Integrated Annual Report for the year ended 31 March

2013

About this report

The 2013 report builds on the disclosure contained in last year's Annual Report and has been prepared in line with best practice based on the principles of King lll. The provisions of the Companies Act of South Africa have been applied. Audited financial statements are published as part of the Integrated Report. The annual financial statements are also available to shareholders on the Nictus Group website www.nictuslimited.co.za and by request from the Company Secretary.

Scope and boundaries of the report

This report covers the activities and performance of the Nictus Group ('the Group') which includes Nictus Limited, the holding company of the Group, and all its subsidiaries, for the year 1 April 2012 to 31 March 2013. The companies operated in South Africa and Namibia until 31 August 2013 and subsequently only in South Africa.

There has been a change from last year in the scope and boundary of the report. The Group's Namibian operations were unbundled during the past financial year. Management's interpretation of materiality has been applied in determining the financial and non-financial content and disclosure. The reporting complies with International Financial Reporting Standards ('IFRS'), the Companies Act of South Africa and the JSE Listings Requirements. Whilst management has also considered the reporting guidelines of the Integrated Reporting Committee of South Africa, not all these guidelines were incorporated in this report.

Independent assurance

Assurance of the financial statements has been provided by the Group's auditor, KPMG.

Forward-looking statements

The Integrated Report includes forward-looking statements relating to the financial position and results of the Group's operations. These statements by their nature involve uncertainty as they relate to events and depend on circumstances that may or may not occur in the future.

Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global and national economic conditions, the cyclical nature of the retail sector, changes in interest rates, credit and the associated risk of lending, collections, inventory levels, gross and operating margins, capital management, the execution of the business model and competitive and regulatory factors. Nictus Group undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or otherwise. The forward-looking statements have not been reviewed or reported on by the Group's auditor.

Approval of the Integrated Report

The Audit Committee oversees the preparation of the Integrated Report. The committee recommended the report for approval to the Group's Board of Directors.

Feedback

The Nictus Group aims to establish and maintain constructive and informed relationships with all of its stakeholders. Stakeholders are encouraged to provide feedback at wfourie@nictus.com.na on the integrated report which will enable the Group to gauge the adequacy and standard of its integrated reporting.

Contents

The Nictus philosophy

Nictus has been 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 wherever we are present.

Our vision

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

Our 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 in South Africa
- Growing a satisfied customer base
- Optimising all resources
- Being innovative and technology driven
- Being the preferred employer

Our core values

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

Furniture segment | Insurance segment | Remuneration Committee | Audit Committee | Risk Committee | Social and Ethics Committee | Compliance with King III | Web

Our business group profile

Nictus Group is a retailer of household furniture, electrical appliances and home electronics sold through the Nictus Furnishers brand as well as a short-term insurer through the Corporate Guarantee brand.

The Group has four furniture retail stores in South Africa. Nictus places the customer first by continually striving towards **Excellence**. Helpful personnel provide service with dedication and motivation, while maintaining integrity, focus and sound values. Products are of the **highest quality** and provide excellent value for money. Stores are situated in Makhado, Polokwane, Soweto and Randburg.

The furniture retail segment is primarily focused on the expanding higher to middle income market in the living standards measurement ('LSM') 7 category and above. The Group has a large credit customer base in the areas in which we operate. Customers are predominantly from black communities.

The financial services division of the Nictus Group is run through Corporate Guarantee, which brings a unique approach to short-term insurance through the alternative risk transfer model. Offices are currently situated in Randburg and Cape Town.

The high levels of repeat sales in both furniture and insurance divisions are evidence of service satisfaction, trust and customer loyalty. As part of the commitment to service excellence, the Group ensures that clients are served by staff from their own communities.

Nictus was founded in 1945 and was primary listed on the Johannesburg Stock Exchange ('JSE') on 1 July 1969, under general retailers, JSE code: JSE:NCS, and secondary listed on the Namibian Stock Exchange ('NSX') on 31 October 1992 under the NSX code: NSX:NCT.

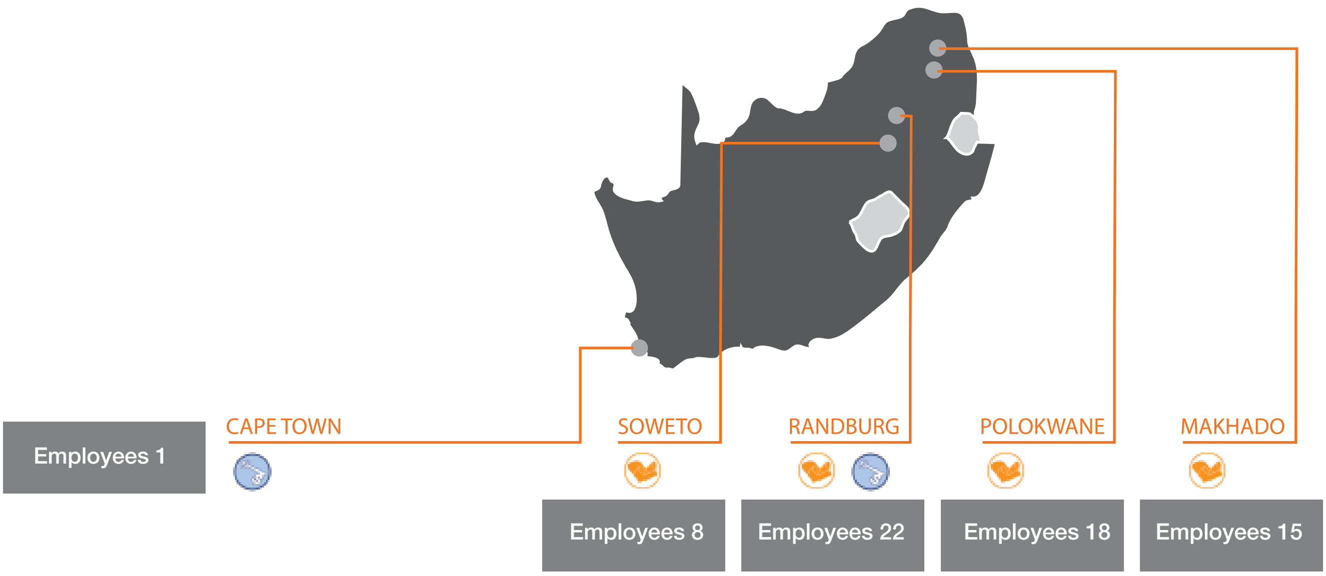
The selling of new furniture under the Nictus brand name in Namibia, commenced in 1955. The first South African furniture outlet was established in Randburg in 1983.

Corporate Guarantee (South Africa) Limited was founded in 2002. Initially Corporate Guarantee was only based in Randburg, but it has subsequently also established an office in Bellville, Western Cape.

One of the biggest changes in the Group's history was when the Namibian operations were unbundled during 2012. This resulted in a large portion of the Group's operating segments being listed separately on the NSX. More details in respect of this transaction can be found on the Group's website at www.nictuslimited.co.za.

Please refer to the website for more information at www.nictuslimited.co.za

Our operations footprint



Our business structure

FURNITURE SEGMENT

100%

NICTUS MEUBELS (PTY) LTD

KRUBEN HOLDINGS (PTY) LTD

LOCATIONS

SOUTH AFRICA

MAKHADO
POLOKWANE
RANDBURG
SOWETO

INSURANCE SEGMENT

100%

CORPORATE GUARANTEE (SOUTH AFRICA) LIMITED

OREON PLACE INVESTMENTS (PTY) LTD

LOCATIONS

SOUTH AFRICA

RANDBURG
CAPE TOWN

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 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 wellbeing of the 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

High level risks of the group

Risk	Impact	Mitigation	Segment
Economic outlook			
Uncertain economic conditions may impact consumer confidence.	This could negatively affect our ability to achieve our profit targets.	Changes in the current economic environments are consistently monitored at Group level. In instances where changes in the economic environment are identified that could negatively impact the Group, these are discussed, assessed and, if required, counter measures are implemented immediately to mitigate potential losses.	Group
Brand and reputation			
Reputational risk.	Should customers and stakeholders no longer trust the brands within the Group, sales could deteriorate and shareholder value be lost.	Managing executives and the Board ensure good corporate governance, sound business practices and compliance with laws and regulations. Client and stakeholder relationships further play a vital role in mitigating the risk.	Group
Capital management			
Implications of Solvency Assessment and Management ('SAM') regime on capital, human capital and internal resources.	Non-compliance to the SAM regime could negatively impact the Insurance segment in terms of premium income resulting in losses.	Managing executives and the Board are managing the process through internal resources. Executives of the Insurance segment are involved in regular training at the Financial Services Board to enable the Board to make informed decisions in respect of the SAM regime.	Insurance segment
Product offering			
Failure to stock suitable products in our retail outlets.	Will result in poor business performance.	Our branch managers, together with the area manager, play a pivotal role in identifying products for the areas in which we operate. Branch managers, as a rule, have extensive experience in furniture trade and their knowledge pertaining to products for each area is important to ensure appropriate stock is purchased for the various branches.	Furniture segment
Failure to introduce innovative insurance solutions for our clients.	Will result in poor premium income.	Our unique approach to short-term insurance provides us with the opportunity to supply clients with innovative insurance solutions. New products are also developed to cater for client-specific needs.	Insurance segment
Operational risk			
Weakness in or failure of our internal control systems.	Any weakness in or failure of internal control systems will negatively affect our ability to effectively manage our business, control inventory and contain costs. This will result in losses to the Group.	Following the losses that were incurred at one of our furniture branches due to it being targeted by crime syndicates, valuable lessons were learnt. Additional controls were implemented throughout the Group in addition to those currently in place and we believe that losses of this nature should be limited in future. A strict credit granting policy is in place for all customers before credit sales are approved. Internal audit further provides feedback on internal controls of subsidiaries.	Group
Inadequate control over Group assets.	Inadequate control over Group assets could result in financial losses to the business.	A Group Investment Committee has been constituted that will oversee investments within the Group structure. The focus of this Committee is to optimise returns within the parameters of the various laws and regulations that apply to the Group and its subsidiaries.	Group

Risk	Impact	Mitigation	Segment
Operational risk (continued)			
Supplier relationships.	Deterioration of supplier relationships could result in failure to meet sales targets as it could directly affect the availability of scarce inventory.	Open communication channels exist with all suppliers to ensure that good relationships are maintained at all times. Agreed trade terms are in place and these terms are respected at all times.	Group
Client relationships.	Deterioration of client relationships could result in failure to meet sales and premium targets.	Clients are treated with respect at all times. Furniture clients are able to contact the various branch managers at any time to discuss problems that may arise. Credit agreements with clients further ensure compliance with our terms and conditions of sales. Such terms and conditions are explained to the client in detail prior to the conclusion of the sale. Relationships with insurance clients are established over a period of time and managed on an ongoing basis.	Group
Compliance with various laws and regulations.	Non-compliance with the various laws and regulations could result in penalties as well as closure of the business.	Qualified people are employed within the Group to monitor changes in laws and regulations as well as compliance thereto. Possible impacts of ever-changing laws and regulations are discussed at Group and subsidiary level. Compliance to the various laws and regulations is non-negotiable.	Group
Labour and key employees			
Succession planning.	The business will be negatively impacted by lack of skills and experience if business continuity cannot be maintained.	Retention and development of skills for the Group's unique combination of retail and insurance is important. Succession planning is in place for key personnel identified in the Group. For both operating segments this is of vital importance to ensure a smooth transition, should any change in management occur. Being part of a Group, succession planning is managed from a Group's perspective.	Group
Skill shortage in the insurance industry.	Insurance regulations require that only qualified personnel may give financial advice. Without suitably qualified staff premium sales will be affected.	The Board ensures that retention programmes are in place and that staff are properly trained. All senior personnel are required to obtain the required insurance qualifications.	Insurance segment

Our Board of Directors

1. **BJ WILLEMSE** (57)
Independent, Non-executive (Chairman)

BJ Willemse received his MCom (Economics) from the University of the Free State and his PhD (Agricultural Economics) from the University of Pretoria, for which he received the Protein Research Trust award for the best PhD. A Cochrane bursary to study at the Illinois University (USA) was awarded in 2003.

He received various awards for his work, which included two awards as the agricultural writer of the year, ABSA/Sake economist of the year, the Animal Feed Manufacturers Association person of the year, agriculturalist of the year by the central region of Agricultural Writers Association and nominated as Bloemfonteiner of the year, 2009.

His experience includes: member of the National Agricultural Marketing Council, trustee of the Oilseeds and Protein Research Trust, chief economist of the SAA Agricultural Union and member of the SA Maize Board's management team, entrepreneur with his wife Marlene and two daughters in various businesses, including agri-business consulting, farming and tourism.

He is currently a full time professor at the University of the Free State and chairman of the Department of Agricultural Economics and a trustee of the UFS provident fund.

Appointed as an independent non-executive director of ABSA Group and ABSA Bank (serving on various committees).

2. **JL OLIVIER** (66)
Independent, Non-executive (Chairman Remuneration Committee)

JL Olivier was appointed to the Board in 1989 as an independent non-executive director and was Chairman of the Board from February 2004 to March 2011. He is an independent businessman with diverse local and international business interests. He has a BCom degree.

3. **JD MANDY** (67)
Independent, Non-executive (Chairman Audit Committee)

JD Mandy is a qualified Chartered Accountant (NAM) and a fellow of the Chartered Institute of Secretaries and has a number of years of experience in senior executive roles at Pupkewitz Group Holdings, Namibian Harvest Investments Limited, Stock and Stock Properties and Arthur Andersen & Co. In addition, he occupied the position of chief executive officer of the Namibian Stock Exchange for a period of 10 years until the end of 2012 and continues to serve on the Namibian Stock Exchange board as a non-executive director.

4. **NC TROMP** (64)
Executive (Group Managing Director)

NC Tromp has a BCom degree. After completing his accounting articles in 1973, he joined the Nictus Group and became the Managing Director of the Group in 1979. He also serves as Chairman on various boards within the Nictus Group. He served as Chairman of the Nictus Group from 1998 until 2003. He is also a director/Chairman of various other companies and has acted as a trustee of numerous trusts for the past 30 years.

NC Tromp was appointed as executive director on the Nictus Holdings Limited (Namibia) Board from 18 May 2012.

1. 2. 3. 4.

5. **FR VAN STADEN** (49)
Non-executive

FR van Staden is a Chartered Accountant (SA) and Chartered Accountant (NAM). He was appointed as Director: Finance and Administration during 1997. Since 1 April 2010 he has served as the Managing Director of the Vehicle segment of the Nictus Namibia Group. He also serves as trustee of the NAMMED Medical Scheme in Namibia.

FR van Staden was appointed as executive director on the Nictus Holdings Limited (Namibia) Board from 1 October 2009.

6. **JJ RETIEF** (48)
Non-executive

JJ Retief has a BCom degree and was appointed to the Board of Nictus Holdings Limited as a director during 2006 and served as a member of the Risk Committee until 2013. He is in charge of the Furniture segment in Namibia. He has served the Nictus Limited Group for the past 16 years and is currently a non-executive director on the Nictus Limited Group Board of Directors.

JJ Retief was appointed as executive director on the Nictus Holdings Limited (Namibia) Board from 1 October 2009 and currently occupies the position of executive Chairman of the Group.

7. **WO FOURIE** (37)
Executive (Group Financial Director)

WO Fourie is a Chartered Accountant (SA) and a Chartered Accountant (NAM) and completed his accounting articles in 2002. After the completion of his articles he joined a large diamond mining company during 2003. In 2007 he joined the Nictus Limited Group as the Group Financial Manager and was appointed as the Group Financial Director of the Nictus Limited Group during 2010. He also serves as Chairman of the Risk Committee of the Nictus Limited Group as well as on the Executive Committee of the Nictus Limited Group.

In Nictus Holdings Limited (Namibia), he was appointed as director during 2010 and serves as the Chairman of the Audit Committee.

8. **PJ DE W TROMP** (37)
Non-executive (Chairman Social and Ethics Committee)

PJ de Wet Tromp has a BEcon, EDP: USB; SMP; USB and was appointed to the Board as director on 1 April 2012 and serves as a member of the Risk Committee. He is in charge of the Insurance segment in Namibia. He has served the Nictus Group for the past 10 years.

PJ de W Tromp was appointed as executive director on the Nictus Holdings Limited (Namibia) Board from 1 October 2009.

Remuneration Committee | Audit Committee | Risk Committee | Social and Ethics Committee

5. 6. 7. 8.

Executive management

1. 2. 3. 4. 5.

1. **GR DE V TROMP**
   Managing Director: Furniture Retail
   BCom Marketing, CA (NAM)

2. **WO FOURIE**
   Group Financial Director
   CA (SA), CA (NAM)

3. **W BODENSTEIN**
   Group Secretary
   BCom LLB

4. **GW SWART**
   Managing Director: Corporate Guarantee (South Africa) Ltd
   CAIB (Institute of Bankers)

5. **NC TROMP**
   Group Managing Director
   BCom

EXCELLENCE

"We are what we repeatedly do.
Excellence then, is not an act but a habit."

Aristotle (384 BC – 322 BC)

Our chairman report

PROF BJ WILLEMSE
Chairman

Nictus had a very challenging year with the geographic split of the Group into Namibian operation and a South African operation, with each company listed on the respective Namibian and South African stock exchanges.

The preparation of the required documents and financial statements was more onerous than envisaged by management. The costs involved in the unbundling, executed according to the regulator's prescriptions, was significant and impacted negatively on the profits of Nictus Limited.

The shareholders of Nictus Limited, primary listed on the JSE and secondary listed on the NSX, were allotted the same number of shares in the newly listed Nictus Holdings Limited, the Namibian company which was listed on the NSX as a primary listing.

Each company now has its own management and Board of Directors, focusing solely on the separately listed entities and operations.

Unfortunately, and despite the increased management focus on South Africa, the directors approved the closing of a furniture store with a material impairment, due to fraudulent activities by organised crime. However, as the costs of the unbundling and the writing off of debtors and inventory were a once off occurrence, the Board is of the opinion that the foundation has been laid for a new growth phase, with new and focused attention on Nictus Limited.

The Insurance segment, together with its activities, continues to grow according to the longer-term plan and is adequately capitalised to deal with proposed new regulatory capital requirements. Qualified personnel have been established in new geographic regions and growth is foreseen to continue as activities expand, which will also reduce concentration risks.

Generally the furniture retail business is showing signs of a slow-down in sales, as a result of weakening consumer spending power. Group credit policy remains very conservative and bad debts in the normal business are well below the industry norm. Profits are based on retailing furniture and not on the financing of debtors. New suppliers have been established that will add more exclusive products to the Nictus range, based on the specific target market segments that we continue to serve.

It was a challenging year for management and the employees of the Group; however we believe that valuable lessons have been learnt and a new foundation has been laid to grow and expand into the future.

I want to thank the members of the Board for their support during a difficult year of restructuring the Nictus Group into two companies in Namibia and South Africa, each with their own management and Boards of Directors.

A special word of thanks to the Managing Director for his positive leadership to managers and employees during the restructuring process and on the future of the Company in South Africa.

JN Campbell retired as a Board member and chairman of the Audit Committee. We will miss his dedication and leadership and the high standards he upheld. I want to thank him for his commitment and the example he has set.

A warm word of welcome to John Mandy who joined the Board as new Chairman of the Audit Committee. We are looking forward to his insights and experience that he brings to the Audit Committee and the Board.

I want to thank all personnel for their support and loyalty to the company. We believe that the new South African company will bring new focus and energy and will deliver exceptional results to shareholders in the new growth phase.

BJ Willemse
Chairman Nictus Group

Please refer to the website for more information at
www.nictuslimited.co.za/corporate governance

Group managing director report

NC TROMP
Group Managing Director

The history of Nictus is a very interesting one. Founded in Namibia, the expansion into South Africa during the early 80s must account as the single most exhilarating journey of my business career. What makes business so fantastically unpredictable is that the focus on establishing Nictus in South Africa over the past 30 odd years has made a dramatic paradigm shift towards sustainably existing in South Africa.

Overview

The unbundling of the Namibian operations from the South African Nictus has signalled an exciting new beginning for Nictus Limited. No longer is Nictus' effective management based in Namibia; it boasts local executives to grow a truly South African business within the realm of Africa's biggest economy.

As much as we are looking forward to the opportunities created with the strategic direction embarked upon, we are cognisant that the responsibility is now as big as the challenge.

Effects of unbundling of the Namibian from the South African operations

The Namibian investment holding company, together with its operational segments, has been unbundled from the South African operations and distributed to shareholders under the newly listed Namibian entity – listed on the NSX. The unbundling of the Namibian business resulted in a decrease of the net asset value of the Group.

As part of the unbundling, though, a capital injection into the South African Group has been effected in the form of cash paid over as an unbundling dividend and the issue of shares for cash. This capital injection is sufficient to support the growth forecasts of Nictus Furnishers and Corporate Guarantee, the flagships that will build on the Nictus brand in South Africa.

Stakeholders are advised to exercise care when reading the Group statement of financial position together with the statement of comprehensive income as the effects of the unbundling distort comparative figures.

Segmental performance

Nictus continues to implement its vision of being an independent and diversified investment holding company. Investments in the short-term insurance and furniture retail sectors remain the key focus areas for the implementation of this vision.

Furniture retail

It has been an extremely difficult year for the furniture retail segment. Although operationally the segment has shown promising signs of performance, the harsh realities of organised crime have shaken the foundations of one of our performing outlets. The Board, together with management, has been compelled to consolidate by closing the Soweto branch due to targeting by syndicates.

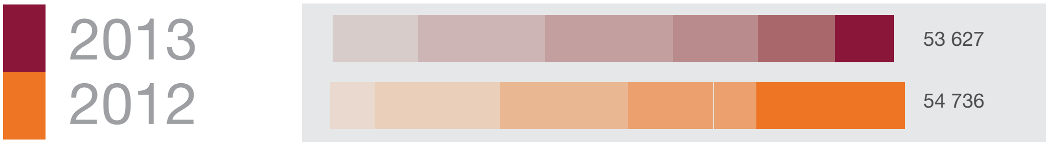
The Board has taken steps to ensure that the lessons learnt will not be repeated and with management has deliberated and concluded that existing outlets should take priority to ensure the optimisation of profits.

Financial results – continuing operations	2013 R'000	2012 R'000
Total assets	53 627	54 736
Loss for the year	(12 265)	(355)

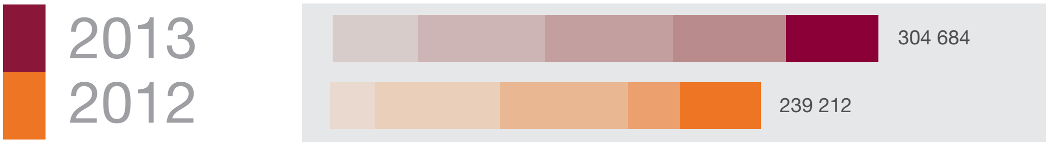
Insurance and Finance

The Company has experienced a positive acceptance of our alternative risk transfer (self-insurance) model in the market. The customer base has expanded to satisfactory levels and the indication is that further expansion can be expected. The unique innovative risk management solutions that the product provides are supported by the sound relationships that our team has with our clients.

TOTAL ASSETS FURNITURE SEGMENT (R'000)



TOTAL ASSETS INSURANCE SEGMENT (R'000)



The key focus point of the segment is sustainable growth.

Financial results – continuing operations	2013 R'000	2012 R'000
Total assets	304 684	239 212
Profit for the year	2 833	4 919

Profit strategy

Many a hard lesson was learnt the past year with regard to the financial impact of being targeted by crime syndicates. Loss-generating outlets simply do not have a place in the Group's vision and the closing thereof is expected to stop the recent negative impact on profits.

The further development of effective management in South Africa remains a focal point to enhance the efficiency of doing business, thereby increasing the profits. Over the past decade structures have been put in place from which to do business. The optimisation of these existing structures goes to the very core of the Group's moneymaking formula and holds the key to generating acceptable shareholder value.

Corporate governance

Nictus is committed to the highest standard of corporate governance. In our opinion, good corporate governance cannot only be dictated only by set rules and regulations, but must be driven by the moral convictions of the people implementing them.

