



**Nictus Holdings Limited  
Summarised Annual Financial Statements**

**2017**



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The Summarised Annual Financial Statements of Nictus Holdings Limited is a summary of the Audited Annual Financial Statements of Nictus for the period 1 April 2016 to 31 March 2017.

The summarised Annual Financial Statements have not been independently assured.

The full integrated Annual Report is available on our website from 30 June 2017.

Please visit our website at [www.nictusholdings.com](http://www.nictusholdings.com)

# The Nictus Philosophy

Nictus has been very successful in change initiatives. The challenge remains to reach a top level of **EXCELLENCE** throughout the organisation.

The philosophy and core focus will be to drive **EXCELLENCE** in every aspect of the organisation and through this establish Nictus as a leading entity.

## VISION

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

## MISSION

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

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

## CORE VALUES

- Individual and collective ownership
- Teamwork
- Respect
- Adaptability
- Integrity
- Transparency
- Fanatic discipline

## CODE OF CONDUCT

I will,

- Treat others as I want to be treated by them, the golden rule.
- Always strive to do what is best for my Group, my country and my planet.
- Abide by the values, policies and procedures of the Group, the laws of my country and the universal human principles of all that is good and just.
- Be honest, reliable, fair, and open in everything I say, write and do and accept responsibility for the consequences.
- Protect the Group's assets, information and reputation.
- Value and respect the diversity of beliefs, cultures, convictions and habits of the people of our Group and the countries in which we operate.
- Disclose to the Group any real or perceived situations where my private interests or the interests of the members of my immediate or extended family or other persons close to me that may interfere with the interests of the Group.
- Not give or receive gifts or benefits in contravention of the policies of the Group and no gift, irrespective of the value, should influence me to change my business decision to the detriment of the Nictus Group.
- Seek new, better and more innovative ways to do my work and perform to the utmost of my abilities.
- Not remain silent in the face of dishonesty, malice, disrespect, intolerance or injustice.

Please visit our website  
[www.nictusholdings.com](http://www.nictusholdings.com)

*Exceptional wealth creator*



## Board of Directors



**PJ de W Tromp**

- B.Econ, EDP: USB, SMP: USB
- Years of Service: 14 years
- Group Managing Director (appointed 4 April 2017)
- Member: Investment Committee
- Chairman: IT Committee  
Executive Committee



**FR van Staden**

- CA (SA), CA (NAM)
- Years of Service: 23 years
- Executive Director
- Chairman: Risk Committee
- Member: Audit Committee



**NCTromp**

- B.Com
- Years of Service: 43 years
- Non-executive & Strategic Director (appointed 1 April 2017)
- Chairman: Investment Committee
- Member: Executive Committee



**WO Fourie**

- CA (SA), CA (NAM)
- Years of Service: 10 years
- Executive Director
- Managing Director: Corporate Guarantee and Insurance Company
- Member: Investment Committee  
Risk Committee  
IT Committee  
Executive Committee



**Gerard Swart**

- CA (SA), CA (NAM)
- Years of Service: 1 year
- Independent non-executive Chairman (appointed 4 April 2017)



**JJ Retief**

- B.Compt
- Years of Service: 21 years
- Executive Director
- Managing Director: Nictus Furnishers
- Member: Risk Committee



**John D Mandy**

- CA (NAM), FCIS
- Years of Service: 1 year
- Independent non-executive director
- Chairman: Audit Committee



**GR de V Tromp**

- CA (SA), CA (NAM)
- Years of Service: 2 years
- Non-executive Director
- Member: Audit Committee



# Chairman's Report

*"The 2017 financial year for the Nictus group of companies has been an exciting, growth driven financial year."*

The 2017 financial year for the Nictus Group of companies has been an exciting growth driven financial year. We commenced with a strong growth strategy filled with new opportunities, but were opposed with two quarters of negative growth and a major slowdown in the economy towards the end of last year. Although this went against the original game plan, we remained optimistic and believe that each impediment has within it an embedded opportunity.

The performance for the financial year under review was anticipated to produce a reduced result on the previous financial year, as our growth strategy had a direct impact on profitability. Given the economic conditions, results were not as projected within this strategy, but we are thankful and proud of what was achieved. The current situation gave us the opportunity to have a renewed focus on our business units, realign them for the challenges ahead and to implement more effective and efficient operations in order to face these challenges.

## RETAIL SEGMENT

The retail segment was under pressure for the year and did not perform as anticipated. With the slowdown in the economy and government and consumer spending that declined significantly towards the end of the year, it had a direct effect on our operations.

In retail the furniture element performed above expectations after the successful launch and opening of the Giga store in October 2016. This store, the largest in Namibia, contributed to the Group's revenue increasing but also contributed to the increase in operating costs with additional staff, security and depreciation costs. Similarly, the finance of the building nearly doubled the finance costs.

The furniture retail performed above expectations in these circumstances. This

was due to an increased market share that was obtained in the period under review. Growing market share always comes at a cost, but we are comfortable with the results that were obtained during the less favourable circumstances. We are optimistically excited for the year to come.

