	61 707 727	63 339 246
Total Liabilities		**160 523 415**	**188 145 983**
Total Equity and Liabilities		**500 433 030**	**488 923 818**

Oakhurst Insurance Company Ltd

(Registration Number 2006/000723/06)
Financial Statements for the four months ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income

Figures in R	Notes	4 Months ended 30 June 2020	Year ended 29 February 2020
Gross written premiums		265 869 800	811 354 393
Less: Reinsurance premiums ceded		(66 882 051)	(195 920 762)
Net written premiums		**198 987 749**	**615 433 631**
Change in provision for unearned premiums		**(435 169)**	**1 552 887**
Gross amount		(3 571 260)	4 666 319
Reinsurers' share		3 136 091	(3 113 432)
Net earned premiums		**198 552 580**	**616 986 518**
Commission income from reinsurers		32 226 133	71 327 625
Investment income	18	7 661 276	27 276 576
Net income		**238 439 989**	**715 590 719**
Net claims incurred	19	**(68 953 858)**	**(308 712 590)**
Gross amount		(94 713 041)	(415 003 683)
Reinsurers' share		25 759 183	106 291 093
Acquisition cost		(21 278 072)	(70 157 709)
Administrative expenses	20	(101 917 852)	(285 163 975)
Finance cost		(601 557)	(2 318 015)
Profit before tax		**45 688 650**	**49 238 430**
Tax	21	(11 530 629)	(10 674 434)
Profit for the year		**34 158 021**	**38 563 996**
Other comprehensive income			
Items that will be reclassified to profit or loss			
Fair value profit on available-for-sale investments	23	4 973 759	3 175 884
Total comprehensive income		**39 131 780**	**41 739 880**

Statement of Changes in Equity

Figures in R	Share capital	Share premium	Fair value deficit	Retained income	Total
Balance at 1 March 2019	200	19 999 900	(18 941 256)	257 928 635	258 987 479
Total comprehensive income	-	-	3 175 884	38 563 996	41 739 880
Preference share revaluation	-	-	50 476	-	50 476
Balance at 29 February 2020	**200**	**19 999 900**	**(15 714 896)**	**296 492 631**	**300 777 835**
Balance at 1 March 2020	200	19 999 900	(15 714 896)	296 492 631	300 777 835
Total comprehensive income	-	-	4 973 759	34 158 021	39 131 780
Balance at 30 June 2020	**200**	**19 999 900**	**(10 741 137)**	**330 650 652**	**339 909 615**
Note	**13**	**13**			

Statement of Cash Flows

Figures in R	Notes	4 Months ended 30 June 2020	Year ended 29 February 2020
Cash flow from operating activities			
Cash receipts from customers		251 358 904	796 843 497
Cash paid to suppliers and employees		(236 725 634)	(753 932 018)
Cash generated from operations	**22**	**14 633 270**	**42 911 479**
Investment income		7 059 475	26 794 530
Finance cost		(601 557)	(2 318 015)
Tax paid		(9 678 908)	(20 093 458)
Net cash flows generated from operating activities		**11 412 280**	**47 294 536**
Cash flows used in investing activities			
Purchase of financial assets		(39 611 458)	(51 560 583)
Sale of financial assets		30 000 000	50 943 403
Net cash flows from used in investing activities		**(9 611 458)**	**(617 180)**
Cash flows used in financing activities			
Swiss Re liability movement		(5 635 123)	(16 609 413)
Net cash flows used in financing activities		**(5 635 123)**	**(16 609 413)**
Net (decrease) / increase in cash and cash equivalents		**(3 834 301)**	**30 067 943**
Cash and cash equivalents at beginning of the year		140 360 265	110 292 322
Cash and cash equivalents at end of the year	**11**	**136 525 964**	**140 360 265**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The 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 71 of 2008 of South Africa, as amended.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared under the historical cost convention.

1.1 Insurance contracts

Classification and measurement of insurance contracts

Contracts under which the company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance risk, is risk other than financial risk, transferred from the holder of the contract to the issuer. Contracts under which the transfer of insurance risk to the company from the policyholder are not significant are classified as investment contracts.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable, that the variables is not specific to a party to the contract. Insurance contracts may also transfer some financial risk.

The classification of contracts are performed at the inception of each contract. The classification of the contract at inception remains the classification of the contract for the remainder of its life-time.

Premiums

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

Premiums on reinsurance assumed are included in gross written premiums and takes into account the product classification of the reinsured business.

Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Unearned premium reserve (UPR)

The company raises liabilities 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.

Collections in advance is premium received in current period, where risk cover is only related to a future period.

For the company's insurance contracts which do not have an even risk profile, the unearned premium provisions are released based on management's best estimate of the risk profile.

Included in the unearned premium provision is an amount for expected future cash bonus payments during the period in which the premium is collected which is calculated using statistical models. These are based on historical information and trends adjusted for known future changes.

Claims incurred

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

Adjustments to the amounts of claim 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 ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Case estimates are therefore reviewed regularly and updated if new information becomes available.

The company's estimates for reported and unreported claims are continually reviewed and updated, and adjustments resulting from this review are reflected in profit or loss when identified. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends, is an appropriate basis for predicting future events.

Unexpired risk provision, liabilities and related assets under liability adequacy test

Liability adequacy tests are performed at the reporting date to ensure the adequacy of the liability raised. Current best estimates of future contractual cash flows, claims handling and administration expenses are used in performing these tests. Any deficiency noted is recognised in profit or loss for the year.

Outstanding claims reserve (OCR)

The outstanding claims reserve is initially estimated at a gross level. 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.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Incurred but not reported (IBNR) and incurred but not enough reported (IBNER) provision

Provision is made for claims arising from insured events that occurred before the close of the accounting period, but which had not been reported to the company at that date. The liability is calculated using actuarial modelling. Refer to note 8.

Reinsurance

The company cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the transfer of its risks. Only reinsurance agreements that give rise to a significant transfer of insurance risk are accounted for as reinsurance contracts. Reinsurance agreements that do not transfer significant insurance risk are accounted for as financial contracts. Reinsurance arrangements do not relieve the company from its direct obligations to its policyholders.

Premiums ceded, claims reimbursed and reinsurance commission income are presented in the statement of comprehensive income on a gross basis. Deferred reinsurance commission income is recognised on a basis consistent with the provision for unearned premiums.

Amounts recoverable under such contracts are recognised in the same year as the related claim and 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 company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer.

A separate calculation is carried out to determine the estimated reinsurance recoveries. The calculation of the reinsurance recoveries considers the type of risk underwritten, the year the gross claim occurred and therefore under which reinsurance contract the recovery will be made, the size of the claim and whether the claim was an isolated incident or forms part of a catastrophe reinsurance claim. The asset is then estimated using similar methods to those used to estimate the gross provision.

