

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

ABRIDGED REPORT RELATING TO THE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014 AND DETAILS OF THE NOTICE OF ANNUAL GENERAL MEETING

ABRIDGED SUMMARISED GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

	Audited 2014 N\$'000	Audited 2013 N\$'000
Revenue	725 276	462 771
Cost of sales	(591 441)	(376 215)
Gross profit	133 835	86 556
Other income	28 101	6 032
Administrative expenses	(45 337)	(41 538)
Operating expenses	(95 357)	(74 167)
Investment income from operations	9 862	11 378
Results from operating activities	31 104	(11 739)
Investment income	6 380	7 376
Finance expenses	(7 852)	(3 895)
Profit / (loss) before taxation	29 632	(8 258)
Taxation	(5 083)	(1 154)
Profit / (loss) for the year	24 549	(9 412)
Other comprehensive income:		
Net gains on property revaluation	5 124	-
Taxation related to components of other comprehensive income	(1 859)	-
Other comprehensive income for the year net of taxation	3 265	-
Total comprehensive income / (loss)	27 814	(9 412)
Profit / (loss) attributable to:		
Owners of the parent	24 549	(9 412)
Total comprehensive income /(loss) attributable to:		
Owners of the parent	27 814	(9 412)
Basic earnings / (loss) per share (cents)	45.93	(30.09)
Diluted earnings / (loss) per share (cents)	45.93	(30.09)

ABRIDGED SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION AS AT 31
MARCH 2014

	Audited 2014 N\$'000	Audited 2013 N\$'000
Assets		
Non-current assets		
Property, plant and equipment	202 387	145 539
Intangible assets	808	689
Investments	10 668	19 267
Loans and receivables	233 366	160 381
Deferred tax asset	4 175	5 968
Current assets		
Inventories	106 076	65 306
Investments	6 671	4 558
Trade and other receivables	270 635	239 002
Cash and cash equivalents	349 398	273 704
Current tax receivable	28	28
Total assets	1 184 212	914 442
Equity		
Stated capital	129	129
Reserves	68 989	58 749
Retained earnings	37 960	20 386
Non-current liabilities		
Interest-bearing loans and borrowings	25 278	4 989
Deferred tax liability	18 995	12 720
Current liabilities		
Bank overdraft	9 162	21 234
Interest-bearing loans and borrowings	58 359	52 014
Insurance contract liability	872 562	700 269
Trade and other payables	75 383	41 509
Provisions	2 768	2 443
Loans from related parties	14 627	-
Total equity and liabilities	1 184 212	914 442

ABRIDGED SUMMARISED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH
2014

	Audited 2014 N\$'000	Audited 2013 N\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	29 632	(8 258)
Adjustments for:		
Investment income	(6 380)	(7 376)
Finance expenses paid	7 852	3 895
Depreciation of property, plant and equipment	1 851	1 480
Amortisation of intangible assets	247	219
Profit on disposal of property, plant and equipment	(231)	(159)
Gain from a bargain purchase	(20 659)	-
Movements in provisions	325	(619)
Movements in insurance contract liability	172 293	117 828
Working capital changes:		
Increase in trade and other receivables	(3 803)	(35 945)
Decrease in trade and other payables	(2 177)	(9 634)
(Increase) / decrease in inventories	(14 555)	7 856
Cash generated from operations	164 395	69 287
Investment income from operations received	6 380	7 376
Finance expenses	(7 852)	(3 895)
Taxation paid	-	(400)
Net cash generated from operating activities	162 923	72 368
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(18 995)	(28 863)
Proceeds on disposal of property, plant and equipment	1 555	2 553
Acquisition of intangible assets	(366)	(528)
Business combinations	(24 087)	-
Disposal of investments	6 486	-
Acquisition of investments	-	(16 804)
Loans and receivables advanced	(72 985)	-
Loans and receivables repaid	-	(235 493)
Net cash used investing activities	(108 392)	(7 739)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of interest-bearing loans and borrowings	-	(2 462)
Proceeds from interest-bearing loans and borrowings	18 608	-
Dividends paid	-	(30 000)
Loans advanced to related parties	14 627	10 607
Net cash generated from / (used in) financing activities	33 235	(21 855)