The Group endorses the King III Code of Governance Principles, the International Financial Reporting Standards (IFRS) and integrated reporting, whilst it complies with the Companies Act of South Africa and the JSE Listings Requirements.

We further acknowledge our responsibility to ensure that business within the Group is conducted with transparency, prudence, justice, accountability and integrity.

Outlook

The restructuring of the Group, together with the further development of effective management based in South Africa, will take at least another year to fully reap the expected benefits expected to be achieved. I firmly believe that this restructuring has paved the way for the Group to build on and to flourish in the years to come.

Concerning the Insurance segment, the implementation date of the proposed changes in the SAM framework have been postponed for another year until January 2015. The interim measures for the segment industry which have been set in place, already put the profitability of this segment under pressure due to the additional capital adequacy requirements, and will continue to do so. Despite this, the expectation is that the segment will continue to grow profitably.

Our expectation is that the Furniture segment should show good signs of recovery following the further development of effective management and the closing down of the Maponya Mall outlet.

Appreciation

I would like to express my gratitude for the dedication and contribution of our Board, managers and staff for their support and commitment towards and the belief in the chosen strategic direction for the Group. A special word of appreciation goes out to Nic Campbell, long serving independent non-executive director of Nictus Limited, and Steve Smith, long serving independent non-executive director of Corporate Guarantee (South Africa) Limited, who have retired during the past financial year, for their services to the Group over the past several years.

On behalf of the Group, I would like to reaffirm our commitment to serving our customers and would like to thank them, together with all our stakeholders, for their continued loyalty.

NC Tromp
Group Managing Director

Operational review

Nictus places the customer first by continually striving towards **Excellence**. Helpful personnel provide service with dedication and motivation, while maintaining integrity, focus and sound values. Our products are of the **highest quality** and provide excellent value for money.

Nictus Furnishers

Nictus Furnishers is a furniture retail company operating in **South Africa**.

For nearly thee decades, Nictus has established itself as a household name and is widely acknowledged for its **Quality, Value and Service** in South Africa.

Nictus operates a decentralised, branch based business where all aspects of the business are driven by the branch personnel.

This model has been in use from the inception of the Company and ensures loyalty from Nictus' clients, which in turn ensures repeat business.

The most important benefit for our clients is the fact that they can purchase quality products at affordable prices. Management sees credit granting solely as a marketing tool and not the main reason that our clients purchasing from us.

Product mix and variety play an important role in the success of the business. Branch managers are involved in merchandising to maintain the optimal mix within the areas in which we operate.

Products

Nictus stocks a wide variety of the well-known furniture brands. These include ranges from, but not limited to, Alphine, Grafton Everest, Lazyboy, Aristocrat, Touchline, Linea Classics, Ghoors, K & K Italian Craft, Adamsons, LG, Samsung, Smeg, Defy, Whirlpool, Sony and Cloud Nine.

Please refer to the website for more information at www.nictuslimited.co.za

Three to five year strategy

After the losses incurred during the 2013 financial year, optimising current structures will be the main focus.

Effective management was optimally developed within the segment during the past 12 months. Further development of the management team will be important over the next 12 – 24 months before new branches can be opened.

Development of the property in Randburg will play an important role in the future success of the Group. We are in the process of creating a master plan for the property in order to achieve our growth objectives within the segment.

Corporate Guarantee

Corporate Guarantee (South Africa) Limited is an insurance company with a unique approach to short-term insurance. We offer innovative risk management products as an alternative to conventional insurance products. Because we understand that the financial needs and risk profile of each of our clients are different, we focus on structuring unique insurance solutions to fit the needs of each client. We have a philosophy of building strong and lasting relationships and hence we view our customers and stakeholders as valuable partners in creating alternative insurance solutions.

Our product

Our product is based on the principle of Alternative Risk Transfer ('ART').

We enable our clients to build up their own contingency fund as a method of protection against unforeseen risks. This fund is not used to subsidise any other third party risk, this can lead to a significant reduction in insurance costs.

The aim of the product is to build up a contingency policy fund to such a level that the owner becomes less dependent on costly conventional insurance.

We therefore believe that we truly empower the policy holder to enjoy access to a fund that otherwise would have been lost. The reward for better risk management is the potential refund of all the premiums paid into the self-insurance fund.

Please refer to the website for more information at www.corporateguarantee.co.za

Advantages of the product

- The contingency policy enables the policy holder to retain more risk for his own account and can be used in combination with conventional insurance as part of a total insurance programme.
- Risks that are normally excluded under conventional insurance can be covered under the policy.
- The insured is rewarded for good risk management and is enabled to participate in underwriting profits.
- The product restricts the purchase of conventional insurance to catastrophe type covers.
- It encourages better risk management which will directly result in a reduction of conventional insurance cost.
- It enhances cash flow and financial stability.
- Surplus premium may be utilised for future purposes.

Three to five year strategy

The following areas have been identified which the segment will embrace as part of its growth strategy.

Constant premium growth

Increasing annual premiums are important for the growth of the Insurance segment. The aim is to obtain premium growth of at least 10% at the required administration fees over the next three to five years.

Optimise investment return

Increasing investment return automatically increases profit within the segment as well as the Group. A Group Investment Committee was constituted during the past year.

An investment mandate is in place within the segment, providing management with specific guidelines for investing in financial assets as prescribed by the Short-term Insurance Act.

The focus, however, is to increase the average percentage of investment income to assets.

Exceed expected service levels

Service to policy holders remains one of the cornerstones of expanding the customer base. Client satisfaction surveys are performed on a regular basis to obtain a client satisfaction index (CSI). The aim is to increase the current CSI of 85% to 95% over the next three years.

Successful establishment of strategic business units (SBU)

The focus for new SBUs is on geographical areas that will strategically suit our growth strategy as a whole and which will allow us to increase our customer base.

It is envisaged to establish a new SBU within the next two years.

Expand the referrer base

Referrers and intermediaries play a vital role in the marketing strategy of the segment. Referrers and intermediaries are appointed under contract in line with the stipulations of the Financial Advisory and Intermediary Services ('FAIS') Act. The immediate objective will be to expand the referrer base in the geographical areas that will strategically impact the segment.

Maintain and develop IT systems

The Group develops its own IT platform. The maintenance of these systems is of the utmost importance to service our clients.

A detailed development plan is in place and managed by the Group IT Steering Committee. The development plan extends for a period of three years and will enable us to provide additional benefits to our clients.

Corporate social responsibility report

Foreword by the Chairman

Nictus takes the influence and impact its business has on society, the economy and the environment seriously. Nictus is therefore committed to embracing its obligations as a leading corporate citizen, by operating in a socially and environmentally responsible way, and making a valuable contribution to society through, amongst others, investing in the communities within which we operate.

We are committed, both as a business and as individuals, to use our skills, experience and resources to make a sustainable, positive impact on society. Our commitment to sustainability and transformation in developing markets is particularly important.

Maximising long-term shareholder value is critical for our clients, our reputation and our track record as a public company. We put sustainability at the heart of our business process. Our principle is to pursue corporate activity where shareholder value can be enhanced and to take a stand against policies that destroy shareholder value.

Within our overriding obligation to safeguard shareholder value, we support several initiatives aimed at encouraging socially responsible practices.

Community involvement

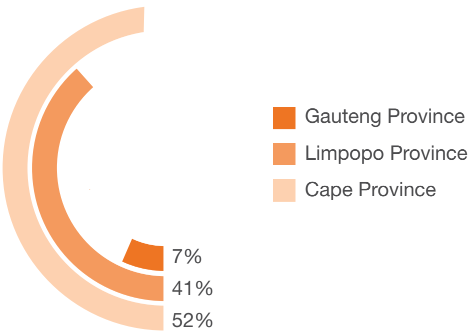
We believe that making a difference involves engaging directly with the community. Such activities consist of:

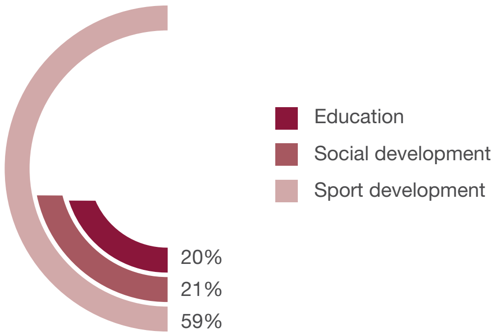
- **Gauteng Province**
  - Education: Contributing to initiatives in the Randburg area.
- **Cape Province**
  - Social Development: Contribute annually to hostel repairs in the Ceres area.
  - Sport: Sponsoring of sport days.
- **Limpopo Province**
  - Sport: Sponsoring of rugby and soccer teams with kit and clothing, cycling and bowls events.

Employment: preferred employer

We are committed to becoming a more diverse and representative workplace. We are doing this by employing, developing and retaining professionals in an environment that promotes equal opportunities to people of all cultures and genders and by increasing the talent pool in the South African workforce through focused graduate recruitment and systematic development and training. We strive to become the preferred employer in the sectors we operate in.

COMMUNITY INVOLVEMENT (%)





Group value added statement

	2013 %	2013 R'000	2012 %	Restated 2012 R'000
Wealth created				
Revenue		40 156		52 477
Investment income		16 069		15 001
Cost of material and services		(41 658)		(43 031)
		14 567		24 447
Applied as follows				
Employees				
– Salaries, wages and other benefits	135	19 598	89	21 756
Government				
– Taxation	–	–	(9)	(2 188)
Providers of capital				
– Finance cost	4	524	4	984
– Ordinary dividends	52	7 616	21	5 077
Re-invested to support future growth:	(91)	(13 171)	(5)	(1 182)
Depreciation and amortisation	3	547	2	564
Loss attributable to equity holders of the parent – continuing operations	(94)	(13 718)	(7)	(1 746)
	100	14 567	100	24 447
Direct and indirect taxes				
Value added tax	73	4 694	147	2 502
PAYE	27	1 705	82	1 384
Company tax	–	–	(129)	(2 188)
	100	6 399	100	1 698

Two year review of the group

	2013 R'000	2012 R'000
Statement of financial position		
Assets		
Non-current assets	57 807	477 021
Current assets	276 202	618 483
Total assets	334 009	1 095 504
Equity and liabilities		
Total shareholders' equity	76 049	168 567
Non-controlling interest	–	–
Non-current liabilities	5 045	16 389
Current liabilities	252 915	910 548
Total equity and liabilities	334 009	1 095 504
Statement of comprehensive income		
Revenue	40 156	52 477
Operating loss*	(13 161)	(3 048)
Financing costs	(524)	(984)
Share of profits of associates	–	–
Loss before taxation	(13 685)	(4 032)
Taxation	(33)	2 286
Loss for the year	(13 718)	(1 746)
Discontinued operations		
(Loss)/profit from discontinued operations	(1 411)	24 774
(Loss)/profit for the year	(15 129)	23 028
Attributable to:		
Equity holders of the parent	(15 129)	23 028
(Loss)/profit for the year	(15 129)	23 028
Ordinary dividends	7 616	5 077
Number of ordinary shares issued	66 269 940	53 443 500
Treasury shares	–	–
Weighted average number of shares	59 839 150	53 443 500

Nictus definitions and ratios and terms*

Average net assets
The sum of net assets at the end of the current year and the previous year, divided by two.

Borrowings ratio
The sum of current and non-current interest bearing borrowings to the sum of total equity and deferred taxation.

Current ratio
Current asset to current liabilities.

Dividend cover
Headline earnings divided by ordinary dividends paid in the current year.

Dividends per share
Dividends for the year divided by the number of shares in issue at the date of each dividend declaration.

Earnings per share
Profit or loss for the year after adjusting for outside shareholders' interest, divided by the weighted average number of shares in issue during the year.

Earnings yield (%)
Headline earnings per share to market price at year end.

Headline earnings per share
Headline earnings divided by the weighted average number of shares in issue during the year.

Interest cover
Operating profit or loss before financing costs divided by financing costs.

Liability ratio
The sum of non-current interest bearing borrowings and current liabilities to total equity and deferred taxation.

	2013	2012
Key ratios		
Performance per ordinary share		
Loss (cents) – continuing	(22,92)	(3,27)
(Loss)/earnings (cents) – discontinued	(2,36)	46,36
Headline loss (cents) – continuing	(22,93)	(3,21)
Headline (loss)/earnings (cents) – discontinued	(2,50)	36,24
Dividends (cents)	14,25	9,50
Net worth (cents)	114,76	315,41
Profitability and asset management		
Net operating income* to turnover (%)	(32,77)	(5,81)
Return on assets managed (%)	(7,99)	(1,40)
Net asset turn (times)	0,24	0,24
Return on shareholders' equity (%)	(19,89)	13,66
Liquidity		
Interest cover (times)	(25,12)	(3,10)
Dividend cover (times)	(1,80)	(0,34)
Borrowings ratio	–	0,38
Liability ratio	3,24	5,32
Current ratio	1,09	0,68
Johannesburg/Namibian Stock Exchange performance		
Market price (cents) High	401	499
Market price (cents) Low	100	110
At year end (cents)	145	401
Price earnings ratio	(6,32)	(124,92)
Earnings yield (%)	(15,81)	(0,80)
Volume of shares traded to weighted number of issued shares (%)	1,03	4,54
Market capitalisation (R'000)	96 091	214 308

* *Amounts stated before taking into account finance costs and share of profits from associates.*
** *During the 2013 financial year the Namibian operations were unbundled resulting in a restatement of certain 2012 comparative figures. Refer note 41 of the financial statements for additional information.*

Net asset turn
Revenue divided by average net assets.

Net assets
Total assets less non-interest bearing debt and insurance contract liabilities also equivalent to total equity and liabilities plus current interest bearing liabilities.

Net worth per share
Equity attributable to equity holders of the parent divided by the number of ordinary shares in issue at year end.

Operating profit to turnover
Operating profit before financing costs divided by revenue.

Price earnings ratio
Market price at year end to headline earnings per share.

Return on assets managed
Operating profit before financing costs expressed as a percentage of average net assets.

Return on shareholders' equity
Profit or loss attributable to the equity holders of the parent for the year expressed as a percentage of equity attributable to the equity holders of the parent.

Weighted average number of shares in issue during the year
The number of shares determined by relating the number of days within the year that a particular number of shares have been entitled to share in earnings to the total number of days in the year.

* *Results of continuing operations have been applied to the above definitions with the exception of earnings per share and headline earnings per share which have also been based on the results of discontinued operations.*

Corporate governance report

The Board is committed to the highest standards of corporate governance. We accept the challenge to seek excellence by constantly measuring ourselves against international best practices, throughout the Group.

The Group endorses the King Code of Governance Principles for South Africa, 2009 (King III) and has strived towards absolute compliance therewith (as set out further herein), which the board is of the view it has materially achieved throughout the financial year. We account therefore in accordance with the International Financial Reporting Standards (IFRS) and do so in the format of integrated reporting, whilst an absolute compliance to the Companies Act of South Africa and the JSE Listings Requirements is entrenched in our business model.

We further acknowledge our responsibility to ensure that business within the Group is conducted with transparency, prudence, justice, accountability and integrity.

Board of Directors

The Board has adopted the vision, mission and core values of Nictus and sets an example by actively pursuing acting within the ambit of the code of conduct. The ethical approach is further established with the appointment of its balanced mix of independent non-executives. The Board boasts a newly established Social and Ethics Committee ('SEC'), which guides the Board on its corporate responsibility and ensures that the Company is seen to be a responsible corporate citizen. The Board, with the assistance of management and the SEC, requires all employees to sign the code of conduct, thereby creating awareness amongst employees of the Group's ethical compliance requirements. The SEC conducts surveys amongst all stakeholders to remain informed about the level of ethics that the Group maintains.

The Board receives regular updates on the corporate governance status from the Company Secretary and Financial Director. The Board gathers its own insights into the corporate governance of the Group and utilises these insights, together with reports received, to effectively and ultimately take responsibility for the corporate governance of the Group.

Strategy, risk, performance and sustainability are all key matters in the integrated business plan of the Group. These factors are examined in detail to determine their individual and combined effects on the business.

The Board is required to disclose any conflict of interest and directors are required to always act in the best interest of the Group. Solvency, liquidity and cash balances are monitored on a daily basis and the going concern analysis of the Group is executed by the Audit Committee in terms of the Audit Committee charter. Solvency and liquidity tests are conducted in terms of the Companies Act of South Africa and business rescue or turnaround mechanisms would be considered by the Board should the Group become financially distressed.

The Chairman of the Board is an independent non-executive director. The Group Managing Director does not fulfil the role of Chairman of the Board. The Group Managing Director is appointed by the Board and his mandate is detailed in the business plan, wherein the framework for the delegation of authority is also contained. The majority of Board members are non-executive directors with a healthy inclusion of independent non-executive directors. The directors boast a spread of skills and a wealth of experience. King III requires the Board to consider the independence of independent non-executive directors who have served on the Board for more than nine years. JL Olivier joined the Board in 1989. He serves as an independent non-executive director and, accordingly, the Board has individually considered whether the length of service has compromised, or could be held to have compromised his independence. The Board has determined that he remains independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, his judgement or independence of character.

The appointment of directors is a formal process which is overseen by the Audit Committee. Abbreviated directors' CVs are included in the integrated report. The induction process is managed by the Group Managing Director and the Company Secretary and directors are exposed to various development programmes. In general, Nictus appoints experienced directors.

Evaluations of the Board, its committees and individual directors are conducted internally each year and consideration is given to outsourcing such evaluations as and when the Board deems necessary.

The Board is assisted in fulfilling its duties by well structured Board committees. Each committee is constituted by a charter, which is reviewed annually. The committees are sufficiently represented by independent non-executive directors and the Group Managing Director and Financial Director attend the committee meetings *ex officio*. Furthermore, Veritas Board of Executors Proprietary Limited, a competent, suitably qualified and experienced Company Secretary has been appointed by the Board. The ability of Veritas, its board and employees to perform its company secretary duties is assessed annually by the board taking into account a set of pre-agreed deliverables. Although the Company Secretary is not independent, Veritas boasts decades of experience. Care is taken to monitor the arms-length relationship with the Board and written agreements are in place to govern the arms-length relationship between the parties. The performance of Veritas is assessed annually. A governance framework exists between the Group and its subsidiary boards, whilst the Group enjoys a healthy representation on subsidiary boards.

Directors and executives are remunerated in accordance with the approved remuneration policy. Remuneration is based on a fair and responsible combination of factors, including market research and performance. The remuneration paid to directors and certain senior executives is disclosed via the remuneration report in the integrated report. The Group's remuneration policy is contained in the integrated report and tabled for shareholders' approval at the annual general meeting.

The composition of the Board, its sub-committees and attendance at meetings is summarised in the following table:

Name	Status	Board	Audit Committee	Remuneration Committee	Risk Committee
BJ Willemse	Independent non-executive Chairman	4/4	√ 4/4	√ 2/2	
JL Olivier	Independent non-executive	4/4	√ 4/4	√C 2/2	
JN Campbell[1]	Independent non-executive	3/3	√C 3/3	√ 1/1	
JD Mandy[2]	Independent non-executive	1/1	√C 1/1	√ 1/1	
NC Tromp	Executive (Managing)	4/4	B 4/4	B 2/2	
WO Fourie	Executive (Financial)	4/4	B 4/4	B 2/2	√C 2/2
FR van Staden	Non-executive	4/4			√ 2/2
JJ Retief	Non-executive	4/4			√ 2/2
PJ de W Tromp	Non-executive	4/4			√ 2/2

1. *Retired as an independent non-executive director and Chairman of the Audit Committee on 22 February 2013.*
2. *Appointed as an independent non-executive director and Chairman of the Audit Committee on 12 March 2013.*

√ *Indicates Board committee membership, C indicates Board committee Chairman, and B indicates attendance by invitation.*
The figures in each column indicate the number of meetings attended out of the maximum possible number of meetings for the respective director.

Audit Committee

Nictus has an effective and independent Audit Committee, constituted by a charter approved by the Board. It meets quarterly to fulfil its duties. The performance of the Audit Committee is periodically assessed and reviewed by the Board. It is chaired by an independent non-executive director, approved by the shareholders, and comprises two further suitably skilled, experienced independent non-executive directors. The Managing Director, Financial Director, the internal and external auditors attend the meetings by invitation.

The Audit Committee provides oversight of the integrated reporting activities. Nictus has developed a combined assurance model which provides a coordinated approach to assurance activities, with oversight by the Audit Committee, in respect of key risks facing the Group. Each year the Audit Committee conducts a review of the finance function, in terms of resources, expertise and experience.

The Audit Committee is responsible for the appointment, performance assessment and dismissal of the internal auditor. Internal audit's coverage plan is risk based and is approved by the Audit Committee on an annual basis. The work of internal audit is subject to independent quality review. It forms an integral part of the risk management process and is responsible for the assessment of the risk report, compiled by the Risk Management Committee.

The Audit Committee oversees the external audit activities, including the appointment, qualifications, independence, approach, reporting and performance evaluation of the auditors.

The Audit Committee reports to the Board as well as to the shareholders on how it has discharged its duties and its report to stakeholders is included in the integrated report.

Governance of risk (Risk Committee)

The Board has established a Risk Committee to assist the Audit Committee in compiling an annual risk management report, although it ultimately remains responsible for the governance of risk. The Board considers and determines the levels of risk tolerance as well as risk appetite during its periodic review of the Group's risk profile. This risk profile determines the ambit within which management are allowed to take on risk-inclined projects. The Board has appointed the Audit Committee to assist in carrying out its risk responsibilities by providing oversight of Nictus' risk management activities.

The Board has delegated the responsibility to design, implement and monitor Nictus' risk management plan to the Group risk management team.

Management perform risk assessments on a continual basis and provides regular feedback to the Audit Committee and the Board. Risk management meetings comprise multi-disciplinary teams. This together with Nictus' framework and risk methodology increases the probability of anticipating unpredictable risks.

Nictus' risk methodology includes the consideration and implementation of appropriate risk responses.

Risk monitoring is achieved at Nictus through a combination of daily and periodic activities undertaken by management at various levels in the organisation, culminating in the activities of the Group risk management team and Audit Committee, which oversee the risk management process at Nictus.

Assurance regarding the effectiveness of the risk management process is provided by both management and internal audit to the Audit Committee and Board.

Corporate governance report

(continued)

The relevant risks for the Group are disclosed to stakeholders in the integrated report.

IT governance

The Board is responsible for IT governance. The Group IT consultant provides regular feedback, through the Financial Director, to the Audit Committee and Board on IT governance matters. An IT Steering Committee exists and policies are established and implemented. Nictus promotes an ethical IT governance culture and a common IT language. IT is aligned with the performance and sustainability objectives of the Company from a strategic and business process perspective. There are also processes to identify and exploit opportunities to improve performance and sustainability through the use of IT. The Board has delegated responsibility for the implementation of an IT governance framework to management. All IT matters are referred to the Group IT consultant who advises on the most appropriate technological solutions for the Group. Decisions are ratified by an executive Group IT Steering Committee. Post implementation audits are conducted on large IT projects. The Financial Director, on behalf of the Group IT Steering Committee, presents to the Audit Committee and Board regarding the value delivered by IT investment. IT is represented on the Group by risk management teams, ensuring that IT risk management is aligned with the Company's risk management process. Feedback on IT risks, business continuity and disaster recovery is provided by the Group IT consultant, through the Financial Director, to the Audit Committee and the Board. IT has processes to identify and comply with relevant IT laws and standards. IT systems and processes have been developed for managing information assets effectively, including personal information. This includes information security, information management and privacy. The information security strategy has been approved by the Board and delegated to management for implementation. The Audit Committee, which assists the Board in risk management, has oversight of IT risks, IT controls and related combined assurance. This includes financial reporting matters. Technology is used to improve audit coverage and efficiency.

Compliance with laws, rules, codes and standards

Nictus has a compliance culture with a legal compliance programme which supports efforts to identify and comply with applicable laws and regulations. Compliance also forms part of Nictus' code of ethics. The Board is briefed on new regulations and reports from the Company Secretary and JSE sponsors are provided regularly to the Audit Committee and Board. The Board and individual directors are made aware of new regulations or changes that affect the Group. A compliance function has been established and the risk of non-compliance forms part of the risk management process. Material aspects of non-compliance would be disclosed in the integrated report, if applicable. The Company Secretary acts as legal compliance officer.

