

Nictus Limited
(Nictus or the Company)
(Incorporated in the Republic of South Africa)
Registration number RSA: 81/011858/06
Registration number NAM: 781/11858
JSE share code: NCS
ISIN number: NA0009123481
www.nictuslimited.co.za

Condensed consolidated interim financial statements for the six months ended 30 September 2015

Group revenue increased by 6,20% to R26,955 million
Group total assets year on year increased by 5,00% to R531,083 million
Profit after taxation increased by 80,55% to R4,873 million

Condensed consolidated statement of financial position
at 30 September 2015

Figures in R'000	Unaudited		Audited
	30 Sept 2015	30 Sept 2014	31 March 2015
Assets			
Non-current assets			
Property, plant and equipment	17 275	17 051	17 294
Intangible assets	480	573	588
Investments	39 658	36 595	38 629
Deferred tax assets	2 457	3 971	2 426
Loans and receivables	4 847	5 540	6 203
	64 717	63 730	65 140
Current assets			
Current assets	466 366	442 063	435 940
Total assets	531 083	505 793	501 080
Equity and liabilities			
Equity			
Stated capital	48 668	48 668	48 668
Revaluation reserve	8 170	8 170	8 170
Retained earnings	34 462	27 452	31 577
	91 300	84 290	88 415
Liabilities			
Non-current liabilities			
Deferred tax liabilities	2 584	3 829	2 384
	2 584	3 829	2 384
Current liabilities			
Trade and other payables	9 819	9 252	12 212

Insurance contract liabilities	427 380	408 422	398 069
	437 199	417 674	410 281
Total liabilities	439 783	421 503	412 665
Total equity and liabilities	531 083	505 793	501 080

Condensed consolidated statement of comprehensive income
for the six months ended 30 September 2015

	Unaudited		Audited
	Six months ended 30 Sept 2015	Six months ended 30 Sept 2014	Year ended 31 March 2015
Figures in R'000			
Revenue	26 955	25 382	55 932
Cost of sales	(10 567)	(9 194)	(21 722)
Gross profit	16 388	16 188	34 210
Other income	2 617	1 033	2 328
Investment income from operations	13 152	13 560	28 796
Operating and administrative expenses	(29 356)	(29 278)	(61 635)
Operating profit	2 801	1 503	3 699
Investment income	2 241	2 057	3 037
Profit before taxation	5 042	3 560	6 736
Taxation (expense)/credit	(169)	(861)	88
Profit after taxation	4 873	2 699	6 824
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	4 873	2 699	6 824
Profit and total comprehensive income attributable to:			
Owners of the Company	4 873	2 699	6 824
Earnings per share			
Basic earnings per share (cents)	7,35	4,07	10,30
Diluted earnings per share (cents)	7,35	4,07	10,30
Weighted average number of shares in issue (000s)	66 270	66 270	66 270

Condensed consolidated statement of cash flows
for the six months ended 30 September 2015

Figures in R'000	Unaudited		Audited
	Six months ended 30 Sept 2015	Six months ended 30 Sept 2014 Restated*	Year ended 31 March 2015
Cash flows from operating activities			
Cash (utilised by)/generated from operations	(34 171)	23 179	(7 130)
Investment income received from operations	12 340	12 880	23 723
Dividends received	812	680	1 339
Dividends paid	(1 988)	-	-
Interest received	-	2 057	-
Net cash (utilised by)/generated from operating activities	(23 007)	38 796	17 932
Net cash generated from/(utilised by) investing activities	20 827	(110 591)	(91 630)
Total cash movement for the period	(2 180)	(71 795)	(73 698)
Cash and cash equivalents at the beginning of the period	58 116	131 814	131 814
Total cash and cash equivalents at the end of the period	55 936	60 019	58 116

*Refer to note 6 on page 6.

Condensed consolidated statement of changes in equity
for the six months ended 30 September 2015

Figures in R'000	Revalua-		Retained earnings	Total equity
	Share capital	tion reserve		
Balance at 1 April 2014	48 668	8 170	24 753	81 591
Total comprehensive income	-	-	2 699	2 699
Profit for the period	-	-	2 699	2 699
Balance at 30 September 2014	48 668	8 170	27 452	84 290

Total comprehensive income	-	-	4 125	4 125
Profit for the period	-	-	4 125	4 125
Balance at 31 March 2015	48 668	8 170	31 577	88 415
Total comprehensive income	-	-	4 873	4 873
Profit for the period	-	-	4 873	4 873
Dividend paid (note 7)	-	-	(1 988)	(1 988)
Balance at 30 September 2015	48 668	8 170	34 462	91 300

