
Nictus Holdings Limited

Consolidated Unaudited Group Results

for the six months ended 30 September 2017

- ▶ The Group's asset base increased to **N\$1,685 billion.**
- ▶ Cash Equivalents increased by 8,2% to **N\$387 million.**



NICTUS HOLDINGS CONSOLIDATED UNAUDITED GROUP RESULTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in N\$'000	Note	Unaudited		Change %	Audited
		30 Sept 17	30 Sept 16		
Revenue		433,782	468,299	(7)	972,001
Cost of sales		(321,914)	(356,220)	(10)	(734,457)
Claims incurred		(5,790)	(5,162)	12	(11,289)
Gross profit		106,078	106,917	(1)	226,255
Other income		7,388	7,791	(5)	18,706
Investment income from operations		19,092	18,389	4	32,884
Operating and administrative expenses		(122,184)	(115,170)	6	(246,160)
Operating profit		10,374	17,927	(42)	31,685
Investment income		1,785	1,886	(5)	6,471
Operating profit before financing costs	5	12,159	19,813	(39)	38,156
Financing costs		(10,597)	(5,581)	90	(16,370)
Profit before taxation		1,562	14,232	(89)	21,786
Taxation		519	(2,616)	(120)	(2,283)
Profit for the period		2,081	11,616	(82)	19,503
Total comprehensive income for the period		2,081	11,616	(82)	19,503
Total comprehensive income attributable to:					
Owners of the Company		2,081	11,616	(82)	19,503
Profit attributable to:					
Owners of the Company		2,081	11,616	(82)	19,503
Earnings per share					
Basic earnings per share (cents)	8	3.89	21.74	(82)	36.49
Diluted earnings per share (cents)		3.89	21.74	(82)	36.49
Dividends per share (cents) * **		12.00	18.00	(33)	12.00
Number of shares in issue (000's)		53,444	53,444	-	53,444

* Dividends paid July 2017 of 12 cents per share

** Dividends paid July 2016 of 18 cents per share

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

Figures in N\$'000	Unaudited		Audited
	30 Sept 17	30 Sept 16	
ASSETS			
Non-current assets	750,603	739,993	781,940
Property, plant and equipment	345,104	362,102	350,886
Investment property	33,219	-	25,275
Intangible assets	910	830	850
Investments	366,057	371,865	399,492
Deferred tax assets	5,313	5,196	5,437
Current assets	933,951	897,736	869,419
Total assets	1,684,554	1,637,729	1,651,359
EQUITY	161,284	157,458	165,345
Stated capital	129	129	129
Revaluation reserve	58,767	58,767	58,767
Contingency reserve (Insurance)	15,551	12,348	15,551
Retained earnings	86,837	86,214	90,898
LIABILITIES			
Non-current liabilities	155,420	161,249	159,973
Interest bearing loans and borrowings	124,889	130,145	128,002
Deferred tax liabilities	30,531	31,104	31,971
Current liabilities	1,367,850	1,319,022	1,326,041
Insurance contract liability	1,186,214	1,160,421	1,161,508
Other current liabilities	181,636	158,601	164,533
Total liabilities	1,523,270	1,480,271	1,486,014
Total equity and liabilities	1,684,554	1,637,729	1,651,359

The above statement of financial position should be read in conjunction with the accompanying notes.