Deferred reinsurance costs represent the ceded portion of unearned premium movement which corresponds to the unearned premium provision.

Deferred acquisition costs

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

Outstanding salvages and recoveries

In certain circumstances the company acquires the right to pursue third parties for losses paid to policyholders under insurance contracts and also the sale of salvaged vehicles. The company has recognised and disclosed all identifiable and measurable amounts it expects to recover, in the future, from past loss events, as part of general insurance liabilities.

Outstanding third party liabilities

Provisions are made for unexpired risks arising from insurance contracts and claims incidents that involve third parties, where the expected liability towards third parties is measured as a percentage of the value of claims and expenses attributable to the claim. This balance is included and forms part of gross insurance liabilities.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Reinsurers' balances

Reinsurance balances are measured at amortised cost.

Deposits with reinsurers and cedants

Deposits with reinsurers and cedants are measured at amortised cost.

1.2 Equipment and leasehold improvements

Cost include costs incurred initially to acquire or construct an item of equipment and costs incurred subsequently to add to, replace part of or service it. If replacement cost is recognised in the carrying amount of an item of equipment, the carrying amount of the replaced part is derecognised.

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 where appropriate.

Equipment with a cost of less than R 7 000 is written off in the period when it is acquired.

The useful lives of items of equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold property	Straight-line	3 years
Telecommunication systems	Straight-line	5 years

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

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

Basis of preparation and summary of significant accounting policies continued...

1.4 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

A financial asset classified as available-for-sale that would have met the definition of loans and receivables may be reclassified to loans and receivables if the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments and are measured at fair value.

Subsequent measurement

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

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value of financial assets are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest rate method is recognised in profit or loss as part of investment income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of investment income when the company's right to receive payment is established.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Off-set

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position only when there is a legally enforceable right to off-set the recognised amounts and there is an intention and ability to settle on a net basis, or to realise and settle the asset and liability simultaneously.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company 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.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Financial instruments designated as available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or not classified into any other category. They are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity, changes in interest rates or market conditions. Fair value gains and losses are accounted for in other comprehensive income.

Loans to/(from) group companies

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

Loans to group companies are classified as loans and receivables.

Trade and other receivables

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

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

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

1.5 Financial liabilities

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

1.6 Share capital and equity

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

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

1.7 Provisions and contingencies

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

A provision is recognised when:

- there is a a present obligation (legal or constructive) 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 amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Provisions are not recognised for future operating losses.

The present obligation under an onerous contract is recognised and measured as a provision.

Contingent assets and liabilities are not recognised, but details are disclosed in the notes to the financial statements.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods are, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax for the current and prior periods are measured at the amounts expected to be paid to/or recovered from the tax authorities, using the tax rates that have been enacted or substantively enacted by the end of the financial reporting period.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Deferred tax assets and liabilities

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Leases

At inception the company assesses whether a contract contains a lease. 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 for consideration.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less as well as leases of low value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

1.10 Employee benefits

Short-term employee benefits

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

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

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

1.11 Operating expenses

Operating expenses include all other non-acquisition related expenditure and are expensed in profit or loss as incurred. This includes administration fees, auditors' remuneration, advertising costs, consulting fees, direct property expenses, information technology expenses, fees and levies, indirect taxes and other operational expenses not separately disclosed.

2. Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements and sources of estimation uncertainty include:

Key sources of estimation uncertainty

Trade and other receivables

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

Insurance contracts

The company's estimates for reported and unreported claims are continually reviewed and updated, and adjustments resulting from this review are reflected in profit or loss when identified. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends, is an appropriate basis for predicting future events.

Accounting Policies

3. New Standards and Interpretations

Forthcoming standards and interpretation issue, but not yet effective

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

The effective date of the standard was for years beginning on or after 1 January 2018.

The company expects to defer the implementation of this standard in line with the implementation of IFRS 17. The company will thus adopt the standard for the first time in the 2024 financial statements. At the time of the election the Company has more than 80% of its liabilities related to insurance activities and does not engage in a significant activity unconnected with insurance.

The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and the business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The company is in the process of determining the full impact of IFRS 9 and will provide more detailed disclosure on this in future financial statements.

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts. It includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or other comprehensive income.

The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.

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

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

IFRS 17, together with IFRS 9, is expected to have a significant impact on data, systems and processes used to produce information for financial reporting purposes. The new model is likely to have an significant impact on the company's profits and total equity, resulting in increased volatility compared to the current models. Key performance indicators will also likely be affected. The company is in the process of determining the full impact of IFRS 17 and will provide more detailed disclosure on this in future financial statements.

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

4. Risk management

Price risk management

The company is subject to price risk due to the impact that volatility has in the market on the value of its equity portfolios resulting in either a positive or negative effect on the net asset value of the company. The total level of equity investments, both listed and unlisted is closely monitored by the investment committee and the board.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, foreign currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments to policyholders and suppliers. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the company's financial and insurance assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date or alternatively estimated payment date. The amounts disclosed in the table are the actual receipts on redemption. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

Risk management continued...

As at 30 June 2020	Less than 1 month	Between 1 and 3 months	Between 4 and 12 months	More than 12 months	Total
Assets					
Trade and other receivables	49 923 125	1 717 450	979 871	4 343 581	**56 964 027**
Financial assets available-for-sale	144 282 205	-	-	-	**144 282 205**
Loans and receivables	-	-	22 929 350	123 109 103	**146 038 453**
Cash and cash equivalents	50 657 044	85 868 920	-	-	**136 525 964**
Reinsurance assets	14 228 764	5 928 652	2 371 461	1 185 730	**23 714 607**
	259 091 138	**93 515 022**	**26 280 682**	**128 638 414**	**507 525 256**
Liabilities					
Trade and other payables	13 969 910	15 167 465	32 570 352	-	**61 707 727**
Collections in advance	21 393 707	-	-	-	**21 393 707**
Liability Swiss Re	1 294 996	1 416 383	1 591 392	-	**4 302 771**
Insurance liabilities	37 627 426	15 678 094	6 271 238	3 135 619	**62 712 376**
	74 286 039	**32 261 942**	**40 432 982**	**3 135 619**	**150 116 581**
Liquidity surplus / (deficit)	**184 805 100**	**61 253 080**	**(14 152 300)**	**125 502 796**	**357 408 675**