Net movement in cash and cash equivalents	87 766	42 774
Cash and cash equivalents at beginning of year	252 470	209 696
Cash and cash equivalents at end of year	340 236	252 470

ABRIDGED SUMMARISED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2014

Audited	Share capital and share premium N\$'000	Stated capital N\$'000	Revaluation reserve N\$'000	Contingency reserve N\$'000	Retained earnings N\$'000	Total equity N\$'000
Balance at 1 April 2012	129	-	46 243	9 196	63 108	118 676
Total comprehensive loss for the year						
Loss for the year	-	-	-	-	(9 412)	(9 412)
Issue of ordinary no par value shares	-	129	-	-	-	129
Cancellation of ordinary par value shares	(129)	-	-	-	-	(129)
Transfer to contingency reserve	-	-	-	3 310	(3 310)	-
Dividends paid	-	-	-	-	(30 000)	(30 000)
Total changes	(129)	129	-	3 310	(33 310)	(30 000)
Balance at 1 April 2013	-	129	46 243	12 506	20 386	79 264
Total comprehensive income for the year						
Profit for the year	-	-	-	-	24 549	24 549
Other comprehensive income	-	-	3 265	-	-	3 265
Transfer to contingency reserve	-	-	-	6 975	(6 975)	-
Total changes	-	-	3 265	6 975	17 574	27 814

Balance at 31					
March 2014	129	49 508	19 481	37 960	107 078

ABRIDGED SUMMARISED SEGMENTAL ANALYSIS FOR THE YEAR ENDED 31 MARCH 2014

Segmental revenue 2014

	Total segment revenue	Inter- segment revenue	Total revenue from external customers
	N\$'000	N\$'000	N\$'000
Motor retail	608 361	(5 063)	603 298
Furniture retail	77 115	(1 597)	75 518
Insurance & Finance	57 852	(172)	57 680
Head Office	2 174	-	2 174
Total	<u>745 502</u>	<u>(6 832)</u>	<u>738 670</u>

Reconciling items

Intersegment eliminations			(13 394)
Total revenue for the year			<u>725 276</u>

Segmental revenue 2013

	Total segment revenue	Inter- segment revenue	Total revenue from external customers
	N\$'000	N\$'000	N\$'000
Motor retail	361 496	(4 730)	356 766
Furniture retail	64 203	(1 000)	63 203
Insurance & Finance	58 596	(1 454)	57 142
Head Office	725	-	725
Total	<u>485 020</u>	<u>(7 184)</u>	<u>477 836</u>

Reconciling items

Intersegment eliminations			(15 065)
Total revenue for the year			<u>462 771</u>

Net profit / (loss) after
taxation

2014	Interest expense	Taxation	Net profit / (loss) after taxation
	N\$'000	N\$'000	N\$'000
Motor retail	9 018	2 741	7 620
Furniture retail	2 624	2 945	3 481
Insurance & Finance	-	(125)	17 267
Head Office	9 555	87	(5 913)
Total	<u>21 197</u>	<u>5 648</u>	<u>22 455</u>
Reconciling items			
Intersegment eliminations			2 094
Total profit for the year			<u>24 549</u>

Net profit / (loss) after
taxation

2013	Interest expense	Taxation	Net profit / (loss) after taxation
	N\$'000	N\$'000	N\$'000
Motor retail	4 688	(2 216)	(8 825)
Furniture retail	3 054	730	2 375
Insurance & Finance	-	229	13 262
Head Office	5 118	6	18 633
Total	<u>12 860</u>	<u>(1 251)</u>	<u>25 445</u>
Reconciling items			
Intersegment eliminations			(34 857)
Total loss for the year			<u>(9 412)</u>