✔

Legal compliance works closely with ethics and risk management and the head of the legal function is the Company Secretary who attends Board and Audit Committee meetings.

Internal audit

Nictus has an effective risk based internal audit function, with a charter approved by the Audit Committee and Board. Internal audit focuses on governance, risk management, the internal control framework, follows a systematic approach and investigates and reports on fraud, corruption, unethical behaviour and irregularities.

Internal audit is independent and objective and its audit plan is informed by the strategy and risks of the Group. Internal audit provides a written assessment of the effectiveness of the Group's system of internal controls and risk management, including an assessment of the financial controls to the Audit Committee and Board. Controls and a framework for governance, risk and compliance, have been established over financial, operational, compliance and sustainability matters. Internal audit is integral to the combined assurance model as both a coordinator and an assurance provider. The Audit Committee oversees the internal audit activity, including review and approval of the audit plan, evaluation of internal audit performance, the independent quality review process, review of reports submitted by internal audit to the Audit Committee and resourcing. The Audit Committee is responsible for the appointment and dismissal of the internal auditor.

Internal audit is strategically positioned to achieve its objectives, is independent, objective and reports functionally to the Audit Committee. The internal auditor does not have a standing invitation to all Executive Committee meetings, however, is briefed on strategic and risk related developments by senior executives who do attend, and has access to minutes of meetings. The internal auditor meets frequently with senior executives and is appropriately skilled and resourced to fulfil its mandate.

Governing stakeholder relationships

The integrated report reflects the interests of the Group's stakeholders and key actions to maintain positive perceptions about the Group and its activities. The Board considers on an ongoing basis the feedback regarding the perceptions of particular stakeholder groups. Management has been tasked by the Board with the management of stakeholder relationships, including identification of important stakeholder groupings, and development of strategies and policies to manage the relationships. There are formal and informal mechanisms for constructive stakeholder engagement with the Group and shareholders are encouraged to attend the AGM. Stakeholder policies as well as information on the Group's dealings with stakeholders are included in the integrated report. Nictus aim to achieve an appropriate balance between various stakeholder groupings' interests and expectations, in taking decisions in the best interests of the Group. Shareholders are treated equitably. Nictus is committed to transparent and effective communication with all stakeholder groups. Such communication takes place through formal and informal channels; and through general as well as direct communication initiatives, including community, Group and individual meetings.

Nictus endeavours to resolve disputes in an effective and efficient manner, through partially formalised processes and management action.

Integrated reporting and disclosure

The Board, assisted by the Audit Committee and management, has established controls and processes to gather, review and report adequate information regarding the Group's financial and sustainability performance in the integrated report.

Board committees

The Board has established committees to assist it to discharge its duties. The committees are all constituted by charters, which were in turn approved by the Board. The Board committees are as follows:

- **Audit Committee**

  The Audit Committee consists of three independent non-executive directors and discharges its duties as set out, *inter alia*, in the Audit Committee charter and the Companies Act of South Africa. The Audit Committee also fulfils the Nomination Committee function.

  The external auditors attend the meeting and have unrestricted access to the Chairman and members of the Audit Committee.

- **Remuneration Committee**

  The Remuneration Committee consists of three independent non-executive directors and is responsible for determining just and equitable remuneration policies for the Group and making related recommendations to the Board.

- **Social and Ethics Committee**

  The Social and Ethics Committee (SEC) is chaired by a non-executive director and comprises of a prescribed officer and senior management. The committee meets bi-annually. The SEC oversees the Group's social development and ethics management, good corporate citizenship, sustainability strategies and preferred employer policies.

- **Executive Committee**

  The Executive Committee comprises the Chairman of the Board, the Managing Director and the Financial Director. The committee meets every second month and aims to formalise high-level recommendations to the Board pertaining to pressing strategic issues.

- **Management Committee**

  The Management Committee consists of the Managing Director and subsidiary managing directors and meet monthly. The day-to-day management of the Company is tasked to the Managing Director and the Management Committee is constituted to assist the Managing Director in discharging this function.

- **Risk Management Committee**

  The Risk Management Committee consists of the Financial Director, a non-executive director and a senior executive. An extensive risk identifying procedure is followed, with input from all operational subsidiaries, to identify business threatening risks. The Risk Management Committee compiles the risk management report which is passed onto the Audit Committee for evaluation and to determine the adequacy of risk controls.

- **IT Steering Committee**

  The IT Steering Committee is chaired by the Managing Director and comprises the Financial Director, Group IT consultant and subsidiary managing directors. The IT Steering Committee reports to the Audit Committee and Board through the Financial Director and meets approximately twice per month.

- **Investment Committee**

  The Investment Committee was constituted in 2013 by a charter approved by the Board. The function of the Investment Committee is to evaluate and advise the Board on all Group and subsidiary investments of substantial monetary value or business importance. The Investment Committee is chaired by the Chairman of the Group and further consists of the Managing Director, the Financial Director, the insurance subsidiary Managing Director and another senior executive and meets quarterly.

Remuneration report

Remuneration Committee

The detail pertaining to the composition and operation of the Remuneration Committee is set out in the corporate governance report.

Remuneration policy

The Group's remuneration policy reflects the recommendations of King III. It aims to attract and retain those people that will support and contribute to achieving the Group's results and performance.

The policy, philosophy and strategy are encapsulated in the following:

Remuneration should:

- contribute towards attracting and retaining motivated and loyal staff;
- reflect a direct correlation with the vision and results of the Group;
- be reviewed and benchmarked annually;
- support the strategy of the Group; and
- reward performance and motivate staff.

Structure of executive remuneration

Total cost-to-company forms the basis of the remuneration package for senior management and executive directors. The package consists of a cash component and benefits. Remuneration is linked to challenging long-and short-term financial and non-financial performance and sustainable profits attributable to shareholders.

- Long-term incentive remuneration is based on retaining employees and meeting performance levels over a rolling three year period;
- Short-term incentive remuneration is based on meeting performance levels during the year in terms of guidelines established by the Board.

The packages are reviewed and benchmarked against independent comparable market data in order to also recognise a differentiation between high, average and under performers.

The total remuneration package evaluation is undertaken annually.

Incentive bonus plan

The executive directors and senior management participate in an incentive bonus plan, which is based on the achievement of predetermined targets. These are based on targets set in each specific segment in order to achieve the Group's targets.

Share incentive scheme

Annually the committee considers the granting of options to the executive directors and senior management. Those who qualify, participate in the Group's share option and incentive scheme, which is designed to recognise the contribution of senior staff to the growth in the value of the Group's equity and to retain key employees. Within the limits imposed by the Company's shareholders, options are allocated to the executive directors and senior staff in proportion to their contribution to the business as reflected by their seniority and the Group's performance. The options are allocated at a price determined by the directors, in terms of a resolution and the applicable JSE Limited's rules.

At 31 March 2013 no share options were allotted that could be taken up by employees or directors.

Vesting of the options

The options granted vest after stipulated periods and are exercisable over a ten-year period in terms of the trust deed.

Retirement benefits

The Group does have a defined contribution pension scheme. All employees of the Group belong to the scheme with both the Company and employees making contributions.

Other benefits

The executive directors and senior management enjoy certain other benefits including entitlement to travel allowances where applicable.

Executive service contracts

Executive directors have service agreements with current notice periods of 90 days. The current retirement age is set at 60 years, whilst directors may negotiate further terms past the age of 60 on an individual basis. No contractual entitlements on termination of employment exist but compliance to the relevant labour acts is ensured.

Succession planning

The Executive Committee continuously review the position throughout the Group and is informed of senior level requirements. The objective is to ensure continuity is provided, to develop a pool of individuals with potential and to cater for development and future placement.

Board evaluation process

A participative internal evaluation of the Board's performance and the structural environment was undertaken during 2012. Overall, the Board was considered to be balanced and effective. However, certain areas were identified for improvement.

Non-executive directors

Non-executive directors are expected to perform the tasks and duties normally associated with the position of a non-executive director as defined in the Companies Act, King III and the Memorandum of Incorporation of the Company. The Board and each committee has a charter which sets out the responsibilities of the Board and the respective sub-committees.

Non-executive directors are expected to provide leadership, expertise and knowledge on strategy and business and contribute to the planning of the Group.

Non-executive directors are compensated based on their contribution to the Group. Non-executive directors are remunerated for their services on the basis of attendance at Board and Board committee meetings.

No contractual arrangements for compensation for loss of office exist, nor do non-executive directors receive any incentives or participate in any of the Group's incentive schemes. Annual fees payable to non-executive directors for the period ended 31 March 2014 are to be approved by the shareholders on 30 August 2013. Fees for the period commencing 1 April 2013 were recommended by the directors after having been considered by the Remuneration Committee.

In view of the increasing levels of responsibility being placed on directors and benchmarks for comparable companies, the following levels of fees for non-executive directors have been established.

	From 1 April 2013
Chairperson's remuneration	R487 000 per year (inclusive of all committee remuneration)
Committee chairperson	
Audit Committee	R252 200 per year (inclusive of all committee and board fees)
Remuneration Committee	R223 100 per year (inclusive of all committee and board fees)
Committee membership	
Audit Committee	R19 400 per meeting
Remuneration Committee	R19 400 per meeting

Non-executive directors are paid an amount of R19 400 per day per meeting in respect of special meetings. They are also paid a pro rata amount per hour for additional work undertaken.

The detailed remuneration paid to directors for the 2012/2013 financial year is set out in note 33 of the financial statements.

ANNUAL FINANCIAL STATEMENTS

The reports set out below comprise the annual financial statements presented to the shareholders:

The financial statements of Nictus Limited have been audited in compliance with Section 30 of the Companies Act of South Africa.

Mr WO Fourie (Financial Director, CA(SA)) was responsible for supervising the preparation of these financial statements.

NICTUS LIMITED
Registration Number: RSA: 1981/001858/06
Registration Number: NAM 781/11858

Primary listing: Johannesburg Stock Exchange
Secondary listing: Namibian Stock Exchange

DIRECTORS' RESPONSIBILITIES AND APPROVAL

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the Company and Group annual financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Company and Group as at the end of the financial year and the results of their operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The directors are also responsible for the preparation of the directors' report. The external auditors are engaged to express an independent opinion on the Group and Company financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all identified forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's and Company's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, they are satisfied that the Group and Company has access to adequate resources to continue in operational existence for the foreseeable future. The directors have made an assessment of the Group's and Company's ability to continue as going concerns and there is no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated financial statements and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements and separate financial statements of Nictus Limited, which have been prepared on the going concern basis, were approved by the Board on 12 June 2013 and were signed on its behalf by:

NC Tromp
Group Managing Director

BJ Willemse
Chairman

12 June 2013

CERTIFICATE OF THE COMPANY SECRETARY

In our opinion as Company Secretary, we hereby confirm, in terms of the Companies Act of South Africa, that for the year ended 31 March 2013, the Company has lodged with the Commissioner of the Companies and Intellectual Property, all such returns and notices as are required of a public company in terms of this Act and that all such returns and notices are true, correct and up to date.

Veritas Board of Executors (Pty) Limited
Company Secretary

1st Floor
Nictus Building
c/o Pretoria and Dover Street
Randburg
South Africa

12 June 2013

Your directors have pleasure in reporting on the activities and financial results of the Group for the year ended 31 March 2013.

REVIEW OF OPERATIONS

During the year the Board undertook an extensive strategic review of the Group and its current Namibian and South African operations. It was concluded that it was preferable for the Namibian and South African operations to be separately listed on the Johannesburg Stock Exchange and Namibian Stock Exchange ('NSX') respectively. In order to achieve this objective, the Board recommended to unbundle its Namibian operations and list them separately on the NSX. As a result, the Namibian operation is reported as a disposal group in the current year with effect from 31 August 2012. The 2012 statement of comprehensive income and statement of cashflows for the Group have been restated in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

A distribution was made to shareholders of Nictus Limited, where shareholders received one share in Nictus Holdings Limited for each share held in Nictus Limited. Full details in respect of the unbundling are available in the circular dated 1 August 2012 circulated to shareholders and published on the website of the Company at www.nictuslimited.co.za.

REVIEW OF SUBSIDIARIES

Details of subsidiaries are dealt with in note 5 of the consolidated financial statements.

	2013 R'000	2012 R'000
The interest of the company in the aggregate (loss)/profit after tax of subsidiaries is:		
(Loss)/profit after taxation	(9 432)	87 751

The subsidiaries of this Company are mainly involved in furniture retail, immovable properties and short-term insurance and financing in South Africa.

FINANCIAL RESULTS

For the year under review the Group's loss from continuing operations before taxation amounted to R13,685 million compared to a loss before taxation of R4,032 million in the previous year. The Company's profit before taxation for the year was R7,442 million compared to a profit before taxation of R7,464 million for 2012.

The loss for the year for the Group from continuing operations was R13,718 million compared to a loss of R1,746 million in the previous year. The profit for the year for the Company was R7,442 million compared to a profit of R9,364 million for 2012.

Included in the loss for the year were restructuring costs incurred due to the unbundling of the Group's Namibian operations. These costs amounted to R3,011 million and will not repeat in future.

SEGMENTAL ANALYSIS

A detailed segmental analysis is included in note 44 of the consolidated financial statements.

Directors	Date of appointment	Date of resignation
Executive		
NC Tromp (Managing Director)	1 April 1981	
WO Fourie	1 April 2010	
Non-executive		
FR van Staden	1 April 1997	
JJ Retief	1 April 2006	
PJ de W Tromp	1 April 2012	
Independent non-executive and members of the Audit Committee		
BJ Willemse (Chairman)	15 June 2010	
JN Campbell	1 March 2006	22 February 2013
JL Olivier	17 July 1989	
JD Mandy	12 March 2013	

MANAGEMENT OF THE GROUP

The operations of the Group have been managed partly by companies in which Messrs NC Tromp (Tromp Consulting International (Pty) Ltd) and WO Fourie (Haida Investments CC) have material interest.

Until 31 August 2012 companies in which Messrs FR van Staden (Premier Services (Pty) Ltd), JJ Retief (H&Z Properties (Pty) Ltd) and PJ de W Tromp (Nature Unlimited Consultations (Pty) Ltd) have material interest were also involved in the management of the Group. Since 31 August 2012, these directors became non-executive.

SHAREHOLDER ANALYSIS

	Number of shareholders	%	Number of shares	%
Ordinary shares				
Composition of shareholders				
Non-public shareholders	35	5,29	47 675 451	71,94
Directors and associates	34	5,14	34 849 011	52,59
Strategic holdings (more than 10%)	1	0,15	12 826 440	19,35
Public shareholders	627	94,71	18 594 489	28,06
	662	100,00	66 269 940	100,00
Distribution of shareholders				
Ordinary shares				
Banks	6	0,91	432 623	0,65
Close corporations	4	0,60	367 294	0,55
Endowment funds	3	0,45	48 762	0,07
Individuals	563	85,06	17 590 976	26,55
Insurance companies	1	0,15	471 949	0,71
Nominees and trusts	56	8,46	12 086 993	18,25
Other corporations	4	0,60	32 549	0,05
Private companies	22	3,32	19 485 381	29,40
Public companies	3	0,45	15 753 413	23,77
	662	100,00	66 269 940	100,00
Unlisted cumulative redeemable preference shares				
Held by non-public shareholders	2	100,00	1 370	100,00
Shareholders with an interest above 5% in ordinary shares:				
NC Tromp (Director)			26 739 205	40,35
Nictus Holdings Limited			12 826 440	19,35
MRT Trust			5 200 000	7,85
KCB Trust			3 670 000	5,54

Interest of executive and non executive directors, including their families, in stated capital

	Number of shares	
	2013	2012
Indirect interests		
Beneficial		
NC Tromp	26 739 205	26 768 640
Non-beneficial		
NC Tromp	1 038 014	2 185 356
FR van Staden	1 486 030	1 486 310
JJ Retief	1 186 018	1 186 298
JL Olivier	724 438	574 438
PJ de W Tromp	1 389 980	1 398 980
WO Fourie	1 122 984	1 023 264
	33 686 669	34 623 286

There have been no changes in directors' shareholdings since 31 March 2013.

ANALYSIS OF EXECUTIVE DIRECTORS' SHARE OPTIONS AS AT 31 MARCH 2013

There were no outstanding share options at year end held by the directors in the current or prior financial year.

BENEFICIAL AND NON-BENEFICIAL SHAREHOLDING

The aggregate beneficial holdings at 31 March 2013, held by the executive directors of the Company and their immediate families, in the issued shares of the Company and details of future entitlements under the share option scheme and share incentive arrangements are detailed below.

Executive directors' shareholding at:

	Number of fully paid shares held		
	Direct	Indirect	Future entitlements under share option scheme
31 March 2013			
NC Tromp	–	27 777 219	–
WO Fourie	–	1 122 984	–
	–	28 900 203	–
31 March 2012			
NC Tromp	–	28 953 996	–
WO Fourie	–	1 023 264	–
	–	29 977 260	–

POST REPORTING DATE EVENTS

No material facts or circumstances have occurred between the accounting date and the date of this report.

STATED CAPITAL

During the year the Company changed the stated capital from par value shares to no par value shares. In addition, the authorised shares were increased from 100 000 000 par value shares to 250 000 000 no par value shares.

The Company issued 12 826 440 shares, at an issue price of R1,75 per share, to Nictus Holdings Limited on 1 October 2012 as part of the unbundling of the Namibian operations. The 183 730 060 unissued ordinary shares remain under the control of the directors with the authority to allot and issue such shares at their sole discretion until the next annual general meeting of the shareholders of Nictus Limited.

SECRETARY

Veritas Board of Executors (Pty) Limited, PO Box 2878, Randburg, 2125, Corner of Pretoria and Dover Street, Randburg.

REGISTERED OFFICES

Republic of South Africa
Nictus Limited
Corner of Pretoria and Dover Street, Randburg
PO Box 2878, Randburg, 2125
South Africa

Namibia (for purposes of dual listing on NSX)
Nictus Limited
3rd Floor, Corporate House
17 Lüderitz Street, Windhoek
Private Bag 13231, Windhoek

12 June 2013

REPORT OF THE GROUP AUDIT COMMITTEE

The Group Audit Committee is in compliance with the Companies Act of South Africa.

The committee members are all independent non-executive directors of the Group. Four Audit Committee meetings were held during the year, during which the members fulfilled all their functions as prescribed by the Companies Act of South Africa. A detailed list of the functions of the Audit Committee is contained in the corporate governance report. Per the JSE Listings Requirements, the Audit Committee must consider and be satisfied, on an annual basis, with the appropriateness of the expertise of the Financial Director and the Company must confirm this by reporting to the shareholders in its annual report that the Audit Committee has executed this responsibly.

In respect of the above, we believe that WO Fourie, the Group Financial Director, possesses the appropriate expertise and experience to meet his responsibilities in terms of the JSE Listings Requirements.

The Audit Committee is satisfied that:

- it has complied with the responsibilities set out in the Audit Committee charter, as well as the relevant legal and regulatory responsibilities based on the information and explanations given by management and discussions with the external auditors regarding the results of their audit;
- there was no material breakdown in the internal financial controls during the financial year under review despite fraudulent actions by an organised crime syndicate that included threats on the lives of staff members at the Maponya Mall branch of the Furniture segment; and
- the auditors are objective and independent of the Group and are thereby able to conduct their audit functions without any influence from the Group.

JD Mandy
Chairman Audit Committee

12 June 2013

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nictus Limited

We have audited the consolidated and separate financial statements of Nictus Limited, which comprise the statements of financial position at 31 March 2013, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 32 to 97.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Nictus Limited at 31 March 2013, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the financial statements for the year ended 31 March 2013, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per N Botha
Chartered Accountant (SA)
Registered Auditor
Director

12 June 2013

85 Empire Road, Parktown, Johannesburg, South Africa 2193
Private Bag 9, Parkview, Johannesburg, South Africa 2122

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2013

		GROUP		COMPANY	
		2013	2012	2013	2012
	Note(s)	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	17 681	138 474	–	79
Intangible assets	4	–	380	–	–
Investments in subsidiaries	5	–	–	75 109	35 730
Investments	6	26 058	29 629	–	–
Deferred tax	7	3 124	7 924	2 280	2 280
Loans and receivables	8	10 944	300 614	–	–
		57 807	477 021	77 389	38 089
Current assets					
Inventories	9	10 674	79 548	–	–
Loans to Group companies	10	–	–	13	21 153
Current tax receivable		–	84	–	–
Trade and other receivables	11	145 070	235 527	401	645
Cash and cash equivalents	12	120 458	303 324	203	760
		276 202	618 483	617	22 558
Total assets		334 009	1 095 504	78 006	60 647
EQUITY AND LIABILITIES					
Equity					
Stated capital	13	48 668	26 722	48 668	26 722
Reserves	14 & 15	5 905	63 114	–	–
Retained earnings		21 476	78 731	14 801	15 145
		76 049	168 567	63 469	41 867
Liabilities					
Non-current liabilities					
Loans from Group companies	10	–	–	9 700	10 000
Interest bearing loans and borrowings	17	–	4 819	–	–
Deferred tax	7	5 045	11 570	–	–
		5 045	16 389	9 700	10 000
Current liabilities					
Loans from Group companies	10	–	–	4 114	8 102
Interest bearing loans and borrowings	17	–	54 646	–	–
Current tax payable		–	456	–	–
Trade and other payables	19	7 733	58 842	723	678
Provisions	20	484	3 062	–	–
Insurance contract liability	18	244 698	788 052	–	–
Bank overdraft	12	–	5 490	–	–
		252 915	910 548	4 837	8 780
Total liabilities		257 960	926 937	14 537	18 780
Total equity and liabilities		334 009	1 095 504	78 006	60 647

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2013

		GROUP		COMPANY	
			Restated		
		2013	2012	2013	2012
	Note(s)	R'000	R'000	R'000	R'000
Continuing operations					
Revenue	21	40 156	52 477	32 894	14 320
Cost of sales		(22 228)	(24 247)	–	–
Gross profit		17 928	28 230	32 894	14 320
Other income/(expenses)	22	4 300	(176)	124	250
Operating expenses		(22 013)	(32 637)	(22 678)	(2 703)
Investment income from operations	24	14 064	13 115	–	–
Administrative expenses		(29 445)	(13 466)	(2 028)	(2 813)
Results from operating activities	23	(15 166)	(4 934)	8 312	9 054
Investment income	24	2 005	1 886	1 695	956
Finance expenses	25	(524)	(984)	(2 565)	(2 546)
(Loss)/profit before taxation		(13 685)	(4 032)	7 442	7 464
Taxation	26	(33)	2 286	–	1 900
(Loss)/profit from continuing operations		(13 718)	(1 746)	7 442	9 364
Discontinued operations					
(Loss)/profit for the year from discontinued operations	43	(1 411)	24 774	–	–
(Loss)/profit for the year		(15 129)	23 028	7 442	9 364
Other comprehensive income:					
Gains on property revaluation of disposal group		–	46 031	–	–
Taxation related to components of other comprehensive income of disposal group		–	(6 130)	–	–
Loss on property revaluation	27	–	(1 099)	–	–
Taxation related to components of other comprehensive income	27	–	380	–	–
Other comprehensive income for the year net of taxation		–	39 182	–	–
Total comprehensive income for the year		(15 129)	62 210	7 442	9 364
(Loss)/profit attributable to:					
Owners of the parent – continued		(13 718)	(1 746)	7 442	9 364
Owners of the parent – discontinued		(1 411)	24 774	–	–
Non-controlling interest		–	–	–	–
		(15 129)	23 028	7 442	9 364
Total comprehensive income attributable to:					
Owners of the parent – continued		(13 718)	(2 465)	7 442	9 364
Owners of the parent – discontinued		(1 411)	64 675	–	–
Non-controlling interest		–	–	–	–
		(15 129)	62 210	7 442	9 364
Refer to note 41 for the reason for the Group 2012 restatement.					
Continuing operations					
Basic loss per share (cents)	40	(22,92)	(3,27)		
Diluted loss per share (cents)	40	(22,92)	(3,27)		
Discontinued operations					
Basic (loss)/earnings per share (cents)	40	(2,36)	46,36		
Diluted (loss)/earnings per share (cents)	40	(2,36)	46,36		