As at 29 February 2020	Less than 1 month	Between 1 and 3 months	Between 4 and 12 months	More than 12 months	Total
Assets					
Trade and other receivables	49 412 379	2 574 445	8 148 285	-	**60 135 109**
Financial assets available-for-sale	129 146 382	-	-	-	**129 146 382**
Loans and receivables	-	-	22 929 350	123 109 103	**146 038 453**
Cash and cash equivalents	85 829 273	54 530 992	-	-	**140 360 265**
Reinsurance assets	11 791 025	4 912 927	1 965 171	982 585	**19 651 708**
	276 179 059	**62 018 364**	**33 042 806**	**124 091 688**	**495 331 917**
Liabilities					
Trade and other payables	19 458 675	22 753 617	21 126 954	-	**63 339 246**
Collections in advance	45 399 392	-	-	-	**45 399 392**
Liability Swiss Re	1 393 885	4 246 896	4 297 113	-	**9 937 894**
Insurance liabilities	37 798 539	15 749 391	6 299 756	3 149 878	**62 997 564**
	104 050 491	**42 749 904**	**31 723 823**	**3 149 878**	**181 674 096**
Liquidity surplus	**172 128 568**	**19 268 460**	**1 318 983**	**120 941 810**	**313 657 821**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

Risk management continued...

Interest rate risk

The company has a variable interest expense payable to Swiss Re. Exposure to interest rate risk also includes the company's investments in fixed and floating rate instruments such as government and other interest-bearing securities, as well as cash on deposit. The risk is furthermore limited by regular trading of the portfolio, providing diversification in terms of yield profiles.

All of the company's fixed-interest investments form part of its cash management portfolio. Interest rates received on these investments are reset on a regular and short-term basis.

A sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

From the analysis it was confirmed that the company’s exposure to interest rate risk is limited. A 35% upward shift in the yield curve supported this with the aggregated decrease in the value of the effected assets and equity being R 4.665 million (pre-tax).

Sensitivity analyses are performed for regulatory purposes on a regular basis and are closely monitored.

Financial assets and liabilities subject to interest rate risk

Financial instruments 30 June 2020	Current interest rate	Due in less than a year	Due in 1 to 2 years	Due in more than 2 years
Trade receivables - normal credit terms	-	20 275 801	-	-
Trade payables - normal credit terms	-	16 006 363	-	-
Liability Swiss Re	10.40%	4 302 771	-	-
Loans and receivables	-	22 929 350	-	-
Debt security - Class A Preference shares	7.20%	-	-	66 841 254
Debt security - Class B Preference shares	9.20%	-	-	34 534 202
Cash in current banking institutions	3.81%	136 525 964	-	-
Other financial assets	4.64%	145 167 322	-	-

Financial instruments 29 February 2020	Current interest rate	Due in less than a year	Due in 1 to 2 years	Due in more than 2 years
Trade receivables - normal credit terms	-	34 798 067	-	-
Trade payables - normal credit terms	-	38 423 575	-	-
Liability Swiss Re	10.40%	4 302 771	5 635 123	
Loans and receivables	-	22 929 350	-	-
Debt security - Class A Preference shares	7.20%	-	-	66 397 697
Debt security - Class B Preference shares	9.20%	-	-	34 375 960
Cash in current banking institutions	4.13%	140 360 265	-	-
Other financial assets	6.60%	129 146 382	-	-

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

Risk management continued...

Foreign currency risk

The company is exposed to foreign currency risk due to certain investments that are denominated in a currency other than South African Rand. These investments include mainly foreign listed shares as well as an asset swap.

The below assets are exposed to foreign currency risk:	30 June 2020 (R)	30 June 2020 (USD)	29 February 2020 (R)	29 February 2020 (USD)
Listed shares	26 047 258	1 517 640	17 223 037	1 101 421
Cash and cash equivalents - Asset Swap	18 406 973	1 072 480	2 593 418	167 479
	44 454 231	**2 590 120**	**19 816 455**	**1 268 900**

The company manages its net foreign currency exposure in line with the overall risk appetite of the company. Through this process if the foreign currency appetite exceeds the company risk appetite, the company will dispose of assets, or use hedging instruments to limit the net currency exposure. If the Rand deteriorates against the US Dollar by 10% the impact on the company’s equity would be R4.4 million (29 February 2020: R2.0 million) before allowance for taxation.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, reinsurance assets and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Credit risk is the risk associated with a loss or potential loss from counter parties failing to fulfil their financial obligations. The company's exposure to credit risk is derived from the following main areas:

- Cash and cash equivalents
- Reinsurance assets
- Accounts receivable
- Balances due from related parties

To assess counter party credit risk, the company uses the ratings assigned by external rating agencies, qualified third parties such as asset managers and internal rating assessments using available public information.

Credit risk in terms of direct insurance customers is mitigated by the fact that where premiums are not paid to the company, the company is not obliged to act in terms of the policy.

The company holds funds with the South African institutions indicated in the table below with all rated institutions that all have at least a credit rating of BB, except for Sasfin who has a rating of BB- Foreign Currency LT rating (S&P or similar). Related party receivables and trade receivables with no external ratings are indicated as such.

Reinsurance is only placed at financially sound reinsurance organisations. When reinsurance treaties are renewed or new treaties are required, the financial status of the reinsurer is evaluated based on credit ratings and financial figures available.

Figures in R	30 June 2020	29 February 2020

Risk management continued...

Financial assets exposed to credit risk at year end were as follows:

ABSA	75 490 136	63 603 119
Africa Re	1 713 811	1 808 322
African Rand Underwriting Managers (Pty) Ltd (not rated)	210 000	210 000
Badger International (Pty) Ltd (not rated)	101 375 456	100 773 657
Badger Holdings (Pty) Ltd (not rated)	22 719 350	22 719 350
FirstRand Group	45 054	34 373 136
Hollard (not rated)	13 187 569	43 795 808
Investec	73 678 683	47 064 412
Mercantile	20 792 382	20 367 199
Nedbank	83 185 502	16 231 886
R&V Re	340 384	340 384
Sasfin	12 744 498	42 494 837
Standard Bank	1 594 444	1 576 247
Swiss Re	34 662 184	23 024 110
Trade receivables (not rated)	20 275 801	34 798 067
	462 015 254	**453 180 534**

The company limits the maximum cash amount that can be deposited with a single counter party. In addition, the company maintains an authorised list of acceptable cash counter parties based on current ratings and outlook, taking into account analysis of fundamentals and market indicators.

Insurance risk

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 below:

Types of insurance contracts both personal and commercial lines are:

- Accident and Health
- Liabilities
- Miscellaneous
- Motor
- Property
- Transportation

The commercial division underwrites the risks of enterprises from small businesses to medium sized operations. The personal division provides insurance to the general public in their personal capacities.

