



## Consolidated interim results

for the six months ended 30 September 2014



- **Group revenue** increased by **12%** to **R25,3 million**
- **Group's total assets** increased by **37%** to **R506 million** year-on-year
- **Investment income** from operations increased by **66%** to **R13,5 million**
- **Net profit after taxation** for the period increased by **112%** resulting in a profit of **R2,7 million**

## Condensed consolidated statement of comprehensive income

	% change*	Unaudited		Audited
		Six months ended 30 Sept 2014 R'000	Six months ended 30 Sept 2013 R'000	Year ended 31 Mar 2014 R'000
<b>Revenue</b>	12	<b>25 382</b>	22 743	48 757
Cost of sales		<b>(9 194)</b>	(10 374)	(13 964)
Claims incurred		<b>(3 123)</b>	(2 223)	(6 721)
<b>Gross profit</b>	29	<b>13 065</b>	10 146	28 072
Other income		<b>1 033</b>	–	2 285
Investment income from operations	66	<b>13 560</b>	8 164	18 557
Operating and administrative expenses		<b>(26 155)</b>	(19 245)	(48 651)
<b>Operating profit/(loss)</b>		<b>1 503</b>	(935)	263
Finance income		<b>2 057</b>	2 634	3 405
Financing costs		–	–	(1)
<b>Profit before taxation</b>	110	<b>3 560</b>	1 699	3 667
Taxation		<b>(861)</b>	(428)	(653)
<b>Profit after taxation</b>	112	<b>2 699</b>	1 271	3 014
Other comprehensive income for the year		–	–	263
<b>Total comprehensive income for the period</b>	112	<b>2 699</b>	1 271	3 277
<b>Profit and total comprehensive income attributable to:</b>				
Owners of the company		<b>2 699</b>	1 271	3 277
Earnings per share				
<b>Basic earnings per share (cents)</b>	112	<b>4,07</b>	1,92	4,55
<b>Diluted earnings per share (cents)</b>	112	<b>4,07</b>	1,92	4,55
<b>Weighted average number of shares in issue (000s)</b>		<b>66 270</b>	66 270	66 270

\* Percentage change compared with the previous six month period

## Condensed consolidated statement of financial position

	Unaudited		Audited
	At 30 Sept 2014 R'000	At 30 Sept 2013 R'000	At 31 Mar 2014 R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>17 051</b>	17 415	16 997
Intangible assets	<b>573</b>	–	573
Investments	<b>36 595</b>	28 415	32 883
Loans and receivables	<b>5 540</b>	7 232	5 723
Deferred tax assets	<b>3 971</b>	2 741	2 460
	<b>63 730</b>	55 803	58 636
<b>Current assets</b>	<b>442 063</b>	313 927	375 073
<b>Total assets</b>	<b>505 793</b>	369 730	433 709
<b>Equity</b>			
Stated capital	<b>48 668</b>	48 668	48 668
Revaluation reserve	<b>8 170</b>	5 905	8 170
Retained earnings	<b>27 452</b>	22 747	24 753
<b>Total equity</b>	<b>84 290</b>	77 320	81 591
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	<b>3 829</b>	5 483	2 506
<b>Current liabilities*</b>	<b>417 674</b>	286 927	349 612
Insurance contract liability	<b>408 422</b>	278 040	338 920
Other current liabilities	<b>9 252</b>	8 887	10 692
<b>Total liabilities</b>	<b>421 503</b>	292 410	352 118
<b>Total equity and liabilities</b>	<b>505 793</b>	369 730	433 709

## Reconciliation between earnings and headline earnings

	Unaudited		Audited
	Six months ended 30 Sept 2014 R'000	Six months ended 30 Sept 2013 R'000	Year ended 31 Mar 2014 R'000
Profit for the period, net of taxation	<b>2 699</b>	1 271	3 014
Profit on disposal of property, plant and equipment net of taxation	–	–	(12)
<b>Headline earnings</b>	<b>2 699</b>	1 271	3 002
Headline earnings per share (cents)	<b>4,07</b>	1,92	4,53
Diluted headline earnings per share (cents)	<b>4,07</b>	1,92	4,53