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2013

	Share capital R'000	Stated capital R'000
GROUP		
Balance at 1 April 2011	26 722	–
Total comprehensive income for the year	–	–
Loss for the year – Continuing operations	–	–
Profit for the year – Discontinued operations	–	–
Other comprehensive income		
Revaluation of land and buildings	–	–
Deferred tax on the revaluation of land and buildings	–	–
Transactions with owners of the Group, recognised directly in equity		
Total contributions by and distributions to the owners of the Group	–	–
Contributions by and distributions to the owners of the Group		
Dividends to ordinary shareholders	–	–
Total transfers to retained earnings	–	–
Transfer from contingency reserve	–	–
Revaluation of land and buildings sold during the year	–	–
Deferred tax on the revaluation of land and building's revaluation sold	–	–
Balance at 31 March 2012	26 722	–
Total comprehensive income for the year	–	–
Loss for the year – Continuing operations	–	–
Loss for the year – Discontinued operations	–	–
Transactions with owners of the Group, recognised directly in equity		
Total contributions by and distributions to the owners of the Group	(26 722)	48 668
Issue of new ordinary shares	–	21 946
Conversion of shares	(26 722)	26 722
Dividends to ordinary shareholders	–	–
Distribution to ordinary shareholders	–	–
Total transfers to retained earnings	–	–
Transfer from reserves on distribution to ordinary shareholders	–	–
Transfer from revaluation reserve on distributions to ordinary shareholders	–	–
Transfer from contingency reserve to retained earnings	–	–
Balance at 31 March 2013	–	48 668
Note(s)	13	13

Revaluation reserve R'000	Contingency reserve R'000	Total reserves R'000	Retained earnings R'000	Total equity R'000
30 431	17 083	47 514	37 198	111 434
39 182	–	39 182	23 028	62 210
–	–	–	(1 746)	(1 746)
–	–	–	24 774	24 774
44 932	–	44 932	–	44 932
(5 750)	–	(5 750)	–	(5 750)
–	–	–	(5 077)	(5 077)
–	–	–	(5 077)	(5 077)
(15 695)	(7 887)	(23 582)	23 582	–
–	(7 887)	(7 887)	7 887	–
(19 320)	–	(19 320)	19 320	–
3 625	–	3 625	(3 625)	–
53 918	9 196	63 114	78 731	168 567
–	–	–	(15 129)	(15 129)
–	–	–	(13 718)	(13 718)
–	–	–	(1 411)	(1 411)
–	–	–	(99 335)	(77 389)
–	–	–	–	21 946
–	–	–	–	–
–	–	–	(7 616)	(7 616)
–	–	–	(91 719)	(91 719)
(48 013)	(9 196)	(57 209)	57 209	–
(46 243)	(7 090)	(53 333)	53 333	–
(1 770)	–	(1 770)	1 770	–
–	(2 106)	(2 106)	2 106	–
5 905	–	5 905	21 476	76 049
14	15			

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE YEAR ENDED 31 MARCH 2013

	Share capital R'000	Stated capital R'000	Retained earnings R'000	Total equity R'000
COMPANY				
Balance at 1 April 2011	26 722	–	10 858	37 580
Total comprehensive income for the year	–	–	9 364	9 364
Profit for the year	–	–	9 364	9 364
Transactions with owners of the Company, recognised directly in equity				
Total contributions by and distributions to the owners of the Company	–	–	(5 077)	(5 077)
Dividends to ordinary shareholders	–	–	(5 077)	(5 077)
Balance at 31 March 2012	26 722	–	15 145	41 867
Total comprehensive income for the year	–	–	7 442	7 442
Profit for the year	–	–	7 442	7 442
Transactions with owners of the Company, recognised directly in equity				
Total contributions by and distributions to the owners of the Company	(26 722)	48 668	(7 786)	14 160
Issue of new ordinary shares	–	21 946	–	21 946
Conversion of shares	(26 722)	26 722	–	–
Other reserve movements	–	–	106	106
Distribution to ordinary shareholders	–	–	(276)	(276)
Dividends to ordinary shareholders	–	–	(7 616)	(7 616)
Balance at 31 March 2013	–	48 668	14 801	63 469
Note(s)	13	13		

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2013

	Note(s)	GROUP 2013 R'000	GROUP Restated 2012 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
Cash flows from operating activities					
Cash utilised by operations	29	(227 387)	(18 181)	(3 529)	(856)
Investment income from operations received		12 902	10 679	–	–
Dividends received		1 162	17 850	30 000	10 000
Finance expenses paid		(524)	(984)	(2 565)	(2 546)
Tax (paid)/received	30	(401)	1 986	–	–
Net cash (utilised by)/generated from operating activities		(214 248)	11 350	23 906	6 598
Cash flows from investing activities					
Acquisition of property, plant and equipment		(402)	(4 358)	–	(43)
Proceeds on sale of property, plant and equipment		100	3 470	60	–
Investments in subsidiaries		–	–	(57 400)	(5 000)
Acquisition of investments		(10 073)	(4 305)	–	–
Investment income received		2 005	1 886	1 695	956
Related parties loans repaid		–	–	(13 988)	(4 053)
Related parties loans advanced		–	–	9 700	8 102
Repayments by Group companies		–	–	21 140	–
Total cash movement of discontinued operations	42	(186 718)	40 516	–	–
Loans and receivables advanced/(repaid)		194 928	(18 981)	–	–
Net cash (utilised by)/generated from investing activities		(160)	18 228	(38 793)	(38)
Cash flows from financing activities					
Proceeds on issue of stated capital		21 946	–	21 946	–
Increase in interest bearing loans and borrowings		22 702	–	–	–
Dividends paid to ordinary shareholders	31	(7 616)	(5 077)	(7 616)	(5 077)
Net cash generated from/(utilised by) financing activities		37 032	(5 077)	14 330	(5 077)
Total cash movement for the year		(177 376)	24 501	(557)	1 483
Cash and cash equivalents at the beginning of the year		297 834	273 333	760	(723)
Total cash and cash equivalents at the end of the year	12	120 458	297 834	203	760

1. PRESENTATION OF FINANCIAL STATEMENTS

Nictus Limited (the Company) is a company domiciled in the Republic of South Africa. The consolidated financial statements of the Company as at and for the year ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as the Group).

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa.

Basis of measurements
The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:
- The measurement of land and buildings held for administrative purposes are stated at revalued amounts
- Financial instruments classified at fair value through profit or loss are stated at fair value
- Available–for–sale financial assets are measured at fair value
- Unlisted investments are measured at fair value.

These accounting policies are consistent with the previous year, other than new standards and interpretations adopted and described in note 2.1.

1.1 Significant judgements and estimates

In preparing the consolidated financial statements in conformity with IFRSs, management is required to make estimates and assumptions that affect the application of accounting policies and the amounts represented in the financial statements and related disclosures. Use of available information, historical experience and various other factors that are believed to be reasonable in the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statement is included in the following notes:

Note 1.20 – Assets and liabilities distributed to shareholders

Note 3 – Fair value adjustment of land and buildings

Note 3 – Residual values and useful lives of property, plant and equipment

Note 7 – Utilisation of tax losses

Note 8, 10 and 11 – Valuation of loans and receivables

Note 9 – Valuation of inventories

Note 18 – Insurance provisions and liabilities

Note 5, 6, 35 and 36 – Valuation of investments and other financial instruments

Note 26 – Provision for taxation and tax charge

Loans and receivables

The Group and Company assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recognised in profit or loss, the Group and Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Available-for-sale financial assets

The Group follows the guidance of IAS 39 to determine when an available-for-sale financial asset should be impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Allowance for slow moving, damaged and obsolete stock

The Group assesses its inventory for impairment at each reporting date.

This determination requires significant judgement. In making this adjustment, the Group evaluates the selling price and direct costs to sell, ageing of inventory and technological changes to assess the amount that is required to write down inventory to net realisable value.

The write down is included in profit or loss.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current market price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment allowance of trade receivables and the carrying value of payables are assumed to approximate their fair values. The fair value of financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Residual values and useful lives of property, plant and equipment and intangible assets

The residual value of items of property, plant and equipment and intangible assets is the estimated amount for which an item of property, plant and equipment and an intangible asset could be exchanged at the end of its useful life between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The useful lives of property, plant and equipment and intangible assets are determined based on historical factors with regard to similar items of property, plant and equipment and intangible assets.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Fair value adjustment of land and buildings

External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the locations and category of properties being valued, value the Group's property portfolio on an annual basis. The fair values are based on valuations that are prepared by considering the estimated rental value of the properties. 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.

Insurance provisions and liabilities

The classification of insurance contracts is disclosed in detail in note 1.18.

1. PRESENTATION OF FINANCIAL STATEMENTS (continued)

1.2 Basis of consolidation

Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The Group annual financial statements include those of the holding company and its subsidiaries. The results of the subsidiaries are included from the effective date of acquisition, (i.e. when control commences) until control ceases.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

In the Company's separate financial statements, the investments in subsidiaries are carried at cost less any accumulated impairment. The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

Acquisition from entities under common control

A business combination involving entities or businesses under common control is a business combination of which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory for acquisitions under common control. The investments are recognised at the carrying amounts recognised previously in the Group.

Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. Disposals of subsidiaries to shareholders, where after the transaction both entities remain under common control are accounted for at the respective carrying values of the assets/liabilities disposed of and no profit/loss is recognised. The net asset value of disposal resulting from loss of control transactions with shareholders is recognised directly in equity. All carrying values are equal to or less than the fair values of distributed assets/liabilities.

1.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost/revalued amounts less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Group; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Costs include costs incurred initially that are directly attributable to the acquisition or construction of an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or maintain it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other costs are recognised in the profit or loss as an expense as incurred.

Property is carried at revalued amounts, determined from market-based evidence by appraisals undertaken by professional valuers less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Formal revaluations are performed annually such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation surplus in equity.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such item when that cost is incurred and if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives if ownership will not pass. Items of property, plant and equipment are depreciated from the date they are installed and are ready for use. Land is not depreciated. The depreciation is recognised in profit or loss unless it is included in the carrying amount of another asset. The estimated useful lives for current and comparative years are as follow:

Item	Average useful life
Buildings	50 years
Motor vehicles	5 years
Plant and machinery	3 to 20 years

The depreciation method, residual value and the useful life of each asset are reviewed at each reporting date and adjusted if appropriate.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Basic and diluted earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company, after the adjustments for the effects of all dilutive potential ordinary shares, by the weighted average number of ordinary shares outstanding during the period.

1.5 Intangible assets

Computer software

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

An intangible asset arising from development is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

1. PRESENTATION OF FINANCIAL STATEMENTS (continued)

1.5 Intangible assets (continued)

Amortisation is provided to write down the intangible assets, on a straight-line basis in profit or loss over their estimated useful lives, to their residual values from the date they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Item	Useful life
Computer software	3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

1.6 Financial instruments

Derivatives

The Group does not deal in derivatives, as derivatives do not form part of the Group's investment strategy.

Non-derivative financial instruments

Financial instruments are recognised when, and only when, the Group becomes party to the contractual provisions of the particular instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows arising from the financial asset have expired or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

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. Subsequent to initial recognition non-derivative financial instruments are measured as set out below.

Loans and receivables

Loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Loans to Group companies are classified as loans and receivables.

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.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are measured at amortised cost.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest rate basis.

Loans from Group companies are classified as financial liabilities at amortised cost.

Trade and other payables

Trade and other payables are carried at amortised cost using the effective interest 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.

Investment in debt and equity securities

Investments at fair value through profit or loss

An instrument is classified 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 at fair value through profit or loss if the Group manage such investments and makes 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 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 consist of shares in private companies and other entities not listed on a recognised stock exchange. These investments are fair valued using an acceptable valuation technique. In very rare circumstances the results of these valuation techniques result in a significant variability in the range of reasonable fair values. Consequently, these unlisted investments, other than investments in associates and subsidiaries, are subsequently measured at fair value.

Held-to-maturity investments

If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses. 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.

Offset

Financial assets and financial liabilities are offset against each other only when a legally enforceable right exists to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.7 Income tax and deferred tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- for taxable temporary differences arising on the initial recognition of goodwill.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses, tax credits and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1. PRESENTATION OF FINANCIAL STATEMENTS (continued)

1.7 Income tax and deferred tax (continued)

In respect of dividends declared up to 31 March 2012, secondary tax on companies (STC) is provided at a rate of 10% on the amount by which dividends declared by the Company exceed dividends received. STC is recognised as part of the current tax in the statement of comprehensive income when the related dividend is declared. To the extent that it is probable that the entity with STC credits will declare dividends of its own, against which unutilised STC credits may be utilised, a deferred tax asset is recognised for such STC credits.

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012.

The Company withholds dividends tax on behalf of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the Company's tax charge, but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised as the gross amount with the related withholding tax expense recognised as part of tax unless it is otherwise reimbursable, in which case it is recognised as an asset.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

Finance leases – lessor

The Group recognises finance lease receivables in the statement of financial position.

Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating leases – lessor

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Operating lease income is recognised as an income in profit or loss on a straight-line basis over the lease term.

Operating leases – lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This lease asset or liability is not discounted.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Work-in-progress comprises costs incurred during the service and repairs of vehicles and the work is not yet completed.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in profit or loss in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in profit or loss in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Impairment of assets

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss are assessed for impairment at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Financial assets at fair value through profit or loss

An impairment loss in respect of unlisted securities measured at cost is not reversed.

Financial assets measured at amortised cost

The Group consider evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in profit or loss and reflected in the allowance account against loans and receivables. When an event occurring after the impairment was recognised causes the amount of impairment losses to decrease, the decrease in the impairment loss is reversed through profit or loss.

Available-for-sale financial assets

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impairment available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amount of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination annually for impairment.

1. PRESENTATION OF FINANCIAL STATEMENTS (continued)

1.10 Impairment of assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount and is recognised in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent that it reverses a previous revaluation on the same asset.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or a cash-generating unit is the greater of their fair value less cost to sell and their value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the original effective pre-tax discount rate. For any asset where it is not possible to estimate the recoverable amount or the asset does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. An impairment loss in respect of goodwill is not reversed. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation, other than goodwill, is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as an increase in revaluation reserve unless it reverses a previous decrease recognised in profit or loss.

1.11 Stated capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary, or is redeemable but only at the Group's option. Dividends on preference share capital classified as equity are recognised as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders or if dividend payments are not discretionary. Dividends thereon are recognised in profit or loss as interest expense.

Repurchase of stated capital

When stated capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

Dividends

Dividends on redeemable preference shares are recognised as a liability and expensed on an accrual basis. Dividends recognised on non-redeemable or redeemable preference shares at the option of the Group are recognised as a distribution in equity upon approval by the Group shareholders. Ordinary dividends are recognised as a liability in the period in which they are declared.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave, bonuses and non-monetary benefits such as medical care) are recognised in profit or loss in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense in profit or loss when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays a fixed contribution and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution retirement benefit plans are recognised as an expense in profit or loss as they are due to be settled.

Share-based payment transactions

The Group has an employee share trust for the granting of non-transferable options to executives and senior employees. Shares in the Group held by the employee share trust are treated as treasury shares and presented in the statement of financial position as a deduction from equity.

The fair value of share options is measured using the Black-Scholes-Merton model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted-average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the entity revises its estimates of the number of options that are expected to vest. The impact, if any, of the revision of original estimates is recognised in profit or loss, with a corresponding adjustment to equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the Group at that date, based on the best available estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification over the remaining vesting period.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share.

The proceeds received net of any directly attributable transaction costs are credited to stated capital when the options are exercised.

1.13 Provisions and contingencies

Provisions are recognised when:

- the Group has a present or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expected future cash flow at a pre-tax rate that reflects current market assessments at the time value of money and the risks specific to the liability. The unwinding of the interest is recognised as finance cost.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

1. PRESENTATION OF FINANCIAL STATEMENTS (continued)

1.13 Provisions and contingencies (continued)

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised, other than contingent liabilities acquired in a business combination.

Onerous contract

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contact.

1.14 Revenue

The Group's revenue comprises the following:

- Sale of goods;
- Rental income;
- Finance income;
- Insurance premium income;
- Management fees; and
- Interest and dividend income.

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Rental income

Some properties in the Group comprise a portion held to earn rental income and another portion is held for administrative purposes. A portion of these properties cannot be sold separately and a significant portion of these properties are held for administrative purposes. These properties are classified as owner-occupied. Rental income earned from the portions that are held to earn rental income are recognised in profit or loss on a straight-line basis over the term of the lease.

Finance income

Finance income as part of normal trading in the insurance segment, comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues, using the effective interest method. Finance income also comprises interest on instalment debtors arising from credit sales entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. The earned portion of interest received is recognised as revenue. Interest is earned from the date that the sales contract is concluded, over the period of the contract, based on the terms and condition of the sales and instalment agreement. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Finance income is included either in revenue, interest income from operations or investment income, depending on its nature.

Insurance premium income

For insurance premium income recognition and measurement, refer to note 1.18.

Management fees

Management fees are recognised by the Company when services are rendered to subsidiaries.

Interest and dividend income

Interest and dividend income from subsidiaries are recognised as revenue in the Company.

1.15 Other income

Transactions not recognised as revenue or finance and investment income are classified as other income and include external insurance claims.

1.16 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest rate method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Financing expenses comprise interest paid on borrowings calculated using the effective interest rate method and dividends paid on redeemable preference shares, which are classified as liabilities.

The interest expense component of finance lease payments is recognised in profit or loss using the effective interest rate method.

1.17 Functional and presentation currency

Functional and presentation currency and foreign currency transactions

The Company's functional currency was Namibian Dollars until the unbundling of the Group. Since the unbundling the functional currency is the South African Rand. As the Company's primary listing is on the Johannesburg Stock Exchange, the financial statements have been presented in South African Rands, being the Group's and the Company's presentation currency.

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognised in profit or loss. Non-monetary assets and liabilities measured at historical cost are translated to functional currency at the exchange rate at the date that the historical cost was determined.

Investments in subsidiaries

The Group has no foreign operations other than those based in Namibia, of which the exchange rate is consistent with that of South Africa since Namibia is part of the Southern African Common Monetary Area. During the year the Group unbundled its Namibian operations and has no foreign operations. The Namibian Dollar and the South African Rand are translated on a one-to-one basis.

1.18 Classification of insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of non-financial variable that the variable is not specific to a party to the contract. Insurance contracts may also transfer some financial risk.

The Group classifies financial guarantee contracts issued as insurance contracts.

Premiums

Premiums written comprises the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude Value Added Tax. Premiums written include adjustments to premiums written in prior reporting periods.

The earned portion of premiums received is recognised as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten.

1. PRESENTATION OF FINANCIAL STATEMENTS (continued)

1.18 Classification of insurance contracts (continued)

Unearned premium provision

The provision for unearned premiums comprises the proportion of premiums written, which is estimated to be earned in subsequent reporting periods or that relates to the unexpired terms of policies issued, computed separately for each insurance contract using a basis that results in premium income being earned as the Group is released from the insurance risk presented by underlying policies.

Claims incurred

Claims incurred consist of claims and claims handling and related expenses paid during the financial year together with the movement in the provision for outstanding claims, including premiums for claims incurred but not yet reported ('IBNR'). Outstanding claims comprise the Company's estimate of the undiscounted ultimate cost of settling all claims incurred but unpaid at the reporting date whether reported or not, and related internal and external claims handling expenses.

Whilst the directors consider that the gross provisions for claims and the related re-insurance recoveries are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made, and disclosed separately if material. The methods used to value these provisions, and estimates made, are reviewed regularly.

Unexpired risk provision

Provision is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the reporting date exceeds the unearned premium provision in relation to such policies after the deduction of any deferred acquisition costs. The provision for unexpired risks is calculated separately by reference to classes of business which are managed together, after taking into account relevant investment return.

Reinsurance

The Group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential. Reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Reinsurance premiums paid are recognised as an expense in profit or loss when they become due for payment, in terms of the contracts at the undiscounted amounts payable in terms of the contracts. Reinsurance recoveries are recognised in profit or loss in the same period as the relevant claim at the undiscounted amount receivable in terms of the contracts.

Only reinsurance agreements that give rise to a significant transfer of insurance risk are accounted for as reinsurance contracts. Amounts recoverable under such contracts are recognised in the same year as the related claim. Reinsurance agreements that do not transfer significant insurance risk are accounted for as investment contracts.

Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Deferred acquisition costs

Acquisition costs comprises all direct and indirect costs arising from the conclusion of insurance contracts. Deferred acquisition costs represent the proportion of acquisition costs incurred which corresponds to the unearned premium provision.

Liability adequacy test

The net liability recognised for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability. Where a shortfall is identified, an additional provision is made and the Group recognises the deficiency in profit or loss for the year.

Contingency reserve

A reserve in equity is made for the full amount of the contingency reserve with transfers to and from this reserve being treated as appropriations of retained earnings. For the Namibian operation this reserve is based on industry practice and calculated at 10% of net written premiums. In South Africa this reserve is maintained in accordance with the requirements of the Short-term Insurance Act and may only be used with the prior approval of the Registrar of Insurance.

No-claim bonuses

The product offered by the Group includes a profit participation measure and provides for a reward to clients for favourable loss experience in the form of a refund of premiums. The provision for the no-claim bonus is only provided for at inception of the contract.

1.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Managing Director, who is the chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue

Segment revenue consists of revenue reported in the Group's profit or loss that is directly attributable to a segment and the relevant portion of Group revenue that can be allocated on a reasonable basis to a segment, whether from sales to external customers or from transactions with other segments of the Group, excluding non-specific revenue interest or dividend income and also excluding gains on sales of investments or gains on extinguishments of debt (unless the segment's operations are primarily of a financial nature).

Segment expense

Segment expense consists of expenses resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion of expenses that can be allocated on a reasonable basis to the segment, including expenses relating to sales to external customers and expenses relating to transactions with other segments within the Group, excluding non-operating interest incurred, losses on sales of investments or losses on extinguishments of debt (unless the segment's operations are primarily of a financial nature) and income tax.

General administrative expenses, such as head office expenses, and other expenses that arise at Group level and relate to the Group as a whole are also excluded from segment expense. However, costs incurred at Group level on behalf of a segment are included in segment expense if they relate to the segment's operating activities and they can be directly attributed or allocated to the segment on a reasonable basis.

Segment result

Segment result consist of segment revenue less segment expense. Segment result is determined before adjustment for non-controlling interests.

Segment assets

Segment assets consist of those assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated on a reasonable basis. Segment assets do not include income tax assets.

Segment liabilities

Segment liabilities consists of those operating liabilities that result from the operating activities of a segment that are either directly attributable to the segment or can be allocated on a reasonable basis to the segment. Segment liabilities do not include income tax liabilities.

1.20 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, plant and equipment

The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

1. PRESENTATION OF FINANCIAL STATEMENTS (continued)

1.20 Determination of fair values (continued)

Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

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.
- 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 investments are measured at amortised cost.
- Debt securities are measured at fair value through profit or loss.

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.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, 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. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Interest bearing loans and borrowings and loans to Group companies

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.

Trade and other payables

All trade and other payables are of a short-term nature and the fair value of trade and other payables are the carrying amount.

Bank overdrafts

The bank overdrafts for the Group are of a short-term nature and the fair value of bank overdrafts are the carrying amount.

Assets and liabilities distributed to shareholders

The Board has made an assessment of the fair value of Nictus Holdings Limited and concluded that the fair value of the entity is more than the book value at the distribution date. The Board based the valuation on the listing price of Nictus Holdings Limited on the Namibian Stock Exchange, which exceeded the net book value of the entity and as a direct result has accounted for the disposal group at net book value.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

The standards and interpretations that were effective for the current year had no material effect on the Group.

2.2 Standards and interpretations not yet effective

As at the date of authorisation of the financial statements, the Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2013 or later periods:

IAS 1 amendment Presentation of Financial Statements: Presentation of Items of other Comprehensive Income

The Company will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately. This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements. The amendment will be applied retrospectively and the comparative information will be restated.

The amendment is effective for periods beginning on or after 1 July 2012.

The Group expects to adopt the standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the Group's financial statements.