Accident and Health

Provide compensation arising out of the death, permanent or temporary total disability of the insured, the family of the insured or possibly the employees of a business. Such death or disability is restricted to certain accidents and does not provide the wider cover available from the life insurance industry.

Risk management continued...

Liabilities

Provide cover for risks relating to the incurring of a liability other than relating to a risk covered more specifically under another insurance contract.

Miscellaneous

Provide cover for risks relating to losses suffered other than relating to a risk covered more specifically under another insurance contract.

Motor

Provide indemnity for loss of, or damage to, the insured motor vehicle. The cover is normally on an all risks basis providing a wide scope of cover following an accident or a theft of the vehicle but the insured can select restricted forms of cover such as cover for fire and theft only. Legal liabilities arising out of the use or ownership of the motor vehicle following an accident for damage to third party property or death or injury to a third party are also covered under this class of business.

Property

Provide indemnity for loss of, or damage to, immovable and movable property caused by perils such as fire, lightning, explosion, weather, water, earthquake and malicious damage. The fire classes also include business interruption policies which insure the loss of profits incurred by a business as a result of loss or damage to the insured property by these perils.

Transportation

Provide indemnity for loss of, or damage to, the insured goods in transit. The cover is normally on an all risks basis providing a wide scope of cover following an accident or a theft of the goods in transit but the insured can select restricted forms of cover such as cover for fire and theft only.

The return to shareholder under the above products arises from the total premiums charged to policy holders less the amounts paid to cover claims and the expenses incurred by the company. There is also scope for the company to earn investment income owing to the time delay between the receipt of premiums and the payment of claims.

Risk management continued...

Insurance risk and policies for mitigating insurance risk

The primary activity of the company relates to the assumption of the risk of loss from events involving persons or organisations. Such risks may relate to any of the above mentioned classes of business. As such the company is exposed to the uncertainty surrounding the timing and severity 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 are greater than expected and that the company does not charge premiums appropriate for the risk accepted. Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

The company manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues. The company also employs staff experienced in claims handling and rigorously applies standardised policies and procedures around claims assessment.

Underwriting strategy

Oakhurst is historically a specialist motor underwriter, with the experience and technical expertise necessary to secure and administer its business profitably through the use of very rigid processes and systems which have been developed and refined over time.

As such, motor insurance remains at the core of Oakhurst's strategy and even in cases where strategic partnerships with brokers or other policy generators are established, Oakhurst's preference remains to have motor related business underwritten and administered internally.

In recent years Oakhurst has extended its product offering to include the full suite of personal lines products, but it has also invested in establishing specialist underwriting skills, the core product and the underwriting system to offer general commercial cover. General commercial cover is expected to be an area of focus and growth, but Oakhurst remains disciplined in entering into this space with caution and, as has been the case, growing this space slowly.

In respect of niche product arrangements where underwriting is outsourced (and in selected cases if Oakhurst allows the partner to administer on their own system), Oakhurst is investing heavily in developing its data warehouse and associated processes to enable it to monitor its risk exposures and conduct detailed portfolio analyses.

Reinsurance strategy

The company reinsures a portion of the risks it underwrites in order to control its exposures to losses and protect capital resources. The company buys a combination of proportional and non-proportional reinsurance treaties to reduce the net exposure of the company on any one motor risk to less than R500 000 and any one non-motor risk to less than R1 000 000. In addition, underwriters are allowed to buy facultative reinsurance in certain specified circumstances.

A separate calculation is then carried out to determine the estimated reinsurance recoveries. The calculation of the reinsurance recoveries considers the type of risk underwritten, which year the gross claim occurred and therefore under which reinsurance programme the recovery will be made, the size of the claim and whether the claim was an isolated incident or forms part of a catastrophe reinsurance claim.

Risk management continued...

Concentrations of insurance risk and policies mitigating the concentrations

Within the insurance business, concentrations of risk may arise where a particular event or series of events could impact heavily upon the company's resources. The company monitors the concentration risk by geographical area and class of business. Business is mainly carried out in South Africa. The company has exposure to all major lines of insurance business with limited exposure to specialised areas of insurance.

Exposure relating to catastrophe events

The company sets out the total aggregate exposure that it is prepared to accept in certain territories to a range of events such as natural catastrophes. The aggregate position is reviewed annually. The company uses a number of modelling tools to monitor aggregation and to simulate catastrophe losses in order to measure the effectiveness of the reinsurance programmes and the net exposure of the company.

Claims development

The company 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 company 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 company takes all the reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. Consequently, the company has a history of positive claims development, i.e. the reserves created over time proved to be sufficient to fund the actual claims paid.

The vast majority of the company's insurance contracts are classified as "short-tailed", meaning that any claim is settled within a year after the loss date. Consequently claims development tables are not presented.

Other risks and policies mitigating these risks

Insurance companies are exposed to the risk of false, invalid and exaggerated claims. Sophisticated software and fraud detection measures are also in place to improve the company's ability to pro-actively detect fraudulent claims.

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

5. Equipment and leasehold improvements

	Cost	Accumulated depreciation	30 June 2020 Carrying value	Cost	Accumulated depreciation	29 February 2020 Carrying value
Leasehold improvements	141 196	(141 196)	-	141 196	(141 196)	-
Telecommunication	436 404	(433 979)	2 425	436 404	(431 319)	5 085
Total	**577 600**	**(575 175)**	**2 425**	**577 600**	**(572 515)**	**5 085**

The carrying amounts of equipment and leasehold improvements can be reconciled as follows:

30 June 2020	**Carrying value at beginning of the year**	**Depreciation**	**Carrying value at end of the year**
Leasehold improvements	-	-	-
Telecommunication	5 085	(2 660)	2 425
	5 085	**(2 660)**	**2 425**

29 February 2020	**Carrying value at beginning of the year**	**Depreciation**	**Carrying value at end of the year**
Leasehold improvements	16 612	(16 612)	-
Telecommunication	15 245	(10 160)	5 085
	31 857	**(26 772)**	**5 085**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

6. Investments

Financial assets available-for-sale		
Listed investments	52 092 325	41 097 902
Unit trusts	27 525 438	87 865 825
Investment fund - Nedbank Private Wealth	65 549 559	182 655
	145 167 322	129 146 382
Loans and other receivables		
Debt securities - Class A	66 841 254	66 397 697

This is a redeemable preference share with a coupon rate of 7.20% after taking into account the credit risk. The share subscription date was 28 February 2018 for an initial price of R 83 109 303 and the maturity date is 28 February 2028. On the date of initial recognition the preference shares were fairly valued at R 72 097 475 due to a coupon rate of 8.77% applied and the difference was posted directly to equity. The coupon rate was changed retrospectively to 7.20% and the preference shares were fairly valued at R 64 050 673. The difference was also posted directly to equity.