NICTUS HOLDINGS

CONSOLIDATED UNAUDITED GROUP RESULTS

STATEMENT OF CHANGES IN EQUITY

	Stated capital N\$'000	Revaluation reserve N\$'000	Contingency reserve N\$'000	Retained earnings N\$'000	Total equity N\$'000
Balance at 1 April 2016	129	58,767	15,551	81,015	155,462
Total comprehensive income	-	-	-	11,616	11,616
Profit for the period	-	-	-	11,616	11,616
<i>Transfers from contingency reserve (Insurance) to retained earnings</i>	-	-	(3,203)	3,203	-
<i>Contributions by and to the owners of the Group</i>	-	-	-	(9,620)	(9,620)
Dividends to equity holders	-	-	-	(9,620)	(9,620)
Balance at 30 September 2016	129	58,767	12,348	86,214	157,458
Total comprehensive income	-	-	-	7,887	7,887
Profit for the period	-	-	-	7,887	7,887
<i>Transfers from contingency reserve (Insurance) to retained earnings</i>	-	-	3,203	(3,203)	-
Balance at 31 March 2017	129	58,767	15,551	90,898	165,345
Total comprehensive income	-	-	-	2,081	2,081
Profit for the period	-	-	-	2,081	2,081
<i>Transfers from contingency reserve (Insurance) to retained earnings</i>	-	-	-	-	-
<i>Contributions by and to the owners of the Group</i>	-	-	-	(6,142)	(6,142)
Dividends to equity holders	-	-	-	(6,412)	(6,412)
Prescribed dividends	-	-	-	270	270
Balance at 30 September 2017	129	58,767	15,551	86,837	161,284

STATEMENT OF CASH FLOW

Figures in N\$'000	Unaudited		Audited
	Six months ended 30 Sept 17	30 Sept 16	Year ended 31 Mar 17
Cash generated from operations	14,676	81,369	109,064
Investment income	1,785	1,886	6,471
Finance cost	(10,597)	(5,581)	(16,370)
Net cash generated from operating activities	5,864	77,674	99,165
Net cash generated from / (used in) investing activities	28,588	(196,367)	(238,455)
Proceeds from interest bearing loans and borrowings	23,007	28,142	21,603
Dividends paid	(6,412)	(9,620)	(9,620)
Loans advanced to related parties	(1,374)	(8,555)	(1,702)
Net cash generated from financing activities	15,221	9,967	10,281
Net movement in cash and cash equivalents	49,673	(108,726)	(129,009)
Cash and cash equivalents at beginning of period	336,990	465,999	465,999
Cash and cash equivalents at end of period	386,663	357,273	336,990

The above statement of cash flow should be read in conjunction with the accompanying notes.

RECONCILIATION OF HEADLINE AND DISTRIBUTABLE EARNINGS

Figures in N\$'000	Note	Unaudited		Audited
		Six months ended 30 Sept 17	30 Sept 16	Year ended 31 Mar 17
Profit for the period, net of taxation		2,081	11,616	19,503
Profit on disposal of plant and equipment		(179)	(531)	(835)
Gain on disposal of subsidiary		-	(765)	(2,647)
Headline earnings	8	1,902	10,320	16,021
Headline earnings per share (cents)		3.56	19.31	29.98
Diluted Headline earnings per share (cents)		3.56	19.31	29.98

NICTUS HOLDINGS
CONSOLIDATED UNAUDITED GROUP RESULTS

SEGMENTAL ANALYSIS

Figures in N\$'000	Note	Unaudited		Change %	Audited
		Six months ended 30 Sept 17	30 Sept 16		Year ended 31 Mar 17
Segment assets					
Retail		309,354	367,125	(16)	340,762
Property		375,525	345,713	9	365,034
Insurance & Finance		1,289,345	1,257,154	3	1,270,148
		1,974,224	1,969,992	0	1,975,944
Head office and eliminations		(289,670)	(332,263)	(13)	(324,585)
	6	1,684,554	1,637,729	3	1,651,359
Segment revenue					
Retail		398,477	434,520	(8)	893,883
Property (mainly intercompany)		13,755	8,578	60	23,718
Insurance & Finance		48,012	48,525	(1)	97,330
		460,244	491,623	(6)	1,014,931
Head office and eliminations		(26,462)	(23,324)	13	(42,930)
	6	433,782	468,299	(7)	972,001
Operating profit / (loss) after taxation					
Retail		(4,013)	2,923	(237)	(1,921)
Property		(788)	2,907	(127)	3,527
Insurance & Finance		16,898	18,660	(9)	40,885
		12,097	24,490	(51)	42,491
Head office and eliminations		(10,016)	(12,874)	(22)	(22,988)
	6	2,081	11,616	(82)	19,503

The above segmental analysis should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards, (IAS) 34 Interim Financial Reporting, and the Companies Act of Namibia. These condensed Group financial statements do not include all the information necessary for full International Financial Reporting Standard disclosure. The accounting policies are consistent with those applied for the year ended 31 March 2017.

