GROUP FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2010

	Notes	Group		Company	
		2010	2009	2010	2009
ASSETS		N$ '000	N$ '000	N$ '000	N$ '000
Non-current assets					
Property, plant and equipment	3	**139 366**	154 210	**-**	-
Investment property	4	**143 233**	33 753	**-**	-
Intangible assets	5	**194 718**	186 942	**-**	-
Investment in subsidiaries	6 & 44	**-**	-	**68 550**	68 550
Deferred income tax assets	7	**50 855**	45 147	**-**	480
Educational micro loans advanced	8 & 44	**106 840**	79 003	**-**	-
Other loans advanced	9 & 44	**37 163**	24 188	**-**	-
Finance lease receivable	10 & 44	**872**	1 276	**-**	-
Amounts due by related parties	11 & 44	**-**	-	**215 826**	210 422
Total non-current assets		**673 047**	524 519	**284 376**	279 452
Current assets					
Assets at fair value through profit and loss	12 & 44	**18 274**	10 035	**-**	-
Short-term portion of educational micro loans advanced	8 & 44	**71 463**	54 024	**-**	-
Short-term portion of other loans advanced	9 & 44	**908**	386	**-**	-
Short-term portion of finance lease receivable	10 & 44	**387**	337	**-**	-
Amounts due by related parties	11 & 44	**-**	3 002	**-**	-
Inventories	13	**18 677**	30 244	**-**	-
Trade and other receivables	14 & 44	**46 549**	31 018	**-**	-
Current income tax assets	40.2	**752**	263	**-**	-
Cash and cash equivalents	15 & 44	**91 047**	108 496	**4**	37
Total current assets		**248 057**	237 805	**4**	37
Total assets		**921 104**	762 324	**284 380**	279 489
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	16	**162 645**	162 645	**162 645**	162 645
Deemed treasury shares	17	**(18 731)**	(19 137)	**(18 731)**	(19 137)
Vendor shares	18	**-**	14 976	**-**	14 976
Contingency reserves	19	**1 902**	726	**-**	-
Revaluation reserves	20	**16 098**	16 851	**-**	-
Distributable reserves		**316 731**	194 416	**122 172**	108 951
Attributable to equity holders of the parent		**478 645**	370 477	**266 086**	267 435
Total capital and reserves		**478 645**	370 477	**266 086**	267 435
Non-current liabilities					
Long-term liabilities	22 & 44	**111 090**	117 832	**-**	-
Other liabilities	23 & 44	**3 150**	1 590	**-**	-
Deferred income tax liabilities	7	**57 082**	27 062	**-**	-
Policy holders' liability under insurance contracts	24 & 44	**4 899**	2 472	**-**	-
Amounts due to related parties	11 & 44	**20 834**	15 786	**15 657**	10 225
Total non-current liabilities		**197 055**	164 742	**15 657**	10 225
Current liabilities					
Current portion of long-term liabilities	22 & 44	**15 367**	15 700	**-**	-
Current portion of other liabilities	23 & 44	**1 645**	1 128	**-**	-
Trade and other payables	25 & 44	**187 572**	179 368	**2 169**	1 829
Technical provisions	26 & 44	**17 189**	15 834	**-**	-
Current income tax liabilities	40.2	**2 005**	128	**468**	-
Bank overdraft	27 & 44	**21 626**	14 947	**-**	-
Total current liabilities		**245 404**	227 105	**2 637**	1 829
Total equity and liabilities		**921 104**	762 324	**284 380**	279 489

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2010

	Notes	Group		Company	
		2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000
Insurance premium revenue	30	**108 365**	93 847	**-**	-
Revenue	30	**442 083**	390 667	**3 600**	-
Total revenue		**550 448**	484 514	**3 600**	-
Cost of sales	31	**(279 087)**	(257 172)	**-**	-
Gross profit		**271 361**	227 342	**3 600**	-
Investment income	36	**7 883**	4 500	**36 459**	30 171
Fair value gains and losses		**88 261**	2 730	**-**	-
Other income		**23 754**	33 521	**-**	-
Insurance benefits and claims	32	**(16 922)**	(21 760)	**-**	-
Transfer to policyholder liabilities	24	**(2 427)**	(471)	**-**	-
Change in unearned premium provision	30	**(367)**	(165)	**-**	-
Administration expenses		**(189 556)**	(153 796)	**(11 609)**	(14 437)
Finance costs	37	**(20 489)**	(25 375)	**(1)**	(1 115)
Profit before taxation	33	**161 498**	66 526	**28 449**	14 619
Taxation	38	**(23 954)**	26 852	**(1 085)**	311
Profit for the year		**137 544**	93 378	**27 364**	14 930
Attributable to:					
Equity holders of the parent		**137 544**	92 423		
Minority interest	21	**-**	955		
		137 544	93 378		
Profit for the period		**137 544**	93 378	**27 364**	14 930
Other comprehensive income, net of tax		**(753)**	4 234	**-**	-
Revaluation of property, plant and equipment, net of deferred tax		**(753)**	4 050	**-**	-
Share of other comprehensive income of non-controlling interest		**-**	184	**-**	-
Total comprehensive income for the period		**136 791**	97 612	**27 364**	14 930
Earnings per shares:					
Basic earnings per share (cents)	39	**20.31**	14.00		
Diluted earnings per share (cents)	39	**20.31**	13.49		
Dividends declared per share (cents)	39	**2.00**	1.00		
Dividends paid per share (cents)	39	**2.00**	1.00		

CONSOLIDATED STATEMENT OF MOVEMENT IN EQUITY

for the year ended 31 March 2010

Group	Stated capital N$ '000	Share capital N$ '000	Share premium N$ '000	Deemed treasury shares N$ '000
Balance at 1 April 2008	141 448	-	-	(35 359)
Transfer to contingency reserve	-	-	-	-
Vendor shares to be issued as result of business combination	19 636	-	-	-
Vendor shares repaid in cash	-	-	-	-
Cost of share issue	(49)	-	-	-
Sale of deemed treasury shares by Trustco Share Incentive Scheme Trust	-	-	-	16 222
Gain on sale of deemed treasury shares	-	-	-	-
Conversion of no-par value shares to par value shares	(161 035)	161 035	-	-
Share issue	-	1 610	3 361	-
Listing costs	-	-	(3 361)	-
Acquisition of non-controlling interest in entity under common control	-	-	-	-
Net income/(expense) recognised directly in equity	-	162 645	-	(19 137)
Total comprehensive income for the period	-	-	-	-
Total recognised income and expenses for 2009	-	162 645	-	(19 137)
Dividends for the period	-	-	-	-
Balance at 31 March 2009	-	162 645	-	(19 137)
Balance at 1 April 2009	**-**	**162 645**	**-**	**(19 137)**
Transfer to contingency reserve	**-**	**-**	**-**	**-**
Vendor shares settled	**-**	**-**	**-**	**-**
Sale of deemed treasury shares by Trustco Share Incentive Scheme Trust	**-**	**-**	**-**	**406**
Gain on sale of deemed treasury shares	**-**	**-**	**-**	**-**
Net income/(expense) recognised directly in equity	**-**	**162 645**	**-**	**(18 731)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**
Total recognised income and expenses for 2010	**-**	**162 645**	**-**	**(18 731)**
Dividends for the period	**-**	**-**	**-**	**-**
Balance at 31 March 2010	**-**	**162 645**	**-**	**(18 731)**
Notes:	**16**	**16**	**16**	**17**

Company	Stated capital N$ '000	Share capital N$ '000	Share premium N$ '000	Deemed treasury shares N$ '000
Balance at 1 April 2008	141 448	-	-	(35 359)
Vendor shares to be issued as result of business combination	19 636	-	-	-
Vendor shares repaid in cash	-	-	-	-
Cost of share issue	(49)	-	-	-
Conversion of no-par value shares to par value shares	(161 035)	161 035	-	-
Share issue	-	1 610	3 361	-
Listing costs	-	-	(3 361)	-
Sale of deemed treasury shares by Trustco Share Incentive Scheme Trust	-	-	-	16 222
Net income/(expense) recognised directly in equity	-	162 645	-	(19 137)
Total comprehensive income for the period	-	-	-	-
Total recognised income and expenses for 2009	-	162 645	-	(19 137)
Dividends for the period	-	-	-	-
Balance at 31 March 2009	-	162 645	-	(19 137)
Balance at 1 April 2009	**-**	**162 645**	**-**	**(19 137)**
Vendor shares settled	**-**	**-**	**-**	**-**
Sale of deemed treasury shares by Trustco Share Incentive Scheme Trust	**-**	**-**	**-**	**406**
Net income/(expense) recognised directly in equity	**-**	**162 645**	**-**	**(18 731)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**
Total recognised income and expenses for 2010	**-**	**162 645**	**-**	**(18 731)**
Dividends for the period	**-**	**-**	**-**	**-**
Balance at 31 March 2010	**-**	**162 645**	**-**	**(18 731)**
Notes:	**16**	**16**	**16**	**17**

CONSOLIDATED STATEMENT OF MOVEMENT IN EQUITY

Group	Vendor shares N$ '000	* Other reserves N$ '000	Distributable reserves N$ '000	Minority Interest N$ '000	Total N$ '000
Balance at 1 April 2008	35 526	12 498	107 862	(1 139)	260 836
Transfer to contingency reserve	-	1 029	(1 029)	-	-
Vendor shares to be issued as result of business combination	(19 636)	-	-	-	-
Vendor shares repaid in cash	(914)	-	-	-	(914)
Cost of share issue	-	-	-	-	(49)
Sale of deemed treasury shares by Trustco Share Incentive Scheme Trust	-	-	-	-	16 222
Gain on sale of deemed treasury shares	-	-	3 042	-	3 042
Conversion of no-par value shares to par value shares	-	-	-	-	-
Share issue	-	-	-	-	4 971
Listing costs	-	-	-	-	(3 361)
Acquisition of non-controlling interest in entity under common control	-	-	(1 184)	-	(1 184)
Net income/(expense) recognised directly in equity	14 976	13 527	108 691	(1 139)	279 563
Total comprehensive income for the period	-	4 050	92 423	1 139	97 612
Total recognised income and expenses for 2009	14 976	17 577	201 114	-	377 175
Dividends for the period	-	-	(6 698)	-	(6 698)
Balance at 31 March 2009	14 976	17 577	194 416	-	370 477
Balance at 1 April 2009	**14 976**	**17 577**	**194 416**	**-**	**370 477**
Transfer to contingency reserve	**-**	**1 176**	**(1 176)**	**-**	**-**
Vendor shares settled	**(14 976)**	**-**	**-**	**-**	**(14 976)**
Cost of share issue	**-**	**-**	**-**	**-**	**-**
Sale of deemed treasury shares by Trustco Share Incentive Scheme Trust	**-**	**-**	**-**	**-**	**406**
Gain on sale of deemed treasury shares	**-**	**-**	**90**	**-**	**90**
Net income/(expense) recognised directly in equity	**-**	**18 753**	**193 330**	**-**	**355 997**
Total comprehensive income for the period	**-**	**(753)**	**137 544**	**-**	**136 791**
Total recognised income and expenses for 2010	**-**	**18 000**	**330 874**	**-**	**492 788**
Dividends for the period	**-**	**-**	**(14 143)**	**-**	**(14 143)**
Balance at 31 March 2010	**-**	**18 000**	**316 731**	**-**	**478 645**
Notes:	**18**	**19 & 20**			

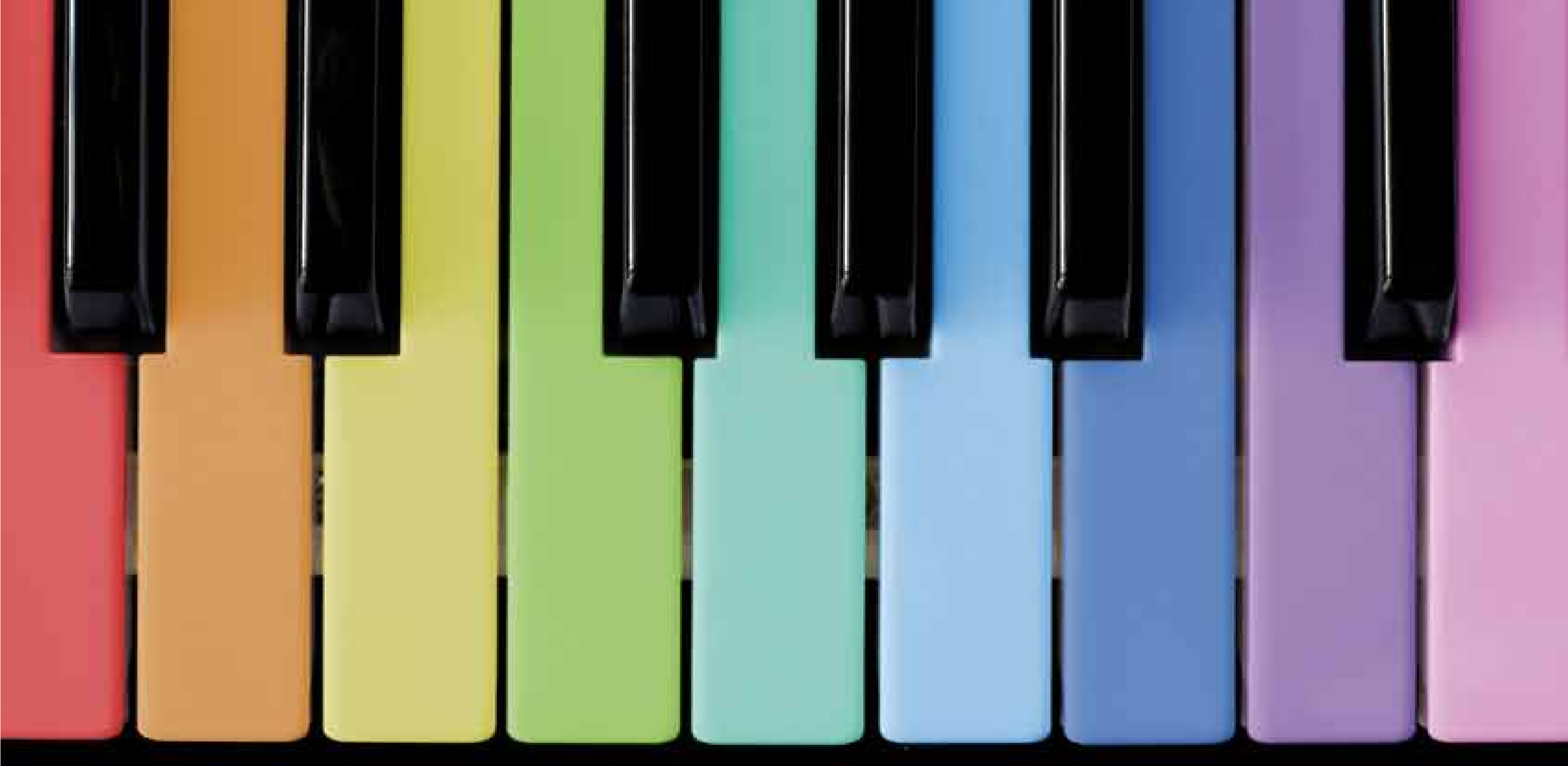
** Other reserves consist of the Revaluation reserve and Contingency reserve*

