

Nictus Holdings Limited  
(Incorporated in the Republic of Namibia)  
(Registration number 1962/1735)  
Share Code: NHL

ISIN Code: NA000A1J2SS6

**INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017**

Figure in N\$ '000	Note	Unaudited		Change %	Audited
		Six months ended 30 Sept 17	Six months ended 30 Sept 16		Year ended 31 Mar 17
<b>CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS &amp; OTHER COMPREHENSIVE INCOME</b>					
<b>Revenue</b>		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)
<b>Gross profit</b>		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)
<b>Operating profit</b>		10,374	17,927	(42)	31,685
Investment income		1,785	1,886	(5)	6,471
<b>Operating profit before financing costs</b>	5	12,159	19,813	(39)	38,156
Financing costs		(10,597)	(5,581)	90	(16,370)
<b>Profit before taxation</b>		1,562	14,232	(89)	21,786
Taxation		519	(2,616)	(120)	(2,283)
<b>Profit for the period</b>		2,081	11,616	(82)	19,503
<b>Total comprehensive income for the period</b>		2,081	11,616	(82)	19,503
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		2,081	11,616	(82)	19,503
<b>Profit attributable to:</b>					
Owners of the Company		2,081	11,616	(82)	19,503
<b>Earnings per share</b>					
<b>Basic earnings per share (cents)</b>	8	3.89	21.74	(82)	36.49
<b>Diluted earnings per share (cents)</b>		3.89	21.74	(82)	36.49
<b>Dividends per share (cents) * **</b>		12.00	18.00	(33)	12.00
<b>Number of shares in issue (000's)</b>		53,444	53,444		53,444
<b>* Dividends paid July 2017 of 12 cents per share</b>					
<b>** Dividends paid July 2016 of 18 cents per share</b>					

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

	Unaudited	Audited
<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>		
Figures in N\$ '000	30 Sept 17	30 Sept 16
	31 Mar 17	
<b>ASSETS</b>		
<b>Non-current assets</b>	750,603	739,993
Property, plant and equipment	345,104	362,102
Investment Property	33,219	-
Intangible assets	910	830
Investments	366,057	371,865
Deferred tax assets	5,313	5,196
<b>Current assets</b>	933,951	897,736
<b>Total assets</b>	1,684,554	1,637,729
	161,284	157,458
<b>EQUITY</b>		
Stated capital	129	129
Revaluation reserve	58,767	58,767
Contingency reserve (Insurance)	15,551	12,348
Retained earnings	86,837	86,214
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>	155,420	161,249
Interest bearing loans and borrowings	124,889	130,145
Deferred tax liabilities	30,531	31,104
<b>Current liabilities</b>	1,367,850	1,319,022
Insurance contract liability	1,186,214	1,160,421
Other current liabilities	181,636	158,601
<b>Total liabilities</b>	1,523,270	1,480,271
<b>Total equity and liabilities</b>	1,684,554	1,637,729

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Figures in N\$'000	Stated capital	Revaluation reserve	Contingency reserve	Retained earnings	Total equity
<b>Balance at 1 April 2016</b>	129	58,767	15,551	81,015	155,462
Total comprehensive income	-	-	-	11,616	11,616
Profit for the period	-	-	-	11,616	11,616
Transfers from contingency reserve (Insurance) to retained earnings	-	-	(3,203)	3,203	-
Contributions by and to the owners of the Group	-	-	-	(9,620)	(9,620)
Dividends to equity holders	-	-	-	(9,620)	(9,620)
<b>Balance at 30 September 2016</b>	<b>129</b>	<b>58,767</b>	<b>12,348</b>	<b>86,214</b>	<b>157,458</b>
Total comprehensive income	-	-	-	7,887	7,887
Profit for the period	-	-	-	7,887	7,887
Transfers from contingency reserve (Insurance) to retained earnings	-	-	3,203	(3,203)	-
<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>
Total comprehensive income	-	-	-	2,801	2,801
Profit for the period	-	-	-	2,801	2,801
Contributions by and to the owners of the Group	-	-	-	(6,142)	(6,142)
Dividends to equity holders	-	-	-	(6,412)	(6,412)
Prescribed dividends	-	-	-	270	270
<b>Balance at 30 September 2017</b>	<b>129</b>	<b>58,767</b>	<b>15,551</b>	<b>86,837</b>	<b>161,284</b>

	Unaudited	Audited	
<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW</b>			
	Six months ended	Six months ended	Year ended
Figures in N\$'000	30 Sept 17	30 Sept 16	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)
<b>Net cash generated from operating activities</b>	<b>5,864</b>	<b>77,674</b>	<b>99,165</b>
<b>Net cash generated from / (used in) investing activities</b>	<b>28,588</b>	<b>(196,367)</b>	<b>(238,455)</b>
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)
<b>Net cash generated from financing activities</b>	<b>15,221</b>	<b>9,967</b>	<b>10,281</b>
<b>Net movement in cash and cash equivalents</b>	<b>49,673</b>	<b>(108,726)</b>	<b>(129,009)</b>
<b>Cash and cash equivalents</b> at beginning of period	<b>336,990</b>	<b>465,999</b>	<b>465,999</b>
<b>Cash and cash equivalents</b> at end of period	<b>386,663</b>	<b>357,273</b>	<b>336,990</b>