The motor division experienced some major challenges this year again, as it was the second year that the motor industry decreased in excess of 20% year on year. In spite of these conditions, we managed to grow our market share in the sectors we are represented. We had a few initiatives that supported us during the year, but the challenge for the coming year is to embark on new creative initiatives that will lead us to prosperity.

General Motors South Africa (GM) has subsequent to year end decided to withdraw from Southern Africa by 31 December 2017, which mainly affects the Chevrolet brand, after a presence of 90 years. GM also sold the Opel brand to the PSA Group internationally. Isuzu Trucks has been operating the truck franchise separately for the past ten years will take over the factory, parts distribution and vehicle distribution facilities with effect from 1 January 2018 and will change their name to Isuzu Motors South Africa (IMSA). Although they announced that the current dealership footprint will be reduced with 30%, it will not affect Namibia as we were offered to continue with our current dealership structure. We were anticipating this move and is very excited, as we can have a more focussed approach to retailing, servicing and distributing the Isuzu brand.

The tyre industry was also under pressure within the current conditions. Although not delivering as anticipated, I believe we have made some good grounds in redefining the future of tyres and that we will start to reap the benefits of the structural plans that are to be implemented in the first half of the new financial year.

## PROPERTY SEGMENT

We undertook a few projects that substantially grew our property portfolio over the last few years, with the drive to build custom outlets in accordance with our own needs. The property division rendered a solid performance, in spite of the fact that we are still in the early stages of development and that it takes a few years for a newly built property to render a positive cash flow.

With the current economic environment, we are still consciously venturing into the development and expansion of our property portfolio as we have some development opportunities planned.

## INSURANCE & FINANCE SEGMENT

This segment performed well under the conditions. With the slowdown in the economy it was evident that our tailored insurance product came to its right as we observed our customers using it to their benefit. The return on investment was also under pressure and we introduced a renewed focus on optimising our returns in this regard. Premiums written and deals financed were also constrained due to the slowdown, but under the circumstances we are once again satisfied with the results achieved.

## CONCLUSION AND PROSPECTS

In our strive for excellence and to be exceptional wealth creators for our stakeholders and the industries we operate in, we always aim at being innovative and retain our commitment to keep to prescribed corporate governance. With this in mind, the board elected Gerard Swart as the incoming independent, non-executive chairman effective 4 April 2017. I was appointed as the managing director of the Group, and fulfill this role from the same date forward.

I would like to take this opportunity to wish Gerard all the best for his term as chairman and thank my fellow directors for the support and persistence during my term as executive chairman of the Group. I am confident that the new structure will enable us to reach exceptional heights.

I am of the opinion that every obstacle presents an opportunity. I am confident that we are geared to see the current economic situation through and consequentially our strategies are aimed at strengthening our position in the sectors we are operating in. We look forward to the challenges and will prosper through sustainable growth.

As part of our corporate responsibility, Nictus Holdings Limited contributed to various activities in Namibia, amongst others were the One Economy Foundation which is a section 21 non-profit organisation which concerns itself with Namibia's dual economy. The Foundation strives to serve as a conduit for transformation by connecting Namibia's formal and informal economies.

I would like to thank my fellow directors, each staff member, supplier, shareholder and stakeholder for their support and efforts during the year. Lastly, I would like to give all the grace to our Heavenly Father for his guidance and protection during the year. All grace and glory is His.



**Philippus Tromp**  
*Executive Chairman*

# Summarised Annual Financial Statements

## CONDENSED STATEMENT OF FINANCIAL POSITION - AS AT 31 MARCH 2017

Figures in N\$'000	2017	2016
<b>Assets</b>		
<b>Non-current assets</b>	<b>781 940</b>	<b>545 606</b>
Property, plant and equipment	350 886	312 717
Investment property	25 275	-
Intangible assets	850	952
Investments	399 492	226 298
Deferred tax assets	5 437	5 639
<b>Current assets</b>	<b>869 419</b>	<b>1 068 481</b>
<b>Non-current assets held for sale and assets of disposal groups</b>	<b>-</b>	<b>2 990</b>
<b>Total assets</b>	<b>1 651 359</b>	<b>1 617 077</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>	<b>165 345</b>	<b>155 462</b>
Stated capital	129	129
Total non-distributable reserves	74 318	74 318
Retained income	90 898	81 015
<b>Liabilities</b>	<b>1 486 014</b>	<b>1 461 615</b>
<b>Non-current liabilities</b>	<b>159 973</b>	<b>130 592</b>
Interest-bearing loans and borrowings	128 002	100 701
Deferred tax liabilities	31 971	29 891
<b>Current liabilities *</b>	<b>1 326 041</b>	<b>1 329 388</b>
Insurance contract liability	1 161 508	1 152 608
Other current liabilities	164 533	176 780
<b>Liabilities of disposal groups</b>	<b>-</b>	<b>1 635</b>
<b>Total equity and liabilities</b>	<b>1 651 359</b>	<b>1 617 077</b>