Segment assets and liabilities 2014

	Capital expenditure N\$'000	Total assets N\$'000	Total liabilities N\$'000
Motor retail	8 439	366 386	257 927
Furniture retail	9 448	134 101	106 202
Insurance & Finance	-	940 336	903 915
Head Office	1 108	148 502	129 834
Total	18 995	1 589 325	1 397 878
Reconciling items			
Intersegment eliminations		(405 113)	(320 744)
Total as per statement of financial position		1 184 212	1 077 134

Segment assets and liabilities 2013

	Capital expenditure N\$'000	Total assets N\$'000	Total liabilities N\$'000
Motor retail	13 843	192 083	145 198
Furniture retail	6 603	117 140	83 888
Insurance & Finance	13	761 878	729 803
Head Office	8 404	112 747	86 932
Total	28 863	1 183 848	1 045 821
Reconciling items			
Intersegment eliminations		(269 406)	(210 643)
Total as per statement of financial position		914 442	835 178

Geographical information 2014

	Revenue by location of customer N\$'000	Non-current assets by location of assets N\$'000
Namibia	736 496	1 440 823
Head Office	2 174	148 502
Intersegment eliminations	(13 394)	(405 113)
Total	725 276	1 184 212

Geographical information 2013

	Revenue by location of customer	Non- current assets by location of assets
	N\$'000	N\$'000
Namibia	477 111	1 071 100
Head Office	725	112 747
Intersegment eliminations	(15 065)	(269 405)
Total	<u>462 771</u>	<u>914 442</u>

Analysis of revenue by product / service

Product / service	Group 2014	Group 2013
Sale of goods	672 351	414 005
Rental income	281	364
Finance income	24 203	26 032
Insurance premium income	28 441	22 370
Total revenue	<u>725 276</u>	<u>462 771</u>

ACCOUNTING POLICIES

Basis of preparation

The abridged summarised consolidated annual financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS), in compliance with IAS34: Interim Financial Reporting, in the manner as required by the Companies Act of Namibia, 2004 and the Listing Requirements of the Namibian Stock Exchange. The accounting policies are consistent with those applied in the consolidated financial statements for the year ended 31 March 2013, other than the new standards and interpretations adopted, summarised below:

- IAS 28 - Investments in associates and joint ventures,
- IFRS 10 - Consolidated financial statements,
- IAS 27 - Separate financial statements,
- IFRS 11 - Joint arrangements,
- IFRS 12 - Disclosure of interests in other entities,
- IFRS 13 - Fair value measurement,
- IAS 1 - Presentation of financial statements,
- IAS 19 - Employee benefits revised,
- IFRS 7 - Amendments to disclosures for offsetting financial assets and financial liabilities,
- IAS 16 - Amendments to recognition and classification of servicing equipment,
- IAS 32 - Amendments to offsetting financial assets and financial liabilities,

- IAS 34 - Amendments to improve disclosures for interim financial reporting and segment information for total assets and liabilities and
- IFRIC 20 - Stripping costs in the production phase of a surface mine.

The impact of these adopted standards and interpretations have not led to any change in the Group's accounting policies which are relevant to its operations.

RELATED PARTIES

The Company has related party relationships with its subsidiaries, fellow subsidiaries, associates and with its directors and executive officers.

OTHER DISCLOSURES: BUSINESS COMBINATION

On 1 December 2013, the Group acquired 100% of the shares and voting interest in Trentyre (Namibia) (Pty) Ltd, which resulted in the Group obtaining control over Trentyre (Namibia) (Pty) Ltd. Trentyre (Namibia) (Pty) Ltd is one of the largest tyre service providers in Namibia. It sells and manufactures new multi-brand tyres, retreaded tyres, wheels and allied services. As a result of the acquisition, the Group is expecting to be the leading distributor and retailer of Goodyear products, as well as operating as an authorised Arctic retreader in Namibia. It is also expecting to reduce costs through economies of scale.