Company	Vendor shares N$ '000	Distributable reserves N$ '000	Total N$ '000
Balance at 1 April 2008	35 526	101 006	242 621
Vendor shares to be issued as result of business combination	(19 636)	-	-
Vendor shares repaid in cash	(914)	-	(914)
Cost of share issue	-	-	(49)
Conversion of no-par value shares to par value shares	-	-	-
Share issue	-	-	4 971
Listing costs	-	-	(3 361)
Sale of deemed treasury shares by Trustco Share Incentive Scheme Trust	-	-	16 222
Net income/(expense) recognised directly in equity	14 976	101 006	259 490
Total comprehensive income for the period	-	14 930	14 930
Total recognised income and expenses for 2009	14 976	115 936	274 420
Dividends for the period	-	(6 985)	(6 985)
Balance at 31 March 2009	14 976	108 951	267 435
Balance at 1 April 2009	**14 976**	**108 951**	**267 435**
Vendor shares settled	**(14 976)**	**-**	**(14 976)**
Sale of deemed treasury shares by Trustco Share Incentive Scheme Trust	**-**	**-**	**406**
Net income/(expense) recognised directly in equity	**-**	**108 951**	**252 865**
Total comprehensive income for the period	**-**	**27 364**	**27 364**
Total recognised income and expenses for 2010	**-**	**136 315**	**280 229**
Dividends for the period	**-**	**(14 143)**	**(14 143)**
Balance at 31 March 2010	**-**	**122 172**	**266 086**
Notes:	**18**		

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2010

	Notes	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Cash flow from operating activities					
Cash generated from / (absorbed by) operations	40.1	**73 635**	95 744	**(22 645)**	(867)
Interest received	36	**7 883**	4 500	**10 759**	16 171
Dividends received	36	**-**	-	**25 700**	14 000
Finance costs	37	**(20 489)**	(25 375)	**(1)**	(1 115)
Net educational loans advanced	8	**(45 276)**	(40 979)	**-**	-
Dividends paid		**(14 143)**	(6 698)	**(14 143)**	(6 985)
Taxation paid	40.2	**(397)**	(137)	**(137)**	-
Net cash flow from operating activities		**1 213**	27 055	**(467)**	21 204
Cash flow from investing activities					
Additions to property, plant and equipment	3	**(20 180)**	(13 694)	**-**	-
Additions to investment property	4	**(200)**	(72)	**-**	-
Additions to intangible assets	5	**(11 739)**	(13 434)	**-**	-
Additions to assets at fair value through profit and loss		**(8 239)**	(3 744)	**-**	-
Acquisition of non-controlling interest in entity under common control		**-**	(1 000)	**-**	-
Proceeds on sale of property, plant and equipment		**9 042**	1 324	**-**	-
Net cash flow from investing activities		**(31 316)**	(30 620)	**-**	-
Cash flow from financing activities					
Costs of shares issue		**-**	(49)	**-**	(49)
Redemption of vendor shares in cash		**-**	(1 157)	**-**	(1 157)
Sale of deemed treasury shares		**496**	19 264	**406**	16 222
(Repayment of) / proceeds from long term liabilities		**(7 075)**	9 175	**-**	-
Proceeds / (repayment) from related party loans		**8 050**	(13 705)	**28**	(36 237)
Decrease in policy holder under insurance contracts	24	**2 427**	471	**-**	-
Proceeds / (repayment) of other liabilities		**2 077**	(301)	**-**	-
Net cash flow from financing activities		**5 975**	13 698	**434**	(21 221)
Net change in cash and cash equivalents		**(24 128)**	10 133	**(33)**	(17)
Cash and cash equivalents at beginning of year	40.3	**93 549**	83 416	**37**	54
Cash and cash equivalents at end of year	40.3	**69 421**	93 549	**4**	37



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

"it is only when all the right notes are synchronised, that we hear the music"

1 ACCOUNTING POLICIES

for the year ended 31 March 2010

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of Namibia, 1973. The consolidated annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 SIGNIFICANT JUDGEMENTS

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and 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 consolidated annual financial statements.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use 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 fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date.

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

Available-for-sale financial assets

The Group and the Company follow the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the Group and the Company evaluate, among other factors, the duration and 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.

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability.

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 and the Company 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 and the Company recognise the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group and the Company 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 and the Company to realise the net deferred tax assets recorded at the reporting date could be impacted.

Trade receivables and loans and receivables

The Group and the Company assess its trade receivables and loans and receivables for impairment at each reporting date. The significant items are individually assessed for impairment. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Group and the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that some of assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Group and the Company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of economic factors such as foreign exchange rates, inflation rates and interest rates.

Allowance for slow moving, damaged and obsolete stock

All inventory that is physically identified as slow moving, damaged or obsolete is written down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items.

Contingent provisions on business combinations

Contingencies recognised in the current year required estimates and judgments.

1.2 BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure

1 ACCOUNTING POLICIES

consistency with the policies adopted by the Group.

Business combinations
The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Transactions and minority interests
The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in equity. Purchases from minority interests result in goodwill, being the difference between any consideration and the relevant share acquired of the carrying value of net assets of the subsidiary.

1.3 SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Where a component sells primarily or exclusively to other operating segments of the entity, it retains its identity of an operating segment providing the entity is managed that way. The amount reported for each segment item is the measure reported to the chief operating decision maker for the purposes of allocating resources to that segment and assessing its performance.

1.4 PROPERTY, PLANT AND EQUIPMENT

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 Company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of 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. Day to day repairs and maintenance are not capitalised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Land and buildings, machinery and equipment and aircrafts are carried at revalued amounts, being the fair value at date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. 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 reporting date.

Increases in the carrying amounts of land and buildings, machinery and equipment and aircrafts arising on revaluation are credited to revaluation and other reserves in shareholders equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve. All other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the assets (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost is transferred from revaluation and other reserves to retained earnings.

Item	Average useful life
Land and buildings	50 years
Machinery and equipment	6 to 15 years
Motor vehicles	8 years
Office equipment and furniture	6 - 8 years
Computer equipment and software	3 to 5 years
Aircrafts • Engine • Airframe • Avionics and equipment	 1,500 - 3,500 flight hours 18,000 - 20,000 flight hours 10 years

The depreciable value of land and buildings is considered to be nil on the basis that no depreciation is to be provided where the residual amount is higher than the carrying amount. It is the Group's practice to maintain these buildings in a continual state of sound repair and to extend and to improve selected buildings from time to time, resulting in the residual value of these assets being equal to the current carrying values.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The carrying amounts of property, plant and equipment are assessed for impairment whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. If any such indication exists and where the carrying values exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

1.5 INVESTMENT PROPERTY

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Subsequent to initial recognition investment property is measured at fair value. A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised. Day to day repairs and maintenance are not capitalised.

1.6 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Internally generated mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

An intangible asset arising from development (or from the development phase of an internal project) 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; and
- 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 impairment losses.

1 ACCOUNTING POLICIES

Definite life
The carrying amount of intangible assets is assessed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Average useful life
Computer software	2 to 10 years
Trademarks	25 years
Film project	5 years

Indefinite life
The carrying amount of intangible assets is assessed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Where intangible assets are considered to have an indefinite life, impairment tests are performed at least annually.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets.

The following intangible assets are regarded as having an indefinite useful life:

- Distribution licenses
- Computer software: E-Sure, DexCollect and associated components

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

1.7 GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is initially measured at cost.

Subsequently goodwill is carried at cost less any accumulated impairment.

The excess of the Group and the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

Internally generated goodwill is not recognised as an asset.

1.8 INVESTMENTS IN SUBSIDIARIES

Company annual financial statements
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.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.9 FINANCIAL INSTRUMENTS

Initial recognition
The Group and the Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the Group and the Company's statement of financial position when the Group and the Company becomes party to the contractual provisions of the instrument.

Fair value determination
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group and the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Loans to / (from) group companies
These include loans to holding companies, fellow subsidiaries and subsidiaries and are recognised initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Loans to shareholders, directors, managers and employees
These financial assets are initially recognised at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Educational micro loans
Loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amounts.

Provision for impairment:
Provision for impairment consists of a general and specific provision. A specific provision is made on loans where no payment has been received from the student in excess of 3 months and where no payment can be reserved from the Government by means of a deduction code.

1 ACCOUNTING POLICIES

Trade and other receivables
Trade receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable may be impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

Trade and other payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings
Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Financial assets at fair value through profit or loss
Financial assets are classified as at fair value through profit and loss where the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purposes of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39: Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Investments are measured initially at cost and subsequently at fair value, gains and losses arising from changes in fair value are included in profit or loss for the period.

Available for sale financial assets
These financial assets are non-derivatives that are either designated in this category or not classified elsewhere.

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

These investments are measured initially and subsequently at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the security is disposed of or is determined to be impaired.

The Group and the Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income when the Group and the Company's right to receive payments are established.

Equity investments for which a fair value is not determinable are held at cost. Impairments on such investments are not reversed.

Held to maturity
Financial assets that the Group and the Company have the positive intention and ability to hold to maturity are classified as held to maturity.

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

1.10 Tax

Current tax assets and liabilities
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities
A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

1 ACCOUNTING POLICIES

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused Secondary Tax on Companies (applicable in the Republic of South Africa) credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused Secondary Tax on Companies credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

1.11 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 costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories is recognised as an expense 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 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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 IMPAIRMENT OF ASSETS

The Group and the Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group and the Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group and the Company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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.

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 a revaluation increase.

1.13 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessor

The Group and the Company recognises finance lease receivables on the statement of financial position.

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

1 ACCOUNTING POLICIES

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 of return on the remaining balance of the liability.

Operating leases – lessor
Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in the statement of comprehensive income.

Operating leases – lessee
Operating lease payments are recognised as an expense 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. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.14 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 and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised 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 when there is a legal or constructive obligation to make such payments as a result of past performance.

1.15 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:
- the Group has a present 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 expenditure expected to be required to settle the obligation.

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.

Provisions are not recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and

- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.16 REVENUE

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at reporting date. Stage of completion is determined by the proportion of costs incurred to date bear to the total estimated costs of the transaction.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Insurance premium revenue
Insurance premiums for short term and life insurance policies are accounted for when receivable and in the period during which the risk originates, net after a provision for unearned premiums relating to risk periods that extend to the following year.

Broker commission and fees (administration, premium handling and claims administration)
Brokerage and other revenue are recorded on the effective commencement or renewal dates of the related policies. Commission on the sale of an insurance contract is earned at the inception of the policy, as the insurance has been arranged and placed. However, provision is made where commission is refundable in the event of policy cancellation in line with estimated cancellations. Where certain annual policies are issued, the revenue is recognised proportionally over the cover period of that the contract.

Only the commission income and other fees is included in revenue (not the value of premiums handled).

Tuition fees
Tuition fees are recognised by the stage of completion of the service to be provided under each contract. An appropriate portion of the tuition fees received from distance education is deferred.

Property sales
Sales are recorded upon the transfer of significant risks and rewards of ownership of the property and the amount of revenue can be measured reliably.

1 ACCOUNTING POLICIES

Interest received on financial assets (includes interest received on micro finance loan book)
Interest income on financial assets that are classified as loans and receivables are determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees receivable, that are an integral part of the instrument's yield, premiums or discounts on issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

Rental income
Rental income arising from operating leases is recognised on a straight-line basis over the lease terms on ongoing leases.

Dividends received
Dividends are recognised, in profit or loss, when the Company's right to receive payment has been established.

1.17 COST OF SALES

When inventories are sold, the carrying amount of those inventories is recognised as an expense 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 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.

The related cost of providing services recognised as revenue in the current period is included in cost of sales

1.18 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions
A foreign currency transaction is recorded, on initial recognition in Namibian Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and

- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss. Cash flows arising from transactions in a foreign currency are recorded in Namibian Dollars by applying to the foreign currency amount the exchange rate between the Namibian Dollars and the foreign currency at the date of the cash flow.

1.20 INSURANCE CONTRACTS

Classification of contracts

An insurance contract is a contract under which the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Such contracts may also transfer financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The following typical types of contracts issued by the Group are classified as insurance contracts:

- policy which provide legal cover in event of litigation against or in favour of policyholders;
- policy providing lump sum benefits and costs recoveries for death;
- policy which provide salary cover;
- policy which provide medical insurance cover; and
- a policy which provides all of the above cover.

Valuation and recognition

Principles of valuation and profit recognition

Liabilities in respect of insurance contracts are valued according to the requirements of the professional guidance notes ('PGN's') issued by the Actuarial Society of South Africa (ASSA). Of particular relevance to the insurance liability calculations, are the following actuarial guidance notes:

- PGN 102: Life Offices – HIV/Aids
- PGN 103: Report by statutory actuary in financial statements
- PGN 104: Life Offices – Valuation of Long-Term Insurers
- PGN 105: Recommended Aids extra mortality bases

Valuation

The assets and liabilities of Trustco Life Limited have been calculated in accordance with PGN103 and PGN104. However, no capital adequacy requirement was calculated as this is not required in terms of Namibian Law. The Financial Soundness Valuation (FSV) as stipulated in PGN104, was valued using a gross premium method.