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

#### RECONCILIATION OF HEADLINE AND DISTRIBUTABLE EARNINGS

		Six months ended	Six months Ended	Year ended
Figures in N\$ '000		30 Sept 17	30 Sept 16	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)
<b>Headline earnings</b>	<b>8</b>	<b>1,902</b>	<b>10,320</b>	<b>16,021</b>
Headline earnings per share (cents)		3.56	19.31	29.98
Diluted Headline earnings per share (cents)		3.56	19.31	29.98

		Unaudited		Audited	
<b>CONDENSED SEGMENT ANALYSIS</b>					
		Six months	Six months		Year
		ended	ended	Change	ended
Figures in N\$'000	Note	30 Sept 17	30 Sept 16	%	31 Mar 17
<b>Segment assets</b>					
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
<b>Segment revenue</b>					
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
<b>Operating profit after taxation</b>					
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 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 renewed focus and customer centricity.

**Property Companies:** Revenue increase 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 aggregate 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 recognized 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			
Figures in N\$ '000	Loans and receivables	Fair value through profit of loss	Total
<b>Financial Assets</b>			
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
	<b>1,125,990</b>	<b>23,983</b>	<b>1,149,973</b>

Financial liabilities	Financial liabilities at amortised cost	Fair value through profit of loss	Total
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
	<b>303,833</b>	<b>-</b>	<b>303,833</b>

Unaudited 30 September 2016			
Figures in N\$ '000	Loans and receivables	Fair value through profit of loss	Total
<b>Financial Assets</b>			
Cash and cash equivalents	357,273	-	357,273
Investments	363,506	18,756	382,262
Trade and other receivables (excluding VAT)	311,717	-	311,717
	<b>1,032,496</b>	<b>18,756</b>	<b>1,051,252</b>

Financial liabilities	Financial liabilities at amortised cost	Fair value through profit of loss	Total
Loans from related parties	33,738	-	33,738
Interest-bearing loans and borrowings	174,412	-	174,412
Trade and other payables (excluding VAT)	77,697	-	77,697
	<b>285,847</b>	<b>-</b>	<b>285,847</b>



### 7.1 Categories of financial instruments (continued)

Figures in N\$ '000	Loans and receivables	Audited Fair value through profit of loss	Total
<b>Financial Assets</b>			
Cash and cash equivalents	336,990	-	336,990
Investments	391,822	20,167	411,989
Trade and other receivables (excluding VAT)	329,398	-	329,398
	<b>1,058,210</b>	<b>20,168</b>	<b>1,078,377</b>
	Financial liabilities at amortised cost	Fair value through profit of loss	Total
<b>Financial liabilities</b>			
Loans from related parties	40,591	-	40,591
Interest-bearing loans and borrowings	167,873	-	167,873
Trade and other payables (excluding VAT)	79,971	-	79,971
	<b>288,435</b>	<b>-</b>	<b>288,435</b>

### 7.2 Fair value hierarchy of financial assets, land and buildings and investment property

Figures in N\$ '000	Unaudited 30 September 2017		
	Fair Value	Level 1	Level 2
<b>Assets</b>			
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
	<b>730,353</b>	<b>23,983</b>	<b>706,370</b>

Figures in N\$ '000	Unaudited 30 September 2016			
	Fair Values	Level 1	Level 2	Level 3
<b>Assets</b>				
Land	128,148	-	128,148	-
Buildings	217,931	-	217,931	-
Listed shares	17,067	17,067	-	-
Debt securities	1,020	1,020	-	-
Loans and receivables	366,414	-	366,414	-
Unlisted shares	669	-	-	669
	<b>731,249</b>	<b>18,087</b>	<b>712,493</b>	<b>669</b>

## 7.2 Fair value hierarchy of financial assets, land and buildings and investment property (continued)

Figures in N\$ '000	Audited 31 March 2017		
	Fair Value	Level 1	Level 2
<b>Assets</b>			
Land	102,274	-	102,274
Buildings	228,674	-	228,674
Investment property	25,275	-	25,275
Listed shares	19,167	19,167	-
Debt securities	1,000	1,000	-
Loans and receivables	391,822	-	391,822
	<b>768,212</b>	<b>20,167</b>	<b>748,045</b>

### 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. DIVIDEND

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.

More than ever, meeting customer needs will put us in a position to achieve sustainable growth.

The Nictus Holdings Limited consolidated unaudited Group results for the 6 months ended 30 September 2017 is available on our website at: [www.nictusholdings.com](http://www.nictusholdings.com).

On behalf of the board:

P J de W Tromp  
J D Mandy  
Windhoek, 14 December 2017

### **Sponsor on the NSX**

Simonis Storm Securities (Proprietary) Limited  
(Member of the NSX)