The interim financial statements are presented in thousands of Namibia Dollars (N\$'000) on the historical cost basis, except for financial instruments which are measured at fair value and land and buildings held for administrative purposes which are measured at revalued amounts.

The condensed consolidated interim financial results are unaudited and have not been reviewed by the independent external auditors.

2. FOREIGN CURRENCY

The Group's functional and presentation currency is the Namibia Dollar. The Company's primary listing is on the Namibian Stock Exchange (NSX).

3. COMPARATIVE FIGURES

The comparative information for the six months ended 30 September 2016, is consistent with the accounting policies and basis of preparation applied to both the current interim financial period and the previous financial year ended 31 March 2017.

4. RELATED PARTIES

During the period under review, certain companies within the Group entered into transactions with each other. These intra-Group transactions have been eliminated on consolidation. Related parties remain unchanged from that reported at 31 March 2017.

5. REVIEW OF OPERATIONS

Overview of first six months

The major contributors to the reduced profits were the current downturn in the economy as well as growth strategies undertaken.

6. SEGMENT RESULTS

Retail Segment: Revenue and overall performance declined significantly, with the direct effect of the declining motor industry, as well as the withdrawal of General Motors from Southern Africa, being major contributing factors. Increased operating costs as a result of growing our market share for furniture retail had been anticipated, and in line with an endeavour to align cost structures necessary for a renewed focus and customer centricity.

Property Companies: Revenue increased significantly in comparison with the foregoing period. This was mainly due to full occupation and rental income earned from the new Nictus Giga furniture outlet in Windhoek. Similarly, the financing of the new furniture outlet was the main reason for the operating loss after tax. The finance costs will increase on the same trend for the second half of the financial year. The segment is performing within expectations.

Insurance and finance: During the first six months, premiums were under pressure. Significant savings were achieved from a cost perspective that will be of a permanent nature. The focus on investment income resulted in maintaining good investment returns, even with decreasing interest rates. Our renewed focus on our customers and their specific insurance requirements remain important in enabling clients to dissolve their risks.

7. DETERMINATION AND DISCLOSURE OF FAIR VALUES

Fair values have been determined for measurement and/or disclosure purpose based on the following methods. The techniques and inputs used have not changed since the year end.

Investment properties and land and buildings

The Group's Board of directors revalued the land and buildings at 31 March 2017. During the six months under review, the aggregated investments still approximated its fair value. The fair values are based on valuations and other market information that take into consideration the estimated rental value and replacement value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. Should any of the assumptions used in the valuation calculation change, it may have a material impact on the results of the Group.

Investment in equity and debt securities

The fair values of the financial assets were determined as follows:

- The fair values of listed or quoted investments are based on the quoted market price;
- Debt securities are measured at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents for the Group is of a short-term nature and the fair values approximates the carrying amount.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The carrying amount of short-term trade and other receivables is believed to approximate their fair values.

Trade and other payables

All trade and other payables are of a short term nature and the fair value of trade and other payables is believed to approximate the carrying amount.

Interest bearing borrowings and related party loans

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Interest rates used for determining the fair value is the prime interest rate.

Fair value hierarchy

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

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

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

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

7.1 Categories of financial instruments

Unaudited			
30 September 2017			
	Loans and receivables	Fair value through profit or loss	Total
Figures in N\$'000			
Financial assets			
Cash and cash equivalents	386,663		386,663
Investments	355,437	23,983	379,420
Trade and other receivables (excluding VAT)	383,890		383,890
	1,125,990	23,983	1,149,973
	Financial liabilities at amortised cost	Fair value through profit or loss	Total
Financial liabilities			
Loans from related parties	39,217		39,217
Interest - bearing loans and borrowings	190,880		190,880
Trade and other payables (excluding VAT)	73,736		73,736
	303,833	-	303,833

7.2 Fair value hierarchy for financial instruments, land and buildings and investment property

Unaudited			
30 September 2017			
Figures in N\$'000	Fair Value	Level 1	Level 2
Assets			
Land	102,274		102,274
Buildings	215,440		215,440
Investment property	33,219		33,219
Listed shares	22,983	22,983	-
Debt securities	1,000	1,000	-
Loans and receivables	355,437		355,437
Unlisted shares	-		-
	730,353	23,983	706,370

There were no transfers between the levels for the reporting period.