The liability has been based on cash flow projections, on a per policy basis. The assets were stated at the balances per the financial statements. The valuation of the policy holders' liability was conducted on a basis consistent with the valuation of the assets. The liability is based on best-estimate assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued and updated on an annual basis at reporting date to reflect current expectations.

Recognition

Premiums

Premiums are recognised in the period during which the risk originates. Credit insurance premiums are recognised in the period during which they become due and payable. Premiums received in advance are included insurance liabilities.

1 ACCOUNTING POLICIES

Claims
Full provision is made for the estimated cost of claims notified but not settled at reporting date. Provision is also made for the expected cost of claims incurred but not intimated at reporting date. Provision for the full expected cost of claims over the period of the insured risk relating to credit insurance are made in the same period during which the credit insurance premiums are recognised. These provisions are carried forward to subsequent accounting periods as an unexpected risk reserve.

Each notified claim is assessed on a separate, case by case basis with due regard to specific circumstances, information available from the insured and past experience with similar claims. The company employs staff experienced in claims handling and rigorously applies standardized policies and procedures around claims assessment. The provision for each notified claim includes an estimate of the associated claims handling costs but excludes Value Added Tax.

Expenses for the acquisition of insurance contracts
Expenses for the acquisition of insurance contracts consists of commission and marketing management costs paid by the Group upon the acquisition of new and additional insurance business. These costs are expensed in full in the financial period during which the new policies are acquired.

Liability adequacy test
At each reporting date, liability adequacy tests are required to ensure the adequacy of the insurance contract liabilities. In performing these tests, current best estimates of future premiums, claims, and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Since the insurance policy liabilities are calculated in terms of the financial soundness valuation (FSV) basis as described in PGN104, which meets the minimum requirements of the liability adequacy test, it is not necessary to perform an additional liability adequacy test.

Incurred but not reported claims (Short-term business)
Incurred but not reported claims are calculated as a percentage of premiums earned. Different percentages are applied by class of business.

Policy holder liability under insurance contract (Long-term business)
Long-term insurance liabilities are valued according to the requirements of the Namibian Long-term Insurance Act (1998) and in accordance with professional guide notes (PGNs) issued by the Actuarial Society of South Africa (ASSA).

Unearned premium reserve
Provision in respect of premiums written in the current year relating to future periods, is determined for all business on actual monies received in advance.

Contingency reserve
The Group raises a contingency reserve of 10% of written premiums in accordance with generally accepted insurance industry practice. The contingency reserve is transferred directly from distributable reserves to contingency reserves, and is reflected as a movement in the statement of changes in equity.

1.21 SOLVENCY MARGIN

The solvency margin is a measurement of the financial strength of a short-term insurer. It represents the shareholders' funds, expressed as a percentage of net premium income. This method of measurement is done in accordance with section 20 of the Short-term Insurance Act of 1998.

1.22 POST BALANCE SHEET EVENTS

Recognised amounts in the annual financial statements are adjusted to reflect events arising after the balance sheet date that proved evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note.

2 STATEMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

At the date of authorisation of these annual financial statements, the following Standards and Interpretations were in issue but not yet effective:

- IFRS 1, First-time adoption of International Financial Reporting Standards (Measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRS for the first time) - effective for annual periods beginning on or after 1 July 2009
- IFRS 1, First-time adoption of International Financial Reporting Standards (Amendments relating to oil and gas assets and determining whether an arrangement contains a lease) - effective for annual periods beginning on or after 1 January 2010
- IFRS 1, First-time adoption of International Financial Reporting Standards (Amendment relieves first-time adopters of IFRSs from providing the additional disclosures introduced through Amendments to IFRS 7 in March 2009) - effective for annual periods beginning on or after 1 July 2010
- IFRS 1, First-time adoption of International Financial Reporting Standards (Amendment clarifies that changes in accounting policies in the year of adoption fall outside of the scope of IAS 8) - effective for annual periods beginning on or after 1 July 2010
- IFRS 1, First-time adoption of International Financial Reporting Standards (Amendment permits the use of revaluation carried out after the date of transition as a basis for deemed cost) - effective for annual periods beginning on or after 1 January 2011
- IFRS 1, First-time adoption of International Financial Reporting Standards (Amendment permits the use of carrying amount under the previous GAAP as deemed cost for operations subject to rate regulation.) - effective for annual periods beginning on or after 1 January 2011
- IFRS 2, Share Based Payments (Clarification of scope of IFRS 2 and IFRS 3 revised) - effective for annual periods beginning on or after 1 July 2009
- IFRS 2, Share Based Payments (Amendments relating to group cash-settled share-based payment transactions – clarity of the definition of the term “Group” and where in a group share based payment must be accounted for.) - effective for annual periods beginning on or after 1 January 2010
- IFRS 3, Business Combinations (Amendments to accounting for business combinations) - effective for annual periods beginning on or after 1 July 2009
- IFRS 3, Business Combinations (Amendments to transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS) - effective for annual periods beginning on or after 1 January 2011
- IFRS 3, Business Combinations (Clarification on the measurement of non-controlling interests) - effective for annual periods beginning on or after 1 January 2011
- IFRS 3, Business Combinations (Additional guidance provided on un-replaced and voluntarily replaced share-based payment awards.) - effective for annual periods beginning on or after 1 January 2011
- IFRS 5, Non-current Assets Held for Sale and Discontinued Operations (Plan to sell the controlling interest in a subsidiary) - effective for annual periods beginning on or after 1 July 2009
- IFRS 5, Non-current Assets Held for Sale and Discontinued Operations (Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations) - effective for annual periods beginning on or after 1 January 2010
- IFRS 7, Financial Instruments: Disclosures (Amendment clarifies the intended interaction between qualitative and quantitative disclosures of the nature and extent of risks arising from financial instruments) - effective for annual periods beginning on or after 1 January 2011
- IFRS 7, Financial Instruments: Disclosures (Removed some disclosure items which were seen to be superfluous or misleading) - effective for annual periods beginning on or after 1 January 2011
- IFRS 8, Operating Segments (Disclosure of information about segment assets) - effective for annual periods beginning on or after 1 January 2010
- IFRS 9, Financial Instruments (New

2 STATEMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement) - effective for annual periods beginning on or after 1 January 2013

- IAS 1, Presentation of Financial Statements (Current/non-current classification of convertible instruments) - effective for annual periods beginning on or after 1 January 2010
- IAS 1, Presentation of Financial Statements (Clarification of statement of changes in equity) - effective for annual periods beginning on or after 1 January 2011
- IAS 7, Statement of Cash Flows (Classification of expenditures on unrecognized assets) - effective for annual periods beginning on or after 1 January 2010
- IAS 10, Events after the Reporting Period (Amendments resulting from the issue of IFRIC 17) - effective for annual periods beginning on or after 1 July 2009
- IAS 17, Leases (Classification of leases of land and buildings) - effective for annual periods beginning on or after 1 January 2010
- IAS 21, The Effects of Changes in Foreign Exchange Rates (Consequential amendments from changes to Business Combinations) - effective for annual periods beginning on or after 1 July 2009
- IAS 21, The Effects of Changes in Foreign Exchange Rates (Consequential amendments from changes to IAS 27 Consolidated and Separate Financial Statements (Clarification on the transition rules in respect of the disposal or partial disposal of an interest in a foreign operation)) - effective for annual periods beginning on or after 1 July 2010
- IAS 24, Related Party Disclosures (Simplification of the disclosure requirements for government-related entities) - effective for annual periods beginning on or after 1 January 2011
- IAS 24, Related Party Disclosures (Clarification of the definition of a related party) - effective for annual periods beginning on or after 1 January 2011
- IAS 27, Consolidated and Separate Financial Statements (Consequential amendments from changes to Business Combinations) - effective for annual periods beginning on or after 1 July 2009
- IAS 27, Consolidated and Separate Financial Statements (Transition requirements for previous amendments arising from changes to IAS 27) - effective for annual periods beginning on or after 1 July 2010
- IAS 28, Investments in Associates (Consequential amendments from changes to Business Combinations) - effective for annual periods beginning on or after 1 July 2009
- IAS 28, Investments in Associates (Consequential amendments from changes to IAS 27 Consolidated and Separate Financial Statements) - effective for annual periods beginning on or after 1 July 2010
- IAS 31 Interests in Joint Ventures (Consequential amendments from changes to Business Combinations) - effective for annual periods beginning on or after 1 July 2009
- IAS 31 Interests in Joint Ventures (Consequential amendments from changes to IAS 27 Consolidated and Separate Financial Statements (Clarification on the transition rules in respect of the disposal or partial disposal of an interest in a foreign operation)) - effective for annual periods beginning on or after 1 July 2010
- IAS 32, Financial Instruments: Presentation (Accounting for rights issues (including rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer) - effective for annual periods beginning on or after 1 February 2010
- IAS 34, Interim Financial Reporting (Clarification of disclosure requirements around significant events and transactions including financial instruments) - effective for annual periods beginning on or after 1 January 2011
- IAS 36, Impairment of Assets (Unit of accounting for goodwill impairment test) - effective for annual periods beginning on or after 1 January 2010
- IAS 38, Intangible Assets (Unit of production method of amortization) - effective for annual periods beginning

on or after 1 July 2009

- IAS 38, Intangible Assets (Additional consequential amendments arising from revised IFRS 3) - effective for annual periods beginning on or after 1 July 2009
- IAS 38, Intangible Assets (Measuring the fair value of an intangible asset acquired in a business combination) - effective for annual periods beginning on or after 1 July 2009
- IAS 38, Financial Instruments: Recognition and Measurement (Clarifies two hedge accounting issues) - effective for annual periods beginning on or after 1 July 2009
- IAS 38, Financial Instruments: Recognition and Measurement (Amendments for embedded derivatives when reclassifying financial instruments) - effective for annual periods beginning on or after 1 July 2009
- IAS 38, Financial Instruments: Recognition and Measurement (Scope exemption for business combination contracts) - effective for annual periods beginning on or after 30 June 2009
- IAS 38, Financial Instruments: Recognition and Measurement (Cash flow hedge accounting.) - effective for annual periods beginning on or after 11 January 2010
- IAS 38, Financial Instruments: Treating loan repayment penalties as closely related embedded derivatives for annual periods beginning on or after 1 July 2009
- IFRIC 9 (amended) Reassessment of Embedded Derivatives (Scope of IFRIC 9 and revised IFRS 3) - effective for annual periods beginning on or after 1 July 2009
- IFRIC 13, Customer Loyalty Programmes (Clarification on the intended meaning of the term “fair value” in respect of award credits) - effective for annual periods beginning on or after 1 January 2011
- IFRIC 16, (amended) Hedges of a Net Investment in a Foreign Operation (Amendment to the restriction on the entity that can hold hedging instruments) - effective for annual periods beginning on or after 1 July 2009
- IFRIC 17, Distribution of non-cash assets to owners - effective for annual periods beginning on or after 1 July 2009
- IFRIC 18, Transfer of assets from customers - effective for annual periods beginning on or after 1 July 2009
- IFRIC 19, Extinguishing financial liabilities equity instruments - effective for annual periods beginning on or after 1 April 2010

The Group does not envisage the adoption of these standards and interpretations until such time that they become applicable to the Group’s operations.

The Board do not anticipate that the above standards and interpretations will have a material effect on the Group’s annual financial statements.

3 Property, plant and equipment

Group	2010 Cost N$ '000	2010 Accumulated depreciation N$ '000	2010 Carrying amount N$ '000	2009 Cost N$ '000	2009 Accumulated depreciation N$ '000	2009 Carrying amount N$ '000
Land and buildings	**66 750**	**(2)**	**66 748**	68 953	(2)	68 951
Computer equipment and software	**43 001**	**(25 993)**	**17 008**	32 159	(18 502)	13 657
Machinery and equipment	**7 972**	**(4 273)**	**3 699**	20 341	(5 307)	15 034
Motor vehicles	**13 656**	**(2 410)**	**11 246**	13 589	(3 038)	10 551
Aircrafts	**53 788**	**(15 388)**	**38 400**	53 712	(10 400)	43 312
Office equipment and furniture	**5 756**	**(3 491)**	**2 265**	6 491	(3 786)	2 705
	190 923	**(51 557)**	**139 366**	195 245	(41 035)	154 210

The following capitalised leased assets are included in property, plant and equipment:

	2010 N$ '000	2009 N$ '000
Motor vehicles (carrying value)	**7 419**	4 835

The carrying amount of property, plant and equipment can be reconciled as follows:

2010	Land and buildings N$ '000	Computer equipment & software N$ '000	Machinery & equipment N$ '000	Motor vehicles N$ '000	Aircrafts N$ '000	Office equipment & furniture N$ '000	Total N$ '000
Carrying amount at beginning of year	**68 951**	**13 657**	**15 034**	**10 551**	**43 312**	**2 705**	**154 210**
Additions	**425**	**11 209**	**623**	**5 084**	**2,422**	**417**	**20 180**
Transfer to investment properties	**(7 764)**	**-**	**-**	**-**	**-**	**-**	**(7 764)**
Revaluations	**5 136**	**-**	**-**	**-**	**(3 995)**	**-**	**1 141**
Depreciation	**-**	**(7 731)**	**(1 263)**	**(1 059)**	**(3 339)**	**(426)**	**(13 818)**
Disposals	**-**	**(127)**	**(10 695)**	**(3 330)**	**-**	**(431)**	**(14 583)**
Carrying amount at end of year	**66 748**	**17 008**	**3 699**	**11 246**	**38 400**	**2 265**	**139 366**
2009							
Carrying amount at beginning of year	60 072	11 749	15 542	9 996	42 434	2 736	142 529
Additions	841	7 798	1 820	2 270	502	463	13 694
Transfer from investment properties	5 719	-	-	-	-	-	5 719
Revaluations	2 321	-	-	-	5 664	-	7 985
Depreciation	(2)	(5 849)	(1 904)	(675)	(5 288)	(473)	(14 191)
Disposals	-	(41)	(424)	(1 040)	-	(21)	(1 526)
Carrying amount at end of year	68 951	13 657	15 034	10 551	43 312	2 705	154 210

If property, plant and equipment which are recognised on the revaluation model were stated on the historical cost basis, the carrying amounts would be as follows:

	Land and buildings N$ '000	Machinery & equipment N$ '000	Aircrafts N$ '000	Total N$ '000
2010	**54 556**	**3 178**	**28 021**	**85 755**
2009	61 895	14 513	28 938	105 346

No impairment losses were recognised in profit or loss during the year.