Fair value of assets acquired and liabilities assumed

	2014 N\$'000
Property, plant and equipment	35 685
Deferred tax	(907)
Inventories	26 215
Trade and other receivables	27 830
Cash and cash equivalents	8 605
Interest-bearing loans and borrowings	(8 026)
Trade and other payables	(36 051)
 Total identifiable net assets	 53 351
 Gain from a bargain purchase	 (20 659)
 Acquisition date fair value of consideration paid	
Cash	(32 692)

Receivables acquired

The fair value of trade and other receivables amounted to N\$ 27,8 million. The contractual amounts not expected to be recovered amounted to N\$ 0.391 million, with the gross contractual amounts being N\$ 22,7 million.

Acquisition related costs

The acquisition related costs amounted to N\$ 0.329 million. These costs have been expensed in the year of acquisition and are included in administrative expenses in comprehensive income.

Gain on acquisition

A gain of N\$ 20,7 million was recognised on acquisition. The gain was the direct result of Trentyre (Namibia) (Pty) Ltd's freehold land and buildings that was valued using the cost model instead of the revaluation model that is the current accounting policy for the Nictus Holdings Group. A change in accounting policy in the financial statements of Trentyre (Namibia) (Pty) Ltd was necessary to align with the Group policies. The gain has been included in the other income in the statement of comprehensive income.

Revenue and profit or loss of Trentyre (Namibia) (Pty) Ltd

Revenue of N\$ 85,3 million and a four month profit of N\$ 1,1 million of Trentyre (Namibia) (Pty) Ltd have been included in the Group's results since the date of acquisition.

Group revenue and profit or loss for full year

Had all the business combinations taken place at the beginning of the reporting year, the revenue for the Group would have been N\$ 896 million and the net profit would have been N\$ 25,5 million.

EARNINGS PER SHARE

Weighted average number of shares in issue for basic, diluted and headline earnings per share	53 443 500 31 279 542	
Basic earnings / (loss) per share (cents per share)	45,93	(30,09)
Diluted earnings / (loss) per share (cents per share)	45,93	(30,09)
Reconciliation between earnings / (loss) and headline earnings / (loss)	2014 N\$'000	2013 N\$'000
Profit / (loss) for the year	24 549	(9 412)
Profit on disposal of property, plant and equipment	(231)	(159)
Gain from a bargain purchase	(20 659)	-
Headline earnings / (loss)	3 659	(9 571)
Headline (loss) / earnings per share (cents)	6.85	(30.60)

	2014	2013
	N\$'000	N\$'000
TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL		
Short-term employee benefits	9 075	9 970
TRANSACTIONS WITH RELATED PARTIES		
PREMIUMS RECEIVED	1 899	1 366

EXTRACT FROM DIRECTORS' REPORT REGARDING DIVIDEND DECLARATION

Since 31 March 2014, the following dividend was approved by the Board on 9 June 2014 in respect of the year ended 31 March 2014. The dividend has not been provided for and there are no accounting implications for the current financial year.

	N\$'000
15 cents per share	<u>8 017</u>
Last date to trade ordinary shares "cum" dividend	Friday 11 July 2014
Ordinary shares trade "ex" dividend	Monday 14 July 2014
Record date	Friday 18 July 2014
Payment/issue date	Monday 21 July 2014

Share certificates may not be dematerialised between Monday 14 July and Friday 18 July 2014 both days inclusive.

By order of the Board

RESPONSIBILITY FOR CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Accounting policies have been applied consistently with those of the prior year. The annual consolidated financial statements for the year ended 31 March 2014 have been audited by SGA Chartered Accountants and Auditors, and their unqualified audit opinion is available for inspection at the registered office of the company.

SUBSEQUENT EVENTS

There were no events after the reporting period which affected the presentation of the consolidated annual financial statements for the year ended 31 March 2014.

CHAIRMAN'S REPORT

The 2014 financial year has been one of the most exciting, though challenging years, in the more than a decade that I have been involved with the Nictus Group. Still dealing with the aftershock following the 2013 geographical split from the South African operations, we were carefully optimistic about what the future would hold in store. Looking back today, only a mere year into our recently embarked voyage, I am confident that it was a step in the right direction and equally enthusiastic for the journey ahead. Although it was a year of transition, we made solid progress on many fronts, including building out strategic platforms, while establishing exciting new ones.