Debt securities - Class B	34 534 202	34 375 960

This is a redeemable preference share with a coupon rate of 9.20% after taking into account the credit risk. The share subscription dates were 6 September 2018 and 21 December 2018 for an initial price of R23 000 000 and R 17 000 000 respectively. The maturity date of both these preference shares are 21 December 2028. At the date of initial recognition these preference shares were fairly valued at R 33 793 886 and the difference was posted directly to equity.

African Rand Underwriting Managers (Pty) Ltd	210 000	210 000

This loan is unsecured, bears no interest and is repayable on demand.

Badger Holdings (Pty) Ltd	22 719 350	22 719 350

This loan is unsecured, bears no interest and is repayable on demand.

	269 472 128	**252 849 389**

Total Investments

30 June 2020	Redeemable preference shares	Listed investments	Unit trusts and investment fund	Loans and other receivables	Total
Opening balance	100 773 657	41 097 902	88 048 480	22 929 350	252 849 389
Purchase of financial assets or origination	-	5 129 544	34 481 914	-	39 611 458
Sale of financial assets or repayment	-	-	(30 000 000)	-	(30 000 000)
Unrealised gains or losses	-	5 921 084	544 603	-	6 465 687
Realised gains or losses	-	(56 205)	-	-	(56 205)
Amortised cost adjustments	601 799	-	-	-	601 799
Closing balance	**101 375 456**	**52 092 325**	**93 074 997**	**22 929 350**	**269 472 128**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

Investments continued...

29 February 2020	Redeemable preference shares	Listed investments	Unit trusts and investment fund	Loans and other receivables	Total
Opening balance	99 076 947	30 688 358	100 791 269	17 583 000	248 139 574
Purchase of financial assets or origination	-	8 523 329	35 994 195	5 346 350	49 863 874
Sale of financial assets or repayment	-	(1 409 123)	(49 534 280)	-	(50 943 403)
Unrealised gains or losses	-	3 576 781	797 296	-	4 374 077
Realised gains or losses	-	(281 443)	-	-	(281 443)
Amortised cost adjustments	1 696 710	-	-	-	1 696 710
Closing balance	**100 773 657**	**41 097 902**	**88 048 480**	**22 929 350**	**252 849 389**

Fair value information

The company has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

Financial assets classified as available-for-sale are recognised at fair value, which is therefore equal to their carrying amounts. There were no transfers between any levels during the year.

Fair value hierarchy

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

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

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

Level 3 assets are assets where the fair value cannot be determined by using observable inputs or measures, such as market prices or models.

Oakhurst Insurance Company Ltd

(Registration Number 2006/000723/06)
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Figures in R	30 June 2020	29 February 2020
Investments continued...		
Level 1		
Listed investments	52 092 325	41 097 902
Level 2		
Investment funds	65 549 559	182 655
Unit trusts	27 525 438	87 865 825

As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3		
Preference shares	102 682 418	97 844 559

The fair value of the preference shares were determined by using the discounted cashflow approach.The discount rate was calculated using the Nominal Bond yield curve as a risk free rate, provided by the Prudential Authority, adjusted for a credit risk and liquidity risk margin.

African Rand Underwriting Managers (Pty) Ltd	210 000	210 000
Badger Holdings (Pty) Ltd	22 719 350	22 719 350

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

7. Deferred tax

Deferred tax asset		
Bonus provision	2 003 481	978 290
Social club provision	154 022	114 307
Profit share provision	388 576	388 576
License fee provision	108 911	42 699
Leave pay accrual	349 487	709 305
Fair value loss on preference shares	6 081 195	6 253 981
Impairment of trade and receivables	1 688 229	953 750
Unused capital loss	568 017	568 017
Total deferred tax asset	**11 341 919**	**10 008 925**
Deferred tax liability		
Prepaid expenses	(150 399)	(92 345)
Swiss Re contigent commission	(3 204 794)	-
Fair value gain on available-for-sale assets recognised in other comprehensive income	(2 150 365)	(714 642)
Total deferred tax liability	**(5 505 558)**	**(806 987)**
Deferred tax asset	11 341 919	10 008 925
Deferred tax liability	(5 505 558)	(806 987)
Total net deferred tax	**5 836 361**	**9 201 938**
Reconciliation of movements:		
Balance at beginning of year	9 201 938	9 615 733
Movements consisting of:		
Bonus provision	1 025 192	(285 064)
Profit share provision	-	854 889
License fee provision	66 212	(408 148)
Legal fee provision	-	(8 400)
Impairment on trade receivables	734 479	318 136
Fair value loss on preference shares	(172 786)	(287 641)
Net change in fair value of financial assets available-for-sale at capital gains tax	(1 435 723)	(916 750)
Leave pay accrual	(359 819)	2 760
Swiss Re contigent commission	(3 204 794)	-
Prepaid expenses	(58 054)	202 117
Social club provision	39 715	114 306
Balance at end of year	**5 836 361**	**9 201 938**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

8. Insurance liabilities

	30 June 2020			29 February 2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
IBNR	26 830 227	7 918 646	18 911 581	25 459 952	5 780 218	19 679 734
Unearned premium reserve	17 790 179	3 885 620	13 904 559	14 216 673	749 528	13 467 145
Outstanding claims less recovery assets	18 091 970	11 910 341	6 181 629	23 320 939	13 121 962	10 198 977
Outstanding claims	46 846 540	21 727 484	25 119 056	57 666 448	23 878 484	33 787 964
Salvage estimates	(6 451 844)	(973 127)	(5 478 717)	(6 910 840)	(1 515 488)	(5 395 352)
Third party recovery estimates	(22 302 726)	(8 844 016)	(13 458 710)	(27 434 669)	(9 241 034)	(18 193 635)
	62 712 376	23 714 607	38 997 769	62 997 564	19 651 708	43 345 856

IBNR	30 June 2020			29 February 2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Opening balance	25 459 952	5 780 218	19 679 734	24 748 102	10 055 328	14 692 774
Movement in year	1 370 275	2 138 428	(768 153)	711 850	(4 275 110)	4 986 960
	26 830 227	7 918 646	18 911 581	25 459 952	5 780 218	19 679 734

Unearned premium reserve	30 June 2020			29 February 2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Opening balance	14 216 673	749 528	13 467 145	18 882 992	3 862 960	15 020 032
Movement in year	3 573 506	3 136 092	437 414	(4 666 319)	(3 113 432)	(1 552 887)
	17 790 179	3 885 620	13 904 559	14 216 673	749 528	13 467 145

Outstanding claims	30 June 2020			29 February 2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Opening balance	57 666 448	23 878 484	33 787 964	74 575 923	30 693 285	43 882 638
Previous year claims paid	(34 243 789)	(11 558 826)	(22 684 963)	(66 395 411)	(26 208 919)	(40 186 492)
Change in previous year estimates	691 174	257 516	433 658	3 996 626	1 378 309	2 618 317
Current year claims incurred	103 537 945	26 637 994	76 899 951	484 191 455	120 708 280	363 483 175
Current year claims paid	(80 805 238)	(17 487 685)	(63 317 553)	(438 702 145)	(102 692 471)	(336 009 674)
	46 846 540	21 727 483	25 119 057	57 666 448	23 878 484	33 787 964

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

Insurance liabilities continued...