The Group's aeroplanes were valued by T. Webster of Pilatus Centre during October 2009. The valuation was based on the Blue Book Price Digest. T. Webster has got 27 years experience in aviation and PC Centre is the official distributor of Pilatus aircraft in Sub-Saharan Africa. T. Webster is not connected to the company.

Properties are stated at fair value, which has been determined based on valuations performed by Gert Hamman Property Valuers CC and L. de Witt during March 2010, in accordance with International Valuation Standards. Gert Hamman Property Valuers CC and de Witt are not connected to the Group, are qualified property valuators and have recent experience in location and category of the property being valued. Commercial properties were valued by using the income capitalisation method. This method involves the determining of the net income of the property that will be capitalised at a rate sought by prudent investors to determine the capitalised value of the subject property. The expected income of the property will be determined by the comparison of the market rentals of similar properties.

Certain property, plant and equipment are encumbered as stated in note 22 and 23.

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the Group.

INVESTMENT PROPERTY

4 Investment property	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Balance at beginning of year	33 753	36 812	-	-
Additions	200	72	-	-
Reclassification	13 255	-	-	-
Transfer from property, plant and equipment	7 764	(5 719)	-	-
Fair value adjustments	88 261	2 588	-	-
Balance at end of year	143 233	33 753	-	-

Investment properties are stated at fair value on 31 March 2010, which has been determined based on valuations performed by Gert Hamman Property Valuers CC, Active Blue Valuation Solutions CC and A. de Beer, in accordance with International Valuation Standards. Gert Hamman Property Valuers CC, Active Blue Valuations Solutions CC and de Beer are not connected to the Group, are qualified property valuators and have recent experience in location and category of the investment property being valued. The valuation was based on the direct sales comparison method and current market conditions.

The following amounts, included in the statement of comprehensive income, relate to these properties:

	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Rental income	1 631	1 330	-	-
Direct operating expenses: income generating properties	132	123	-	-

Certain investment properties as described above has been mortgaged as security for liabilities described in note 22. A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the Company.

INTANGIBLE ASSETS

5 Intangible assets

Group	Cost N$ '000	Accumulated amortisation & impairment N$ '000	Carrying amount N$ '000	Cost N$ '000	Accumulated amortisation & impairment N$ '000	Carrying amount N$ '000
Computer software - Definite life	1 782	(1 037)	745	1 501	(919)	582
Computer software - Indefinite life	179 989	-	179 989	168 531	-	168 531
Trademarks and licenses	18 982	(5 551)	13 431	18 982	(1 706)	17 276
Film project	553	-	553	553	-	553
	201 306	(6 588)	194 718	189 567	(2 625)	186 942

The carrying amount of intangible assets can be reconciled as follows:

2010	Computer software Definite life N$ '000	Computer software Indefinite life N$ '000	Trademarks licences & products under development N$ '000	Film Project N$ '000	Total N$ '000
Carrying amount at beginning of year	582	168 531	17 276	553	186 942
Additions	281	-	-	-	281
Internally generated	-	11 458	-	-	11 458
Amortisation	(118)	-	(376)	-	(494)
Impairment	-	-	(3 469)	-	(3 469)
Carrying amount at end of year	745	179 989	13 431	553	194 718
2009					
Carrying amount at beginning of year	920	157 747	15 385	553	174 605
Additions	282	-	2 293	-	2 575
Transfer between categories	75	(75)	-	-	-
Internally generated	-	10 859	-	-	10 859
Amortisation	(695)	-	(402)	-	(1 097)
Carrying amount at end of year	582	168 531	17 276	553	186 942

Computer software consists of items which have both indefinite useful lives as well as items with limited useful lives. Amortisation is not provided for on items with indefinite useful lives. Computer software with indefinite useful lives consists of DexCollect and E-Sure which is the core of the insurance administration business of Trustco Financial Services (Pty) Ltd (previously DexGroup Financial Sevices (Pty) Ltd). There is no foreseeable limit to the period over which DexCollect and E-Sure are expected to generate net cash inflows. This software is tested for impairment annually. All other items are amortised on a straight-line basis over their useful lives.

The IOL Learn product (included under Trademarks, licenses and products under development) is currently being developed internally. This product was tested for impairment and the amount is considered to be recoverable.

The Institute of Open Learning (IOL) and Legal Shield Life trademarks are considered to have a definite life of 25 years. All of these intangible assets have been tested for impairment during the year, and it was found that the recoverable amount exceeds the carrying amount.

The film project comprise a script for film, that is in the development phase, and as a result no provision was made for amortisation for the current year. The intangible asset was tested for impairment during the year. The amount is considered to be recoverable.

6 Investment in subsidiaries

	Company 2010 N$	Company 2009 N$
Unlisted shares at cost		
Legal Shield Holdings (Pty) Ltd	**100**	100
Trustco Education (Pty) Ltd	**100**	100
Trustco Media (Pty) Ltd	**100**	100
Trustco Capital (Pty) Ltd	**100**	100
Trustco Corporate Management Services (Pty) Ltd	**100**	100
Trustco Business Development (Pty) Ltd	**100**	100
Trustco Tourism Holdings (Pty) Ltd	**100**	100
Trustco Group International (Pty) Ltd (inc. in Republic of South Africa)	**100**	100
Trustco Group International (Pty) Ltd (inc. in Republic of Namibia)	**68 549 357**	68 549 357
Trustco Property Holdings (Pty) Ltd	**100**	100
	68 550 257	68 550 257

7 Deferred taxation

	Group			Company		
2010	Opening balance N$ '000	Movement for the year N$ '000	Closing balance N$ '000	Opening balance N$ '000	Movement for the year N$ '000	Closing balance N$ '000
Property, plant and equipment	**(25 986)**	**4 239**	**(21 747)**	**-**	**-**	**-**
Land	**(18)**	**-**	**(18)**	**-**	**-**	**-**
Investment properties	**(19 861)**	**(33 880)**	**(53 741)**	**-**	**-**	**-**
Intangible assets	**(4 600)**	**(475)**	**(5 075)**	**-**	**-**	**-**
Finance lease (assets) / liability	**907**	**1 000**	**1 907**	**-**	**-**	**-**
Prepayments	**(2 226)**	**587**	**(1 639)**	**-**	**-**	**-**
Provision for doubtful debts	**87**	**(63)**	**24**	**-**	**-**	**-**
Income received in advance	**4 984**	**(1 132)**	**3 852**	**-**	**-**	**-**
Provision for leave and bonuses	**722**	**(283)**	**439**	**-**	**-**	**-**
Provision for share appreciation rights	**144**	**(144)**	**-**	**-**	**-**	**-**
Deferred tax on assessed loss	**63 932**	**5 839**	**69 771**	**480**	**(480)**	**-**
	18 085	**(24 312)**	**(6 227)**	**480**	**(480)**	**-**
2009						
Property, plant and equipment	(18 210)	(7 776)	(25 986)	-	-	-
Land	(18)	-	(18)	-	-	-
Investment properties	(18 841)	(1 020)	(19 861)	-	-	-
Intangible assets	(5 581)	981	(4 600)	-	-	-
Finance lease (assets) / liability	1 030	(123)	907	-	-	-
Prepayments	(1 332)	(894)	(2 226)	-	-	-
Provision for doubtful debts	-	87	87			
Income received in advance	4 910	74	4 984	-	-	-
Provision for leave and bonuses	856	(134)	722	-	-	-
Provision for share appreciation rights	-	144	144	-	-	-
Deferred tax on assessed loss	30 016	33 916	63 932	169	311	480
	(7 170)	25 255	18 085	169	311	480

	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Non-current assets	**50 855**	45 147	**-**	480
Non-current liabilities	**(57 082)**	(27 062)	**-**	-
	(6 227)	18 085	**-**	480

Deferred tax assets and liabilities are only offset when the income tax relates to the same legal entity or fiscal authority or they intend to settle the assets and liabilities on a net basis. The Group, through one of its subsidiaries, has an unrecognised tax asset available for set off against future taxable profit of nil (2009: N$ 13 040 249). The deferred tax asset recognized in the financial statements for the current year is N$ 7 795 167 (2009: N$ 20 500 000). The deferred tax asset recognized is based on the probability of future taxable profit being available in the distant future to set it off against.

EDUCATIONAL MICRO LOANS

8 Educational micro loans	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Educational loans advanced at beginning of the year	137 727	97 047	-	-
Impairment of loans at beginning of the year	(4 700)	(4 999)	-	-
Opening balance	133 027	92 048	-	-
	45 276	40 979	-	-
Loans advanced (including transaction costs)	120 887	89 110	-	-
Payments received	(65 220)	(48 430)	-	-
Amounts written of as uncollectable	(746)	-	-	-
(Increase) / decrease in impairment	(9 645)	299	-	-
Closing balance	178 303	133 027	-	-
Consisting of:				
Educational micro loans advanced at end of the year	192 648	137 727	-	-
Impairment of loans at end of the year	(14 345)	(4 700)	-	-
Closing balance	178 303	133 027	-	-
Less: short term portion	(71 463)	(54 024)	-	-
Long term portion	106 840	79 003	-	-
Reconciliation of impairment				
Opening balance	4 700	4 999	-	-
Increase / (decrease) in provision	9 645	(299)	-	-
Closing balance	14 345	4 700	-	-

The balance of educational loans that are overdue but not impaired amounted to N$ 10 260 921 (2009: N$ 10 211 550). Over due but not impaired is defined as payments that are outstanding for more than one month but not longer than 3 months. A provision for impairment is made on all loans with payments outstanding longer than 3 months. These loans bear interest at rates ranging between 5.03% and 22.78% (2009: 14.25% and 26.75%), are unsecured and repayable over periods between 12 to 60 months.

The significant increase in the provision of impairment in the current year is a result of a change in estimate. The Group decided to introduce a general provision on impairment to bring it in line with general practices followed by the micro finance industry. The amount of the total provision for impairment increased by N$ 3.9 million as a result.

OTHER LOANS ADVANCED

9 Other loans advanced

	Group 2010	Group 2009	Company 2010	Company 2009
Non-current receivables	5 759	6 145	-	-
Other loans	32 312	18 429	-	-
	38 071	24 574	-	-
Less: Short-term portion	(908)	(386)	-	-
	37 163	24 188	-	-

The non-current receivable originated from the 2009 year purchase of the minority interest in Printas (Pty) Ltd. The agreement includes an amount of damages that the seller has to pay to the Group for the cancellation of the printing contract of N$ 10 million. The Group agreed to lend this amount to the seller interest free and repayable over 10 years in equal payments of N$ 1 million. The instalments of the loan serve as security to Standard Bank of Namibia Limited.

Other loans orginated from the sale of non-core business divisions to various parties and the sale of Lafrenz industrial property as currently disclosed under work in progress (note 13).The purchasers borrowed funds from Trustco Capital (Pty) Ltd, a subsidiary in the Group at interest rates ranging between 8% and 10%, repayable over an average of 240 monthly instalments ranging between N$ 31 898 and N$ 136 858. The property purchased will serve as main security. Personal surety was also obtained from the respective buyers where deemed necessary.

These loans are classified as Loans and receivables for purposes of IAS 39 Financial Instruments: Recognition and Measurement purposes. The Group has not pledged or sold any of the above loans to third parties.

10 Finance lease receivable	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Minimum lease payments				
Within one year	**500**	500	**-**	-
In the second to fifth years inclusive	**1 000**	1 500	**-**	-
	1 500	2 000	**-**	-
Less: unearned finance income	**(241)**	(387)	**-**	-
	1 259	1 613	**-**	-
Present value of minimum lease payments				
Within one year	**387**	337	**-**	-
In the second to fifth years inclusive	**872**	1 276	**-**	-
	1 259	1 613	**-**	-

The finance lease bears interest at a rate linked to the variable bond rate of Namibia and is unsecured. The average effective interest rate is approximately 9.30% per annum. Assets leased under finance leases do not have any residual values. The finance lease is repayable in five annual instalments of N$ 500 000 each, with 3 instalments remaining.

AMOUNTS DUE TO (DUE)/BY RELATED PARTIES

11 Amounts (due to) / due by related parties	Group 2010	Group 2009	Company 2010	Company 2009
Subsidiaries of the Company				
Webbiz (Pty) Ltd*	**-**	-	**(30)**	(30)
Institute for Open Learning (Pty) Ltd*	**-**	-	**1 125**	1 035
Trustco Insurance Ltd*	**-**	-	**331**	(15)
Trustco Newspapers (Pty) Ltd*	**-**	-	**5 000**	-
Trustco Education (Pty) Ltd*	**-**	-	**20 000**	-
Legal Shield Holdings (Pty) Ltd*	**-**	-	**(11 625)**	(7 000)
Trustco Fleet Management Services (Pty) Ltd	**-**	-	**2 253**	1 990
Trustco Group International (Pty) Ltd (inc. in Republic of Namibia)	**-**	-	**58 959**	54 363
Trustco Group International (Pty) Ltd (inc. in Republic of South Africa)	**-**	-	**23 274**	36 926
Trustco Finance (Pty) Ltd	**-**	-	**793**	18 370
Trustco Capital (Pty) Ltd	**-**	-	**104 091**	97 738

*These loans to or from subsidiaries are unsecured, bear no interest and have no fixed terms of repayment. No repayments will be made in the next 12 months.