Amendments to IFRS 7 Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities

The amendments contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position; or are subject to enforceable master netting arrangements or similar agreements. The Group applies offsetting in the financial statements and will be required to provide additional disclosures in this regard.

This amendment is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted. The Group expects to adopt the standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the Group's financial statements.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosures of Interests in Other Entities (2011)

IFRS 10 introduces a single control model to determine whether an investee should be consolidated. As a result the Group may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees.

Under IFRS 11, the structure of the joint arrangement, although still an important consideration, is no longer the major factor in determining the type of joint arrangement and therefore the subsequent accounting terms of the amendments, the following key changes will have an impact on the Group:

- The Group's interest in a joint operation, which is an arrangement in which the parties have rights to the assets and obligations for the liabilities, will be accounted for on the basis of the Group's interest in those assets and liabilities.
- The Group's interest in a joint venture which is an arrangement in which the parties have rights to the net assets, will be equity accounted.

The Group will not need to reclassify its joint arrangements.

IFRS 12 brings together in a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. IFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

These standards are effective for annual periods beginning on or after 1 January 2013 with early adoption permitted. The Group expects to adopt the standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the Group's financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 provides a single source of guidance on how fair value is measured and replaces the fair value measurement guidance that is currently dispersed throughout IFRS. Subject to limited exceptions, IFRS 13 is applied when fair value measurements or disclosures are required or permitted by other IFRSs. The Group is currently reviewing its methodologies in determining fair values.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted. The Group expects to adopt the standard for the first time in the 2014 financial statements.

The adoption of this standard is not expected to impact on the results of the Group, but may result in more disclosure than is currently provided in the financial statements.

2. NEW STANDARDS AND INTERPRETATIONS (continued)

2.2 Standards and interpretations not yet effective (continued)

IAS 19 Employee Benefits (2011)

IAS 19 (2011) changes the definition of short-term and long-term employee benefits to clarify the distinction between the two. For defined benefit plans the removal of the accounting policy choice for recognition of actuarial gains and losses is not expected to have any impact on the Group. One also need to assess the impact of the change in measurement principles of expected return on plan assets. IAS 19 (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

The Group expects to adopt the standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the Group's financial statements.

IAS 27 (2011) Separate Financial Statements

IAS 27 (2011) supersedes IAS 27 (2008). IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.

The adoption of IAS 27 (2011) will not have a significant impact on the Company's separate financial statements. The standard is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

The Group expects to adopt the standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the Group's financial statements.

IAS 28 (2011) Investments in Associates and Joint Ventures

IAS 28 (2011) supersedes IAS 28 (2008) and carries forward the existing accounting and disclosure requirements with limited amendments. The main changes include:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations is applicable to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held-for-sale; and
- On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or *vice versa*, the Company does not re-measure the retained interest.

The standard is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

The Group expects to adopt these standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the Group's financial statements.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 requires additional information on stripping costs on the production phase of an open surface mine.

The effective date of the standard is for years beginning on or after 1 January 2013.

The adoption of this standard will not have an impact on the results of the Group financial statements.

IAS 32 Offsetting Financial Assets and Financial Liabilities

IAS 32 requires additional disclosure for offsetting financial assets and liabilities, which is effective for years beginning on or after 1 January 2013. IAS 32 also provide additional guidelines on whether an offsetting criterion has been met, which is effective for years beginning on or after 1 January 2014.

The Group expects to adopt these standards for the first time in the 2014 financial statements and 2015 financial statements respectively.

It is unlikely that the standard will have a material impact on the Group's financial statements.

IFRS 9 Financial Instruments

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

IFRS 9 (2009 and 2010) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The Group expects to adopt the standard for the first time in the 2016 financial statements. It is unlikely that the standard will have a material impact on the Group's financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

	2013 Cost/ Valuation R'000	2013 Accumulated depreciation and impairments R'000	2013 Carrying value R'000	2012 Cost/ Valuation R'000	2012 Accumulated depreciation and impairments R'000	2012 Carrying value R'000
GROUP						
Land	6 566	–	6 566	77 048	–	77 048
Buildings	11 016	(1 141)	9 875	57 502	(2 305)	55 197
Plant and machinery	995	(521)	474	5 494	(2 789)	2 705
Motor vehicles	1 294	(528)	766	3 538	(14)	3 524
Total	19 871	(2 190)	17 681	143 582	(5 108)	138 474
COMPANY						
Plant and machinery	–	–	–	176	(97)	79

Reconciliation of property, plant and equipment – Group – 2013

	Opening carrying value R'000	Additions R'000	Distribution to shareholders R'000	Disposals R'000	Depreciation and impairments R'000	Closing carrying value R'000
Land	77 048	1 876	(72 358)	–	–	6 566
Buildings	55 197	1 074	(46 150)	–	(246)	9 875
Plant and machinery	2 705	340	(1 936)	(98)	(537)	474
Motor vehicles	3 524	1 379	(3 290)	(454)	(393)	766
	138 474	4 669	(123 734)	(552)	(1 176)	17 681

Reconciliation of property, plant and equipment – Group – 2012

	Opening carrying value R'000	Additions R'000	Disposals R'000	Transfers from investment property R'000	Revaluations R'000	Depreciation and impairments R'000	Closing carrying value R'000
Land	32 783	8 211	(10 557)	24 865	21 746	–	77 048
Buildings	50 490	2 316	(20 143)	–	23 152	(618)	55 197
Plant and machinery	2 508	939	(13)	–	–	(729)	2 705
Motor vehicles	3 597	1 793	(888)	–	–	(978)	3 524
	89 378	13 259	(31 601)	24 865	44 898	(2 325)	138 474

Reconciliation of property, plant and equipment – Company – 2013

	Opening carrying value R'000	Disposals R'000	Depreciation R'000	Closing carrying value R'000
Plant and machinery	79	(64)	(15)	–

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment – Company – 2012

	Opening carrying value R'000	Additions R'000	Depreciation R'000	Closing carrying value R'000
Plant and machinery	70	43	(34)	79

Pledged as security

Land and buildings are not mortgaged or encumbered.

Revaluations

Land and buildings are annually revalued independently. The effective date of the revaluations was during March 2013. Revaluations were performed by an independent valuer, Mr WF Weideman (BCom Hons). Mr WF Weideman is not connected to the Group and has the appropriate qualifications and recent experience in location and category of the property being valued. All valuations were based on observable market information.

The carrying value of the revalued assets under the cost model would have been:

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Land	4 158	22 041	–	–
Buildings	2 415	26 426	–	–
	6 573	48 467	–	–

Details of properties

A register containing the information required by the Companies Act of South Africa, Regulation 25(3) of the Companies Regulations, 2011, is available for inspection at the registered office of the company.

4. INTANGIBLE ASSETS

	2013			2012		
	Cost R'000	Accumulated amortisation and accumulated impairment losses R'000	Carrying value R'000	Cost R'000	Accumulated amortisation and accumulated impairment losses R'000	Carrying value R'000
GROUP						
Computer software	72	(72)	–	2 410	(2 030)	380
COMPANY						
Computer software	72	(72)	–	72	(72)	–

Reconciliation of intangible assets – Group – 2013

	Opening carrying value R'000	Additions R'000	Distribution to shareholders R'000	Disposals R'000	Amortisation R'000	Closing carrying value R'000
Computer software	380	18	(303)	(1)	(94)	–

Reconciliation of intangible assets – Group – 2012

	Opening carrying value R'000	Additions R'000	Amortisation R'000	Closing carrying value R'000
Computer software	544	98	(262)	380

5. INVESTMENTS IN SUBSIDIARIES

		COMPANY			
Name of company	Held by	Voting power 2013 %	Voting power 2012 %	Carrying amount 2013 R'000	Carrying amount 2012 R'000
Corporate Guarantee (South Africa) Limited#	Nictus Limited	100,00	100,00	42 900	20 500
Kruben Holdings (Pty) Ltd#	Nictus Limited	100,00	100,00	8 516	1 516
Nictus Meubels (Pty) Ltd#	Nictus Limited	100,00	100,00	41 220	13 220
Oreon Place Investments (Pty) Ltd	Nictus Limited	100,00	100,00	218	218
Nictus Holdings Limited*	Nictus Limited	–	100,00	–	276
Acacia Properties (Pty) Ltd*		–	100,00	–	–
Auas Motors (Pty) Ltd*		–	100,00	–	–
Bonsai Investments 19 (Pty) Ltd*		–	100,00	–	–
Corporate Guarantee and Insurance Company of Namibia Limited*		–	100,00	–	–
Decomat (Pty) Ltd (Namibia)*		–	100,00	–	–
Futeni Collections (Pty) Ltd*		–	100,00	–	–
Grenada Investments 2 (Pty) Ltd*		–	100,00	–	–
Grenada Investments 3 (Pty) Ltd*		–	100,00	–	–
Hakos Capital and Finance (Pty) Ltd*		–	100,00	–	–
Hochland 7192 (Pty) Ltd*		–	100,00	–	–
Karas Securities Limited*		–	100,00	–	–
Khomas Car Rental and Leasing (Pty) Ltd*		–	100,00	–	–
Marula Boom Properties (Pty) Ltd*		–	100,00	–	–
Namibian Factors and Shippers (Pty) Ltd*		–	100,00	–	–
Nictus (Pty) Ltd*		–	100,00	–	–
Nictus Eiendomme (Pty) Ltd*		–	100,00	–	–
Yellow Wood Properties (Pty) Ltd*		–	100,00	–	–
Werda Weskusontwikkeling (Pty) Ltd*		–	100,00	–	–
Willow Properties (Pty) Ltd*		–	100,00	–	–
				92 854	35 730
Impairment of investment in subsidiary$				(17 745)	–
				75 109	35 730

	Carrying amount 2013 R'000	Carrying amount 2012 R'000
Accumulated impairment losses		
Opening balance	–	–
Current year impairment losses	17 745	–
	17 745	–

The carrying amounts of subsidiaries are shown net of impairment losses.

$ *As a result of trading losses, the investment in Nictus Meubels (Pty) Ltd has been impaired to the fair value of the Company, net of estimated disposal costs.*

* *Namibian operations held by Nictus Holdings Limited were unbundled during the current financial year, refer to note 41.*

New ordinary shares issued.

	GROUP 2013 R'000	GROUP 2012 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
6. INVESTMENTS				
At fair value through profit or loss				
Listed shares	20 385	16 246	–	–
Unlisted shares	494	1 163	–	–
Debt securities	–	4 368	–	–
Held-to-maturity				
Bonds	5 179	7 852	–	–
Total investments	26 058	29 629	–	–
Debt securities consisted of government bonds which bore interest at 10,5% per annum and were redeemed in the current financial year.				
A register containing particulars of companies in which shares are held, is available for inspection at the registered office and head office of the Company.				
Non-current assets				
At fair value through profit or loss – held for trading	20 879	21 777	–	–
Held-to-maturity	5 179	7 852	–	–
	26 058	29 629	–	–

Refer to note 1.20 for determining of fair values for financial assets.

Sensitivity analysis – equity price risk

A significant part of the Group's equity investments are listed on the JSE Stock Exchange. For such investments classified as fair value through profit and loss, a one percent increase in the All Share Index at the reporting date would have decreased losses and increased changes in equity by R0,204 million before tax (2012: an increase in profit before tax and changes in equity of R0,217 million before tax); an equal change in the opposite direction would have increased losses and decreased changes in equity by R0,204 million before tax (2012: a decrease in profit before tax and changes in equity of R0,217 million before tax). This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2012.

Fair value hierarchy of financial assets

For financial assets 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 to inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

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

	GROUP 2013 R'000	GROUP 2012 R'000
6. INVESTMENTS (continued)		
Level 1		
Listed shares	20 385	16 246
Debt securities	–	4 368
Bonds	5 179	7 852
	25 564	28 466
Level 2		
Unlisted shares	–	–
Level 3		
Unlisted shares	494	1 163
	26 058	29 629
The transfers between level 2 and level 3 during the reporting period are set out below		
Transfers out of level 2		
Unlisted shares	–	(669)
Transfers into level 3		
Unlisted shares	–	669

Reconciliation of financial assets at fair value through profit or loss measured at level 3 – Group – 2013

	Opening balance	Distribution to shareholders	Closing balance
Unlisted shares	1 163	(669)	494

In the prior year, the Group acquired unlisted shares in a company with a diverse business portfolio. Due to the diversity of its business operations, the value of the unlisted shares will be impacted by changes in macro economic indicators such as interest rates, market conditions and consumer price index. The fair value of the investment has not been amended as the fair value of the underlying assets has not changed significantly.

Reconciliation of financial assets at fair value through profit or loss measured at level 3 – Group – 2012

	Opening balance	Purchases	Transfers into level 3	Closing balance
Unlisted shares	–	494	669	1 163

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
7. DEFERRED TAX				
Deferred tax assets				
Operating leases	–	41	–	–
No claim bonus provision	742	3 378	–	–
Assessed losses	2 801	9 872	2 280	2 280
Impairment of debtors	–	833	–	–
	3 543	14 124	2 280	2 280
Recognised deferred tax liabilities				
Land and buildings	(5 062)	(13 007)	–	–
Plant and equipment	–	(1 209)	–	–
Software	–	(61)	–	–
Contingency reserve	–	(3 127)	–	–
Revaluation of listed investments	(402)	(366)	–	–
	(5 464)	(17 770)	–	–
Disclosed as:				
Deferred tax assets	3 124	7 924	2 280	2 280
Deferred tax liabilities	(5 045)	(11 570)	–	–
	(1 921)	(3 646)	2 280	2 280
Reconciliation of the opening with the closing balance				
At beginning of the year	(3 646)	(740)	2 280	2 280
Recognised in profit or loss	82	(781)	–	–
Recognised directly in other comprehensive income	–	(5 750)	–	–
Distribution to shareholders	5 483	–	–	–
Recognised directly in equity	–	3 625	–	–
Transfer to reserves on distribution to shareholders – previously recognised directly in equity	(3 840)	–	–	–
At the end of the year	(1 921)	(3 646)	2 280	2 280

The above disclosure as per the statement of financial position relates to the net deferred tax position per legal entity.

Recognition of deferred tax asset

Deferred tax assets have been recognised based on the extent that it is probable that future taxable profits will be available against which the asset can be utilised. No unrecognised deferred tax liabilities exist.

Tax rates

The deferred tax rate applied to the fair value adjustments of investment properties/financial assets or owner occupied property is determined by the expected manner of recovery. Where the expected recovery (in South African subsidiaries) is through sale, the capital gains tax rate of 18,6% (2012: 18,6%) is used. If the expected manner of recovery is through indefinite use the normal tax rate of 28% (2012: 28%) is applied for South African subsidiaries and 34% (2012: 34%) for Namibian subsidiaries.

If the manner of recovery is partly through use and partly through sale, a combination of capital gains rate and normal tax rate is used.

	GROUP		COMPANY	
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
8. LOANS AND RECEIVABLES				
Loans and receivables	–	1 324	–	–
Long-term portion of trade debtors	6 769	22 974	–	–
Secured advances	–	251 841	–	–
Preference shares	4 175	24 475	–	–
	10 944	300 614	–	–

Loans and receivables

These loans and receivables included advances made to individuals, companies and other entities in the normal course of business as asset based financing. The receivable arising was in turn financed by a reciprocal agreement with Nedbank Namibia Limited. The loans were secured by underlying assets financed.

The underlying loans and receivables had various repayment terms, with interest bearing at the Nedbank Namibia Limited prime bank overdraft ranging from prime less 2% to prime less 1,5% (2012: Nedbank Namibia Limited prime bank overdraft rate ranging from prime less 2% to prime less 1,5%).

Long-term portion of trade receivables

The long-term portion of the receivables are balances of trade receivables under finance leases that will only be repaid after 12 months.

Secured advances

Loans and receivables included advances made to individuals, companies and other entities by Futeni Collections (Pty) Ltd, Hakos Capital and Finance (Pty) Ltd and Corporate Guarantee (South Africa) Limited. These long- and short-term advances were secured by asset based financing, rights to claims in Corporate Guarantee and Insurance Company of Namibia Limited and Corporate Guarantee (South Africa) Limited, pledges and suretyships to the amount of R201 million (2012: R251 million).

The short-term portion of secured advances is included under trade receivables in note 11.

In the current year, the Group only granted loans with repayment terms of twelve months or less resulting in secured advances being classified as current.

Preference shares

Preference shares were issued by Karas Limited with various redemption dates. These shares have been repaid during the year as part of the unbundling transaction. Issued preference shares bear dividends at a fixed rate of 70% of the South African prime bank overdraft rate. The preference dividends are payable monthly.

In the prior year, the short-term portion of preference shares was included under trade receivables in note 11.

	GROUP 2013 R'000	GROUP 2012 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
8. LOANS AND RECEIVABLES (continued)				
The ageing of loans and receivables at the reporting date was:				
Gross				
Not past due	10 944	300 614	–	–
Past due 31 – 120 days	–	4 596	–	–
	10 944	305 210	–	–
Impairment allowance				
Past due 31 – 120 days	–	(4 596)	–	–
Reconciliation of impairment allowance				
Allowance for impairment	–	(4 596)	–	–
9. INVENTORIES				
Work in progress	–	1 162	–	–
Merchandise	10 674	81 101	–	–
	10 674	82 263	–	–
Inventories (write-downs)	–	(2 715)	–	–
	10 674	79 548	–	–
Inventory pledged as security				
In the prior year, inventory was pledged as security for floorplan facilities of Rnil (2012: R32 million) of the Group (refer note 17).				
No inventories are stated at net realisable value.				
10. LOANS TO/(FROM) GROUP COMPANIES				
Current loans to subsidiary companies				
Nictus Meubels (Pty) Ltd	–	–	13	17 811
Kruben Holdings (Pty) Ltd	–	–	–	3 342
	–	–	13	21 153
Current loans from subsidiary companies				
Nictus Holdings Limited	–	–	–	(3 107)
Oreon Place Investments (Pty) Ltd	–	–	(114)	(3 495)
Current portion of cumulative redeemable preference shares	–	–	(4 000)	(1 500)
	–	–	(4 114)	(8 102)
Non–current loans from subsidiary companies				
Cumulative redeemable preference shares	–	–	(9 700)	(10 000)

10. LOANS TO/(FROM) GROUP COMPANIES (continued)

Cumulative redeemable preference shares

The cumulative redeemable preference shares bear dividends at a fixed rate of 70% of South African prime overdraft rate in the current and prior year. The preference dividends are payable monthly. The preference shares are not redeemable before three years after date of issue. After the initial period of three years the preference shares can be redeemed after one month's notice.

Cumulative redeemable preference shares of R6 million are payable to Corporate Guarantee (South Africa) Limited and R7,7 million is payable to Oreon Place Investments (Pty) Ltd (2012: R4 million payables to Corporate Guarantee (South Africa) Limited and R7,5 million was payable to Karas Securities Limited).

Loans due to and due by subsidiaries bear interest at prime bank overdraft rate, are unsecured and have no fixed terms of repayment. As such the fair value approximates the carrying value.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Current assets	–	–	13	21 153
Non-current liabilities	–	–	(9 700)	(10 000)
Current liabilities	–	–	(4 114)	(8 102)
	–	–	(13 801)	3 051

Loans to Group companies impaired

As of 31 March 2013 no loans to Group companies were impaired.

Intercompany trade receivables are subject to the same terms and conditions applied to the general public and settlement is expected to be made in cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of loan mentioned above. The Group does not hold any collateral as security.

The carrying amount of loans (from)/to Group companies are denominated in the following currencies:

	GROUP 2013	GROUP 2012	COMPANY 2013	COMPANY 2012
Rand	–	–	(13 801)	13 658
Namibia Dollars	–	–	–	(10 607)

The amounts of loans (from)/to Group companies approximate their fair value.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
11. TRADE AND OTHER RECEIVABLES				
Trade receivables	142 962	212 156	43	97
Deposits	287	153	–	–
VAT	660	9 489	342	212
Vehicle incentive claims	–	6 148	–	–
Sundry debtors	1 161	7 581	16	336
	145 070	235 527	401	645

The carrying amounts of trade receivables approximate their fair value.

The short-term portion of secured advances included under trade receivables is R117 million (2012: R65 million) and preference shares of Rnil (2012: R9 million).

Included in trade and other receivables of the Company are amounts owing by subsidiaries. Refer to note 32 for detail of the amounts owing.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of loan mentioned above. The Group holds certain items and products sold as collateral.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Geographical split				
Namibia	–	203 145	6	423
South Africa	145 070	32 382	395	222
	145 070	235 527	401	645

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
11. TRADE AND OTHER RECEIVABLES (continued)				
The ageing of trade and other receivables at the reporting date was:				
Gross				
Not past due	146 778	209 376	248	555
Past due 1 – 30 days	1 271	13 223	4	–
Past due 31 – 120 days	2 393	6 659	–	90
Past due 121 – 365 days	3 318	9 761	–	–
More than one year	149	3 295	149	–
	153 909	242 314	401	645
Impairment allowance				
Delinquent accounts – not past due	4 003	–	–	–
Past due 1 – 30 days	337	256	–	–
Past due 31 – 120 days	1 223	1 067	–	–
Past due 121 – 365 days	3 276	3 920	–	–
More than one year	–	1 544	–	–
	8 839	6 787	–	–
Management is of the opinion that adequate provision had been made and past experience indicates that trade receivables past due not impaired are recoverable.				
Reconciliation of impairment allowance				
Opening balance	6 787	16 578	–	–
Allowance for impairment	7 570	1 314	–	–
Impairment loss utilised	(692)	(11 105)	–	–
Distribution to shareholders	(4 826)	–	–	–
	8 839	6 787	–	–
12. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Cash on hand	10	944	–	–
Bank balances	2 910	139 405	203	760
Short-term deposits	117 538	162 975	–	–
Bank overdraft	–	(5 490)	–	–
	120 458	297 834	203	760
Current assets	120 458	303 324	203	760
Current liabilities	–	(5 490)	–	–
	120 458	297 834	203	760
Included in cash and cash equivalents are investments made in terms of the various insurance regulations in South Africa and Namibia to comply with necessary liquidity requirements.				
Total amount of undrawn facilities available for future operating activities and commitments.	–	7 510	–	–
The borrowing capacity as determined by the Memorandum of Incorporation is unrestricted and at the discretion of the directors.				

	GROUP 2013 R'000	GROUP 2012 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
13. STATED CAPITAL				
Authorised – No par value shares				
250 000 000 ordinary shares of no par value (2012: Nil)				
Reconciliation of number of shares issued ('000)				
Opening balance 1 April	–	–	–	–
Conversion from par value shares	100 000	–	100 000	–
Increase in authorised shares during the year	150 000	–	150 000	–
	250 000	–	250 000	–
Authorised – Par value shares				
Nil (2012: 100 000 000) ordinary shares of 50 cents each	–	50 000	–	50 000
Reconciliation of number of shares issued ('000)				
Opening balance 1 April	100 000	100 000	100 000	100 000
Conversion to no par value shares	(100 000)	–	(100 000)	–
	–	100 000	–	100 000
Reconciliation of number of no par value shares issued ('000):				
Reported as at 1 April	–	–	–	–
Conversion from par value shares	53 444	–	53 444	–
Issue of shares – ordinary shares	12 826	–	12 826	–
	66 270	–	66 270	–
Reconciliation of number of par value shares issued ('000):				
Reported as at 1 April	53 444	53 444	53 444	53 444
Conversion to no par value shares	(53 444)	–	(53 444)	–
	–	53 444	–	53 444
All unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.				
Issued				
Group: 66 269 940 ordinary shares of no par value (2012: 53 443 500 ordinary par value shares of 50 cents each)	48 668	26 722	–	–
Company: 66 269 940 ordinary Shares of no par value (2012: 53 443 500 ordinary par value shares of 50 cents each)	–	–	48 668	26 722
	48 668	26 722	48 668	26 722
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued stated capital is fully paid up.				
Reconciliation of issued shares				
Opening balance	26 722	26 722	26 722	26 722
Issued during the year (12 826 440 ordinary shares)	21 946	–	21 946	–
	48 668	26 722	48 668	26 722

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
14. REVALUATION RESERVE				
The revaluation reserve relates to property that is carried at its revalued amounts. There are no restrictions on the distribution or transfers to or from this reserve.				
Revaluation of property	5 905	69 613	–	–
Transfer to retained earnings	–	(15 695)	–	–
	5 905	53 918	–	–
15. CONTINGENCY RESERVE				
A reserve was previously created in equity to comply with the short-term insurance regulations in South Africa. During the prior financial year, the South African insurance regulations were amended, and as a result, the contingency reserve was reversed. Transfers to and from this reserve are treated as appropriations of retained earnings. A similar reserve was created in Corporate Guarantee and Insurance Company of Namibia Limited, although not required by regulatory authorities in Namibia. This reserve was reversed with the unbundling of the Namibian group.				
Opening balance	9 196	17 083	–	–
Transfer to retained earnings	(2 106)	(7 887)	–	–
Distribution to shareholders	(7 090)	–	–	–
	–	9 196	–	–

16. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Group has a share option scheme for certain senior employees.