Reconciliation between earnings and headline earnings for the six months ended 30 September 2015

	Unaudited		Audited
	Six months ended 30 Sept 2015	Six months ended 30 Sept 2014	Year ended 31 March 2015
Figures in R'000			
Profit for the period, net of taxation	4 873	2 699	6 824
Profit on disposal of property, plant and equipment net of taxation	(35)	-	-
Headline earnings	4 838	2 699	6 824
Headline earnings per share (cents)	7,30	4,07	10,30
Diluted headline earnings per share (cents)	7,30	4,07	10,30

Condensed segmental report for the six months ended 30 September 2015

	Unaudited		Audited
	Six months ended 30 Sept 2015	Six months ended 30 Sept 2014	Year ended 31 March 2015
Figures in R'000			
Segment assets			
Furniture Retail	64 452	50 079	63 782
Insurance and Finance	510 061	488 835	469 363
	574 513	538 914	533 145
Head office and eliminations	(43 430)	(33 121)	(32 065)

	531 083	505 793	501 080
Segment revenue			
Furniture Retail	18 849	17 954	37 717
Insurance and Finance	8 829	6 292	19 818
	27 678	24 246	57 535
Head office and eliminations	(723)	1 136	(1 603)
	26 955	25 382	55 932
Profit/(loss) after taxation			
Furniture Retail	446	(1 457)	(764)
Insurance and Finance	2 656	4 389	4 564
	3 102	2 932	3 800
Head office and eliminations	1 771	(233)	3 024
	4 873	2 699	6 824

Notes to the financial information
for the six months ended 30 September 2015

1. Basis of preparation

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

The interim financial statements are presented in thousands of South African Rands (R'000s) on the historical cost basis, except for derivative financial instruments which are measured at fair value and land and buildings held for administrative purposes which are measured at revalued amounts.

The interim financial statements for the period ended 30 September 2015, together with the statements regarding the prospects of the Group, have not been audited by the Group's auditors.

The interim financial statements as reported herein have been prepared by the Group financial director of Nictus Limited, Eckhart Prozesky CA (SA).

2. Directors' responsibility

The directors take full responsibility for the preparation of the interim financial statements.

3. Related parties

During the period, certain companies within the Group entered into transactions with each other. These intra-Group transactions have been

eliminated on consolidation. Related party information is unchanged from that reported at 31 March 2015. Refer to the 2015 audited financial statements for further information, accessible on the Nictus website.

4. Events after reporting date

There were no events after the reporting date and up to the date of approval of these interim financial statements that affected the presentation of the interim financial statements for the period ended 30 September 2015.

5. Changes to the board

Philippus J de W Tromp and John D Mandy were re-elected as directors of Nictus Limited at the annual general meeting on 20 August 2015.

6. Restatement

As disclosed in the annual financial statements for the year ended 31 March 2015 short-term deposits with an original maturity date of more than three months have been classified as current investments. These investments were disclosed as cash and cash equivalents at 30 September 2014. To ensure consistency, the Group's statement of cash flows has been restated to reflect the cash flows of current investments activities amounting to R94 061 as at 30 September 2014. The restatement relates to a reclassification within current assets and has no effect on the Group's basic or diluted earnings per share and had no impact on the Group's condensed statement of financial position and the Group's condensed statement of comprehensive income.

7. Dividend

The board declared a final dividend of 3 cents per ordinary share for the year ended 31 March 2015 on 30 June 2015, to all ordinary shareholders recorded in the books of Nictus Limited at the close of business on Friday, 24 July 2015. The dividend was paid on Monday, 27 July 2015.

No interim dividend has been declared.

8. Determination and disclosure of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Property, plant and equipment

The fair value of land and buildings is estimated by using the income capitalisation method. This method requires the net annual income generated by the property, based on market trends, to be capitalised at an appropriate rate of return to reflect the risk, specific investment demands and the overall condition of the structures.

Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss 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; and - 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. The carrying amount of short-term trade and other receivables is believed to approximate their fair values.

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.

Trade and other payables

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

Cash and cash equivalents

The cash and cash equivalents for the Group is of a short-term nature and the fair value of bank overdrafts approximates the carrying amount.

8.1 Fair value of land and buildings

Land and buildings, which consist of a business premises situated on erf 2134, Ferndale, Johannesburg, are independently valued every three years. The Company's directors value the Group's land and buildings on an annual basis. An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the locations and category of property being valued, also provides supporting information used in the annual directors' valuation process. The fair values are based on valuations and other market information that take into consideration the estimated rental value and replacement value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. The directors have assessed the residual value of the properties at 30 September 2015 and calculated that the residual value approximates the current carrying value. No depreciation has therefore been recognised in the current period in respect of the properties.