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

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
- FOR THE YEAR ENDED 31 MARCH 2017

Figures in N\$'000	2017	2016
Revenue	972 001	930 615
Cost of sales	(745 746)	(725 855)
<b>Gross profit</b>	<b>226 255</b>	<b>204 760</b>
Other income	18 706	17 167
Operating and Admin Expenses	(246 160)	(217 877)
Investment income from operations	32 884	27 366
<b>Operating profit</b>	<b>31 685</b>	<b>31 416</b>
Investment income	6 471	4 359
Gain on non-current assets held for sale or disposal group	-	3 314
Financing costs	(16 370)	(8 638)
<b>Profit before taxation</b>	<b>21 786</b>	<b>30 451</b>
Taxation	(2 283)	(2 446)
<b>Profit for the year</b>	<b>19 503</b>	<b>28 005</b>
<b>Other comprehensive income:</b>		
Net gains on property revaluation	-	3 200
Income tax relating to other comprehensive income	-	192
<b>Other comprehensive income for the year net of taxation</b>	<b>-</b>	<b>3 392</b>
<b>Total comprehensive income for the year</b>	<b>19 503</b>	<b>31 397</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	19 503	31 397
<b>Earnings per share</b>		
Basic earnings per share (cents)	36,49	52,40
Diluted earnings per share (cents)	36,49	52,40
Weighted average number of shares in issue (000's)	53 443	53 443

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
- FOR THE YEAR ENDED 31 MARCH 2017

Figures in N\$'000	Stated capital	Revaluation reserve	Insurance Contingency reserve	Retained earnings	Total equity
<b>Balance at 1 April 2015</b>	<b>129</b>	<b>55 375</b>	<b>19 442</b>	<b>58 739</b>	<b>133 685</b>
Profit for the year	-	-	-	28 005	28 005
Other comprehensive income for the year	-	3 392	-	-	3 392
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>3 392</b>	<b>-</b>	<b>28 005</b>	<b>31 397</b>
Transfer to insurance contingency reserve	-	-	(3 891)	3 891	-
Dividends paid to ordinary shareholders	-	-	-	(9 620)	(9 620)
<b>Total contributions by and distributions to owners of the company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(3 891)</b>	<b>(5 729)</b>	<b>(9 620)</b>
<b>Balance at 1 April 2016</b>	<b>129</b>	<b>58 767</b>	<b>15 551</b>	<b>81 015</b>	<b>155 462</b>
Profit for the year	-	-	-	19 503	19 503
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 503</b>	<b>19 503</b>
Dividends paid to ordinary shareholders	-	-	-	(9 620)	(9 620)
<b>Total contributions by and distributions to owners of the company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9 620)</b>	<b>(9 620)</b>
<b>Balance at 31 March 2017</b>	<b>129</b>	<b>58 767</b>	<b>15 551</b>	<b>90 898</b>	<b>165 345</b>

**CONDENSED STATEMENT OF CASH FLOWS**  
- FOR THE YEAR ENDED 31 MARCH 2017

Figures in N\$'000	2017	2016
<b>Cash flow from operating activities</b>		
Cash generated from / (used in) operations	109 064	(36 631)
Investment income from operations	6 471	4 359
Finance costs	(16 370)	(8 638)
Tax paid	-	(3)
<b>Net cash from operating activities</b>	<b>99 165</b>	<b>(40 913)</b>
<b>Net cash from investing activities</b>		
	<b>(238 455)</b>	<b>16 945</b>
<b>Net cash from financing activities</b>		
	<b>10 281</b>	<b>92 044</b>
<b>Total cash movement for the year</b>	<b>(129 009)</b>	<b>68 076</b>
Cash and cash equivalents at beginning of year	465 999	397 923
<b>Cash and cash equivalents at end of year</b>	<b>336 990</b>	<b>465 999</b>



**CONDENSED SEGMENTAL ANALYSIS**  
- FOR THE YEAR ENDED 31 MARCH 2017

Figures in N\$'000	2017	2016
<b>Segment Revenue</b>		
Retail	893 883	863 151
Property companies	23 718	10 754
Insurance and Finance	97 330	92 192
	<b>1 014 931</b>	<b>966 097</b>
Head office and eliminations	(42 930)	(35 482)
<b>Total revenue for the year</b>	<b>972 001</b>	<b>930 615</b>
<b>Analysis of revenue by product / service</b>		
Sale of goods	881 217	851 566
Rental income	447	296
Finance income	55 166	47 104
Insurance premium income	35 171	31 649
<b>Total revenue</b>	<b>972 001</b>	<b>930 615</b>
<b>Net profit after taxation</b>		
Retail	(1 921)	10 809
Property companies	3 527	5 797
Insurance and Finance	40 885	31 732
	<b>42 491</b>	<b>48 338</b>
Head office and eliminations	(22 988)	(20 333)
<b>Total profit for the year</b>	<b>19 503</b>	<b>28 005</b>
<b>Segment assets</b>		
Retail	340 762	293 765
Property companies	365 034	311 411
Insurance and Finance	1 270 148	1 267 221
	<b>1 975 944</b>	<b>1 872 397</b>
Head office and eliminations	(324 585)	(255 320)
<b>Total as per statement of financial position</b>	<b>1 651 359</b>	<b>1 617 077</b>
<b>Segment liabilities</b>		
Retail	235 240	252 110
Property companies	299 486	249 952
Insurance and Finance	1 219 081	1 206 223
	<b>1 753 807</b>	<b>1 708 285</b>
Head office and eliminations	(267 793)	(246 670)
<b>Total as per statement of financial position</b>	<b>1 486 014</b>	<b>1 461 615</b>