The loan to Trustco Group International (Pty) Ltd (inc. in Republic of South Africa) is unsecured, bears interest at 5% per annum (renegotiated annually). The loan has no fixed terms of repayment. No repayment are foreseen to be made in the next 12 months.

The remainder of the loans to or from subsidiaries are unsecured, bear interest between 7% and Namibian prime and have no fixed terms of repayment. No repayments will be made in the next 12 months. The Namibian prime rate at 31 March 2010 was 11.75%.

	Group 2010	Group 2009	Company 2010	Company 2009
Other related parties				
Trustco Staff Share Incentive Scheme Trust	**-**	-	**(4 002)**	(3 180)
Next Investments (Pty) Ltd	**(20 834)**	(15 786)	**-**	-
DexGroup (Pty) Ltd	**-**	3 002	**-**	-
	(20 834)	(12 784)	**200 169**	200 197
Non-current assets	**-**	-	**215 826**	210 422
Current assets	**-**	3 002	**-**	-
Non-current liabilities	**(20 834)**	(15 786)	**(15 657)**	(10 225)
	(20 834)	(12 784)	**200 169**	200 197

The loan from the Trustco Staff Share Incentive Scheme Trust is secured by the shares held by it in Trustco Group Holdings Ltd and bears no interest. Refer note 17.

The loan from Next Investments (Pty) Ltd is unsecured, bears interest at 11.75% (Namibian prime rate) per annum. Repayment terms are in the process of renegotiation. No repayment are foreseen to be made in the next 12 months. The sole shareholder of Next Investments (Pty) Ltd is Q. van Rooyen.

The loan to DexGroup (Pty) Ltd is unsecured, interest free and has been recovered during the year as part of the fulfillment of the DexGroup (Pty) Ltd acquisition transaction- also refer to note 18. This entity was the previous holding company of Trustco Financial Services (Pty) Ltd, which is a wholly owned subsidiary of Trustco Group International (Pty) Ltd (inc. in Republic of South Africa).

ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

12 Assets at fair value through profit and loss	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Investments in balanced funds with no specific date of maturity	**18 274**	10 035	**-**	-
Current portion	**18 274**	10 035	**-**	-

These investments are held at Momentum and Liberty Life. These investments form part of a structured finance transaction and serve as security for certain liabilities as stated in note 22. The investment managers have a non-restrictive mandate to manage these investments. Average monthly payments of N$ 633,745 are made (2009: N$ 490,922). The minimum value of these investments are guaranteed to not be lower than the capital invested.

INVENTORIES

13 Inventories

Raw materials	**-**	424	**-**	-
Work in progress	**17 117**	28 867	**-**	-
Finished goods	**1 560**	953	**-**	-
	18 677	30 244	**-**	-

No inventories have been required to be written down to net realisable value during the year under review.

Work in progress of N$ 17.12 million (2009: N$ 28.87 million) relates to Lafrenz industrial land, Windhoek. The Group is in the process of preparing the land for the selling of industrial erven.

The Lafrenz land classified under work in progress described above has been mortgaged as security for the liability described in note 22.

TRADE AND OTHER RECEIVABLES

14 Trade and other receivables

Trade receivables	**20 595**	12 669	**-**	-
Less: impairment of receivables	**(210)**	(571)	**-**	-
	20 385	**12 098**	**-**	**-**
Prepayments	**4 983**	7 276	**-**	-
State: other taxes receivable	**1 684**	2 897	**-**	-
Other receivables	**19 497**	8 747	**-**	-
	46 549	31 018	**-**	-
Movement in impairment				
Opening balance	**571**	93	**-**	-
Amounts written off	**(554)**	-	**-**	-
Impairment losses provided for	**193**	478	**-**	-
Closing balance	**210**	571	**-**	-

No amounts were written off as unrecoverable during the financial year (2009: nil).

No trade and other receivables have been pledged as collateral for liabilities or contingent liabilities.

As of 31 March 2010, trade receivables of N$ 2.7 million (2009: N$ 8.9 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing of these receivables were as follows:

Up to 3 months	**1 065**	2 990	**-**	-
3 to 6 months	**354**	3 030	**-**	-
Older than 6 months	**1 262**	2 895	**-**	-
	2 681	8 915	**-**	-

The other classes within trade and other receivables do not contain assets that should have been impaired. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Group does not hold any collateral as security. All receivables not recoverable, have been impaired.

15 Cash and cash equivalents	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Cash at bank and on hand	**91 047**	93 618	**4**	37
Short-term bank deposits	**-**	14 878	**-**	-
	91 047	108 496	**4**	37

SHARE CAPITAL

16 Share capital	Number of shares '000	Stated capital N$ '000	Share capital N$ '000	Share premium N$ '000	Total N$ '000
Authorised					
At 31 March 2009: 2 500 000 000 ordinary par value shares of N$ 0.23	2 500 000	-	575 000	-	575 000
At 31 March 2010: 2 500 000 000 ordinary par value shares of N$ 0.23	**2 500 000**	**-**	**575 000**	**-**	**575 000**

During the 2009 financial year the authorised share capital of 500 000 000 ordinary shares of no par value was converted into 500 000 000 ordinary par value shares of N$ 1.15 each and the authorised share capital of 500 000 000 ordinary par value shares of N$ 1.15 each was subdivided into 2 500 000 000 ordinary par value shares of N$ 0.23 each.

	Number of shares '000	Stated capital N$ '000	Share capital N$ '000	Share premium N$ '000	Total N$ '000
Issued and fully paid					
Balance at 1 April 2008	133 482	141 448	-	-	141 448
Vendor shares as a result of business combination	6 546	19 636	-	-	19 636
Cost of share issue	-	(49)	-	-	(49)
No par value shares converted to par value shares		(161 035)	161 035	-	-
	140 028	-	161 035	-	161 035
The issued share capital of 140 028 137 ordinary shares of no par value was converted into 140 028 137 ordinary par value shares of N$ 1.15 each. The converted 140 028 137 shares were then subdivided into five shares for every one share held at a price of N$ 0.23 per share as follows:	700 141	-	161 035	-	161 035
Issue of ordinary shares at N$ 0.71	7 001	-	1 610	3 361	4 971
Costs of share issue	-	-	-	(3 361)	(3 361)
Balance as at 31 March 2009	707 142	-	162 645	-	162 645
Balance as at 31 March 2010	**707 142**	**-**	**162 645**	**-**	**162 645**

The unissued shares are under the control of the directors for which renewed authority is to be sought at the forthcoming annual general meeting.

DEEMED TREASURY SHARES

17 Deemed treasury shares	Number of shares 2010	Number of shares 2009	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Opening balance	**29 901 800**	11 050 360	**19 137**	35 359	**19 137**	35 359
Sale of deemed treasury shares by the Trustco Staff Share Incentive Scheme Trust	**(635 170)**	(5 070 000)	**(406)**	(16 222)	**(406)**	(16 222)
	29 266 630	5 980 360	**18 731**	19 137	**18 731**	19 137
Share split						
Five shares issued for every one share held	**-**	29 901 800	**-**	-	**-**	-
	29 266 630	29 901 800	**18 731**	19 137	**18 731**	19 137

During the 2007 financial year 70 251 800 (14 050 360 before share split) shares were purchased from Q. van Rooyen and the Senior Employee Trust by the Trustco Staff Share Incentive Scheme Trust ("the Trust"), respectively. The Trust borrowed the funds from the Company. The loan is interest free and shall be repaid from amounts received by the Trust. The purpose of the purchase was to facilitate the Staff Share Incentive Scheme that was approved at the annual general meeting on 15 August 2007. The Trust is controlled by two trustees, all of whom are directors of the Company. For accounting purposes, the Trust is therefore treated as a special purpose entity that was consolidated into the Group and Company's financial statements. The shares held by the Trust are treated as deemed treasury shares for consolidation and company purposes. The Group and the Company have management control over the Trust.

On 17 July 2008 25 350 000 (5 070 000 before the share split) shares of the Trust were sold on the open market, reducing the number of deemed treasury shares to 29 901 800.

VENDOR SHARES

18 Vendor shares	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Balance at beginning of year	**14 976**	35 526	**14 976**	35 526
Vendor shares issued	**-**	(19 636)	**-**	(19 636)
Vendor shares repaid in cash	**-**	(914)	**-**	(914)
Final settlement	**(14 976)**		**(14 976)**	
Balance at the end of the year	**-**	14 976	**-**	14 976

On 1 November 2007 the Group acquired all of the shares in Trustco Financial Services (Pty) Ltd "TFS" (previously DexGroup Financial Services (Pty) Ltd). In terms of the agreement the Group had to pay N$ 20 million in cash upfront and the balance of and a further N$ 45 million by issuing a fixed number of shares. The number of shares was determined on the date of purchase by dividing N$ 45 million by a price of N$ 0.76, equaling 59 210 525 shares. These shares have been issued from 2008 to 2010 based on pro rata net profit after tax of Trustco Financial Services (Pty) Ltd in each year. The fair value of the equity settled instrument was calculated using the share price at the date of exchange, being N$ 0.60.

The purchase agreement matured subsequently as TFS achieved its profit targets. At the time of maturity, DexGroup was indebted to the Group in various amounts which exceeded the value of the shares. Arbitration proceedings were instituted to collect the outstanding amount and the hearing will commence on 1 November 2010. The vendor shares was settled by setting it off against amounts due to the Group amounting to N$ 30.8 million.

CONTINGENCY RESERVES

19 Contingency reserves

Policy holders' contingency reserve				
Balance at beginning of year	**726**	(303)	**-**	-
Increase in reserve	**1 176**	1 029	**-**	-
Balance at the end of the year	**1 902**	726	**-**	-

The Group raises a contingency reserve of 10% of written premiums in accordance with generally accepted insurance industry practice. The contingency reserve is transferred directly from distributable reserves to contingency reserves, and is reflected as a movement in the statement of changes in equity.

REVALUATION RESERVES

20 Revaluation reserves

Balance at beginning of year	**16 851**	12 801	**-**	-
(Deficit) / surplus arising from the revaluation of property, plant and equipment, net of deferred taxation	**(753)**	5 805	**-**	-
Depreciation on plant and equipment recognised directly in equity	**-**	(1 755)	**-**	-
Balance at end of year	**16 098**	16 851	**-**	-
Comprising:				
Revaluation of property, plant and equipment	**16 098**	16 851	**-**	-
	16 098	16 851	**-**	-

MINORITY INTEREST

21 Minority interest

Balance at beginning of year	**-**	(1 139)	**-**	-
Share of profit for the year	**-**	955	**-**	-
Purchase of minority interest	**-**	184	**-**	-
Balance at end of year	**-**	-	**-**	-

Trustco Media (Pty) Ltd acquired 50% of the share capital of Printas (Pty) Ltd (previously Free Press Printers (Pty) Ltd) during 2009 from The Free Press of Namibia (Pty) Ltd for N$ 1 million. The Group now has 100% interest in Printas (Pty) Ltd.

LONG-TERM LIABILITIES

22 Long-term liabilities	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Secured				
Bank loans	**34 500**	36 008	**-**	-
Mortgage loans	**53 919**	54 031	**-**	-
Liabilities under installment sale agreements	**33 106**	39 642	**-**	-
Operating lease straight lining liability	**1 932**	851	**-**	-
Claims float	**3 000**	3 000		
	126 457	133 532	**-**	-
Current portion included under current liabilities	**(15 367)**	(15 700)	**-**	-
	111 090	117 832	**-**	-
Current liabilities	**15 367**	15 700	**-**	-
Non-current liabilities	**111 090**	117 832	**-**	-
	126 457	133 532	**-**	-

The bank loans consists of a term loan with Bank Windhoek Ltd amounting to N$ 22.01 million which is secured over work in progress and investment property with a carrying value of N$ 129.3 million (2009: N$ 28.87 million), repayable in 60 monthly instalments of N$ 525 000 (2009: N$ 557 146) including interest at 15.75% and a loan from the Development Bank of Namibia Ltd amounting to N$ 12.5 million which is repayable in 20 equal quarterly payments of N$ 979 331 (2009: N$ 983 210) that commenced on 30 June 2009 that bears interest at prime rate less 3% per annum.

The mortgage loans are secured over land and buildings and investment properties with carrying values of N$ 67.7 million (2009: N$ 68.9 million) and N$ 30.1 million (2009: N$ 33.8 million), respectively and repayable in monthly instalments up to 20 years of N$ 668 560 (2009: N$ 773 996) including interest at home loan rates ranging between 10.00% and 12.75% (2009: 11.00% and 14.25%).

Liabilities under instalment sale agreements are payable over periods from 1 to 5 years at effective interest rates ranging from 12.25% to 14.25% (2009: 10.75% to 14.25%) per annum. These liabilities are repayable in monthly instalments of approximately N$ 489 464 (2009: N$ 898 941) and are secured over machinery and equipment and aircraft with a carrying amount of N$ 38.1 million (2009: N$ 56.8 million).

The following additional securities are in place for bank and mortgage loans:

- Cession of Fire Damage over Portion 1 of the farm Nubuamis Number 37, Windhoek in the name of Printas (Pty) Ltd, registration number 2005/0328.
- Shares pledged by Mr. Q. van Rooyen to serve as security for the Development Bank of Namibia loan (included under Bank loans above).
- Suretyship for N$ 15 million from Trustco Group International (Pty) Ltd and Trustco Media (Pty) Ltd in favour of Standard Bank of Namibia Limited.
- Unlimited surety by Q. van Rooyen and C. van Rooyen in favour of Bank Windhoek Limited.
- Unlimited surety by Q. van Rooyen in favour of ABSA Bank Limited.
- Other loans advanced (refer to note 9) in favour of Standard Bank of Namibia Limited.