In 2012 the shareholders approved the adoption of The Nictus Employee Share Incentive Trust. The scheme was introduced to provide an incentive for senior employees (including executive directors) of the Group. The objective of the scheme is to enable the retention of key employees. Allocations are linked to the performance of both the Group and the individual. The share options have been classified as an equity-settled scheme.

Options are granted at predetermined prices set by the trustees of the scheme. The vesting period is five years as follows:
Year 2 – 25% of allocation
Year 3 – 25% of allocation
Year 4 – 25% of allocation
Year 5 – 25% of allocation

If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest unless otherwise recommended by the Board of the Company. No options were granted during the past number of years with no outstanding options for the current or prior year.

In terms of the scheme, 6 626 994 of the issued share capital of the Company may be offered by the trustees to eligible participants.

The Board may adjust the number of shares on a proportionate basis to account for a capitalisation issue or a rights offer of shares or a subdivision or consolidation or reduction of the share capital of the Company. No participant shall be entitled to hold or receive more than 1 988 098 of the scheme shares of the Company in issue.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
17. INTEREST BEARING LOANS AND BORROWINGS				
Non-current				
Unsecured loans	–	4 819	–	–
	–	4 819	–	–
Current				
Wesbank new vehicle finance	–	36 622	–	–
Unsecured loans	–	18 024	–	–
	–	54 646	–	–

The carrying amount of all loans and borrowings approximate their fair value.

Wesbank new vehicle finance

The floorplan facility was from Wesbank, a division of First National Bank of Namibia Limited, for Opel, Isuzu and Chevrolet units. These units were paid for within 180 days from the date of payment by First National Bank to General Motors South Africa (Pty) Ltd or within 48 hours after being sold, whichever occurred first. There was an interest free period of 21 days (2012: 21 days). Should a unit be sold within the interest free period, that unit would be settled within or on expiry of the interest free period. Interest was calculated at prime overdraft rate less 1,0% per annum, provided that a market share of at least 40% was maintained by Wesbank, otherwise the interest rate would change to prime rates. The facility was subject to annual review and was denominated in Namibia Dollars.

Unsecured loans

Unsecured loans were from Nedbank Namibia Limited.

The non-current portion of the unsecured loans was due to a reciprocal agreement with Nedbank Namibia Ltd. The loans bore interest at the Namibian prime overdraft rate less 1,5% (2012: 1,5%).

	GROUP 2013 R'000	GROUP 2012 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
Non-current liabilities				
At amortised cost	–	4 819	–	–
Current liabilities				
At amortised cost	–	54 646	–	–
	–	59 465	–	–

The carrying amounts of interest bearing loans and borrowings were denominated in Namibia Dollars.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
18. INSURANCE CONTRACT LIABILITY				
Gross provision for unearned premiums	241 319	767 260	–	–
Gross provision for no claim bonus	2 653	10 310	–	–
Gross provision for IBNR	726	10 482	–	–
	244 698	788 052	–	–
Analysis of movements in gross unearned premiums				
Opening balance	767 260	667 367	–	–
Claims paid	(9 689)	(23 095)	–	–
Distribution to shareholders	(556 707)	–	–	–
IBNR provided	4 793	1 476	–	–
Net written premiums	40 918	132 033	–	–
Net underwriting result	(5 256)	(10 521)	–	–
	241 319	767 260	–	–
Analysis of movements in no claim bonus provision				
Opening balance	10 310	10 891	–	–
Distribution to shareholders	(11 487)	–	–	–
No claim bonus charge to profit or loss	18 982	32 542	–	–
No claim bonus paid	(15 152)	(33 123)	–	–
	2 653	10 310	–	–
Analysis of movement in gross IBNR				
Opening balance	10 482	11 958	–	–
Distribution to shareholders	(4 963)	–	–	–
IBNR portion provided	(4 793)	(1 476)	–	–
	726	10 482	–	–

Process used to determine significant assumptions

Insurance risks are unpredictable and the Group recognises that it is impossible to forecast with absolute precision, future claims payable under existing insurance contracts. Over time, the Group has developed a methodology that is aimed at establishing insurance provisions that have a reasonable likelihood of being adequate to settle all its insurance obligations.

Claim provisions

The Group's outstanding claims provisions include notified claims as well as incurred but not yet reported claims.

Notified claims

Each notified claim is assessed on a separate, case-by-case basis with due regard to the specific circumstances, information available from the insured and/or loss adjuster and past experience with similar claims. The Group employs staff experienced in claims handling and applies standardised policies and procedures around claims assessment. The provision for each notified claim includes value added tax, where applicable.

Claims incurred but not yet reported (IBNR)

Due to the short duration between the occurrence, reporting and settlement of claims, the IBNR is calculated per the prescribed calculation in Board Notice 169 of 2011 issued by the FSB. The adequacy of this reserve is assessed on an annual basis as part of the liability adequacy test performed on the total of insurance contract liabilities.

Premium provisions

The Group raises provisions for unearned premiums on a basis that reflects the underlying risk profile of its insurance contracts. An unearned premium provision is created at the commencement of each insurance contract and is then released as the risk under the contract expires.

	GROUP 2013 R'000	GROUP 2012 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
18. INSURANCE CONTRACT LIABILITY (continued)				
Assumptions				
Considering the nature of the insurance contracts sold, its is expected that all insurance liabilities will be settled within twelve months from the reporting date.				
IBNR at 1% of net written premiums increase	5	1 320	–	–
A 1% decrease will have an equal but opposite effect.				
19. TRADE AND OTHER PAYABLES				
Trade payables	7 225	31 922	–	–
VAT	–	3 462	–	–
Sundry creditors	345	19 070	173	190
Accruals	163	4 388	550	488
	7 733	58 842	723	678

Intercompany trade payables are subject to the same terms and conditions applied to the general public. Interest is charged at market related rates and settlement is expected to be made in cash. For detail of intercompany trade and other payables, refer note 32.

The Group and Company's exposure to liquidity risk related to trade and other payables is disclosed in note 34.

	Opening balance	Raised during the year	Distribution to shareholders	Total
20. PROVISIONS				
Reconciliation of provisions – Group – 2013				
Onerous contract	–	484	–	484
Used vehicle extended warranty provision	310	–	(310)	–
Workshop comeback provision	556	–	(556)	–
Workshop warranty provision	433	–	(433)	–
Used vehicle warranty provision	470	–	(470)	–
Service and maintenance plan provision	1 293	–	(1 293)	–
	3 062	484	(3 062)	484

Reconciliation of provisions – Group – 2012

	Opening balance	Raised during the year	Reversed during the year	Total
Used vehicle extended warranty provision	–	373	(63)	310
Workshop comeback provision	–	695	(139)	556
Workshop warranty provision	–	447	(14)	433
Used vehicle warranty provision	–	470	–	470
Service and maintenance plan provision	–	1 447	(154)	1 293
	–	3 432	(370)	3 062

20. PROVISIONS (continued)

The used vehicle warranty provision represented management's best estimate of the Group's liability under used vehicles sold during the last three months.

The warranty audit provision represented management's best estimate of the Group's liability under the warranty guidelines of General Motors South Africa.

The workshop comeback provision represented management's best estimate of the Group's liability under quality of workmanship for one year or next year's service.

The onerous contract provision relates to the closure of a furniture branch.

	GROUP		COMPANY	
		Restated		
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
21. REVENUE				
Sale of goods	32 504	35 293	–	–
Management fees	–	–	1 894	2 392
Rental income	212	–	–	–
Finance income	4 779	11 251	1 000	1 928
Insurance premium income	2 661	5 933	–	–
Dividend income	–	–	30 000	10 000
	40 156	52 477	32 894	14 320
Insurance premium income consists of:				
Net written premiums	40 918	32 000	–	–
Change in net provision for unearned premiums	(38 123)	(25 868)	–	–
Reinsurance premiums paid	(134)	(199)	–	–
	2 661	5 933	–	–
Finance and dividend income received by the Company from its subsidiaries was reclassified from investment income to revenue in the current year in accordance with the current practice.				
22. OTHER INCOME/(EXPENSES)				
Revaluation of insurance asset	–	–	87	217
Sundry income/(expenses)	2 666	(176)	37	33
Administration fees received	1 123	–	–	–
Rental income	41	–	–	–
Transport recoveries	470	–	–	–
	4 300	(176)	124	250

	GROUP 2013 R'000	GROUP Restated 2012 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
23. RESULTS FROM OPERATING ACTIVITIES				
Results from operating activities for the year are stated after accounting for the following:				
Insurance expenses				
Claims incurred	694	2 688	–	–
No claim bonus allocations	8 900	7 898	–	–
	9 594	10 586	–	–
Operating lease charges				
Premises – straight-lined	2 984	1 887	49	–
Equipment and motor vehicles – straight-lined	25	23	–	–
Loss on disposal of property, plant and equipment	–	30	4	–
Profit on disposal of property plant and equipment	(2)	–	–	–
Allowance for impairment raised on trade receivables	7 296	349	–	–
Impairment on businesses (or subsidiaries, joint ventures and associates)	–	–	17 745	–
Depreciation on property, plant and equipment	547	564	15	34
Employee costs:				
– Salaries	9 090	10 229	–	737
– Defined contribution funds	590	746	–	–
– Medical aid contribution	367	810	–	–
Directors' emoluments (refer note 33):				
– Fees for services as directors	1 163	1 156	904	891
– Management and consulting fees	8 388	8 815	221	53
24. INVESTMENT INCOME				
Recognised in profit or loss				
Investment income from operations				
Listed financial assets	1 162	1 818	–	–
Bank and other	12 902	11 297	–	–
	14 064	13 115	–	–
Investment income				
Bank and other	2 005	1 886	1 695	956
	2 005	1 886	1 695	956
	16 069	15 001	1 695	956
25. FINANCE EXPENSES				
Interest paid to related parties	(270)	–	(1 593)	(1 224)
Preference dividends to related companies	(254)	–	(763)	(726)
Bank and other	–	(984)	(209)	(596)
	(524)	(984)	(2 565)	(2 546)

	GROUP		COMPANY	
		Restated		
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
26. TAXATION				
Major components of the tax (expense)/income				
Current				
Local income tax – current period	–	288	–	–
Secondary tax on companies	–	1 900	–	1 900
	–	2 188	–	1 900
Deferred				
Originating and reversing of temporary differences	(33)	98	–	–
	(33)	2 286	–	1 900
Reconciliation of the effective tax expense				
Reconciliation between tax at the standard rate and the effective rate:				
(Loss)/profit before taxation	(13 685)	(4 032)	7 442	7 464
Tax at the applicable tax rate of 28% (2012: 28%) in South Africa and 34% (2012: 34%) in Namibia	3 967	3 297	(3 856)	(2 535)
Non-taxable items				
Profit on sale of investments	(31)	(1 242)	–	–
Loss on sale of property, plant and equipment	(1)	(11)	(1)	–
Revaluation of insurance asset	–	–	28	74
Ordinary dividends received	565	–	10 200	3 400
Fair value adjustments on investments	–	(2 389)	–	–
Fair value adjustment on listed shares	327	–	–	–
Non-deductible expenses				
Preference dividend paid	(86)	–	(240)	(231)
Fair value gain on land and buildings	–	406	–	–
Impairment loss	–	560	–	–
Raising of impairment on investment	–	–	(4 969)	–
Restructuring costs	(889)	–	(889)	–
Over provision previous year	8	676	–	–
Other				
Deferred taxation not recognised	(4 032)	(1 425)	(273)	(708)
Secondary taxes on companies	–	1 900	–	1 900
Rate change on capital gains tax	–	(343)	–	–
Tax losses utilised	–	704	–	–
Other	139	153	–	–
Effective taxation	(33)	2 286	–	1 900
Estimated taxation losses available for set-off against future taxable income amount to:				
R	19 226	11 158	12 200	6 233
N$	–	65 534	–	2 671
	19 226	76 692	12 200	8 904

Estimated taxation losses of certain subsidiaries not utilised to create a deferred tax asset to reduce the deferred tax liability and available for future set-off against future taxable income amount to R9 220 million (2012: R37 683 million) for the Group and R4 057 million (2012: R1 334 million) for the Company. The estimated tax losses will be available to the respective subsidiaries indefinitely per the Income Tax Act as long as the entities are trading. There is currently no intention for the subsidiaries to cease any trading activities.

	Gross R'000	Tax R'000	Net R'000
27. OTHER COMPREHENSIVE INCOME			
Components of other comprehensive income – Group – 2012			
Movements on revaluation			
Losses on property revaluation	(1 099)	380	(719)
	(1 099)	380	(719)

	GROUP 2013 R'000	GROUP Restated 2012 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
28. AUDITOR'S REMUNERATION				
Audit fees	1 436	1 598	807	1 068
Other services – Sponsor	30	25	25	25
Other services – Unbundling	1 944	–	1 944	–
	3 410	1 623	2 776	1 093
29. CASH UTILISED BY OPERATIONS				
(Loss)/profit before taxation	(13 685)	(4 032)	7 442	7 464
Adjustments for:				
Depreciation of property, plant and equipment	547	564	15	34
(Profit)/loss on disposal of property, plant and equipment	(2)	30	4	–
Dividend income	(1 162)	(17 850)	(30 000)	(10 000)
Investment income	(2 005)	(1 886)	(1 695)	(956)
Finance costs	524	984	2 565	2 546
Investment income from operations	(12 902)	(10 679)	–	–
Impairment of investment in subsidiary	–	–	17 745	–
Changes in working capital:				
Inventories	(16 556)	671	–	–
Trade and other receivables	(189 695)	(12 895)	244	(183)
Trade and other payables and provisions	(22 254)	407	151	239
Insurance contract liability	29 803	26 505	–	–
	(227 387)	(18 181)	(3 529)	(856)
30. TAX (PAID)/RECEIVED				
Balance at beginning of the year	(372)	(312)	–	(1 900)
Current tax for the year recognised in profit or loss	–	1 725	–	1 900
Distribution to shareholders	(29)	201	–	–
Balance at end of the year	–	372	–	–
	(401)	1 986	–	–

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
31. DIVIDENDS				
Preference dividends paid				
– On 30 September	37	–	381	363
– On 31 March	217	–	382	363
	254	–	763	726
Ordinary dividend paid				
The following dividend was declared and paid by the Group for the year ended 31 March 2013. The Board ensures that the dividend cover remains at a minimum of 3 times.				
14,25 cents for 2013 and 9,5 cents for 2012	7 616	5 077	7 616	5 077

32. RELATED PARTIES

Relationships:

Subsidiaries	Refer to note 5
Members of key management and/or directors	NC Tromp (Group Managing Director – Executive)
	WO Fourie (Group Financial Director – Executive)
	GW Swart (Managing Director Insurance segment)
	GR de V Tromp (Managing Director Furniture segment)
Independent non-executive directors	BJ Willemse (Chairman)
	JL Olivier
	JN Campbell
	JD Mandy
Non-executive directors	FR van Staden
	JJ Retief
	PJ de W Tromp

The Group has a related party relationship with its subsidiaries. Key management personnel has been defined as the executive directors, non-executive directors of the Company and managing directors of segments within the Group. The definition of key management includes the close members of family of key management personnel and any other entity over which key management exercises control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group. They may include that individual's domestic partner and children, the children of the individual's domestic partner, and dependants of the individual or the individual's domestic partner.

Transactions with key management personnel

Directors of the Company and their immediate relatives beneficially control 51,5% (2012: 66,70%) of the voting shares of the Company. Details pertaining to directors' and key management compensations are set out in note 33.

The Group encourages employees to purchase goods and services from Group companies. These transactions are generally conducted on terms no more favourable than those entered to with third parties on an arm's-length basis, although in some cases nominal discounts are granted. Transactions with key personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key personnel during the year, nor have they resulted in any non-performing debts at year-end.

Similar policies are applied to key personnel at subsidiary level who are not defined as key management personnel at Group level.

Certain directors of the Group are also non-executive directors of other public companies which may transact with the Group. The relevant directors do not believe that they have significant influence over the financial and operational policies of those companies. Those companies are therefore not regarded as related parties.

	2013 R'000	2012 R'000
32. RELATED PARTIES (continued)		
The following transactions were made on terms equivalent to those that prevail in arm's-length transactions between subsidiaries of the Group and key management (as defined) and/or organisations in which key management personnel have significant influence:		
Related party balances		
Loan accounts in the Company – refer note 10		
Loans due by subsidiaries	13	21 153
Loan due to subsidiaries	(114)	(6 602)
Loan accounts – due (to)/by key management personnel and companies affiliated with key management in the Group		
Unearned premium reserve	4 508	2 643
Due to affiliated companies	–	(14 934)
Due by key management and companies affiliated with key management	–	6 013
Preference shares issued to related parties		
Company – refer note 10		
Issued to related parties	(13 700)	(11 500)
Payable to subsidiaries – refer to note 19		
Trade payables in the Company	–	(81)
Trade receivables in the Company – refer note 11		
Receivables from subsidiaries	–	96
Related party transactions		
Company		
Interest received from subsidiaries	(1 000)	(1 928)
Interest paid to subsidiaries	1 593	1 224
Preference dividends paid to subsidiaries	763	726
Management fees received from subsidiaries	(1 894)	(2 392)
Dividends received from subsidiaries	(30 000)	(10 000)
Group		
Premiums received – key management, personnel and companies affiliated with key management in the Group	(1 615)	(2 744)
Preference dividends paid to related parties (Nictus Holdings Group)	254	–
Interest paid to related parties (Nictus Holdings Group)	270	–

Loans due to and by subsidiaries, excluding preference shares, bear interest at a combination of Namibian and South African prime bank overdraft rates, are unsecured and have no fixed terms of repayment. Refer to note 10 for terms and conditions on the preference shares.

Intercompany trade receivables and payables are subject to the same terms and conditions applied to the general public. Interest is charged at market related rates and settlement is expected to be made in cash.

Refer note 33 for directors' emoluments.

33. DIRECTORS', KEY MANAGEMENT AND HIGHEST EARNERS' REMUNERATION

	Directors' fees – Company R'000	Management and consulting fees – Company R'000	Basic salary – subsidiaries R'000	Pension paid – subsidiaries R'000	Bonuses – subsidiaries R'000	Management and consulting fees – subsidiaries R'000	Directors' fees – subsidiaries R'000	Total R'000
Executive								
2013								
NC Tromp	8	–	120	–	–	1 956	63	2 147
FM Theart**	–	–	636	49	160	–	13	858
GW Swart*	–	–	900	69	247	–	25	1 241
WO Fourie	10	221	–	–	–	421	6	658
GR de V Tromp*	–	–	87	–	–	786	11	884
	18	221	1 743	118	407	3 163	118	5 788

	Directors' fees – Company R'000	Management and consulting fees – Company R'000	Basic salary – subsidiaries R'000	Compensation for loss of office R'000	Pension paid – subsidiaries R'000	Bonuses – subsidiaries R'000	Management and consulting fees – subsidiaries R'000	Directors' fees – subsidiaries R'000	Total R'000
2012									
NC Tromp	8	–	120	–	–	–	3 458	110	3 696
FR van Staden	12	–	196	–	–	–	2 196	78	2 482
JJ Retief	10	–	194	–	–	–	1 414	31	1 649
GJ Koekemoer**	–	–	–	–	–	–	1 128	31	1 159
GW Swart*	–	–	861	300	66	188	–	24	1 439
WO Fourie	10	53	–	–	–	–	1 184	16	1 263
PJ De W Tromp*	2	–	–	–	–	–	1 544	219	1 765
	42	53	1 371	300	66	188	10 924	509	13 453

* *Members of key management and highest earners other than directors.*
** *Highest earner and prescribed officer other than directors.*

33. DIRECTORS', KEY MANAGEMENT AND HIGHEST EARNERS' REMUNERATION (continued)

	Directors' fees – Company R'000	Directors' fees – subsidiaries R'000	Management and consulting fees – subsidiaries R'000	Basic salary subsidiaries	Total
Non-executive directors					
2013					
JL Olivier*	259	32	–	–	291
BJ Willemse*	317	–	–	–	317
JN Campbell*	225	–	–	–	225
JD Mandy*	53	–	–	–	53
FR van Staden#	12	46	1 065	180	1 303
PJ de W Tromp#	10	44	479	112	645
JJ Retief#	10	19	722	178	929
	886	141	2 266	470	3 763

2012	Directors' fees – Company R'000	Directors' fees – subsidiaries R'000	Total
JL Olivier	301	32	333
BJ Willemse	260	–	260
JN Campbell	288	–	288
	849	32	881

** Independent non-executive Directors*
 # Directors became non-executive during the year

34. FINANCIAL RISK MANAGEMENT

Financial risk management

The Group's activities expose it to a variety of financial risks from the use of financial instruments: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports twice a year via the audit committee to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

34. FINANCIAL RISK MANAGEMENT (continued)

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its cash flow requirements on a daily basis against monthly projections and focuses on optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As at 31 March 2013 the Company's current liabilities exceed the current assets. Group loans will not be recalled until such time that the Company has sufficient funds to settle these liabilities. For external payables the Company will obtain funds from its subsidiaries to settle these in the normal course of business.

In addition, the Group maintained the following lines of credit in Namibia in the prior year:
– Overdraft facilities
– Wesbank floorplan

	Carrying amount R'000	Contractual cash flows R'000	12 months or less R'000	1 – 2 years R'000	2 – 5 years R'000
The following are the contractual maturities of non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.					
Group					
At 31 March 2013					
Trade and other payables	7 733	7 733	7 733	–	–
Insurance contract liability	244 698	244 698	244 698	–	–
At 31 March 2012					
Unsecured loans	22 843	24 998	19 781	5 217	–
Trade and other payables	55 380	55 380	55 380	–	–
Bank overdraft	5 490	5 490	5 490	–	–
Insurance contract liability	788 052	788 052	788 052	–	–
Wesbank vehicle finance	36 622	37 017	37 017	–	–
Company					
At 31 March 2013					
Loans from Group companies	114	114	114	–	–
Cumulative redeemable preference shares	13 700	15 547	4 783	577	10 187
Trade and other payables	723	723	723	–	–
At 31 March 2012					
Loans from Group companies	6 602	6 602	6 602	–	–
Cumulative redeemable preference shares	11 500	12 974	1 520	2 773	8 681
Trade and other payables	678	678	678	–	–

	GROUP 2013 R'000	GROUP 2012 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
34. FINANCIAL RISK MANAGEMENT (continued)				
Interest rate risk				
Profile				
At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:				
Variable rate instruments				
Financial assets	274 364	703 463	216	21 913
Financial liabilities	–	(64 955)	(13 814)	(18 102)
	274 364	638 508	(13 598)	3 811
Sensitivity analysis				
An increase of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit and changes in equity by the amounts shown below. A decrease of 100 basis points would have an equal but opposite effect on profit and changes in equity. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2012.				
As at 31 March				
Variable rate instruments	2 744	6 385	(136)	38

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments.

Trade and other receivables and loans and receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

Geographically, subsequent to the unbundling, the concentration of credit risk is in South Africa.

The Group Executive Committee has established a credit policy for each segment under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings obtained from the TransUnion Credit Bureau, reviews of claims history for insurance contracts, where available, and in some cases bank references.

Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Credit Committee; these limits are reviewed when required per customer. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a cash basis.