**RECONCILIATION BETWEEN EARNINGS AND HEADLINE EARNINGS**  
- FOR THE YEAR ENDED 31 MARCH 2017

Figures in N\$'000	2017	2016
Weighted average number of shares in issue for basic, diluted and headline earnings per share (000's)	53 443	53 443
Profit for the year, net of taxation	19 503	28 005
Profit on disposal of property, plant and equipment	(835)	(1 329)
Profit on disposal of unlisted investments	(2 647)	-
<b>Headline earnings</b>	<b>16 021</b>	<b>26 676</b>
Headline earnings per share (cents)	29,98	49,91
Diluted headline earnings per share (cents)	29,98	49,91

# Notes to the Condensed Financial Information

## NOTES TO THE CONDENSED FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

The abridged summarised 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 and the Listing Requirements of the Namibian Stock Exchange. The accounting policies are consistent with those applied in the annual financial statements for the year ended 31 March 2016, other than the new standards and interpretations adopted, summarised below:

- Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendment to IAS 27: Equity Method in Separate Financial Statements
- IFRS 14 Regulatory Deferral Accounts
- Amendments to IFRS 10,12 and IAS 28: Investment Entities. Applying the consolidation exemption
- Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants
- Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project
- Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project
- Amendment to IAS 19: Employee Benefits: Annual Improvements project
- Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements
- Amendment to IAS 34: Interim Financial Reporting. Annual Improvements project

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.

### 2. RELATED PARTIES

During the period, certain companies within the Group entered into transactions with each other. These intra-Group transactions have been eliminated on consolidation. Related party information is unchanged from that reported at 31 March 2016. Refer to the 2017 audited annual financial statements for further information.

### 3. SEGMENT ANALYSIS

With our property portfolio increasing significantly over the past few years we decided to change the composition of our reportable segments with effect from 1 April 2016, as follows:  
Property segment - various property owning companies - mainly group occupied.  
Retail segment now consists of Auas Motors, Trentyre and Nictus Furnishers.  
Insurance and Finance segment - Corporate Guarantee and Hakos Capital and Finance.

To ensure consistency, all comparative figures in the segment report were reclassified to reflect the change in internal reporting and decision making. The reclassification is only within the segment report and has no effect on the Group's basic or diluted earnings per share and had no impact on the Group's statement of financial position and the Group's statement of comprehensive income.

#### 4. DIVIDENDS

Ordinary dividends of 18 cents per share (N\$ 9,6 million) was declared and paid by the Company on 18 July 2016.

Since 31 March 2017, an ordinary dividend of 12 cents per share (N\$ 6,4 million) was approved by the Board on 8 June 2017 in respect of the year ended 31 March 2017.

Last date to trade ordinary shares “cum” dividend	Friday 07 July 2017
Ordinary shares trade “ex” dividend	Monday 10 July 2017
Record date	Friday 14 July 2017
Payment/issue date	Monday 17 July 2017

Share certificates may not be dematerialised between Monday 10 July and Friday 14 July 2017 both days inclusive.

#### 5. RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

Accounting policies have been applied consistently with those of the prior year. The annual financial statements for the year ended 31 March 2017 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.

#### 6. DIRECTORS' RESPONSIBILITY

The directors take full responsibility for the preparation of the summarised annual financial statements, and that the financial information has been correctly extracted from the underlying audited annual financial statements for the year ended 31 March 2017.

#### 7. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date other than the appointment of the Chairman, dividend declaration and General Motors South Africa announcement. General Motors South Africa (GM) announced its withdrawal from Southern Africa effective 31 December 2017. Isuzu Motors South Africa will be taking over the Isuzu franchise effective 1 January 2018 whilst Chevrolet vehicles will no longer be distributed and sold in Southern Africa. The sales of Isuzu vehicles in Namibia will probably not be influenced by this new arrangements but no formal agreements are in place yet. This may have a material effect on the business of the motor division of the Group.

#### 8. DETERMINATION AND DISCLOSURE OF FAIR VALUES

Fair values have been determined for measurement and/or disclosure purpose based on the following methods. When applicable, further information about the assumptions made in the determining fair values is disclosed in the sections specific to that asset or liability.