## Condensed consolidated statement of cash flow

	Unaudited		Audited
	Six months ended 30 Sept 2014 R'000	Six months ended 30 Sept 2013 R'000	Year ended 31 Mar 2014 R'000
<b>Cash flow from operating activities</b>			
Cash generated from operations	<b>23 179</b>	32 529	67 242
Investment income from operations received	<b>12 880</b>	6 653	17 233
Interest paid	–	–	(1)
Interest received	<b>2 057</b>	2 634	3 405
Ordinary dividends received	<b>680</b>	717	1 324
<b>Net cash inflow from operating activities</b>	<b>38 796</b>	42 533	89 203
Net cash utilised by investing activities	<b>(16 530)</b>	(27 886)	(17 375)
<b>Net increase in cash and cash equivalents</b>	<b>22 266</b>	14 647	71 828
<b>Cash and cash equivalents at beginning of period</b>	<b>192 286</b>	120 458	120 458
<b>Cash and cash equivalents at end of period</b>	<b>214 552</b>	135 105	192 286

## Condensed segmental report

	Unaudited		Audited
	Six months ended 30 Sept 2014 R'000	Six months ended 30 Sept 2013 R'000	Year ended 31 Mar 2014 R'000
<b>Segment assets</b>			
Furniture retail	<b>50 079</b>	57 639	50 429
Insurance and finance	<b>488 835</b>	347 352	413 126
	<b>538 914</b>	404 991	463 555
Head office and eliminations	<b>(33 121)</b>	(35 261)	(29 846)
	<b>505 793</b>	369 730	433 709
<b>Segment revenue</b>			
Furniture retail	<b>17 954</b>	19 985	36 573
Insurance and finance	<b>6 292</b>	5 033	13 460
	<b>24 246</b>	25 018	50 033
Head office and eliminations	<b>1 136</b>	(2 275)	(1 276)
	<b>25 382</b>	22 743	48 757
<b>Operating profit/(loss) after taxation</b>			
Furniture retail	<b>(1 457)</b>	303	(806)
Insurance and finance	<b>4 389</b>	2 461	5 040
	<b>2 932</b>	2 764	4 234
Head office and eliminations	<b>(233)</b>	(1 493)	(1 220)
	<b>2 699</b>	1 271	3 014

	Stated capital R'000	Revaluation reserve R'000	Retained earnings R'000	Total equity R'000
<b>Balance at 1 April 2013</b>	48 668	5 905	21 476	76 049
Total comprehensive income	–	–	1 271	1 271
Profit for the period	–	–	1 271	1 271
<b>Balance at 30 September 2013</b>	48 668	5 905	22 747	77 320
Total comprehensive income	–	–	2 006	2 006
Profit for the period	–	–	1 743	1 743
Tax adjustments to revaluation of properties	–	–	263	263
Transfer to reserves	–	2 265	–	2 265
Adjustments to revaluation reserve	–	2 265	–	2 265
<b>Balance at 31 March 2014</b>	48 668	8 170	24 753	81 591
Total comprehensive income	–	–	2 699	2 699
Profit for the period	–	–	2 699	2 699
<b>Balance at 30 September 2014</b>	48 668	8 170	27 452	84 290

## Notes to the financial information

### 1. Statement of compliance

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements.

The financial information for the year ended 31 March 2014 has been extracted from the audited annual financial information, however the Condensed Consolidated Interim Report ('the Interim Report') has itself not been audited or reviewed. The directors take full responsibility for the preparation of the Interim Report and the correct extraction of the financial information included therein from the underlying annual financial statements for the year ended 31 March 2014. The annual financial statements and the audit report thereon is available for inspection at the Company's registered office and on the Company's website [www.nictuslimited.co.za](http://www.nictuslimited.co.za).