OTHER LIABILITIES

23 Other liabilities

Finance lease obligations	Group 2010	Group 2009	Company 2010	Company 2009
Minimum lease payments due				
- within one year	**3 173**	1 763	-	-
- in second to fifth year inclusive	**2 204**	1 324	-	-
	5 377	3 087	**-**	-
less: future finance charges	**(582)**	(369)	-	-
Present value of minimum lease payments	**4 795**	2 718	**-**	-
Present value of minimum lease payments due				
- within one year	**1 645**	1 128	-	-
- in second to fifth year inclusive	**3 150**	1 590	-	-
	4 795	2 718	**-**	-
Non-current liabilities	**3 150**	1 590	**-**	-
Current liabilities	**1 645**	1 128	**-**	-
	4 795	2 718	**-**	-

Liabilities under finance leases are repayable over periods from 1 to 3 years at an effective interest rate of 11.75% (2009: 13.75%) per annum. These liabilities are repayable in monthly instalments of approximately N$ 316 701 (2009: N$ 378 375) and are secured over motor vehicles with a carrying amount of N$ 7.4 million (2009: N$ 4.84 million).

POLICY HOLDER LIABILITY UNDER INSURANCE CONTRACTS

24 Policy holder liability under insurance contracts

	Group 2010	Group 2009	Company 2010	Company 2009
Balance at beginning of year	**2 472**	2 001	**-**	-
Movement during the year	**2 427**	471	**-**	-
Balance at end of year	**4 899**	2 472	**-**	-

The reserving method is split into two methodologies namely: Prospective valuation and Retrospective valuation. Prospective valuation is used to compute the basic reserve and retrospective reserve calculation is used to compute claims Incurred But Not Reported ("IBNR").

TRADE AND OTHER PAYABLES

25 Trade and other payables	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Trade creditors	**18 823**	13 650	**106**	360
Insurance premiums due to insurers*	**88 770**	89 450	**-**	-
Amounts due to financial service providers*	**23 455**	26 382	**-**	-
External broker commission payable*	**10 681**	11 727	**-**	-
Administered claims fund*	**11 848**	10 047	**-**	-
Income received in advance	**5 427**	8 704	**-**	-
Accrued expenses	**16 011**	11 790	**475**	391
State: other taxes due	**5 895**	4 587	**538**	609
Other payables	**6 662**	3 031	**1 050**	469
	187 572	179 368	**2 169**	1 829

* These liabilities relate to amounts due by Trustco Financial Services (Pty) Ltd ("TFS"), a wholly owned subsidiary of the Group that can be explained as follows:

Insurance premiums due to insurers are in respect of premiums collected on behalf of insurers. The amount reflects premiums collected nett of any fees due to the Group in terms of the service agreements in place with the insurers. Amounts due to financial service providers result from amounts administered on behalf of financial service providers and insurers. External broker commission payable represents commission payable as a result of premiums collected from insurees by TFS. Claims funds due to insurers relates to amounts due in respect of claims advanced from insurers to TFS, on behalf of insurees for claims approved by the insurers but not authorised for payment. As per the requirement of the Short-term Insurance Act (Act 58 of 1998) of South Africa, as amended, certain guarantees are in place as disclosed per note 28. These liabilities forms part of the Financial services outside Namibia segment. Refer to note 43 on segmental information.

TECHNICAL PROVISIONS

26 Technical provisions

	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
26.1 Provision for IBNR				
Balance at beginning of year	**1 921**	1 296	**-**	-
Transfer from statement of comprehensive income	**87**	625	-	-
Balance at end of year	**2 008**	1 921	**-**	-
26.2 Provision for outstanding claims				
Long-term insurance contracts				
Balance at beginning of year	**36**	169	**-**	-
Transfer from / (to) statement of comprehensive income	**46**	(133)	**-**	-
Balance at end of year	**82**	36	**-**	-
Short-term insurance contracts				
Balance at beginning of year	**6 971**	2 812	**-**	-
Transfer from statement of comprehensive income	**855**	4 159	**-**	-
Balance at end of year	**7 826**	6 971	**-**	-
Total provision for outstanding claims	**7 908**	7 007	**-**	-
26.3 Unearned premium reserve				
Long-term insurance contracts				
Balance at beginning of year	**1 371**	1 269	**-**	-
Transfer from statement of comprehensive income	**61**	102	-	-
Balance at end of year	**1 432**	1 371	**-**	-
Short-term insurance contracts				
Balance at beginning of year	**5 535**	5 472	-	-
Transfer from income statement	**306**	63	-	-
Balance at end of year	**5 841**	5 535	**-**	-
Total unearned premium reserve	**7 273**	6 906	**-**	-
Total technical provisions	**17 189**	15 834	**-**	-

	Group		Company	
	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000
27 Bank overdraft				
The Group's available banking facilities and the extent to which they have been used are as follows:				
Available	**19 000**	33 000	**-**	-
Utilised	**21 626**	14 947	**-**	-

These banking facilities are secured as follows:

- 4th and 5th mortgage bonds totaling 7 000 000 over Erf 7490, Windhoek in favour First National Bank of
- Unlimited surety by Q. van Rooyen in favour of Standard Bank of Namibia Limited and First National Bank of
- Plot 29 Hopewell Aris, Windhoek in favour of Standard Bank of Namibia Limited. This is a van Rooyen property.
- Shares to the value of N$ 3.5 million have been pledged by Q. van Rooyen in favour of First National Bank of Namibia Limited.

CONTINGENT ASSETS, LIABILITIES AND GUARANTEES

28 Contingent assets, liabilities and guarantees

SABC legal action

The arbitration process between Trustco Group International (Pty) Ltd and the South African Broadcasting Corporation (SABC) continued as a result of breach of contract by the SABC. The arbitrator made the following award after the parties final submissions during June 2010: Payment to the amount of N$ R24.7million; interest a tempore morae on the amount from 22 October 2004 (being the date of the statement of claim) until date of payment and the costs of the arbitration. The Company was advised by its external legal representatives that there are good prospects that the amount of the award made by the arbitrator will be increased by an Appeal Tribunal. Acting on that advice the Company resolved to file an appeal against the award made seeking an increase in the amount awarded. A notice of appeal was served on the arbitrator and the SABC on 28 June 2010. Due to the uncertainty associated with the final amount to be awarded as a result of the appeal and the timing thereof, it was decided to not recognise any amount in profit and loss for the 2010 financial year.

The Group has other pending legal cases for which the total legal cost is estimated to be not more than N$ 805,000 (2009: N$ 510 000).

Guarantees

In terms of Section 45 of the Short-term Insurance Act of South Africa, 1998, an entity must be in possession of an Intermediaries Guarantee Facility Limited (IGF) guarantee in order to collect premiums and carry on the business as an insurer. An IGF guarantee to the amount of N$ 50 million was taken out by BrokerNet (Pty) Ltd, an indirect subsidiary of the Company. IGF required that BrokerNet (Pty) Ltd obtains an underlying guarantee from an insurer. BrokerNet (Pty) Ltd obtained such guarantee from Constantia Insurance Company Limited (CICL) who placed the guarantee on the condition that the Company would issue a deed of surety and that Q. van Rooyen cede 29 700 000 shares in the Company. The request is currently being attended to and until such time the 150 000 000 shares currently pledged serve as surety are released in terms of the previous surety arrangement. On these conditions CICL effected the placement of the guarantee.

CAPITAL COMMITMENTS

29 Capital commitments

Approved by directors but not contracted for:				
Property, plant and equipment	**43 324**	36 198	-	-

It is intended to finance this expenditure from existing borrowing facilities and from internally generated funds. No part of this expenditure has been contracted for at year end.

REVENUE

30 Revenue	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Revenue comprises turnover, which excludes value-added tax and represents the invoiced value of goods and services supplied.				
Major classes of revenue comprise:				
Financial services				
Insurance premium revenue	**108 365**	93 847	**-**	-
Broker commission and fees (administration, premium handling and claims administration)	**291 699**	267 843	**-**	-
Micro finance income (interest and fees received on loan book)	**34 457**	30 156	**-**	-
	434 521	391 846	**-**	-
Education				
Tuition and other related fees	**70 085**	41 041	**-**	-
Other (Private equity)				
Property sales	**25 946**	4 130	**-**	-
Charter income	**6 050**	10 013	**-**	-
Printing revenue	**555**	22 889	**-**	-
Advertising income	**9 952**	13 291	**-**	-
Management fees	**-**	-	**3 600**	-
Other income	**3 339**	1 304	**-**	-
	45 842	51 627	3 600	-
Total revenue	**550 448**	484 514	**3 600**	-
Insurance income can be analized as follows:				
Long-term insurance contracts				
Gross premium written	**45 557**	36 248	**-**	-
Change in deferred income	**(61)**	(102)	**-**	-
	45 496	36 146	**-**	-
Short-term insurance contracts				
Gross premium written	**63 175**	57 764	**-**	-
Change in deferred income	**(306)**	(63)	**-**	-
	62 869	57 701	**-**	-
Total insurance income	**108 365**	93 847	**-**	-
Aggregate change in deferred income	**(367)**	(165)	**-**	-

COST OF SALES

31 Cost of sales

Cost of goods sold	**26 981**	19 664	**-**	-
Cost of services rendered	**252 106**	237 508	**-**	-
	279 087	257 172	**-**	-

CLAIMS AND BENEFITS PAID ON INSURANCE CONTRACTS

32 Claims and benefits paid on insurance contracts

Long-term insurance contracts				
Death claims paid	**4 197**	2 768	**-**	-
Change in provision for outstanding claims	**46**	(133)	**-**	-
	4 243	2 635	**-**	-
Short-term insurance contracts				
Claims paid out	**11 824**	14 341	**-**	-
Change in provision for outstanding claims	**855**	4 784	**-**	-
	12 679	19 125	**-**	-
Total claims	**16 922**	21 760	**-**	-

	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
33 Profit before taxation				
This is arrived at after taking into account the following :				
Included in Other income is the following:				
Damages received	-	7 216	-	-
Realisation of contingent asset as result of finalising the DexGroup purchase agreement	20 000	-	-	-
Profit on disposal of property, plant and equipment	-	135	-	-
Profit on foreign exchange differences	88	5 458	-	-
Profit on disposal of non-core businesses and assets	2 834	18 442	-	-
Legal fees recovered (including SABC)	-	1 673	-	-
Included in Administration expenses is the following:				
Impairment of intangible assets	3 469	-	-	-
Increase in the provision for doubtful debts relating to the micro-finance student loan book	9 645	(299)	-	-
Depreciation and amortisation				
- Property, plant and equipment	13 818	14 191	-	-
- Intangible assets	494	1 097	-	-
Auditors' remuneration				
- For audit services	1 662	1 282	160	39
Loss on disposal of property, plant and equipment	5 541	337	-	-
Impairment of loans and receivables	15 858	-	-	-
Loss on foreign exchange	4	65	-	-

DIRECTOR'S EMOLUMENTS

34 Directors' emoluments	Shareholding	Remuneration					
2010	Shares (direct) '000	Fees N$ '000	Basic N$ '000	Bonuses N$ '000	Retirement & medical N$ '000	Other benefits N$ '000	Total N$ '000
Holding Company directors							
Executive Directors							
Q. van Rooyen *(Managing Director)**	392 554	-	-	2 536	-	-	2 536
F.J. Abrahams *(Financial Director)*	277	-	611	122	-	39	772
G.R.I. Walters	149	-	911	122	31	15	1 079
	392 980	-	1 522	2 780	31	54	4 387
Non-executive directors							
M. Nashandi *(acting Chairperson)*	15	94	-	-	-	-	94
Dr. D. Namwandi *(resigned 21 March 2010)*	57	157	-	-	-	-	157
V. de Klerk	16	78	-	-	-	-	78
A.H. Toivo ya Toivo	-	81	-	-	-	-	81
	88	410	-	-	-	-	410
Subsidiary company directors							
Executive Directors							
J. Jones	1 239	-	712	183	-	35	930
C. van Rooyen	-	-	600	122	-	-	722
J. van den Heever	82	-	679	122	-	38	839
M. Hamata	50	-	422	19	-	14	455
D. Swindon	260	-	817	49	-	68	934
Dr. C.J. Powell	159	-	602	77	-	42	721
W. N. Grobler *(resigned 30 November 2009)*	-	-	367	-	-	16	383
N.M. Basson	-	-	648	19	-	28	695
R.J. Taljaard *(resigned 16 October 2009)*	-	-	485	-	-	12	497
A. Lambert	48	-	420	-	-	25	445
T. Nampolo	52	-	279	34	-	20	333
J. Müller *(resigned 9 April 2009)*	-	-	13	-	16	47	76
E. Laing	-	-	507	75	43	5	630
S. Stols *(resigned 31 January 2010)*	-	-	764	75	118	70	1 027
I. Barnard *(appointed 5 November 2009)*	-	-	259	-	-	3	262
J. Wessels	-	-	1 567	75	321	8	1 971
D. Caine	-	-	620	75	125	7	827
S.W.A. Castro Carballo	-	-	383	30	69	6	488
	1 890	-	10 144	955	692	444	12 235
Total	394 958	410	11 666	3 735	723	498	17 032

* The bonus of Q. van Rooyen was accrued and not paid. The bonus must still be approved during the upcoming Annual General Meeting. Q. van Rooyen has an option to convert the amount owed into shares at par value as per the notice of the Annual General Meeting.