Salvage estimates	30 June 2020			29 February 2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Opening balance	6 910 840	1 515 488	5 395 352	10 766 894	2 388 133	8 378 761
Change in previous year salvage estimate	107 900	58 794	49 106	(1 551 476)	(481 673)	(1 069 803)
Previous year salvage received	(5 186 349)	(1 307 276)	(3 879 073)	(8 658 980)	(1 679 596)	(6 979 384)
Current year salvage raised	9 262 199	1 902 433	7 359 766	53 042 325	10 405 639	42 636 686
Current year salvage received	(4 642 746)	(1 196 312)	(3 446 434)	(46 687 923)	(9 117 015)	(37 570 908)
	6 451 844	973 127	5 478 717	6 910 840	1 515 488	5 395 352

Third party recovery estimates	30 June 2020			29 February 2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Opening balance	27 434 669	9 241 034	18 193 635	23 913 664	9 110 235	14 803 429
Change in previous year third party recoveries estimate	(1 872 504)	(348 174)	(1 524 330)	4 805 686	190 227	4 615 459
Third party recoveries received relating to previous year	(5 129 724)	(761 427)	(4 368 297)	(11 432 517)	(2 068 663)	(9 363 854)
Current year third party recoveries raised	2 768 652	1 041 595	1 727 057	19 549 763	4 378 753	15 171 010
Current year third party recoveries received	(898 367)	(329 012)	(569 355)	(9 401 927)	(2 369 518)	(7 032 409)
	22 302 726	8 844 016	13 458 710	27 434 669	9 241 034	18 193 635

Estimated maturity profile of gross insurance liabilities:

30 June 2020	Less than 3 months	3 months to 1 year	1 to 5 years	Total
IBNR	18 447 889	5 313 672	3 068 666	**26 830 227**
Unearned premium reserve	4 890 609	7 674 524	5 225 046	**17 790 179**
Outstanding claims	18 742 464	18 533 814	9 570 262	**46 846 540**
	42 080 962	**31 522 010**	**17 863 974**	**91 466 946**

29 February 2020	Less than 3 months	3 months to 1 year	1 to 5 years	Total
IBNR	18 229 468	4 230 198	3 000 286	**25 459 952**
Unearned premium reserve	5 413 041	5 723 233	3 080 399	**14 216 673**
Outstanding claims	34 418 790	12 944 598	10 303 060	**57 666 448**
	58 061 299	**22 898 029**	**16 383 745**	**97 343 073**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

Insurance liabilities continued...

Assumptions

The IBNR was calculated using a Loss Ratio methodology taking into account the loss ratio and settlement pattern of historical claims paid. Both the accounting and individual claims data are used in the methodology with varying weights on each based on the level of data available. This method derives the total claims reserves at the date of valuation from which the outstanding case estimates are deducted to determine the IBNR liability.

If the gross IBNR liability would increase by 10% the adverse effect on profit for the year will be as follows:	**2 683 023**	**2 545 995**
If the net IBNR liability would increase by 10% the adverse effect on profit for the year will be as follows:	**1 891 158**	**1 967 973**

This impact is considered not to be material.

9. Current tax

Balance at beginning of the year	2 630 669	(6 817 905)
Current tax for the year recognised in profit or loss	(9 600 774)	(10 644 884)
Balance at end of the year	(2 708 803)	(2 630 669)
Tax paid	**(9 678 908)**	**(20 093 458)**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

10. Trade and other receivables

Trade receivables	20 275 801	34 798 067
Deposits	164 225	164 225
Reinsurance receivable	36 524 001	25 172 816
	56 964 027	**60 135 108**

Trade and other receivables past due but not impaired

The fair value of trade and other receivables equal their carrying amount, as the impact of discounting is not significant.

At 30 June 2020, R 12 236 616 (29 February 2020: R 6 181 059) were past due but not impaired. These receivables are not impaired since management are in constant contact with these customers and confident that all amounts are recoverable.

Subsequent to year end up, to the date of approving these financial statements, R 11 308 234 had been recovered.

The ageing of amounts past due but not impaired are as follow:

1 month past due	3 180 799	2 478 804
2 months past due	768 973	8 192
3 months past due	33 871	87 444
> 3 months past due	8 252 973	3 606 619
	12 236 616	**6 181 059**

Trade and other receivables impaired	**8 039 184**	**4 541 666**

Trade receivables consisted out of the following amounts:

Reinsurers' balance	3 048 169	6 674 904
Premium debtors	14 912 408	22 404 352
Other receivables	2 315 224	5 718 811
	20 275 801	**34 798 067**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

11. Cash and cash equivalents

Bank balances	50 657 044	32 429 154
Short-term deposits	85 868 920	107 931 111
	136 525 964	**140 360 265**

The company holds funds with the following South African institutions and who all have a credit rating of BB- Foreign Currency LT rating (S&P or similar).

ABSA Bank
First National Bank
Investec
Mercantile Bank
Nedbank
Standard Bank
Sasfin

An obligation rated 'BB' exhibits adequate protection parameters. However, economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obliger to meet its financial commitment on the obligation.

Cash and cash equivalents pledged as security

Total financial assets pledged as security	4 000 000	4 000 000

Fixed deposit pledged as security in favour of ABSA Bank for ACB credit limits.