The structure of the board was revisited and an executive board with an executive chairman was concurred as the most beneficial structure to carry out the Namibian operations. This will ensure that the necessary focus be allocated to each business division and trading entities individually. In the short while since the split of the Group and the new approach, it is evident that there is a new momentum building within the Nictus Holdings Group. We have a much more focused approach, eliminating the unnecessary, raising the factors that were neglected and driving the strategy with renewed creativity and innovation. We are confident that with this approach, we will be reaching new and higher objectives.

Our vision is to be an independent, diversified, investment holdings group and to expand our business base. We furthered this vision by acquiring Trentyre, the distributor of the international tyre brand, Goodyear. Nictus Holdings Group, through the 15 branches of Trentyre, will now sell, distribute and retread Goodyear and other premium tyre brand products throughout Namibia. With this, Nictus Holdings is expanding its footprint and presence further throughout Namibia. Trentyre brings a new dimension to our motor segment and we believe that with this segment-related acquisition we will complement the existing General Motor franchises nationally. This was the first major acquisition after our Insurance division takeover just over a decade ago, and we plan to use this momentum and experience gained to grow with the economy of Namibia.

I am of the opinion that we are entering a very favourable cycle in the Namibian economy. With the emphasis on growth, we will aim to utilize this opportunity to our utmost best.

The 2014 financial year was an exceptional year for the Group. Considering the results achieved in the previous period, following the split of the group, pressure mounted to regain our profitability. Without exception, everyone at Nictus took the challenge.

REVENUE

We managed to grow our revenue by 57%. The motor segment, taking into account the acquisition of Trentyre, was the biggest contributor with 68% growth. Sales of vehicles also increased due to the new Isuzu range and the extension and increased variety of the product range of General Motors. Furniture managed a 20% growth with a new branch opening in Ongwediva. All our expectations were exceeded during the five months that it operated in the financial year. We are

confident that this will continue into the coming year. Premium income in the insurance segment grew with 27% on last year.

ASSETS

Assets managed to grow by 30% for the current year. This was due to an exceptional year on the Insurance division's side, the Trentyre acquisition and the growth in Furniture and the Motor segment. The Group's assets managed to reach just under the N\$ 1,2 billion, which is a long realised dream for the board and the management of the Group. The main focus is to ensure that the right strategies and support are put in place in order to ensure sustainable growth for the future.

PROFIT

We managed a turnaround from the loss position in the previous year to a profit of N\$ 24,5 million. This is a remarkable turnaround. It took a lot of input from management and every staff member, and I thank all of them for their effort and input.

We will also continue our commitment to our employees and to the communities in which we operate and proudly call home. And to you, our valued shareholders, who have placed your confidence and trust in us - we humbly thank you.

This is our legacy at Nictus. I am a realistic optimist, and despite our challenges, I firmly believe there is no company better positioned to be recognized as a leading local retailer. We will continue to strive for excellence in everything we do.

I want to thank our Heavenly Father for his blessings during the year and we put our faith in Him to guide us for the coming year and years to come.

Sincerely

Philippus Tromp
Executive Chairman

ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

As the annual report for the year ended 31 March 2014 ("the annual report") was posted to shareholders within 3 months of Nictus's year end, this announcement is not required to appear in the press and will not be sent to shareholders.

The annual report contains a notice convening the annual general meeting of Nictus shareholders for the year ended 31 March 2014 ("the AGM"). The AGM will be held in the 1st floor boardroom at the Nictus Building, 17 Lüderitz street, Windhoek on Thursday 28 August 2014 at 14h30.

The Notice of Annual General Meeting and Annual Financial Statements are to be posted to shareholders on 27 June 2014.

Accordingly, the last day to trade in order to be eligible to participate and vote will be Wednesday, 20 August 2014.

PJ De W Tromp
Chairman
27 June 2014

Sponsor on the NSX: Simonis Storm Securities (Member of the NSX)