Dealings by directors
No share transactions were carried out by directors after year end and the date of approval of the annual report:

DIRECTORS' EMOLUMENTS (CONTINUED)

2009	Shareholding Shares (direct) '000	Remuneration Fees N$ '000	Basic N$ '000	Bonuses N$ '000	Retirement & medical N$ '000	Other benefits N$ '000	Total N$ '000
Holding Company directors							
Executive Directors							
Q. van Rooyen *(Managing Director)*	392 554	-	1 112	-	-	-	1 112
F.J. Abrahams *(Financial Director)*	150	-	538	200	-	-	738
G.R.I. Walters	-	-	721	200	-	-	921
	392 704	-	2 371	400	-	-	2 771
Non-executive directors							
Adv. T.J. Frank SC *(resigned on 13 November 2008)*	-	146	-	-	-	-	146
M. Nashandi	15	98	-	-	-	-	98
Dr. D. Namwandi *(Chairman)*	57	147	-	-	-	-	147
V. de Klerk	16	79	-	-	-	-	79
A.H. Toivo ya Toivo	-	78	-	-	-	-	78
	88	548	-	-	-	-	548
Subsidiary company directors							
Executive Directors							
J. Jones	1 075	-	647	300	-	12	959
P. J. Miller	50	-	465	200	-	6	671
C. van Rooyen	-	-	600	200	-	-	800
J. van den Heever	5	-	585	200	-	20	805
M. Hamata	-	-	327	200	-	60	587
D. Swindon	157	-	722	100	-	6	828
Dr. C.J. Powell	50	-	508	-	-	6	514
W. N. Grobler	-	-	435	100	-	11	546
N.M. Basson	-	-	517	3	-	16	536
T. Nampolo	8	-	253	20	-	6	279
J. Müller	-	-	1 246	250	195	5	1 696
A. van Wyk	-	-	534	-	-	3	537
E. Laing	-	-	472	-	43	5	520
S. Stols	-	-	793	-	136	5	934
J. Cockcroft	-	-	284	-	33	5	322
J. Wessels	-	-	1 244	-	218	5	1 467
D. Caine	-	-	466	-	97	5	568
S.W.A. Castro Carballo	-	-	311	-	59	5	375
	1 345	-	10 409	1 573	781	181	12 944
Total	394 137	548	12 780	1 973	781	181	16 263

STAFF COSTS

35 Staff costs	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Salaries and wages	61 572	63 887	5 022	4 487
Medical aid and employee fund contributions	2 980	2 305	-	-
Share appreciation rights	-	661	-	(499)
	64 552	66 853	5 022	3 988

INVESTMENT INCOME

36 Investment income

	Group 2010	Group 2009	Company 2010	Company 2009
Interest received				
- Bank	1 770	2 957	-	21
- Related party loans	-	-	10 759	16 150
- External party loans	4 086	903	-	-
- Finance lease receivable	318	318	-	-
Fair value gains & losses	1 709	322	-	-
	7 883	4 500	10 759	16 171
Dividends received	-	-	25 700	14 000
	7 883	4 500	36 459	30 171
Investment income earned on financial assets, analysed by category of asset, is as follows:				
Loans and receivables (including cash and bank balances)	6 174	4 178	10 759	16 171
Fair value through profit and loss	1 709	322	-	-
Available for sale	-	-	25 700	14 000
	7 883	4 500	36 459	30 171

37 Finance costs	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Interest paid				
- Bank overdraft	**3 763**	2 798	**-**	286
- Related party loans	**2 754**	1 641	**1**	-
- Long term liabilities	**8 322**	12 480	**-**	829
- Finance leases	**6 131**	9 067	**-**	-
	20 970	25 986	**1**	1 115
Less: Amounts included in the cost of qualifying assets	**(481)**	(611)	**-**	-
	20 489	25 375	**1**	1 115

TAXATION

38 Taxation

38.1 Income tax recognised in profit or loss

	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Namibia normal tax				
Current tax expense in respect of the current year	**1 750**	174	**605**	-
Deferred tax expense relating to origination and reversal of temporary differences	**22 286**	(20 425)	**480**	(311)
	24 036	(20 251)	**1 085**	(311)
South Africa normal tax				
Current tax expense in respect of the current year	**35**	(193)	**-**	-
Deferred tax expense relating to origination and reversal of temporary differences	**(117)**	(6 408)	**-**	-
	(82)	(6 601)	**-**	-
	23 954	(26 852)	**1 085**	(311)

Reconciliation of the tax expense

	Group South Africa 2010 N$ '000	Group South Africa 2009 N$ '000	Group Namibia 2010 N$ '000	Group Namibia 2009 N$ '000	Company Namibia 2010 N$ '000	Company Namibia 2009 N$ '000
Profit before tax	**23 036**	13 175	**138 462**	53 351	**28 449**	14 619
Tax rate	**28.0%**	28.0%	**34.0%**	35.0%	**34.0%**	35.0%
Tax on profit before tax at applicable tax rate	**6 450**	3 689	**47 077**	18 673	**9 673**	5 117
Tax effect of income that is exempt from taxation	**(3 711)**	(6 200)	**(15 386)**	(17 842)	**(8 602)**	(4 900)
Disallowable expenditure	**-**	636	**1 282**	3	**-**	-
Deferred tax asset recognised on consolidation (refer note 7)	**-**	-	**(7 795)**	(20 500)	**-**	-
Movement in contingency reserve	**-**		**(190)**	(369)		-
Deferred tax assets not recognised	**(3 208)**	(4 726)	**-**	(216)	**-**	-
Tax rate adjustment	**-**	-	**(310)**	-	**14**	-
Prior year over / (under) provision	**387**	-	**(642)**	-	**-**	(528)
Tax (debit) / credit to income statement	**(82)**	(6 601)	**24 036**	(20 251)	**1 085**	(311)

The Group has an estimated tax losses of N$ 124.4 million (2009: N$ 130.4 million) available for set off against future taxable income. The Company has no tax loss available for future set off against taxable income (2009: N$ 0.9 million).

38.2 Income tax recognised in other comprehensive income	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
Namibia normal tax				
Deferred tax expense relating to origination and reversal of temporary differences	**(1 873)**	(812)	**-**	-
South Africa normal tax				
Deferred tax expense relating to origination and reversal of temporary differences	**(39)**	-	**-**	-
	(1 911)	(812)	**-**	-

EARNINGS, HEADLINE EARNINGS AND DIVIDENDS PER SHARE

	Group	
	2010 N$ '000	2009 N$ '000
39 Earnings, headline earnings and dividends per share		
Earnings for the purposes of basic earnings per share being the profit attributable to ordinary shareholders	137 544	92 423
Adjustments net of taxation:	(52 212)	(21 059)
Loss on disposals of property, plant and equipment	3 657	131
Fair value adjustments on investment properties	(58 159)	(1 682)
Gain on loan written off	-	(7 216)
Profit on disposal of non-core divisions	-	(12 292)
Impairment of intangible assets	2 290	-
Headline earnings	85 332	71 364
Weighted number of ordinary shares for the purposes of basic earnings per share ('000)	677 240	660 197
Contigently issuable shares as a result of business acquisition	-	24 960
Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)	677 240	685 157
Basic earnings per share (cents)	20.31	14.00
Diluted earnings per share (cents)	20.31	13.49
Headline earnings per share (cents)	12.60	10.81
Diluted headline earnings per share (cents)	12.60	10.42
Dividends per share		
During the year under review normal dividends of 2.00 cents per share (2009: 1.00) amounting to a total of N$ 14.14 million (2009: N$ 6.70 million) were declared and paid by the Group.	2.00	1.00

CASH FLOW INFORMATION

	Group		Company	
40 Cash flow information	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000
40.1 Cash generated by operations				
Profit on ordinary activities before taxation	161 498	66 526	28 449	14 619
Adjustments:				
- Depreciation	13 818	14 191	-	-
- Amortisation of intangible assets	494	1 097	-	-
- Investment income	(7 883)	(4 500)	(36 459)	(30 171)
- Finance costs	20 489	25 375	1	1 115
- Loss on disposal of property, plant and equipment	5 541	202	-	-
- Fair value adjustment on investment properties	(88 261)	(2 730)	-	-
- Finance lease assets	354	322	-	-
- Write-off of loan account	-	(6 360)	-	-
- Other loans advanced	(13 497)	(24 574)	-	-
- Increase in technical provision	1 355	4 816	-	-
- Fulfillment of Trustco Financial Services (Pty) Ltd agreement	(14 976)	-	(14 976)	-
- Other non-cash items	3 718	(343)	-	1 853
Changes in working capital:				
- (Increase) / decrease in inventories	(1 688)	728	-	-
- (Increase) / decrease in trade and other receivable	(15 531)	2 340	-	10 500
- Decrease in provision for share appreciation rights	-	(1 361)	-	(499)
- Increase in trade and other payables	8 204	20 015	340	1 716
	73 635	95 744	(22 645)	(867)
40.2 Taxation paid				
Balance outstanding at beginning of year	(135)	2	-	-
- Current income tax assets	(263)	(167)	-	-
- Current income tax liabilities	128	169	-	-
Expense for the year	1 785	-	605	-
Balance outstanding at end of year	(1 253)	135	(468)	-
- Current income tax assets	752	263	-	-
- Current income tax liabilities	(2 005)	(128)	(468)	-
	397	137	137	-
40.3 Cash and cash equivalents				
Bank balances and call deposits	91 047	108 496	3	37
Bank overdraft	(21 626)	(14 947)	-	-
	69 421	93 549	3	37

41 Solvency margin	2010	2009
Solvency margin of Trustco Insurance Ltd	**22.1%**	17.9%

The solvency margin represents shareholders' interest of N$ 13.9 million (2009: N$ 10.4 million) expressed as a percentage of net premium income of N$ 62.8 million (2009: N$ 57.8 million) for the year under review.

42 Related parties

The Group is controlled by Q. van Rooyen who owns 56% of the Company's shares.

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

The following transactions were carried out with related parties:

	Relationship	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
42.1 Charter income received					
Next Investments (Pty) Ltd	Common director: Q. van Rooyen	**-**	423	**-**	-
42.2 Rent received					
Next Investments (Pty) Ltd	Common director: Q. van Rooyen	**66**	64	**-**	-
42.3 Printing income received					
The Free Press of Namibia (Pty) Ltd	Previous minority shareholder	**-**	20 929	**-**	-
42.4 Interest received					
Trustco Group International (Pty) Ltd (inc. in Republic of Namibia)	Direct subsidiary	-	-	**397**	4 244
Trustco Group International (Pty) Ltd (inc. in Republic of South Africa)	Direct subsidiary	-	-	**1 324**	-
Trustco Capital (Pty) Ltd	Direct subsidiary	-	-	**6 353**	9 259
Trustco Fleet Management Services (Pty) Ltd	Indirect subsidiary	-	-	**262**	259
Trustco Finance (Pty) Ltd	Indirect subsidiary	-	-	**2 423**	2 388
42.5 Management fees received					
Trustco Group International (Pty) Ltd (inc. in Republic of Namibia)	Direct subsidiary	-	-	**3 600**	-
42.6 Dividends received					
Legal Shield Holdings (Pty) Ltd	Direct subsidiary	-	-	**25 700**	14 000
42.7 Interest paid					
Next Investments (Pty) Ltd	Common director: Q. van Rooyen	**2 754**	1 641	**-**	-
42.8 Facility fee					
Next Investments (Pty) Ltd	Common director: Q. van Rooyen	**1 840**	-	**1 840**	-

Q. van Rooyen and/or C. van Rooyen and/or Next Investments (Pty) Ltd earns a facility fee of 2% per annum on the amount of the assets pledged or the amount of the suretyship provided for the Group.

Refer to note 34 for details on key management compensation.

Outstanding balances

Included in trade and other receivables are the following related party amounts:

	Relationship	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
DexGroup (Pty) Ltd	Common director: J. Muller	**-**	647	**-**	-
Dexrad (Pty) Ltd	Common director: J. Muller	**-**	141	**-**	-
Dex Security Solutions (Pty) Ltd	Common director: J. Muller	**-**	361	**-**	-
Secretarial Skills CC	Common director: J. Muller	**-**	20	**-**	-

Included in trade and other payables are the following related party amounts:

	Relationship	Group 2010 N$ '000	Group 2009 N$ '000	Company 2010 N$ '000	Company 2009 N$ '000
DexGroup (Pty) Ltd	Common director: J. Muller	**-**	26	**-**	-
Dexdata Technologies (Pty) Ltd	Common director: J. Muller	**-**	903	**-**	-
Secretarial Skills CC	Common director: J. Muller	**-**	3	**-**	-

Refer to note 11 for details of other related party amounts outstanding.

43 Segment results

Primary reporting format: Business segments

For management purposes, the Group is organised into four business segments, namely: Micro insurance; Micro finance and education; Financial services outside Namibia and Private equity.

Micro insurance:

This segment includes all activity associated with the Group short term and life insurance businesses mainly through the collection of monthly insurance premiums.

Micro finance and education:

Income and profits derived through the micro finance business (Trustco Finance) as a result of interest received on the student loan book portfolio and tuition fees through the Groups distant learning business, the Institute for Open Learning "IOL".

Financial services outside Namibia:

This includes all activity through Trustco Financial Services (Pty) Ltd "TFS" based in South Africa. TFS is a specialised provider of holistic solution-driven products and services across the financial and management service sectors. This entails issuing policy contracts to policy holders, calculating and collecting premiums and fees from policy holders, paying commissions and fees to Trustco brokers, paying risk premiums to Trustco insurers and executing all aspects of claims settling.

Private equity:

This segment encompasses all other non-financial services trading activity in the Group. Income derived from this segment mainly comprises of sale of land through it's Property operations, charter revenue associated through the Groups aviation business, and advertising revenue as a result of the Informante newspaper. All sundry and head office related costs that can't be allocated directly to the other segments are allocated to this segment.