##### Fair value adjustment of investment properties and land and buildings

The Group's Board of directors value the Group's investment property portfolio on an annual basis. The fair values are based on valuations and other market information that take into consideration the estimated rental value 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 could have a material impact on the results of the Group.

#### Non derivative financial instruments

Non derivative financial instruments comprise loans and receivables, trade and other receivables, cash and cash equivalents, interest bearing borrowings, trade and other payables and investments in equity and debt securities.

Non derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

#### Investment in debt and equity securities

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated as at fair value through profit or loss if the Group manage such investments and make purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Listed investments held by the Group are classified as at fair value through profit or loss. The fair values are calculated by reference to stock exchange market prices and / or market value of government bonds at the close of business on the reporting date.

Unlisted investments consists of shares in private companies and other entities not listed on a recognised stock exchange.

The fair values of unlisted investments are determined by directors' valuations at year-end. These valuations are based on the net asset value of each investment. In addition, the performance of the unlisted investment for the past three years is taken into account to determine the value of the investments. The performance is measured using valuation models in the specific industry the investment is made in.

#### Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs. At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. Financial assets that the company has the positive intention and ability to hold to maturity are classified as held to maturity. Government bonds held by the Group are classified as held to maturity subsequent to initial recognition. Adjustments to the value of held to maturity assets are made through profit or loss. The Group does not deal in derivatives, as derivatives do not form part of the Group's investment strategy.

#### 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 and subsequently recorded at fair value.

#### Trade and other receivables

Trade and other receivables are measured at amortised cost less impairment losses. Trade and other receivables that are of a short-term nature are not discounted due to the insignificance of the difference between the transaction price and fair value. Trade and other receivables are classified as loans and receivables.

## Trade and other payables

Trade and other payables are carried at amortised cost using the effective interest rate method. Trade and other payables that are of a short-term nature are not discounted due to the insignificance of the difference between the transaction price and fair value.

## Fair value hierarchy

For investments 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.

## 8.1 Fair value of land and buildings

Land and building are revalued annually. The Group's board of directors revalued the land and buildings at 31 March 2017. The valuation was based on the market value for existing use. These assumptions were based on current market conditions. The prior year was valued by the Group's board of directors at 31 March 2016 at the carrying value of the land and buildings.

Figures in N\$'000	2017	2016
<b>Level 2</b>		
Land	102 274	102 274
Buildings	228 674	195 839
	<b>330 948</b>	<b>298 113</b>

## 8.2 Fair value hierarchy of financial assets at fair value through profit and loss

Figures in N\$'000	2017	2016
<b>Level 1</b>		
Listed shares	19 167	17 589
Debt securities	1 000	1 020
	<b>20 167</b>	<b>18 609</b>
<b>Level 2</b>		
Loans and receivables	<b>391 822</b>	<b>218 706</b>
<b>Level 3</b>		
Unlisted shares	-	669
	<b>411 989</b>	<b>237 984</b>

## 8.3 Fair value hierarchy of investment property

Figures in N\$'000	2017	2016
<b>Level 2</b>		
Investment property	25 275	-

## 8.4 Financial assets by category

Figures in N\$'000	Loans and receivables	Fair value through profit or loss - held for training	Total
<b>31 March 2017</b>			
Cash and cash equivalents	336 990	-	336 990
Investments	391 822	20 167	411 989
Trade and other receivables (excluding Value Added Tax)	329 398	-	329 398
	<b>1 058 210</b>	<b>20 167</b>	<b>1 078 377</b>
<b>31 March 2016</b>			
Cash and cash equivalents	472 501	-	472 501
Investments	216 913	19 278	236 191
Trade and other receivables (excluding Value Added Tax)	428 675	-	428 675
	<b>1 118 089</b>	<b>19 278</b>	<b>1 137 367</b>

## 8.5 Financial liabilities by category

Figures in N\$'000	Financial liabilities at amortised cost	Total
<b>31 March 2017</b>		
Loans from related parties	40 591	40 591
Interest bearing loans and borrowings	167 873	167 873
Trade and other payables (excluding Value Added Tax)	79 971	79 971
	<b>288 435</b>	<b>288 435</b>
<b>31 March 2016</b>		
Loans from related parties	42 293	42 293
Bank overdraft	6 502	6 502
Interest bearing loans and borrowings	146 270	146 270
Trade and other payables (excluding Value Added Tax)	74 606	74 606
	<b>269 671</b>	<b>269 671</b>

# Notice of Annual General Meeting

## **Nictus Holdings Limited**

("Nictus" or "the Company") • (incorporated in the Republic of Namibia)

Registration Number: NAM 1962/1735

NSX Share Code: NHL

ISIN Number: NA000A1J2SS6

Notice is hereby given that the annual general meeting of the shareholders of Nictus will be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek, on **31 August 2017 at 16:00** (Namibian time), to deal with the business as set out below and to consider and, if deemed appropriate, pass the ordinary and special resolutions set out in this notice.