The majority of the Group's and Company's customers have been transacting with the Group and Company for a number of years, and losses have occurred infrequently, excluding Maponya Mall branch, where adequate provisions were made. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, geographic location, industry, ageing profile, maturity and existence of previous financial difficulties or insurance claims. Cash and cash equivalents are held at reputable banks and activity is monitored monthly by management.

Trade and other receivables relate only to the Group's end user customers. Customers that are graded as "high risk" are restricted by tighter credit limits and their trading activity is monitored monthly by management.

Goods and services are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim.

34. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities or unlisted entities with a good track record. By law the insurance companies are required to keep 30% of all assets liquid.

The investment portfolio is determined monthly by the respective segment executive committee of directors with sufficient financial and investment background. This committee reviews the valuation and returns on investments monthly for listed investments and yearly for non-listed investments to determine whether the investment portfolio requires change.

Given this, management does not expect any counterparty to fail to meet its obligations other than specifically provided for at year-end.

Refer to note 5, 6, 8 and 11 for additional disclosures regarding credit risks.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group incurs financial liabilities and assets in order to manage market risks. All such transactions are carried out within the guidelines set by the Group Executive Committee.

Interest rate risk

The Group adopts a policy of ensuring that its exposure to changes in interest rates and borrowings is limited by setting the terms and conditions of loans to adjust with changes in the market conditions. The Group also aims to ensure that the profit margin is sufficient to cover any rate changes.

Other market price risk

Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market expectations. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the directors of the relevant segment. Refer to note 6 for sensitivity analysis of equity investments.

The primary goal of the Group's investment strategy is to maximise profitability through well managed investments. Management is assisted by external advisors in this regard.

Insurance risk

Terms and conditions of insurance contracts

Corporate Guarantee (South Africa) Limited and Corporate Guarantee and Insurance Company of Namibia Limited are both registered as short-term insurance companies by the regulatory authorities in South Africa and Namibia respectively and are registered for all statutory classes of short-term insurance business.

The Group underwrites finite risk policies to a defined target market which concentrates primarily on the small and medium enterprises in the commercial market and secondary on the lower end of the corporate commercial market as well as the higher end of the personal market. In the personal segment, the Group does not cater for the insurance needs of the general public. Commercial and personal clients are carefully selected according to a strategy of prudent risk selection.

The Group aims to deliver innovative and tailored insurance risk solutions to its clients allowing them to retain some insurance risk and effectively operate as autonomous insurance entities. The finite risk policies expose the Group to limited risk and include profit participation measures to promote good risk management amongst the insured. The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out in the notes.

34. FINANCIAL RISK MANAGEMENT (continued)

Insurance risks (continued)

Insurance risk and policies for mitigating insurance risk

The primary activity of the Group relates to the assumption of the risk of loss from events involving persons or organisations. Such risks may relate to property, accident, personal accident, motor, liability, engineering, credit and other perils that may arise from an insured event. As such the Group is exposed to the uncertainty surrounding the timing, severity and frequency of claims under insurance contracts.

The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected and that the Group does not charge premiums appropriate for the risk accepted. Insurance events are, by nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques. The Group manages its insurance risk through underwriting limits, approval procedures for new clients, pricing guidelines, centralised management of risk and monitoring of emerging issues. These actions are described below.

Underwriting strategy

The Group's underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a portfolio of similar risks spread over a large geographical area. The underwriting strategy is continuously monitored, updated and determines the classes of business to be written, the territories in which business is to be written and the industry sectors to which the Group is prepared to accept exposure. The strategy is cascaded down by the respective segment executive committees to individual underwriters through detailed underwriting authorities that set the limits for underwriters by client size, class of business, territory and industry in order to enforce appropriate risk selection within the portfolio. In addition, management meets monthly to review underwriting information including premium income and loss ratios by class, territory and industry.

Concentrations of insurance risk and policies mitigating the concentrations

Within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon the Group's resources. The Group monitors the concentration risk by geographical segment and class of business. The Group is broadly represented across South Africa and exposures to risks are representative of the economic activity in the various regions. The Group has exposure to all major lines of insurance business with very limited exposure to specialised areas of insurance.

Exposure relating to catastrophic events

The Group sets out the total aggregate exposure that it is prepared to accept in certain territories to a range of events such as natural catastrophes. The aggregate position is reviewed annually.

The Group considers that its most significant exposure would arise in the event of a major environmental disaster. This analysis has been performed through identifying key concentration of risks based on different classes of business exposed in the event of such an incident.

Other risk and policies for mitigating these risks

Insurance companies are exposed to the risk of false, invalid and exaggerated claims. Measurements are in place to improve the Group's ability to proactively detect fraudulent claims.

Claims development

The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term, subject to pre-determined time scales dependent on the nature of the insurance contract. The Group is therefore exposed to the risk that claims reserves will not be adequate to fund historic claims (run-off risk). To manage run-off risk the Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. Consequently, the Group has a history of positive claims development, i.e. the reserves created over time proved to be sufficient to fund the actual claims paid.

34. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

At 31 March 2013, if the currency had strengthened by 10% against the US Dollar with all other variables held constant, post-tax profit for the year would have been R0,4 million (2012: R0,2 million) lower, mainly as a result of foreign exchange gains/losses on translation of US Dollar denominated financial assets at fair value through profit or loss.

The Group reviews its foreign currency exposure, including commitments, on an ongoing basis and these are not seen to have a material risk to the Group.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders' equity, excluding non-redeemable preference shares and minority interests, and the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return on shareholders' equity based on an accepted sovereign bond and risk factor.

There were no changes in the Group's approach to capital management during the year.

The Group's insurance subsidiaries are subject to externally legislative capital requirements. The interim measures in respect of Solvency Assessment and Management (SAM) became effective on 1 January 2012 for the South African insurance industry. The subsidiary complies with the requirements in South Africa.

35. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Loans, receivables and other at amortised cost R'000	Fair value through profit or loss – held for trading R'000	Fair value through profit or loss – designated R'000	Held to maturity at amortised cost R'000	Available-for-sale R'000	Total R'000
Group – 2013						
Loans and receivables	10 944	–	–	–	–	10 944
Investments	–	20 879	–	5 179	–	26 058
Trade and other receivables	144 410	–	–	–	–	144 410
Cash and cash equivalents	120 458	–	–	–	–	120 458
	275 812	20 879	–	5 179	–	301 870
Group – 2012						
Loans and receivables	300 614	–	–	–	–	300 614
Investments	–	21 777	–	7 852	–	29 629
Trade and other receivables	226 038	–	–	–	–	226 038
Cash and cash equivalents	303 324	–	–	–	–	303 324
	829 976	21 777	–	7 852	–	859 605

35. FINANCIAL ASSETS BY CATEGORY (continued)

	Loans, receivables and other at amortised cost R'000	Fair value through profit or loss – held for trading R'000	Fair value through profit or loss – designated R'000	Held to maturity at amortised cost R'000	Available-for-sale R'000	Total R'000
Company – 2013						
Investments in subsidiaries	75 109	–	–	–	–	75 109
Loans to Group companies	13	–	–	–	–	13
Trade and other receivables	59	–	–	–	–	59
Cash and cash equivalents	203	–	–	–	–	203
	75 384	–	–	–	–	75 384
Company – 2012						
Investments in subsidiaries	35 730	–	–	–	–	35 730
Loans to Group companies	21 153	–	–	–	–	21 153
Trade and other receivables	433	–	–	–	–	433
Cash and cash equivalents	760	–	–	–	–	760
	58 076	–	–	–	–	58 076

Refer to note 1.20 for determining of fair values for financial assets.

The carrying amounts of the financial assets approximate their fair value.

36. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Financial liabilities at amortised cost R'000	Total R'000
Group – 2013		
Trade and other payables	7 733	7 733
Group – 2012		
Interest bearing loans and borrowings – long term	4 819	4 819
Interest bearing loans and borrowings – short term	54 646	54 646
Trade and other payables	55 380	55 380
Bank overdraft	5 490	5 490
	120 335	120 335
Company – 2013		
Loans from Group companies	13 814	13 814
Trade and other payables	723	723
	14 537	14 537
Company – 2012		
Loans from Group companies	18 102	18 102
Trade and other payables	678	678
	18 780	18 780

Refer to note 1.20 for determining of fair values for financial liabilities.

The carrying amounts of the financial liabilities approximate their fair value.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000

37. COMMITMENTS

Authorised capital expenditure				
Not yet contracted for and authorised by directors	–	16 300	–	–
This committed expenditure in the prior year related to property and was financed by internal funds when incurred.				
The Company provides support to subsidiary companies, where the current liabilities exceeded current assets, for payments of debt until such time the subsidiaries' current assets exceed its current liabilities.				
Operating leases – as lessee (2012: restated)				
Minimum lease payments due				
– within one year	2 376	2 697	–	–
– in second to fifth year inclusive	3 361	896	–	–
	5 737	3 593	–	–

Operating lease payments represent mostly rentals payable by the Group for certain of its properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

Guarantees

Certain Group companies provide guarantees as part of their normal operations.

38 GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

39. EVENTS AFTER REPORTING DATE

There were no events after the reporting period which affected the presentation of the consolidated financial statements for the year ended 31 March 2013.

40. EARNINGS PER SHARE

Basic (loss)/earnings per ordinary share from continuing operations for the year is (22,92) cents (2012: (3,27) cents loss) and for discontinued operations is (2,36) cents (2012: 46,36 cents earnings). The calculation of basic (loss)/earnings per share is based on a loss of R13 718 million (2012: loss of R1 746 million) from continuing operations and a loss of R1 411 million (2012: profit of R24 774 million) from discontinued operations. The weighted average number of ordinary shares in issue during the year was 59 839 150 (2012: 53 443 500).

Headline (loss)/earnings per ordinary share from continuing operations for the year is (22,93) cents (2012: (3,21) cents loss) and for discontinued operations is (2,50) cents (2012: 36,24 cents earnings). The calculation of headline (loss)/earnings per share is based on a loss of R13 720 million (2012: loss of R1 716 million) from continuing operations and a loss of R1 495 million (2012: profit of R19 366 million) from discontinued operations. The weighted average number of ordinary shares in issue during the year was 59 839 150 (2012: 53 443 500).

Diluted headline (loss)/earnings per ordinary share from continuing operations for the year is (22,93) cents (2012: (3,21) cents loss) and for discontinued operations is (2,50) cents (2012: 36,24 cents earnings). The calculation of diluted headline (loss)/earnings per share is based on a loss of R13 720 million (2012: loss of R1 716 million) from continuing operations and a loss of R1 495 million (2012: profit of R19 366 million) from discontinued operations. The weighted average number of ordinary shares in issue during the year was 59 839 150 (2012: 53 443 500).

Diluted (loss)/earnings per ordinary share from continuing operations for the year is (22,92) cents (2012: (3,27) cents loss) and for discontinued operations is (2,36) cents (2012: 46,36 cents earnings). The calculation of diluted (loss)/earnings per share is based on a loss of R13 718 million (2012: loss of R1 746 million) from continuing operations and a loss of R1 411 million (2012: profit of R24 774 million) from discontinued operations. The weighted average number of ordinary shares in issue during the year was 59 839 150 (2012: 53 443 500).

40. EARNINGS PER SHARE (continued)

	(Loss)/profit on ordinary activities R'000	Taxation R'000	Non-controlling interest R'000	Net profit R'000
Reconciliation between basic earnings and headline earnings:				
2013				
Continued operations				
Loss before taxation	(13 685)	(33)	–	(13 718)
Profit on disposal of property, plant and equipment	(2)	–	–	(2)
Headline earnings	(13 687)	(33)	–	(13 720)
Discontinued operations				
Loss before taxation	(1 455)	44	–	(1 411)
Profit on disposal of property, plant and equipment	(84)	–	–	(84)
Headline earnings	(1 539)	44	–	(1 495)
2012 – Restated				
Continuing operations				
Loss before taxation	(4 032)	2 286	–	(1 746)
Loss on disposal of property, plant and equipment	30	–	–	30
Headline earnings	(4 002)	2 286	–	(1 716)
Discontinued operations				
Profit before taxation	26 116	(1 342)	–	24 774
Impairment of goodwill	1 647	–	–	1 647
Revaluation of investment property	(7 025)	–	–	(7 025)
Profit on disposal of property, plant and equipment	(30)	–	–	(30)
Headline earnings	20 708	(1 342)	–	19 366

	GROUP		COMPANY	
	2013	2012	2013	2012
Weighted average shares reconciliation				
Number of shares at the beginning of the year	53 443 500	53 443 500	53 443 500	53 443 500
12 826 440 shares were issued 1 October 2012	6 395 650	–	6 395 650	–
	59 839 150	53 443 500	59 839 150	53 443 500

41. DISTRIBUTION TO SHAREHOLDERS/SALE OF SUBSIDIARY

	GROUP 2013 R'000	GROUP 2012 R'000	COMPANY 2013 R'000	COMPANY 2012 R'000
Carrying value of assets and liabilities distributed/sold				
Property, plant and equipment	(123 734)	(27 200)	–	–
Intangible assets	(303)	–	–	–
Investments	(13 644)	–	(276)	–
Deferred tax assets	(4 870)	–	–	–
Loans and receivables	(94 742)	–	–	–
Inventories	(85 430)	–	–	–
Loans to related parties	(7 500)	–	–	–
Current tax receivable	(29)	–	–	–
Trade and other receivables	(280 152)	–	–	–
Cash and cash equivalents	(179 230)	–	–	–
Deferred tax liabilities	10 353	3 625	–	–
Borrowings	82 167	5 000	–	–
Trade and other payables	28 371	177	–	–
Provisions	3 062	–	–	–
Insurance contract liability	573 157	–	–	–
Bank overdraft	4 638	–	–	–
InterGroup eliminations	(3 833)	–	–	–
	(91 719)	(18 398)	(276)	–
Cash inflow on disposal of subsidiary	–	22 200	–	–
Distribution to shareholders through equity	91 719	–	276	–
Profit on disposal	–	(3 802)	–	–
	91 719	18 398	276	–
Borrowings repaid on disposal of subsidiary	–	(5 000)	–	–

41. DISTRIBUTION TO SHAREHOLDERS/SALE OF SUBSIDIARY (continued)

During the year the Board undertook an extensive strategic review of the Group and its current Namibian and South African operations. It was concluded that it was preferable for the Namibian and South African operations to be separately listed on the Johannesburg Stock Exchange ('JSE') and Namibian Stock Exchange ('NSX') respectively. In order to achieve this objective, the Board recommended to unbundle its Namibian operations and list them separately on the NSX. As a result, the Namibian operation is reported as a disposal group in the current year with effect from 31 August 2012. The 2012 statement of comprehensive income and statement of cash flows for the Group have been restated in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.

During the prior financial year, Corporate Properties (Pty) Ltd, a Namibian company, was sold to Erastus Shipumba Properties CC. The subsidiary contained an office building that was used for Group purposes. The Group continues to rent the property on a year-to-year basis. The subsidiary was included in the Namibian Insurance and Finance segment.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
42. CASH FLOWS OF DISCONTINUED OPERATIONS				
Cash (utilised by)/generated from discontinued operations				
(Loss)/profit before taxation	(1 455)	26 116	–	–
Adjustments for:				
Depreciation of property, plant and equipment	629	1 761	–	–
Profit on disposal of property plant and equipment	(84)	(30)	–	–
Amortisation of computer software	94	262	–	–
Revaluation of investment property	–	(7 025)	–	–
Investment income	(3 904)	(5 851)	–	–
Finance costs	1 562	4 265	–	–
Movement in provisions	–	3 062	–	–
Profit on disposal of subsidiary	–	(3 802)	–	–
Impairment of goodwill	–	1 647	–	–
Changes in working capital				
Inventories	(12 268)	(16 131)	–	–
Trade and other receivables	(77 095)	(44 468)	–	–
Trade and other payables	(22 770)	457	–	–
Insurance contract liability	(9 284)	71 331	–	–
	(124 575)	31 594	–	–
Cash flows from discontinued operations				
Cash (utilised by)/generated from operations	(124 575)	31 594	–	–
Investment income from operations received	3 904	5 851	–	–
Finance expenses paid	(1 562)	(4 265)	–	–
Tax paid	(472)	(201)	–	–
	(122 705)	32 979	–	–

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000

42. CASH FLOWS OF DISCONTINUED OPERATIONS

(continued)

Cash flows from discontinued investing activities				
Acquisition of property, plant and equipment	(4 267)	(8 901)	–	–
Proceeds on sale of property, plant and equipment	538	931	–	–
Acquisition of intangible assets	(18)	(98)	–	–
Proceeds on sale of other intangible assets	1	–	–	–
Borrowings repaid on disposal of subsidiary	–	5 000	–	–
Acquisition of investments	(6 623)	–	–	–
Cash inflow on disposal of subsidiary	–	22 200	–	–
Proceeds from disposal of investments	–	12 972	–	–
Loans and receivables advanced/(paid)	101 582	(29 449)	–	–
Inter group eliminations	3 833	–	–	–
	95 046	2 655	–	–
Cash flows from discontinued financing activities				
Increase in interest bearing loans and borrowings	15 533	4 882	–	–
Total cash movements of discontinued operations	(12 126)	40 516	–	–
Cash and cash equivalents distributed to shareholders	(174 592)	–	–	–
Total cash movements of discontinued operations	(186 718)	40 516	–	–

Refer to note 41 for more details regarding discontinued operations.

43. (LOSS)/PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Revenue	208 686	516 346	–	–
Cost of sales	(175 262)	(424 457)	–	–
Gross profit	33 424	91 889	–	–
Other income	2 598	13 823	–	–
Operating expenses	(27 663)	(56 280)	–	–
Investment income from operations	6 387	21 265	–	–
Administrative expenses	(18 348)	(47 010)	–	–
Results from operating activities	(3 602)	23 687	–	–
Finance income	3 709	6 694	–	–
Finance expenses	(1 562)	(4 265)	–	–
(Loss)/profit before taxation	(1 455)	26 116	–	–
Taxation	44	(1 342)	–	–
(Loss)/profit for the year from discontinued operations	(1 411)	24 774	–	–

44. GROUP SEGMENTAL ANALYSIS

	MOTOR RETAIL		FURNITURE RETAIL	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Business segment – continued operations				
Segment revenue				
Sale of goods	–	–	32 505	35 788
Rental income	–	–	603	(17)
Finance income	–	–	4 779	4 055
Dividend income	–	–	–	–
Management fees	–	–	–	–
Insurance premium income	–	–	–	–
Total revenue from external customers	–	–	37 887	39 826
Inter-segment revenue	–	–	964	1 452
Total segment revenue	–	–	38 851	41 278
Segment result				
Operating (loss)/profit before financing costs	–	–	(9 695)	2 206
Financing costs	–	–	(1 952)	(2 262)
(Loss)/profit before taxation	–	–	(11 647)	(56)
Taxation	–	–	(618)	(299)
(Loss)/profit for the year	–	–	(12 265)	(355)
Segment assets*	–	–	53 627	54 736
Segment liabilities*	–	–	18 731	41 620
Cash flows from operating activities	–	–	(8 139)	(9 086)
Cash flows from investing activities	–	–	3 687	6 814
Cash flows from financing activities	–	–	5 528	3 509
Capital expenditure	–	–	(362)	(452)

** The segment assets and liabilities include tax assets and liabilities and have been included in the elimination column to agree to the amounts per the financial statements. On page 94 a reconciliation is performed to reflect the amount for segment assets and liabilities as defined in the accounting policies.*

	INSURANCE AND FINANCE		HEAD OFFICE		ELIMINATIONS		CONSOLIDATED	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000	2013 R'000	2012 R'000	2013 R'000	2012 R'000
	–	–	–	–	(1)	(495)	32 504	35 293
	–	–	–	–	(391)	17	212	–
	319	7 211	1 000	1 928	(1 319)	(1 943)	4 779	11 251
	–	–	30 000	10 000	(30 000)	(10 000)	–	–
	–	–	1 894	2 392	(1 894)	(2 392)	–	–
	2 661	5 933	–	–	–	–	2 661	5 933
	2 980	13 144	32 894	14 320	(33 605)	(14 813)	40 156	52 477
	20	–	–	–	(984)	(1 452)	–	–
	3 000	13 144	32 894	14 320	(34 589)	(16 265)	40 156	52 477
	2 580	3 867	10 007	10 010	(16 053)	(19 131)	(13 161)	(3 048)
	–	653	(2 565)	(2 546)	3 993	3 171	(524)	(984)
	2 580	4 520	7 442	7 464	(12 060)	(15 960)	(13 685)	(4 032)
	253	399	–	1 900	332	286	(33)	2 286
	2 833	4 919	7 442	9 364	(11 728)	(15 674)	(13 718)	(1 746)
	304 684	239 212	78 006	21 198	(102 308)	780 358	334 009	1 095 504
	249 271	212 610	14 537	18 842	(24 579)	653 865	257 960	926 937
	41 502	(49 157)	22 800	4 670	(270 411)	64 923	(214 248)	11 350
	(37 592)	(19 684)	(37 793)	1 890	71 538	29 208	(160)	18 228
	30 385	73 450	14 436	(5 077)	(13 317)	(76 959)	37 032	(5 077)
	–	(362)	–	(43)	(40)	(3 501)	(402)	(4 358)

44. GROUP SEGMENTAL ANALYSIS (continued)

	MOTOR RETAIL		FURNITURE RETAIL	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Business segment – discontinued operations				
Segment revenue				
Sale of goods	165 283	410 671	23 247	53 148
Rental income	76	10	252	259
Finance income	–	239	2 193	4 627
Management fees	–	–	–	–
Insurance premium income	–	–	–	–
Total revenue from external customers	165 359	410 920	25 692	58 034
Inter–segment revenue	1 930	3 897	291	875
Total segment revenue	167 289	414 817	25 983	58 909
Segment result				
Operating profit before financing costs	2 003	7 912	2 249	5 782
Financing costs	(2 009)	(4 702)	(1 256)	(3 174)
(Loss)/profit before taxation	(6)	3 210	993	2 608
Taxation	(473)	(549)	(346)	(1 233)
(Loss)/profit for the year	(479)	2 661	647	1 375
Segment assets*	198 389	245 546	117 223	131 900
Segment liabilities*	143 579	186 067	85 275	99 423
Cash flows from operating activities	(6 676)	(19 862)	(2 085)	(6 466)
Cash flows from investing activities	(1 346)	22 957	(6 470)	12 621
Cash flows from financing activities	7 177	(6 517)	8 364	(6 385)
Capital expenditure	(1 822)	(1 246)	(2 420)	(593)

** The segment assets and liabilities include tax assets and liabilities and have been included in the elimination column to agree to the amounts per the financial statements. On page 94 a reconciliation is performed to reflect the amount for segment assets and liabilities as defined in the accounting policies.*

	INSURANCE AND FINANCE		HEAD OFFICE		ELIMINATIONS		CONSOLIDATED	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000	2013 R'000	2012 R'000	2013 R'000	2012 R'000
	–	–	–	–	195	1 125	188 725	464 944
	–	608	–	–	(4)	5	324	882
	13 315	27 345	–	–	(6 074)	(8 687)	9 434	23 524
	–	–	–	3 893	–	(3 893)	–	–
	12 670	26 996	–	–	(2 467)	–	10 203	26 996
	25 985	54 949	–	3 893	(8 350)	(11 450)	208 686	516 346
	195	1 794	–	–	(2 416)	(6 566)	–	–
	26 180	56 743	–	3 893	(10 766)	(18 016)	208 686	516 346
	5 119	19 167	9 128	49 290	(18 392)	(51 770)	107	30 381
	–	(340)	(1 758)	(4 388)	3 461	8 339	(1 562)	(4 265)
	5 119	18 827	7 370	44 902	(14 931)	(43 431)	(1 455)	26 116
	(119)	(1 116)	–	–	982	1 556	44	(1 342)
	5 000	17 711	7 370	44 902	(13 949)	(41 875)	(1 411)	24 774
	646 011	630 537	97 002	140 846	(268 991)	(317 702)	789 634	831 127
	621 531	625 224	67 376	44 969	(216 013)	(243 233)	701 748	712 450
	99 923	137 599	6 869	44 495	(220 736)	(122 787)	(122 705)	32 979
	(122 725)	(157 000)	(2 429)	(37 632)	228 016	161 709	95 046	2 655
	(12 289)	42 065	(3 417)	(6 569)	15 698	(17 712)	15 533	4 882
	–	(451)	(102)	–	77	(6 611)	(4 267)	(8 901)