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

12. Financial assets by category

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

30 June 2020	**Financial assets at amortised cost**	**Non-financial assets**	**Financial assets available for sale**	**Total**
Equipment and leasehold improvements	-	2 425	-	2 425
Investments	124 304 806	-	145 167 322	269 472 128
Reinsurers' share of insurance liabilities	-	23 714 607	-	23 714 607
Prepayments	-	2 240 457	-	2 240 457
Current tax asset	-	2 708 803	-	2 708 803
Deferred tax asset	-	5 836 361	-	5 836 361
Deferred acquisition cost	-	2 968 258	-	2 968 258
Trade and other receivables	20 440 026	36 524 001	-	56 964 027
Cash and cash equivalents	136 525 964	-	-	136 525 964
	281 270 796	**73 994 912**	**145 167 322**	**500 433 030**

29 February 2020	**Financial assets at amortised cost**	**Non-financial assets**	**Financial assets available for sale**	**Total**
Equipment and leasehold improvements	-	5 085	-	5 085
Investments	123 703 007	-	129 146 382	252 849 389
Reinsurers' share of insurance liabilities	-	19 651 708	-	19 651 708
Prepayments	-	2 274 338	-	2 274 338
Current tax asset	-	2 630 669	-	2 630 669
Deferred tax asset	-	9 201 938	-	9 201 938
Deferred acquisition cost	-	1 815 318	-	1 815 318
Trade and other receivables	34 962 292	25 172 816	-	60 135 108
Cash and cash equivalents	140 360 265	-	-	140 360 265
	299 025 564	**60 751 872**	**129 146 382**	**488 923 818**

13. Share capital

Authorised and issued share capital

Authorised		
10 000 000 Ordinary shares of R 1 each	10 000 000	10 000 000
Issued		
200 Ordinary shares of R 1 each	200	200
Share premium	19 999 900	19 999 900
	20 000 100	**20 000 100**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

14. Provisions

30 June 2020	Opening balance	Additions	Utilised	Reversals	Total
Bonus provision	3 493 892	4 861 406	(1 200 000)	-	7 155 298
Profit share provision	1 387 770	-	-	-	1 387 770
License fee provision	152 496	236 464	-	-	388 960
Social club provision	408 240	141 840	-	-	550 080
	5 442 398	**5 239 710**	**(1 200 000)**	**-**	**9 482 108**

29 February 2020	Opening balance	Additions	Utilised	Reversals	Total
Bonus provision	4 511 974	8 899 054	(6 249 773)	(3 667 363)	3 493 892
Profit share provision	(277 635)	5 169 835	-	(3 504 430)	1 387 770
License fee provision	1 610 166	991 554	-	(2 449 224)	152 496
Legal fee provision	30 000	-	(30 000)	-	-
Social club provision	-	408 240	-	-	408 240
	5 874 505	**15 468 683**	**(6 279 773)**	**(9 621 017)**	**5 442 398**

15. Liability Swiss Re

	30 June 2020	29 February 2020
Swiss Re	**4 302 771**	**9 937 894**

This liability bears interest at the greater of 7% annual interest or the 3 months Jibar rate plus 3.4% and is repayable within 3 years after February 2018 by the earning out of commission in accordance with the reinsurance treaty.

16. Trade and other payables

	30 June 2020	29 February 2020
Trade payables	16 006 363	38 423 575
Value added tax	3 521 328	3 455 808
Reinsurance liability - Quota share agreements	40 104 787	17 876 230
Accrued leave pay	1 248 168	2 533 235
Accrued payroll	827 081	1 050 398
	61 707 727	**63 339 246**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

17. Financial liabilities by category

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

30 June 2020	Financial liabilities at amortised cost	Non-financial liabilities	Total
Insurance liabilities	-	62 712 376	62 712 376
Provisions	-	9 482 108	9 482 108
Deferred reinsurance income	-	924 726	924 726
Collections in advance	21 393 707	-	21 393 707
Trade and other payables	16 006 363	45 701 364	61 707 727
Liability Swiss Re	4 302 771	-	4 302 771
	41 702 841	**118 820 574**	**160 523 415**

29 February 2020	Financial liabilities at amortised cost	Non-financial liabilities	Total
Insurance liabilities	-	62 997 564	62 997 564
Provisions	-	5 442 398	5 442 398
Deferred reinsurance income	-	1 029 489	1 029 489
Collections in advance	45 399 392	-	45 399 392
Trade and other payables	38 423 575	24 915 671	63 339 246
Liability Swiss Re	9 937 894	-	9 937 894
	93 760 861	**94 385 122**	**188 145 983**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

18. Investment income

Interest received	3 428 478	12 211 548
Investment income - Preference shares	3 823 089	11 842 611
Dividends received	465 914	3 023 330
REITS - Local	-	26 836
Loss on sale of available-for-sale financial assets reclassified from other comprehensive income	(56 205)	(281 443)
Profit on foreign exchange difference	-	453 694
	7 661 276	**27 276 576**

19. Net claims incurred

Gross claims	**105 599 394**	**490 778 327**
Claims paid	115 049 024	507 687 802
Claims estimate movement	(9 449 630)	(16 909 475)
Gross salvages and recoveries	**(10 266 247)**	**(75 774 644)**
Salvages and recoveries received	(15 857 186)	(76 109 694)
Salvages and recoveries estimate movement	5 590 939	335 050
Reinsurers' share	**(26 379 289)**	**(106 291 093)**
Claims paid	(25 452 485)	(119 413 055)
Claims estimate movement	(926 804)	13 121 962
	68 953 858	**308 712 590**

Notes to the Financial Statements

20. Administrative expenses

Figures in R	30 June 2020	29 February 2020
Administration fees - Related parties	15 712 488	43 809 520
Advertising	21 000	578 885
Auditors remuneration **	-	961 000
Bad debt	3 497 454	1 095 770
Bank charges	3 058 580	8 554 325
Binder fees	9 158 855	29 488 991
Broker fees	85 345	1 436 541
ITC checks	1 090 771	3 929 133
Consulting and legal fees	665 511	1 676 746
Depreciation on equipment	2 660	26 771
Donations	1 374 000	2 824 624
Employee cost (including directors)	23 585 310	67 100 167
Insurance regulator levies	237 605	469 813
Insurance	164 829	390 495
Levies and licenses	904 408	1 918 016
Marketing expenses	12 522 170	31 396 802
Membership fees - Gold Club	545 716	2 023 477
Other expenses	1 862 650	1 268 704
Printing and stationery	113 679	504 701
Profit share provision payable to binder holders	416 984	3 552 093
Lead generation and outsource fees	11 368 117	46 841 720
Rental of premises *	3 612 768	7 369 025
Repairs and maintenance	1 583 637	632 693
Socio economic development	-	3 430
Staff training	132 372	1 250 647
System fees	6 673 299	15 142 328
Telephone and internet	3 446 011	9 284 770
Travel local	81 633	1 632 788
	101 917 852	**285 163 975**

*No operating leases are entered into for a period exceeding 12 months

**Audit fees for the 30 June 2020 year end is expected to be R 728 000. No liability existed in this regard at year end.

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

21. Tax

Income tax recognised in profit or loss:

Current tax		
Current year	9 600 774	10 644 883
Deferred tax		
Current year	1 929 855	(315 518)
Prior year adjustment	-	345 069
Total deferred tax	**1 929 855**	**29 551**
Total tax	**11 530 629**	**10 674 434**