Figures in R'000	Level 1	Level 2	Level 3	Total
Land and buildings	-	-	16 100	16 100

The valuation techniques to fair value assets and liabilities in Level 3.

Assets	Method	Major assumptions
Land and buildings	Income capitalisation method	Capitalisation rate

Rental per square
metre per Rhode
report

Figures in R'000	Land and buildings
Reconciliation of land and buildings at fair value in Level 3	
Balance at 1 April 2015	16 100
Total gains or losses in other comprehensive income	-
Fair value measurements	-
Balance at 30 September 2015	16 100

Sensitivity analysis

Land and buildings

Presented below is an analysis of the impact on the fair value of the land and buildings for changes in the key valuation assumptions.

Figures in R'000	Capitalisation rate		
Income capitalisation method	12,63%	13,63%	14,63%
Rental (5% decrease)	16 200	15 600	15 100
Rental (rate per Rhode report)	16 600	16 100	15 500
Rental (5% increase)	17 100	16 400	15 900

Figures in R'000	Depreciation rate		
Depreciated replacement cost method	54%	55%	56%
Building costs (5% decrease)	15 900	15 800	15 700
Building costs (rate per AECOM's African Property and Construction Handbook of 2013)	16 200	16 100	16 000
Building costs (5% increase)	16 300	16 200	16 100

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

For financial assets recognised at fair value, disclosure is required of the fair value hierarchy which reflects the significance of the inputs used to make the measurements. There were no transfers between the levels for the reporting period.

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

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

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

	Unaudited		Audited
	Six months ended	Six months ended	Year ended
	30 Sept 2015	30 Sept 2014	31 March 2015
Figures in R'000			
Level 1			
Listed shares	25 044	23 775	24 673
Corporate bonds	1 966	1 960	1 988
Unit trusts	12 648	10 860	11 968
	39 658	36 595	38 629

8.3 Financial assets by category

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

	Loans and receivables at amortised cost	Fair value through profit or loss held for trading	Held to maturity at amortised cost	Total
Figures in R'000				
Group				
30 September 2015				
Loans and receivables	46 531	-	-	46 531
Investments	-	37 692	1 966	39 658
Trade receivables	257 656	-	-	257 656
Short-term deposit	111 090	-	-	111 090
Cash and cash equivalents	55 936	-	-	55 936
	471 213	37 692	1 966	510 871

	Loans and receivables at amortised cost	Fair value through profit or loss held for trading	Held to maturity at amortised cost	Total
Figures in R'000				
30 September 2014				
Loans and receivables	34 616	-	-	34 616
Investments	-	34 635	1 960	36 595

Trade receivables	198 435	-	-	198 435
Short-term deposit	154 533	-	-	154 533
Cash and cash equivalents	60 019	-	-	60 019
	447 603	34 635	1 960	484 198
31 March 2015				
Loans and receivables	45 484	-	-	45 484
Investments	-	36 641	1 988	38 629
Trade receivables	192 524	-	-	192 524
Short-term deposit	131 881	-	-	131 881
Cash and cash equivalents	58 116	-	-	58 116
	428 005	36 641	1 988	466 634

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

8.4 Financial liabilities by category

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

Figures in R'000	Financial liabilities at amortised cost	Total
Group		
30 September 2015		
Trade and other payables	9 701	9 701
30 September 2014		
Trade and other payables	9 252	9 252
31 March 2015		
Trade and other payables	11 281	11 281

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

9. Prospects

The Group has historically generated more earnings in the second part of the financial year than the first. The board is confident that despite the economic and environmental challenges present within the South African economy, the various segments are well placed to build on the positive results achieved in the first six months to ensure sustainable growth.

On behalf of the board

NC Tromp
HE Prozesky

Randburg

30 November 2015

Directors

Barend J Willemse

Independent non-executive chairman

Gerard Swart

Independent non-executive

John D Mandy

Independent non-executive

Philippus J de W Tromp

Non-executive

Nicolaas C Tromp

Executive Group managing director

Gerard R de V Tromp

Executive deputy Group managing director

Eckhart H Prozesky

Executive Group financial director

Registered office of the Company

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Windhoek office

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Company secretary

Veritas Board of Executors Proprietary Limited

Registration number 1984/007487/07

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Auditors and reporting accountant

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Registration number 1999/021543/21

KPMG Crescent

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Sponsor

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