### **1. GENERAL PURPOSE OF THE ANNUAL GENERAL MEETING**

The general purpose of the annual general meeting is to -

- 1.1** consider and, if deemed fit, pass with or without modification the resolutions set out hereunder; and
- 1.2** deal with any business that may lawfully be dealt with at the annual general meeting.

### **2. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS**

The audited annual financial statements of the Company and its subsidiaries, incorporating the reports of the auditors and the directors for the year ended 31 March 2017 will be presented to shareholders as required in terms of section 294 of the Companies Act.

### **3. RESOLUTIONS FOR CONSIDERATION AND APPROVAL**

#### **3.1 Ordinary resolution 1: approval of minutes of previous annual general meeting**

"Resolved to approve the minutes of the previous annual general meeting."

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

#### **3.2 Ordinary resolution 2: re-election of JJ Retief as director**

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

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

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

“Resolved that NC Tromp be and is hereby re-elected as a director of the Company.”

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

### 3.4 Ordinary resolution 4: re-election of WO Fourie as a director

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

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

### 3.5 Ordinary resolution 5: approval of remuneration policy

“Resolved to approve, by way of a non-binding, advisory vote, the remuneration policy of the Company as set out on page 99 of the integrated annual report.”

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

### 3.6 Ordinary resolution 6: approval of independent non-executive directors' remuneration

“Resolved that the Company be and is hereby authorised to pay remuneration to its independent non-executive directors for their services as directors, and that the remuneration structure and amounts as set out below, be and are hereby approved until such time as rescinded or amended by the ordinary shareholders by way of an ordinary resolution.”

Non-executive Director	Annual Fee NAD	Board NAD	Audit Committee NAD
Gerard Swart	500 000	500 000	-
John D Mandy	400 000	228 000	172 000

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

### 3.7 Ordinary resolution 7: re-appointment of SGA as auditors

“Resolved that, on recommendation of the audit committee of the Company, SGA Chartered Accountants and Auditors be and is hereby re-appointed as auditors of the Company (the designated auditor meeting the requirements of section 278 of the Companies Act), to hold office until the conclusion of the next annual general meeting of the Company. The directors are hereby authorised to determine the remuneration of the auditors.”

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

### 3.8 Ordinary resolution 8: authority to issue ordinary shares

“Resolved that the board of directors be and are hereby authorised by way of a general authority to issue at their discretion up to 15% (fifteen per cent) of the authorised but unissued ordinary shares in the Company from time to time, whether created before or after the passing of this resolution and/or to grant options to subscribe for such 15% (fifteen per cent) of the authorised but unissued shares from time to time, for such purposes and on such terms and conditions as they may determine, provided that such transaction(s) has/have been approved by the NSX and are subject to the NSX Listings Requirements, the Companies Act and the following conditions, namely that -

- 3.8.1** this authority shall only be valid until the next annual general meeting of the Company but shall not extend beyond 15 (fifteen) months from the date of this meeting;
- 3.8.2** the issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the NSX;
- 3.8.3** the shares which are the subject of the issue -
  - 3.8.3.1** must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
  - 3.8.3.2** shall not exceed 5% (five per cent) of the number of shares of the Company's issued ordinary shares in aggregate in any one financial year (including the number of any shares that may be issued in future arising out of the issue of options); and
  - 3.8.3.3** that a paid press announcement giving full details, including the impact of the issue on net asset value, net tangible asset value, earnings and headline earnings per share and if applicable, diluted earnings and diluted headline earnings per share, be published after any issue representing, on a cumulative basis within one financial year, 5% (five per cent) of the number of shares in issue prior to the issue concerned;
- 3.8.4** in determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount permitted shall be 10% (ten per cent) of the weighted average traded price of the ordinary shares on the NSX, measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares; and
- 3.8.5** separately, such shares as have been reserved to be issued by the Company in terms of its share and other employee incentive schemes.”

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

## **Election of an Audit Committee**

### **3.9 Ordinary resolution 9: election of JD Mandy as a member of the Audit Committee**

“Resolved that JD Mandy, an independent non-executive director of the Company, be and is hereby elected as a member of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company.”

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

### **3.10 Ordinary resolution 10: election of FR van Staden as a member of the Audit Committee**

“Resolved that FR van Staden, an executive director of the Company, be and is hereby elected as a member of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company.”

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required. A brief curriculum vitae is set out on page 108 of the integrated annual report.

### **3.11 Ordinary resolution 11: election of GR de V Tromp as a member of the Audit Committee**

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

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required. A brief curriculum vitae is set out on page 107 of the integrated annual report.

### **3.12 Ordinary resolution 12: appointment of JD Mandy as Chairman of the Audit Committee**

“Resolved that JD Mandy, a director of the Company, be and is hereby elected as chairman of the Audit Committee of the Company, to hold office until the conclusion of the next annual general meeting of the Company.”

