

**INDEPENDENT REPORTING ACCOUNTANTS ASSURANCE REPORT ON THE HISTORIC FINANCIAL INFORMATION OF LEGAL SHIELD HOLDINGS LIMITED FOR THE FINANCIAL YEARS ENDED 31 AUGUST 2023, 31 AUGUST 2022 AND 31 AUGUST 2021**

The Directors

**Trustco Group Holdings Limited**

Trustco House  
2 Keller Street  
Windhoek  
Namibia

Dear Sir(s)/Madam(s)

**Introduction**

At your request, and for the purpose of the Circular to be dated on or about 4 December 2024 (“**the Circular**”), we have audited the consolidated historical financial information of Legal Shield Holdings and its subsidiaries (the “Group”) in respect of the years ended 31 August 2023, 31 August 2022 and 31 August 2021 as presented in **Annexure 4** of the Circular.

The historical financial information includes the consolidated statement of financial position as at 31 August 2023, 31 August 2022 and 31 August 2021 and the related consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the years then ended, and the notes, comprising a summary of material accounting policies which is prepared in accordance with the IFRS® Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”), Basis of preparation paragraph included in the historical financial information and the JSE Listings Requirements.

The directors of Trustco Group Holdings Limited are responsible for the compilation, contents and preparation of the Circular which includes the historical financial information for the years ended 31 August 2023, 31 August 2022 and 31 August 2021, in accordance with the IFRS® Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”), statement of compliance and basis of preparation paragraph included in the historical financial information and the JSE Listings Requirements.

## **Audit. Tax. Advisory.**

This report is required for the purposes of complying with Section 8.4 of the Listings Requirements of the JSE Listings Requirements and is given for the purpose of complying with those requirements and for no other purpose.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Circular.

## **Opinion**

We have audited the historical financial information of Legal Shield Holdings Limited set out on **Annexure 4** to the Circular, which comprise the consolidated statement of financial position as at 31 August 2023, 31 August 2022 and 31 August 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years then ended, and notes to the historical financial information, including a summary of material accounting policies.

In our opinion, the historical financial information present fairly, in all material respects, the consolidated financial position of Legal Shield Holdings Limited as at 31 August 2023, 31 August 2022 and 31 August 2021, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), statement of compliance and basis of preparation paragraph included in the historical financial information and the JSE Listings Requirements.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Historical Financial Information* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Material uncertainty related to the Going Concern**

We draw attention to note 32 of the historic financial information, which indicates that the group's current liabilities exceeded its current assets by NAD 803 million, with total liabilities exceeding total assets by NAD 73 million and cash and cash equivalents as at 31 August 2023, amounting to NAD 10 million. As stated in note 32 of the historic financial information, these events or conditions, along with other matters as set forth in note 32 of the historic financial information, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

We have considered the adequacy of the disclosures made in note 32 of the historic financial information concerning the group’s ability to continue as a going concern and we assessed the solvency and liquidity of existing assets.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the historical financial information of the current period. These matters were addressed in the context of our audit of the historical financial information as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<b>Fair value adjustment on investment property</b>	
<p>As at 31 August 2023, 31 August 2022 and 31 August 2021, the group recognised investment property carried at fair value of NAD 878 million, NAD 918 million and NAD 1,638 million respectively.</p> <p>Investment property makes up a significant portion of the total assets of the group.</p> <p>Furthermore, the fair value adjustment on the investment property included in investment and other income, is considered to be significant.</p> <p>The valuations of the properties are based on a combination of both observable and unobservable inputs as disclosed in note 6.</p> <p>These judgments and assumptions significantly impact the valuations as can be seen by the sensitivity analysis disclosures in note 6.</p> <p>Valuation of investment property was considered a matter of most significance in our audit due to the degree of judgements applied and assumptions made by management during the valuation of investment property.</p>	<p>We evaluated the key assumptions made by the directors in the determining the fair value of the investment property.</p> <p>Our procedures included amongst others:</p> <ul style="list-style-type: none"> <li>iii. We engaged with management to obtain a detailed understanding of their property valuation systems and processes;</li> <li>iv. We assessed whether the valuation techniques and methodologies applied by management are consistent with generally accepted property valuation techniques in the real estate market;</li> <li>v. We have tested the assumptions and data used by management, to derive at the fair values of the investment properties, by independently verifying the reasonability of these assumptions and data to third parties and other market data;</li> <li>vi. We evaluated the competence and experience of management’s staff with reference to their qualifications and industry experience;</li> <li>vii. We held discussions with management to establish if the valuations complied with the requirements of IFRS 13 Fair Value Measurement; and</li> <li>iii. We critically assessed the measurement basis and disclosures for the valuation in accordance with International Financial Reporting Standards.</li> </ul> <p>We found the methods, assumptions and data used by the directors to be appropriate based on historical performance, future outlook and current prevailing circumstances.</p> <p>We considered the fair value disclosures to be appropriate.</p>

## **Responsibilities of the Directors for the Historical Financial Information**

The directors are responsible for the preparation and fair presentation of the historical financial information in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”), statement of compliance and basis of preparation paragraph included in the historical financial information and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that are free from material misstatement, whether due to fraud or error.

In preparing the historical financial information, the directors are responsible for assessing the Group’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.

## **Independent Reporting Auditor’s Responsibilities for the Audit of the Historical Financial Information**

Our objectives are to obtain reasonable assurance about whether the historical financial information as a whole is 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the historical financial information.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the historical financial information, 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 Group’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 director’s 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 historical financial information 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the historical financial information, including the disclosures, and whether the historical financial information represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the historical financial information. We are responsible for the direction, supervision and performance of the group 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the historical financial information of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Consent**

We consent to the inclusion of this report in the Circular in the form and context in which it appears.

Yours faithfully



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### **Nexia SAB&T**

Johandre Engelbrecht

Director

Registered Auditor and Reporting Accountant Specialist

4 December 2024

119 Witch-Hazel Avenue, Highveld Technopark, Centurion, 0046