Reconciliation of the tax expense

Accounting profit	45 688 650	49 238 430
Tax at the applicable tax rate of 28% (29 February 2020: 28%)	12 792 822	13 786 760
Tax effect of adjustments on taxable income		
Dividends received	(1 032 418)	(3 559 930)
Motor vehicle fines	385	693
Loss on sale of non-current assets	-	99 368
Prior period adjustment	-	345 069
Donations	5 040	2 474
Learnership agreement	(235 200)	-
	11 530 629	**10 674 434**

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

22. Cash generated from operations

Profit before tax	45 688 650	49 238 430
Adjustments for:		
Depreciation and amortisation	2 660	26 771
Finance cost	601 557	2 318 015
Movement in reinsurers' share of insurance liabilities	(4 062 899)	13 461 496
Movement in provisions and other accruals	4 039 710	(432 107)
Movement in collections in advance	(24 005 685)	26 841 007
Movement in deferred acquisition cost	(1 152 940)	(277 538)
Movement in insurance liabilities	(285 188)	(20 528 895)
Investment income	(7 661 276)	(27 276 576)
Movement deferred reinsurance income	(104 763)	193 442
Changes in working capital:		
Trade and other receivables	3 171 082	(14 510 896)
Movement in prepayments	33 881	(140 024)
Trade and other payables	(1 631 519)	13 998 354
	14 633 270	**42 911 479**

23. Other comprehensive income

Components of other comprehensive income - 30 June 2020	**Fair value movement**	**Tax movement**	**Net**
Net change in fair value of available-for-sale assets	6 465 687	(1 451 460)	5 014 227
Reclassified to profit or loss for available-for-sale assets	(56 205)	15 737	(40 468)
	6 409 482	(1 435 723)	4 973 759

Components of other comprehensive income - 29 February 2020	**Fair value movement**	**Tax movement**	**Net**
Net change in fair value of available-for-sale assets	4 374 077	(979 793)	3 394 284
Reclassified to profit or loss for available-for-sale assets	(281 443)	63 043	(218 400)
	4 092 634	(916 750)	3 175 884

24. Going concern

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

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position to meet its foreseeable cash requirements, with cash and cash equivalents of R 136 525 964 at year end and a solvency coverage ratio of 1.99 (minimum solvency ratio of 4.23) reported to the Prudential Authority in the company's annual return at 30 June 2020. The reported solvency capital ratio results in a 1.0 cover requirement in terms of the Insurance Act, 2017. The directors have considered the impact of Covid-19 on the company, and the directors believe that the company has adequate financial resources to continue in operation for the foreseeable future. The directors are also not aware of any material adverse issues of statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020

25. Events after the reporting date

The directors have assessed the impact of Covid-19 since the end of the financial year to the date of this report and believe the risk does not have a material effect on the financial position of the company at year-end. The pandemic is viewed as a non-adjusting post balance sheet event. The company is not able to quantify the impact of the Covid-19 pandemic on future results currently as there are too many variables to estimate it reliably.

26. Comparative information

The company changed its financial year-end from February to June. The information presented in the statement of comprehensive income, changes in equity, cash flow and related notes thus only shows the relevant figures and information for a four month period.

27. Related party transactions

Relationships	
Holding company	Badger Holdings (Pty) Ltd - 100%
Indirect beneficial shareholders	Sand Olive Investments (Pty) Ltd (Hollard) Mountain Cypress Investments (Pty) Ltd (Hollard) BH Hogan
Fellow group companies	African Independent Brokers (Pty) Ltd Badger Finance (Pty) Ltd Badger International (Pty) Ltd F&I Support Services (Pty) Ltd Gold Club Rewards Company (Pty) Ltd Oakhurst Life Ltd Xpress Credit (Pty) Ltd
Companies in which directors have an influence	Fuzzy Logic (Pty) Ltd Malcanter Holdings (Pty) Ltd (CC&A) Multi Risk Investment Holdings (Pty) Ltd (CommRisk) New Dorn Commercial Properties (Pty) Ltd New Dorn Leisure Properties (Pty) Ltd Online Software Solutions (Pty) Ltd Road Protect (Pty) Ltd

Oakhurst Insurance Company Ltd

(Registration Number 2006/000723/06)
Financial Statements for the four months ended 30 June 2020

Notes to the Financial Statements

Figures in R	30 June 2020	29 February 2020
Related party transactions continued...		
Related party balances		
Rent paid and municipal charges paid to related parties		
Badger International (Pty) Ltd	3 859 357	8 095 829
New Dorn Leisure Properties (Pty) Ltd	-	459 554
	3 859 357	**8 555 383**
Amounts included in trade receivable/payable regarding related parties		
African Independent Brokers (Pty) Ltd	(116 634)	(258 422)
Badger Finance (Pty) Ltd	-	(7)
Badger Holdings (Pty) Ltd	(4 008 578)	(5 741 990)
Badger International (Pty) Ltd	(732 365)	(2 462 666)
Fuzzy Logic (Pty) Ltd	23	23
Gold Club Rewards Company (Pty) Ltd	(248 526)	(234 872)
Hollard Insurance Company (CTU)	487 083	31 490
Malcanter Holdings (Pty) Ltd (CC&A)	4 402 339	1 712 755
Multi Risk Investment Holdings (Pty) Ltd (CommRisk)	615 573	946 105
Oakhurst Life Ltd	132 226	155 907
Online Software Solutions (Pty) Ltd	(103 035)	(1 368 154)
Road Protect (Pty) Ltd	50 816	23 142
Soft Landings NPC	(4 586)	3 939
Xpress Credit (Pty) Ltd	7 124	10 690
	481 459	**(7 182 059)**
Loans receivable from related parties		
Badger Holdings (Pty) Ltd	22 719 350	22 719 350
African Rand Underwriting Managers (Pty) Ltd	210 000	210 000
	22 929 350	**22 929 350**
Acquisition cost and other fees paid to related parties		
African Independent Brokers (Pty) Ltd	6 415 498	24 678 743
Malcanter Holdings (Pty) Ltd (CC&A)	1 974 936	5 160 394
Multi Risk Investment Holdings (Pty) Ltd (CommRisk)	881 590	2 592 830
Xpress Credit (Pty) Ltd	10 017	81 150
	9 282 042	**32 513 117**
Admin and other fees paid to related parties		
Badger Holdings (Pty) Ltd	14 263 879	42 537 877
Gold Club Rewards Company (Pty) Ltd	-	6 602 085
Online Software Solutions (Pty) Ltd	7 330 524	16 232 016
Road Protect (Pty) Ltd	391 370	1 139 482
Badger International (Pty) Ltd	1 448 614	-
	23 434 387	**66 511 460**