In order for this ordinary resolution to be passed, the support of more than 50% (seventy five per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the NSX Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required. A brief curriculum vitae is set out on page 108 of the integrated annual report.

### **3.13 Ordinary resolution 13: signing authority**

“Resolved that each director, or the secretary of the Company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to the implementation of the resolutions passed at the annual general meeting of the Company and set out in this notice.”

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

### **3.14 Special resolution 1: general authority to repurchase shares**

“Resolved that the Company, in terms of its memorandum and articles of association, or one of its wholly-owned subsidiaries, in terms of such wholly-owned subsidiary’s memorandum and articles of association as the case may be, and subject to the relevant subsidiary passing the necessary special resolution, be and is hereby authorised by way of a general approval, to acquire the Company’s own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide, subject to the NSX Listings Requirements and the Companies Act”

Section 89 of the Companies Act authorises the board of directors of a Company to approve the acquisition of its own shares subject to the provisions of section 89 having been met. The Companies Act requires the approval of a 75% (seventy five per cent) majority of the votes cast by shareholders present or represented by proxy at the annual general meeting for special resolution to become effective.

### **3.15 Special resolution 2: financial assistance to entities related or inter-related to the Company**

“Resolved that, as a general approval, the Company may, in terms of section 44 of the Companies Act, provide any direct or indirect financial assistance (“financial assistance” will herein have the meaning attributed to it in section 44(1) of the Companies Act) to any related or inter-related Company or to any juristic person who is a member of or related to any such Company/ies.”

The effect of special resolution, if adopted, is to confer the authority on the board of directors of the Company to authorise financial assistance to companies related or inter-related to the Company or to any juristic person who is a member of or related to any such companies generally as the board of directors may deem fit, on the terms and conditions, and for the amounts that the board of directors may determine from time to time, for a period of two years from the date of the adoption of the special resolution and in particular as specified in the special resolution.

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

#### 4. ADDITIONAL INFORMATION

The following additional information, which may appear elsewhere in the annual report, is provided in terms of the NSX Listings Requirements for purposes of the general authority to repurchase the Company's shares set out in special resolution number 1 above

- 4.1 directors and management – pages 41 to 43;
- 4.2 major shareholders – page 42;
- 4.3 directors' interests in ordinary shares – page 42; and
- 4.4 share capital of the Company – page 77.

#### 5. LITIGATION STATEMENT

The directors in office whose names appear on page 41 of the annual report, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have, or have had, in the recent past, being at least the previous 12 (twelve) months from the date of this annual report, a material effect on the group's financial position.

#### 6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors in office, whose names appear on page 41 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolutions contain all information required by the NSX Listings Requirements.

#### 7. MATERIAL CHANGES

General Motors South Africa (GM) has subsequent to year end decided to withdraw from Southern Africa by 31 December 2017, which mainly affects the Chevrolet brand, after a presence of 90 years. GM also sold the Opel brand to the PSA Group internationally. Isuzu Trucks has been operating the truck franchise separately for the past ten years will take over the factory, parts distribution and vehicle distribution facilities with effect from 1 January 2018 and will change their name to Isuzu Motors South Africa (IMSA). Although they announced that the current dealership footprint will be reduced with 30%, it will not affect Namibia as we were offered to continue with our current dealership structure. We were anticipating this move and is very excited, as we can have a more focussed approach retailing, servicing and distributing the Isuzu brand. Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year end and the date of signature of the annual report.

#### 8. DIRECTORS' INTENTION REGARDING THE GENERAL AUTHORITY TO REPURCHASE THE COMPANY'S SHARES

The directors have no specific intention, at present, for the Company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the Company and its shareholders.

#### 9. ATTENDANCE AND PROXIES

9.1 Please note that, in terms of section 197 of the Companies Act -

9.1.1 a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, participate in and vote at the annual general meeting in place of that shareholder; and

9.1.2 a proxy need not also be a shareholder of the Company.

9.2 Forms of proxy (which form may be found enclosed or on the Company's website) must be dated and signed by the share holder appointing a proxy and must be received at the registered offices of the Company, c/o Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek (Private Bag 13231, Windhoek) or the transfer secretaries, c/o Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, Mandume Ndemufayo avenue, Windhoek (PO Box 755, Windhoek). Forms of proxy must be received not later than 12:00 on 28 August 2017. Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered.

9.3 Attention is drawn to the "Notes" to the form of proxy.

9.4 The completion of a form of proxy does not preclude any shareholder attending the special general meeting.

#### 10. VOTING

10.1 On a show of hands every shareholder present in person or by proxy, and if a member is a body corporate, its representatives, shall have one vote and on a poll every shareholder present in person or by proxy and, if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

10.2 For the purpose of resolutions proposed in terms of the NSX Listings Requirements in respect of which any votes are to be excluded, any proxy given by a holder of securities to the holder of such an excluded vote shall also be excluded from voting for the purposes of that resolution.