44. GROUP SEGMENTAL ANALYSIS (continued)

Geographical segments

	NAMIBIA 2013 R'000	NAMIBIA 2012 R'000
Reconciliation between consolidated segment assets and liabilities and total consolidated assets and liabilities – continued operations		
Revenue from external customers	–	6 673
Segment assets	–	3 319
Cash flows from operating activities	–	(496)
Cash flows from investing activities	–	496
Cash flows from financing activities	–	–
Capital expenditure	–	–
Reconciliation between consolidated segment assets and liabilities and total consolidated assets and liabilities – discontinued operations		
Revenue from external customers	217 036	523 903
Segment assets	961 623	1 007 983
Cash flows from operating activities	91 162	111 271
Cash flows from investing activities	(130 541)	(121 422)
Cash flows from financing activities	3 252	29 163
Capital expenditure	(4 242)	(2 290)

	SOUTH AFRICA		HEAD OFFICE		ELIMINATION		TOTAL	
	2013	2012	2013	2012	2013	2012	2013	2012
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	–	46 299	–	1 141	40 156	(1 636)	40 156	52 477
	358 311	290 628	78 006	21 198	(102 308)	780 359	334 009	1 095 504
	33 363	(58 243)	22 800	4 670	(270 411)	65 419	(214 248)	11 350
	(33 906)	(12 870)	(37 793)	1 890	71 539	28 712	(160)	18 228
	35 913	5 628	14 436	(5 077)	(13 317)	(5 628)	37 032	(5 077)
	(362)	(814)	–	(43)	(40)	(3 501)	(402)	(4 358)
	–	–	–	3 893	(8 350)	(11 450)	208 686	516 346
	–	–	97 002	140 846	(268 991)	(317 702)	789 634	831 127
	–	–	6 869	44 495	(220 736)	(122 787)	(122 705)	32 979
	–	–	(2 429)	(37 632)	228 016	161 709	95 046	2 655
	–	–	(3 417)	(6 569)	15 698	(17 712)	15 533	4 882
	–	–	(102)	–	77	(6 611)	(4 267)	(8 901)

44. GROUP SEGMENTAL ANALYSIS (continued)

	2013 R'000	2012 R'000
Reconciliation between consolidated segment assets and liabilities and total consolidated assets and liabilities – continued operations		
Assets		
Consolidated segment assets	330 885	1 087 496
Deferred tax	3 124	7 924
Income tax	–	84
Consolidated assets	334 009	1 095 504
Liabilities		
Consolidated segment liabilities	252 915	914 911
Deferred tax	5 045	11 570
Income tax	–	456
Consolidated liabilities	257 960	926 937
Assets		
Reconciliation between consolidated segment assets and liabilities and total consolidated assets and liabilities – discontinued operations		
Consolidated segment assets	784 735	826 248
Deferred tax	4 870	4 795
Income tax	29	84
Consolidated assets	789 634	831 127
Liabilities		
Consolidated segment liabilities	691 395	701 601
Deferred tax	10 353	10 393
Income tax	–	456
Consolidated liabilities	701 748	712 450

45. SHAREHOLDERS WITH AN INTEREST ABOVE 5% IN ORDINARY SHARES

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
NC Tromp (Director)	26 739 205	26 768 640	26 739 205	26 768 640
Nictus Holdings Limited	12 826 440	–	12 826 440	–
MRT Trust	5 200 000	5 200 000	5 200 000	5 200 000
KCB Trust	3 670 000	5 670 000	3 670 000	5 670 000
	48 435 645	37 638 640	48 435 645	37 638 640

OBJECTIVE

The Group remuneration policy aims to attract and retain those people that will support and contribute to achieving the Group's results and performance. The policy, philosophy and strategy is encapsulated in the following:

Remuneration should

- Contribute towards attracting and retaining motivated and loyal staff;
- Reflect a direct correlation with the vision and results of the Group;
- Be reviewed and benchmarked annually;
- Support the strategy of the Group; and
- Reward performance and motivate staff.

Remuneration structure

The Group remuneration strategy makes provision for:

- A total cost-to-company approach consisting of a cash component and benefits;
- A linkage to challenging long and short term financial and non-financial performance and sustainable profits;
- Short term incentives based on meeting the current year performance levels; and
- Long term incentives based on meeting rolling three year performance levels.

COMPOSITION OF THE TOTAL REMUNERATION PACKAGE

The factors considered in structuring the total remuneration package are:

- Packages are reviewed annually, internally and externally, to ensure their integrity;
- Recognised market percentiles are applied in the structure and evaluation;
- Organisational profiles are determined for use in the evaluation process;
- Performance evaluation, development requirements are considered during the process;
- The scarcity of appropriately qualified staff influences package structure; and
- The total remuneration package consists of a cash component and benefits.

REMUNERATION INCENTIVES

Short term incentives

The incentive scheme is aimed at achieving Group performance as set out in the rules. To qualify staff must:

- Meet predetermined annual targets; and
- Perform exceptionally.

Staff who have transgressed the Group ethical code are ineligible to share in the incentive scheme and extraneous factors do not influence the incentive evaluation.

Long term incentive

The incentive scheme is aimed at retaining employees and meeting Group performance as set out in the rules over a rolling three year period.

- Senior management and executive directors are eligible to participate; and
- The remuneration committee determines the structure and percentile quantum of the incentive. The allocation is determined by the Executive Committee and reported to the remuneration committee.

GOVERNANCE

The remuneration committee stands at the forefront of developing remuneration policies, reviewing the philosophy strategy and practice so as to meet best practice and achieve the Group's overall objectives.

VARIATION

The policy may be varied by the remuneration committee at any time within the structure of the delegated authority as contained in the approved charter.

NOTICE OF
ANNUAL GENERAL MEETING

NICTUS LIMITED
('Nictus' or 'the Company') • (incorporated in the Republic of South Africa)
Registration Number RSA: 1981/001858/06 • Registration Number NAM 781/11858
JSE Share Code: NCS • NSX Share Code: NCT
ISIN Number: NA0009123481

This document is important and requires your immediate attention.

If you are in any doubt as to the action you should take, please consult your Central Securities Depository Participant, broker, banker, legal adviser, accountant or other professional adviser immediately.

Notice is hereby given that the annual general meeting of the shareholders of Nictus will be held in the boardroom, Nictus Building, corner of Pretoria and Dover Street, Randburg (see map on page 106), on Friday, 30 August 2013 at 11:00 (SA 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. RECORD DATE

The board of directors of the Company has determined that the record date in terms of section 59(1) of the Companies Act of South Africa ('the Companies Act') for the purpose of determining which shareholders of the Company are entitled to receive notice of the annual general meeting is Friday, 21 June 2013 and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the annual general meeting is Friday, 23 August 2013. Accordingly, only shareholders who are registered in the register of members of the Company, or their proxies, on Friday, 23 August 2013 will be entitled to participate in the meeting. Accordingly, the last day to trade in order to be on the register on the record date to participate and vote at the annual general meeting shall be Friday, 16 August 2013.

2. GENERAL PURPOSE OF THE ANNUAL GENERAL MEETING

The general purpose of the annual general meeting is to:

2.1 consider and, if deemed fit, pass with or without modification the resolutions set out hereunder; and

2.2 deal with any business that may lawfully be dealt with at the annual general meeting.

3. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements of the Company and its subsidiaries, incorporating the reports of the auditors, the audit committee and the directors for the year ended 31 March 2013 will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act.

4. RESOLUTIONS FOR CONSIDERATION AND APPROVAL

4.1 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 number 1 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.

4.2 Ordinary resolution 2: election of JD Mandy as a director

"Resolved that JD Mandy be and is hereby elected as a director of the Company."

In order for this ordinary resolution number 2 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.

4.3 Ordinary resolution 3: re-election of JL Olivier as a director

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

In order for this ordinary resolution number 3 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.

4.4 Ordinary resolution 4: re-election of BJ Willemse as a director

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

In order for this ordinary resolution number 4 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.

4.5 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 98 of the integrated report of which this notice forms part."

In order for this ordinary resolution number 5 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.

4.6 Special resolution 1: approval of directors' remuneration

"Resolved that the Company be and is hereby authorised to pay remuneration to its directors for their services as directors, as contemplated in sections 66(8) and 66(9) of the Companies Act, 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 a special resolution."

		FEE PER CATEGORY				
Name of director	Annual fee R	Board R	Audit committee R	Remune-ration committee R	Risk committee R	Executive committee R
BJ Willemse	487 000	273 600	77 600	38 800		97 000
JL Olivier	223 100	77 600	77 600	67 900		
JD Mandy	252 200	77 600	97 000	38 800		
NC Tromp	9 000	9 000				
FR v Staden	9 000	9 000				
JJ Retief	9 000	9 000				
WO Fourie	13 500	9 000			4 500	
PJ de W Tromp	13 500	9 000			4 500	

Special resolution number 1 is required in terms of section 66 of the Companies Act, which requires that directors' remuneration for their services as directors may be paid by a Company only in accordance with a special resolution approved by shareholders within the previous two years.

In order for special resolution number 1 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.

Resolved that the Company be and is hereby authorised to determine the remuneration of the directors for the year ended 31 March 2013 and to confirm the amount paid in management and consulting fees.

4.7 Ordinary resolution 6: election of JD Mandy as a member of the audit committee

"Resolved that JD Mandy, a director of the Company and subject to the election of JD Mandy as a director in terms of ordinary resolution number 2, who fulfils the requirements contemplated in section 94(4) of the Companies Act, 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 number 6 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.

4.8 Ordinary resolution 7: re-election of BJ Willemse as a member of the audit committee

"Resolved that BJ Willemse, a director of the Company and subject to the re-election of BJ Willemse as a director in terms of ordinary resolution number 4, who fulfils the requirements contemplated in section 94(4) of the Companies Act, be and is hereby re-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 number 7 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.

4.9 Ordinary resolution 8: re-election of JL Olivier as a member of the audit committee

"Resolved that JL Olivier, a director of the Company and subject to the re-election of JL Olivier as a director in terms of ordinary resolution number 3, who fulfils the requirements contemplated in section 94(4) of the Companies Act, be and is hereby re-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 number 8 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.

4.10 Ordinary resolution 9: appointment of JD Mandy as chairperson of audit committee

"Resolved that JD Mandy, a director of the Company and subject to the election of JD Mandy as a director in terms of ordinary resolution number 2 and his election as a member of the audit committee in terms of ordinary resolution number 6, who fulfils the requirements contemplated in section 94(4) of the Companies Act, be and is hereby elected as the chairperson 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 number 9 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.

4.11 Ordinary resolution 10: re-appointment of KPMG as auditors

"Resolved that, on recommendation of the audit committee of the Company, KPMG Incorporated (Jacques Wessels being the designated audit partner of KPMG) be and is hereby re-appointed as auditors of the Company (the designated auditor meeting the requirements of section 90(2) of the Companies Act), to hold office until the conclusion of the next annual general meeting of the Company."

In order for this ordinary resolution number 10 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.

4.12 Ordinary resolution 11: 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 JSE Limited and are subject to the JSE Listings Requirements, the Companies Act, the Memorandum of Incorporation and the following conditions, namely that:

4.12.1 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;

4.12.2 the issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE;

4.12.3 the shares which are the subject of the issue:

4.12.3.1 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;

4.12.3.2 shall not exceed 15% (fifteen 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

4.12.3.3 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;

4.12.4 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 JSE, 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

4.12.5 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 number 11 to be passed, the support of more than 75% (seventy five per cent) of the voting rights exercised on the resolution by all equity shares holders (as defined in the JSE Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

4.13 Special resolution 2: general authority to repurchase shares

"Resolved that the Company, in terms of its memorandum of incorporation, or one of its wholly-owned subsidiaries, in terms of such wholly-owned subsidiary's memorandum of incorporation, 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 Listings Requirements of the JSE and the Companies Act and subject to the following:

4.13.1 this general authority shall be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this resolution (whichever period is shorter);

4.13.2 the repurchase being effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the Company and the counterparty;

4.13.3 repurchases may not be made at a price greater than 10% (ten per cent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction was effected;

4.13.4 an announcement being published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three per cent) of the initial number of ordinary shares, and for each 3% (three per cent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;

4.13.5 the number of shares which may be acquired pursuant to this authority in any one financial year may not in the aggregate exceed 20% (twenty per cent) of the Company's issued share capital as at the date of passing of this special resolution or 10% (ten per cent) of the Company's issued share capital in the case of an acquisition of shares in the Company by a subsidiary of the Company;

4.13.6 the Company's sponsor confirming the adequacy of the Company's working capital for purposes of undertaking the repurchase of ordinary shares in writing to the JSE prior to the Company entering the market to proceed with the repurchase;

4.13.7 the Company and/or its subsidiaries not repurchasing securities during a prohibited period as defined in the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement published on SENS prior to the commencement of the prohibited period;

4.13.8 at any point in time the Company only appointing one agent to effect any repurchases on its behalf;

4.13.9 the board of directors must pass a resolution that they authorised the repurchase and that the Company passed the solvency and liquidity test set out in section 4 of the Companies Act and that since the test was done there have been no material changes to the financial position of the group;

4.13.10 the directors, having considered the effects of the maximum repurchase permitted, are of the opinion that for a period of 12 (twelve) months after the date of the notice of the annual general meeting and at the actual date of the repurchase;

- the Company and the group will be able, in the ordinary course of business, to pay its debts;
- the working capital of the Company and the group will be adequate for ordinary business purposes;
- the assets of the Company and the group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the group; and
- the Company's and the group's ordinary share capital and reserves will be adequate for ordinary business purposes."

Section 48 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 48 and section 46 having been met. The JSE Listings Requirements 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 number 2 to become effective.

4.14 Special resolution 3: financial assistance to entities related or inter-related to the Company

"Resolved that, as a general approval, the Company may, in terms of section 45(3)(a)(ii) of the Companies Act, provide any direct or indirect financial assistance ('financial assistance' will herein have the meaning attributed to it in section 45(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 ('related' and 'inter-related' will herein have the meaning attributed to it in section 2 of the Companies Act), subject to compliance with the remainder of section 45 of the Companies Act, as the board of directors of the Company may deem fit and on the terms and conditions, to the recipient/s, in the form, nature and extent and for the amounts that the board of directors of the Company may determine from time to time."

The effect of special resolution number 3, 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 number 3 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.

4.15 Ordinary resolution 12: 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 number 12 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.

4.16 Ordinary resolution 13: Unissued shares to be placed under the control of the directors

"Resolved that the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the directors of the Company and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares to such person or persons on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the proviso that the aggregate number of shares to be allotted and issued in terms of this resolution shall be limited to 15% (fifteen per cent) of the authorised share capital and subject to the provisions of the Companies Act and the Listings Requirements of JSE."

In order for this ordinary resolution number 13 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.

5. ADDITIONAL INFORMATION

The following additional information, which may appear elsewhere in the annual report, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase the Company's shares set out in special resolution number 2 above:

5.1 directors and management – pages 6 to 8;

5.2 major shareholders – page 28;

5.3 directors' interests in ordinary shares – pages 28 and 29; and

5.4 stated capital of the Company – page 66.

6. LITIGATION STATEMENT

The directors in office whose names appear on pages 6 and 7 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.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The directors in office, whose names appear on pages 6 and 7 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and included in this annual report 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 and this annual report contain all information required by the JSE Listings Requirements.

8. MATERIAL CHANGES

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.

9. 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.

10. ATTENDANCE AND PROXIES

10.1 Please note that, in terms of section 62(3)(e) of the Companies Act:

10.1.1 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

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

10.2 Please note further that section 63(1) of the Companies Act requires that the annual general meeting participants must provide satisfactory identification. In this regard, all annual general meeting participants will be required to provide identification satisfactory to the chairman of the annual general meeting.

10.3 All beneficial owners whose shares have been dematerialised through a Central Securities Depository Participant ('CSDP'), broker or nominee other than with "own name" registration, must provide the CSDP, broker or nominee with their voting instructions in terms of their custody agreement should they wish to vote at the annual general meeting. Alternatively, they may request the CSDP, broker or nominee to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the annual general meeting.

10.4 Unless you advise your CSDP, broker or nominee, in terms of the agreement between you and your CSDP, broker or nominee by the cut off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you at this general meeting, your CSDP, broker or nominee will assume that you do not wish to attend the annual general meeting or send a proxy.

10.5 Forms of proxy (which form may be found enclosed) must be dated and signed by the shareholder 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 c/o Pretoria and Dover Streets, Randburg, (PO Box 2878, Randburg, 2125) or the transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown 2107). Forms of proxy must be received not later than 11:00 on 28 August 2013. Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered.

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

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

11. VOTING

11.1 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.

11.2 For the purpose of resolutions proposed in terms of the JSE 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.

12. ELECTRONIC PARTICIPATION AT THE ANNUAL GENERAL MEETING

12.1 Should any shareholder of the Company wish to participate in the annual general meeting by way of electronic participation, that shareholder shall be obliged to make application in writing (including details as to how the shareholder or its representative can be contacted) to so participate, to the transfer secretaries at the applicable address set out below at least 5 (five) business days prior to the annual general meeting in order for the transfer secretaries to arrange for the shareholder (and its representative) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided. The Company reserves the right not to provide for electronic participation at the annual general meeting in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the Company will be borne by the shareholder so accessing the electronic participation.

12.2 Shareholders are encouraged to attend the annual general meeting.

By order of the Board

Nictus Group Limited
Veritas Board of Executors Proprietary Limited
Secretary

Randburg
12 June 2013

MAP TO ANNUAL GENERAL MEETING

Nictus Building
Corner of Pretoria and Dover Street
Randburg

FORM OF PROXY

NICTUS LIMITED

('Nictus' or 'the Company') • (incorporated in the Republic of South Africa)
Registration Number RSA: 1981/001858/06 • Registration Number NAM 781/11858
JSE Share Code: NCS • NSX Share Code: NCT
ISIN Number: NA0009123481

To be completed by certificated shareholders and dematerialised 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 boardroom, Nictus Building, corner of Pretoria and Dover Street, Randburg (see map on page 106), on 30 August 2013 at 11:00 (SA 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 JSE Listings Requirements
1. **Ordinary resolution 1:** approval of minutes of previous annual general meeting				
2. **Ordinary resolution 2:** election of JD Mandy as a director				
3. **Ordinary resolution 3:** re-election of JL Olivier as a director				
4. **Ordinary resolution 4:** re-election of BJ Willemse as a director				
5. **Ordinary resolution 5:** approval of remuneration policy				
6. **Special resolution 1:** approval of directors' remuneration				
7. **Ordinary resolution 6:** election of JD Mandy, as a member of the audit committee				
8. **Ordinary resolution 7:** re-election of BJ Willemse as a member of the audit committee				
9. **Ordinary resolution 8:** re-election of JL Olivier as a member of the audit committee				
10. **Ordinary resolution 9:** appointment of JD Mandy as chairperson of audit committee				
11. **Ordinary resolution 10:** re-appointment of KPMG as auditors				
12. **Ordinary resolution 11:** authority to issue ordinary shares				
13. **Special resolution 2:** general authority to repurchase shares				
14. **Special resolution 3:** financial assistance to entities related or inter-related to the Company				
15. **Ordinary resolution 12:** signing authority				
16. **Ordinary resolution 13:** unissued shares to be placed under the control of the directors				

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 ________________ 2013

Signature: ______________________________

Assisted by me, where applicable (name and signature) ________________

NOTES TO THE FORM OF 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 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. All beneficial owners of ordinary shares who have dematerialised their shares through a Central Securities Depository Participant ('CSDP') or broker, other than those shareholders who have elected to dematerialise their shares with "own name" registrations, and all beneficial owners of ordinary shares who hold certificated shares thorough a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time to allow the CSDP, broker or nominee to advise the Company or its transfer secretaries of this instruction no less than 48 hours before the time appointed for the holding of the meeting. Should you as the beneficial owner, however, wish to attend the meeting in person, you may do so by requesting your CSDP, broker or nominee to issue you with a letter of representation in terms of the custody agreement entered into with your CSDP, broker or nominee. Letters of representation must be lodged with the Company's transfer secretaries or at the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting. Shareholders who hold certificated shares with their own name and shareholders who have dematerialised their shares with "own name" registrations must lodge their completed proxy forms with the Company's transfer secretaries or at the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).
10. 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, c/o Pretoria and Dover Streets, Randburg, (PO Box 2878, Randburg 2125) or the transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown 2107). Forms of proxy must be received not later than 11:00 on 28 August 2013.

Summary of rights established by section 58 of the Companies Act, 71 of 2008 ('Companies Act'), as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 (section 58(2)).

3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ('proxy instrument') (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the memorandum of incorporation ('MOI') of the Company at least 48 hours before the annual general meeting commences.

6. Irrespective of the form of instrument used to appoint a proxy:

   6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));

   6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and

   6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).

7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 (section 58(5)).

8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

10. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument -

   10.1 the invitation must be sent to every shareholder entitled to notice of the annual general meeting at which the proxy is intended to be exercised (section 58(8)(a));

   10.2 the invitation or form of proxy instrument supplied by the Company must -

      10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));

      10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and

      10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the annual general meeting, or is to abstain from voting (section 58(8)(b)(iii));

   10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and

   10.4 the proxy appointment remains valid only until the end of the annual general meeting at which it was intended to be used, subject to paragraph 7 (section 58(8)(d)).

CONTACT INFORMATION

NICTUS LIMITED

Incorporated in the Republic of South Africa
Registration number: RSA: 1981/001858/06
Registration number: NAM: 781/11858
JSE share code: NCS
NSX share code: NCT
ISIN Code: NA0009123481

REGISTERED OFFICE OF THE COMPANY

Head office
1st Floor, Nictus Building, corner of Pretoria and Dover Street, Randburg
(PO Box 2878, Randburg, 2125)

Windhoek office
Veritas Board of Executors Proprietary Limited
3rd floor
Corporate House
17 Lüderitz Street
Windhoek
(Private Bag 13231, Windhoek)

COMPANY SECRETARY

Veritas Board of Executors Proprietary Limited
(Registration number 1984/007487/07)
1st Floor, Nictus Building, corner of Pretoria and Dover Street, Randburg
(PO Box 2878, Randburg, 2125)

AUDITORS AND REPORTING ACCOUNTANT

KPMG Inc.
(Registration number 1999/021543/21)
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag 9, Parktown, 2122)

ELECTRONIC RECEIPT OF COMMUNICATION AND NOTICES

NICTUS LIMITED
('Nictus' or 'the Company') • (incorporated in the Republic of South Africa)
Registration Number RSA: 1981/001858/06 • Registration Number NAM 781/11858
JSE Share Code: NCS • NSX Share Code: NCT
ISIN Number: NA0009123481

Dear Shareholder,

Election to receive electronic shareholder communications

Please note that in terms of the Companies Act of South Africa and the JSE Listings Requirements, you may elect to receive shareholder communications and notices from Nictus electronically.

If you make this election, you will be notified by e-mail when the Company's shareholder communications become available and you will be able to access such communications through the internet. If you do not make this election, printed communications from the Company will be posted to you at your registered address.

Full name of shareholder: ______________________________

Reference number*: ______________________________

Telephone numbers ______________________________

(home) ______________________________

(office) ______________________________

(mobile) ______________________________

** can be obtained from the envelope in which you received the 2013 integrated report or please call Computershare Investor Services Proprietary Limited on telephone +27 11 370 5000 for details.*

E-mail address: ______________________________

I elect to receive notification electronically when the Company's shareholder communications become available:

Signature: ______________________________

Date: ______________________________

The completed form should be returned to Computershare Investor Services Proprietary Limited via post, fax or e-mail:

fax number: +27 (11) 688 5238

e-mail: proxies@computershare.co.za

post: Computershare Investor Services Proprietary Limited
PO Box 61051
Marshalltown
2107 South Africa

for enquiries please contact **Computershare Investor Services Proprietary Limited**

telephone: +27 (11) 370 5000.

EXCELLENCE

www.nictuslimited.co.za

NICTUS INTEGRATED ANNUAL REPORT 2013