The preparation of the Group's condensed consolidated financial results was supervised by the Group Financial Director, FM Theart, CA(SA).

### 2. Basis of measurement

The condensed consolidated interim financial statements are presented in thousands of South African Rands (R'000s) on the historical cost basis, except for derivative financial instruments and financial instruments at fair value which are measured at fair value and property which is measured at market value. The accounting policies presented in the annual financial statements for the year ended 31 March 2014 have been applied consistently to all of the periods presented in these condensed consolidated interim financial statements by all Group entities. The accounting policies are in terms of IFRS.

### 3. Related parties

During the six-month period ended 30 September 2014, 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 2014. Refer to the 2014 annual report for further information, accessible on Nictus's website [www.nictuslimited.co.za](http://www.nictuslimited.co.za).

### 4. Review of operations

The revenue and profit for the period under review increased compared to the six months ended 30 September 2013. The major contributing factor is attributed to the significant premium and investment income growth in the insurance segment.

Despite the turmoil in the South African economy resulting in strikes and labour unrest across all sectors, the equity markets have performed well.

### Segmental results

**Furniture retail:** Revenue decreased by 10% compared to the six months ended 30 September 2013. The furniture retail sector remains under pressure with rising inflation and consumer debt showing a visible impact on consumer spending.

**Insurance and finance:** The premium income increased by 25% for the six month period ended 30 September 2014. Investment income was higher than in the previous period as a result of good growth on the equity markets resulting in an increased segmental profit for the first six months ended 30 September 2014.

### Headline earnings

For the six-month period ended 30 September 2014 there were no items that impacted the headline earnings calculation.

### Basic earnings per share

Earnings per share for the six months ended 30 September 2014 was 4,07 cents (30 September 2013: 1,92 cents), and headline earnings per share of 4,07 cents (30 September 2013: 1,92 cents).

### Dividend

No interim dividend has been declared.

### Prospects

The Group has historically generated more earnings in the second part of the financial year than the first. The board is confident that despite the difficulties in the retail sector the various segments are well placed to build on the positive results achieved in the first six months to ensure a sustainable growth.

### Directors

GR de V Tromp was appointed as Deputy Managing Director of Nictus Limited on 18 November 2014.

### Secondary listing

With the successful conclusion of the 2012 unbundling the directors resolved to cancel the secondary listing of Nictus on the Namibian Stock Exchange.

On behalf of the board:

**NC Tromp**  
**FM Theart**

Randburg  
1 December 2014



[www.nictuslimited.co.za](http://www.nictuslimited.co.za)

## NICTUS LIMITED

Incorporated in the Republic of South Africa  
RSA 1981/011858/06 NAM F81/11858  
JSE share code: NCS, NSX share code: NCT  
ISIN number: Na0009123481  
("Nictus" or "the Group" or "the Company")

### Directors

BJ Willems (Chairman – Independent non-executive)  
Gerard Swart (Independent non-executive)  
NC Tromp (Managing Director)  
FM Theart (Financial Director)  
JD Mandy (Independent non-executive)  
PJ de W Tromp (Non-executive)

### Transfer secretary

Computershare Investor Services Proprietary Limited  
PO Box 61051, Marshalltown 2107

### Company secretary

Veritas Board of Executors Proprietary Limited  
Corner of Pretoria and Dover Street, Randburg  
PO Box 2878, Randburg 2125

### Registered office

Nictus Building  
Corner of Pretoria and Dover Street  
Randburg  
PO Box 2878, Randburg 2125

### Namibia registered office

3rd Floor, Corporate House  
17 Luderitz Street  
Windhoek  
PO Box 755, Windhoek 9000

### Sponsor on the JSE

KPMG Services  
Proprietary Limited

### Sponsor on the NSX

Simonis Storm Securities  
(Proprietary) Limited