10.3 Shareholders are encouraged to attend at the annual general meeting.

By order of the Board



Veritas Board of Executors (Pty) Ltd  
Secretary



# Form of Proxy & Notes to Proxy

## Nictus Holdings Limited

("Nictus" or "the Company") • (incorporated in the Republic of Namibia)

Registration Number: NAM 1962/1735

NSX Share Code: NHL

ISIN Number: NA000A1J2S56

To be completed by certificated shareholders with "own name" registration only

For completion by registered members of Nictus unable to attend the annual general meeting of the Company to be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo avenue, Windhoek, on 31 August 2017 at 16:00 (Namibian time), or at any adjournment thereof.

I/We \_\_\_\_\_  
of \_\_\_\_\_ (address)  
being the holder/s of \_\_\_\_\_ shares in the Company, do hereby appoint:  
1 \_\_\_\_\_ or, failing him/her  
2 \_\_\_\_\_ or, failing him/her

the chairman of the annual general meeting,

as my/our proxy to attend, speak and, on a poll, vote on my/our behalf at the abovementioned annual general meeting of members or at any adjournment thereof, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

	For	Against	Abstain	Precluded from voting in terms of the Companies Act or the NSX Listings Requirements
1. <b>Ordinary resolution:</b> approval of minutes of previous annual general meeting				
2. <b>Ordinary resolution:</b> re-election of JJ Retief as a director				
3. <b>Ordinary resolution:</b> re-election of NC Tromp as a director				
4. <b>Ordinary resolution:</b> re-election of WO Fourie as a director				
5. <b>Ordinary resolution:</b> approval of remuneration policy				
6. <b>Ordinary resolution:</b> approval of independent non-executive directors' remuneration				
7. <b>Ordinary resolution:</b> re-appointment of SGA as auditors				
8. <b>Ordinary resolution:</b> authority to issue ordinary shares				
9. <b>Ordinary resolution:</b> re-election of JD Mandy as a member of the Audit Committee				
10. <b>Ordinary resolution:</b> re-election of FR van Staden as a member of the Audit Committee				
11. <b>Ordinary resolution:</b> re-election of GR de V Tromp as a member of the Audit Committee				
12. <b>Ordinary resolution:</b> re-appointment of JD Mandy as Chairman of the Audit Committee				
13. <b>Ordinary resolution:</b> signing authority				
14. <b>Special resolution 1:</b> general authority to repurchase shares				
15. <b>Special resolution 2:</b> financial assistance to entities related or inter-related to the Company				

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. However, if you wish not to cast your votes in respect of less than all of the ordinary shares that you own in the Company, insert the number of ordinary shares held in respect of which you desire to vote.

Signed at \_\_\_\_\_ on \_\_\_\_\_

Signature: \_\_\_\_\_

Assisted by me, where applicable (name and signature) \_\_\_\_\_



## Notes to Proxy

1. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the Company) to attend, speak and, on a poll or by show of hands, vote in place of that shareholder at the annual general meeting.
2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the chairman of the annual general meeting'. The person whose name stands first on the form of proxy and who is present at the annual general meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.
3. A shareholder's instructions to the proxy have to be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply with the above shall be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary and special resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting, as he/she deems fit, in respect of all the shareholder's votes exercisable thereat.
4. A shareholder or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such shareholder or represented by such proxy, but the total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the shareholder or his/her proxy is entitled.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the Company's transfer secretaries or waived by the chairman of the annual general meeting.
6. The chairman of the annual general meeting may reject or accept any form of proxy that is completed and/or received other than in accordance with these instructions and notes.
7. Any alterations or corrections to this form of proxy have to be initialled by the signatory(ies).
8. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
9. Forms of proxy have to be lodged with or posted to the registered office of the Company, c/o Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo avenue, Windhoek (Private Bag 13231, Windhoek) or the transfer Secretaries, Veritas Board of Executors (Proprietary) Limited, 1st floor, Nictus Building, 140 Mandume Ndemufayo avenue, Windhoek (PO Box 755, Windhoek). Forms of proxy must be received no later than 12:00 on 28 August 2017.

**NICTUS HOLDINGS LIMITED**  
**COMPANY DETAILS**

**Company registration number**

1962 / 1735

**NSX Share code: NHL**

**ISIN number: NAO00A1J2S56**

**Executive Directors**

PJ de W Tromp (Managing Director)

FR van Staden

JJ Retief

WO Fourie

**Non-executive Directors**

GR de V Tromp

Gerard Swart (Independent Chairman from 4 April 2017)

JD Mandy (Independent)

NC Tromp

**Transfer Secretaries**

Veritas Board of Executors (Proprietary) Limited

1st Floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek

Private Bag 13231, Windhoek, Namibia

**Registered Office**

1st Floor, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek

Private Bag 13231, Windhoek, Namibia

**Sponsor on the NSX**

Simonis Storm Securities (Pty) Ltd

**Please visit our website**

[www.nictusholdings.com](http://www.nictusholdings.com)

*Exceptional wealth creator*