Exceptional Wealth Creator



Unaudited		
30 September 2016		
Loans and receivables	Fair value through profit or loss	Total
357,273		357,273
363,506	18,756	382,262
311,717		311,717
1,032,496	18,756	1,051,252

Audited		
31 March 2017		
Loans and receivables	Fair value through profit or loss	Total
336,990		336,990
391,822	20,167	411,989
329,398		329,398
1,058,210	20,167	1,078,377

Financial liabilities at amortised cost	Fair value through profit or loss	Total
33,738		33,738
174,412		174,412
77,697		77,697
285,847	-	285,847

Financial liabilities at amortised cost	Fair value through profit or loss	Total
40,591		40,591
167,873		167,873
79,971		79,971
288,435	-	288,435

Unaudited			
30 September 2016			
Fair Value	Level 1	Level 2	Level 3
128,148		128,148	
217,931		217,931	
-		-	
17,067	17,067	-	
1,020	1,020	-	
366,414		366,414	
669			669
731,249	18,087	712,493	669

Audited		
31 March 2017		
Fair Value	Level 1	Level 2
102,274		102,274
228,674		228,674
25,275		25,275
19,167	19,167	-
1,000	1,000	-
391,822		391,822
768,212	20,167	748,045

8. HEADLINE EARNINGS

For the six month period ended 30 September 2017 the only item that impacted the headline earnings calculation was the profit on disposal of plant and equipment.

9. BASIC EARNINGS PER SHARE

Earnings per share based on profit for the six months ended 30 September 2017 was 3.89 cents (30 September 2016: 21.74 cents), compared to a headline earnings per share of 3.56 cents (30 September 2016: 19.31 cents).

10. DIVIDENDS

Ordinary dividends of 12 cents per share (N\$ 6,4 million) was declared and paid by the Company on 17 July 2017. No interim dividend has been proposed by the Board of directors.

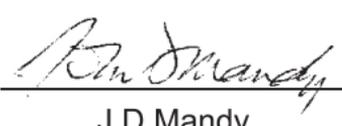
11. DIRECTORS

The following directors were re-elected at the Annual General Meeting on 31 August 2017 - Messrs JJ Retief, NC Tromp and WO Fourie. JD Mandy, FR van Staden and GR de V Tromp were elected as members of the Audit committee.

12. PROSPECTS

Traditionally, the majority of the Group's earnings have been generated during the second half of the financial year. Despite the challenging economic environment, we are optimistic that the trend will be sustainable in the current financial year. The growth in assets under management achieved is proof of the success of the growth strategies undertaken. We regard the changing trading environment and the challenges it poses as an opportunity to strengthen our foundation further to create exceptional wealth for the future.

On behalf of the board:


P J de W Tromp
J D Mandy

Windhoek, 6 December 2017



COMPANY DETAILS

NICTUS HOLDINGS LIMITED
Registration number: 1962/1735

NSX Share code
NHL, ISIN number: NA000A1J2SS6

Directors

Gerard Swart (Independent Non-Executive Chairman)
Philippus J de W Tromp (Managing Director)
Frans R van Staden (Executive)
Wilmar O Fourie (Executive)
Johannes J Retief (Executive)
Nicolaas C Tromp (Non-Executive)
John D Mandy (Independent Non-Executive)
Gerard R de V Tromp (Non-Executive)

Registered Office

Nictus Building, 140 Mandume Ndemufayo Avenue
Southern Industrial, Windhoek

Transfer Secretaries

Veritas Board of Executors (Proprietary) Limited
Nictus Building, 140 Mandume Ndemufayo Avenue
Southern Industrial, Windhoek

P O Box 755, Windhoek, Namibia

Independent External Auditors
SGA Chartered Accountants & Auditors

Sponsor on the NSX
Simonis Storm Securities (Pty) Ltd

NICTUS GROUP OF COMPANIES