The business segment results were as follows:	Micro insurance N$ '000	Micro finance and education N$ '000	Financial services outside Namibia N$ '000	Private equity N$ '000	Group N$ '000
2010					
Segment revenue	**-**	**104 542**	**291 699**	**151 795**	**548 036**
Inter segment revenue	**-**	**-**	**-**	**(105 953)**	**(105 953)**
	-	**104 542**	**291 699**	**45 842**	**442 083**
Insurance income	**108 365**	**-**	**-**	**-**	**108 365**
External revenue	**108 365**	**104 542**	**291 699**	**45 842**	**550 448**
Segment result	**38 488**	**2 338**	**23 367**	**89 461**	**153 654**
Inter segment	**6 497**	**37 004**	**(3 430)**	**(56 181)**	**(16 110)**
Profit for the year	**44 985**	**39 342**	**19 937**	**33 280**	**137 544**
Share of profit of equity accounted investees	**-**	**-**	**-**	**-**	**-**
Profit attributable to equity holders of the parent	**44 985**	**39 342**	**19 937**	**33 280**	**137 544**
Segment assets	**38 222**	**193 547**	**199 107**	**490 228**	**921 104**
Segment liabilities	**28 219**	**28 152**	**129 116**	**256 972**	**442 459**
Capital expenditure	**19**	**-**	**12 812**	**19 260**	**32 103**
Depreciation	**61**	**92**	**563**	**13 102**	**13 818**
Amortisation of intangible assets	**112**	**290**	**92**	**-**	**494**
2009					
Segment revenue	-	71 197	267 843	141 458	480 498
Inter segment revenue	-	-	-	(89 831)	(89 831)
	-	71 197	267 843	51 627	390 667
Insurance income	93 847	-	-	-	93 847
External revenue	93 847	71 197	267 843	51 627	484 514
Segment result	26 365	(2 777)	19 561	46 916	90 065
Inter segment	9 862	32 792	-	(39 341)	3 313
Profit for the year	36 227	30 015	19 561	7 575	93 378
Share of profit of equity accounted investees	-	-	-	(955)	(955)
Profit attributable to equity holders of the parent	36 227	30 015	19 561	6 620	92 423
Segment assets	29 688	150 795	195 822	386 019	762 324
Segment liabilities	21 174	31 977	130 209	208 487	391 847
Capital expenditure	-	892	11 832	14 476	27 200
Depreciation	83	190	495	13 423	14 191
Amortisation of intangible assets	112	290	695	-	1 097

Secondary reporting format: Geographical segments

The Company and its subsidiaries is situated in two geographical segments, namely: Namibia and South Africa. The geographical segment results were as follows:

	Namibia N$ '000	South Africa N$ '000	Group N$ '000
2010			
External revenue	**258 749**	**291 699**	**550 448**
Segment assets	**721 997**	**199 107**	**921 104**
Capital expenditure	**19 291**	**12 812**	**32 103**
Segment liabilities	**313 343**	**129 116**	**442 459**
2009			
External revenue	216 387	268 127	484 514
Segment assets	551 821	210 503	762 324
Capital expenditure	15 316	11 884	27 200
Segment liabilities	253 749	138 098	391 847

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, available-for-sale financial assets, loans and receivables, inventories, trade and other receivables and cash and cash equivalents.

Segment liabilities comprise of long term borrowings, liabilities as a result of insurance contracts and trade and other payables.

Capital expenditure comprises additions to property, plant and equipment (note 3), investment properties (note 4) and intangible assets (note 5).

The prior year segments namely Property, development and media and Investment related services have been consolidated into one segment in the current year, Private equity. The comparative information has been restated accordingly.

FINANCIAL INSTRUMENTS

44 Financial instruments

This note presents information about the Group's exposure to financial 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 established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly 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.

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. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit Committee.

Capital risk 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 the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends paid to ordinary shareholders. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 22 and 23, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, vendor shares and reserves as disclosed in note 16,18, 19 and 20 respectively.

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

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised inrespect of each class of financial asset, financial liabilitiy and equity instrument are diclosed in note 1 to the financial statements.

Categories of financial instruments	Group		Company	
	2010 N$ '000	2009 N$ '000	2010 N$ '000	2009 N$ '000
Financial assets				
Loans and receivables (including cash and cash equivalents)	**353 545**	301 730	**215 830**	210 459
Available for sale financial assets	**-**	-	**68 550**	68 550
Assets at fair value through profit or loss	**18 274**	10 035	**-**	-
Other Financial Liabilities (amortised cost)	**377 477**	364 657	**17 288**	12 054

Financial risk management objectives

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risk relating to the operations of the Group through internal risk reports which analyse exposure by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by using financial instruments to hedge these risk exposures. The use of financial instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-financial derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposure.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, 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 exposure within acceptable parameters, while optimising the return.

Foreign currency risk management

The Group is not substantially exposed to currency risk other than the respective functional currencies of Group entities. Primarily the Namibian Dollar and South African Rand currencies are used to transact which trades on a one to one basis.

The Group manages its foreign currency risk through the use of FEC contracts. There were no outstanding FEC contracts at year end.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

The Group was not exposed to foreign currency risk at year-end.

Interest rate risk management
The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring optimal hedging strategies are applied by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

Interest rate sensitivity analysis
The result of the sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For floating liabilities, the analysis is prepared assuming the liability outstanding at balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's:

- profit for the year ended 31 March 2010 would have decrease / increase by N$ 680 000 (2009: decrease / increase by N$ 571 000). This is mainly due to interest rates on variable rate borrowings.

The Group's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments.

Interest rate swap contracts
Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts of the Group outstanding as at reporting date:

Cash flow hedges	**Average contracted fixed interest rate**		**Notional principal amount**		**Fair value**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Outstanding receive floating pay fixed contracts	**%**	**%**	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**
Less than 1 year	**10.90**	11.20	**63 600**	63 600	**(612)**	(1 624)
1 to 2 years	**10.31**	10.31	**58 400**	58 400	**(1 165)**	(292)
			122 000	122 000	**(1 777)**	(1 916)

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the prime interest rate of First National Bank of Namibia Ltd. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest payments on the loans occur monthly and the amount deferred in equity is recognised in profit or loss over the period that the floating rate interest payments on debt impact profit or loss.

Equity price sensitivity analysis

The result of the sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date.

If equity had been 5% higher / lower:

- net profit for the year ended 31 March 2010 would have been affected by N$ 803,683 if the unit price of the balanced fund investments fluctuated by 5%.

The Group's sensitivity to equity prices has not changed significantly from the prior year.

Credit risk management
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 cash deposits, cash equivalents and receivables from customers.

Receivables from customers
The Groups exposure to credit risk is influenced mainly by the default risk of the industries. The demographics of the Group's customer base, including the individual characteristics of each customer and country in which customers operate, has less of an influence on credit risk. Trade receivables comprise a widespread customer base.

The Risk Management Committee has established a credit policy 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, when 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 Risk Management Committee; these limits are reviewed quarterly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

More than half of the Group's customers have been transacting with the Group for over five years and losses have occurred infrequently. In monitoring credit risk, customers are grouped according to their credit characteristics including whether they are an individual or legal entity, whether they are a retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Group's wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list and future sales are made on a prepayment basis with approval of the Risk Management Committee.

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. The Group does not require collateral in respect of trade and other receivables.

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 and only with counterparties that have an excellent credit rating.

Guarantees
The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 March 2010 no guarantees were outstanding (2009: none).

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of collateral obtained.

Liquidity risk management
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.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has build an appropriate liquidity risk management framework for the management of the Group's short. Medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables
The following tables detail the Group and the Company's remaining contractual maturity for its non-derivative financial liabilities and assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities and assets based in the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows.

Group: Liabilities	**Effective interest rate**	**Due in less than 1 year N$ '000**	**Due in 1 to 2 years N$ '000**	**Due in 2 to 3 years N$ '000**	**Due in 3 to 4 years N$ '000**	**Due after 4 years N$ '000**	**Total N$ '000**
2010							
Other financial liabilities							
Non-interest bearing							
- Trade and other payables	**-**	**181 677**	**-**	**-**	**-**	**-**	**181 677**
Variable interest rate instruments							
- Bank loans	**9.25% - 11.25%**	**9 975**	**9 975**	**9 975**	**9 975**	**9 854**	**49 754**
- Mortgage loans	**9.75% - 11.75%**	**9 023**	**9 255**	**9 255**	**9 255**	**43 099**	**79 887**
- Liabilities under instalment sale agreements	**9.5% - 10.25%**	**5 010**	**34 198**	**-**	**-**	**-**	**39 208**
- Finance leases	**11.25%**	**3 412**	**1 932**	**196**	**-**	**-**	**5 540**
- Bank overdraft	**11.25%**	**22 842**	**-**	**-**	**-**	**-**	**22 842**
Fixed interest rate instruments							
- Amounts due to related parties	**11.75%**	**-**	**26 018**	**-**	**-**	**-**	**26 018**
		231 939	**81 378**	**19 426**	**19 230**	**52 953**	**404 926**
2009							
Other financial liabilities							
Non-interest bearing							
- Trade and other payables	-	179 368	-	-	-	-	179 368
Variable interest rate instruments							
- Bank loans	9.75% - 15.25%	11 225	11 225	11 225	11 264	11 225	56 164
- Mortgage loans	11.00% - 14.25%	9 894	9 894	9 894	9 894	53 855	93 431
- Liabilities under instalment sale agreements	12.75% - 13.75%	10 176	9 565	36 476	1 287	242	57 746
- Finance leases	12.25%	1 763	753	555	16	-	3 087
- Bank overdraft	13.75%	17 002	-	-	-	-	17 002
Fixed interest rate instruments							
- Amounts due to related parties	12.00%	-	19 802	-	-	-	19 802
		229 428	51 239	58 150	22 461	65 322	426 600

Group: Assets							
2010							
Loans and receivables							
Non-interest bearing							
- Trade and other receivables	**-**	**44 865**	**-**	**-**	**-**	**-**	**44 865**
Variable interest rate instruments							
- Educational loans advanced	**20.00%**	**72 538**	**45 262**	**32 491**	**18 713**	**23 820**	**192 824**
- Other loans advanced	**10.00%**	**6 147**	**6 143**	**6 143**	**6 109**	**35 657**	**60 199**
- Amounts receivable under finance leases	**9.00%**	**500**	**500**	**500**	**-**	**-**	**1 500**
- Cash and cash equivalents	**2.00%**	**91 957**	**-**	**-**	**-**	**-**	**91 957**
Fair value through profit and loss							
Variable interest rate instruments							
- Investments in balanced funds	**9.00%**	**22 599**	**-**	**-**	**-**	**-**	**22 599**
		238 606	**51 905**	**39 134**	**24 822**	**59 477**	**413 944**
2009							
Loans and receivables							
Non-interest bearing							
- Amounts due by related parties	-	-	3 002	-	-	-	3 002
- Trade and other receivables	-	31 018	-	-	-	-	31 018
Variable interest rate instruments							
- Educational loans advanced	26.75%	70 481	51 207	36 807	21 575	12 559	192 629
- Other loans advanced	10.00%	1 000	1 000	1 000	1 000	6 000	10 000
- Amounts receivable under finance leases	9.19%	500	500	500	500	-	2 000
- Cash and cash equivalents	3.00%	111 751	-	-	-	-	111 751
Fair value through profit and loss							
Variable interest rate instruments							
- Investments in balanced funds	8.85%	10 888	-	-	-	-	10 888
		225 638	55 709	38 307	23 075	18 559	361 288

44 Financial instruments (continued)	Effective interest rate	Due in less than 1 year N$ '000	Due in 1 to 2 years N$ '000	Due in 2 to 3 years N$ '000	Due in 3 to 4 years N$ '000	Due after 4 years N$ '000	Total N$ '000
Company: Liabilities							
2010							
Other financial liabilities							
Non-interest bearing							
- Trade and other payables	-	**1 631**	**-**	**-**	**-**	**-**	**1 631**
Non-interest bearing							
- Amounts due to related parties	-	**-**	**-**	**-**	**-**	**-**	**-**
- Amounts due to related parties	-	**-**	**15 657**	**-**	**-**	**-**	**15 657**
		1 631	**15 657**	**-**	**-**	**-**	**17 288**
2009							
Other financial liabilities							
Non-interest bearing							
- Trade and other payables	-	1 829	-	-	-	-	1 829
Non-interest bearing							
- Amounts due to related parties	-	10 180	-	-	-	-	10 180
Variable interest rate instruments							
- Amounts due to related parties	13.75%	-	58	-	-	-	58
		12 009	58	-	-	-	12 067
Company: Assets							
2010							
Loans and receivables							
Variable interest rate instruments							
- Amounts due by related parties	**9.25%**	**-**	**257 600**	**-**	**-**	**-**	**257 600**
- Cash and cash equivalents	**2.00%**	**4**	**-**	**-**	**-**	**-**	**4**
		4	**257 600**	**-**	**-**	**-**	**257 604**
2009							
Loans and receivables							
Non-interest bearing							
- Amounts due by related parties	-	94 314	-	-	-	-	94 314
Variable interest rate instruments							
- Amounts due by related parties	13.75%	-	152 808	-	-	-	152 808
- Cash and cash equivalents	3.00%	38	-	-	-	-	38
		94 352	152 808	-	-	-	247 160

Insurance risk and policies for mitigating insurance risk
The Group assumes insurance risk by issuing insurance contracts, under which the Group agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) affecting the policyholder occurs. Insurance risk includes mortality and morbidity risk in the case of long-term business or risk of loss (from legal, trauma, or other source) in the case of general insurance.

For accounting purposes insurance risk is defined as risk other than financial risk. Contracts issued by the Group may include both insurance and financial risk; contracts with significant insurance risk are classified as insurance contracts, while contracts with no or insignificant insurance risk are classified as investment contracts.

The Group effectively manages its insurance risks through the following mechanisms:

- the diversification of business over several classes of insurance and large numbers of uncorrelated individual risks, by which the Group seeks to reduce variability in loss experience;
- the maintenance and use of sophisticated management information systems, which provide current data on the risks to which the business is exposed;
- actuarial models, which use the above information to calculate premiums and monitor claims patterns. Past experience and statistical methods are used;
- guidelines for concluding insurance contracts and assuming insurance risks. These include product pricing procedures; and
- the mix of assets, which is driven by the nature and term of the insurance liabilities. The management of assets and liabilities is closely monitored to ensure that there are sufficient interest bearing assets to match the guaranteed portion of liabilities. Hedging instruments are used at times to limit exposure to equity market and interest rate movements.

Distribution models are used by the Group to identify high-risk clients. Client relationship management programmes are aimed at managing client expectations and relationships to reduce lapse, surrender and paid-up rates.

The Group's reserving policy is based on actual experience, adjusted for expected future changes in experience, to ensure that adequate provision is made for lapses, surrenders and paid-up policies.

Monthly actuarial valuations and the Group's regular profit reporting process assist in the timely identification of experience variances. The following policies and practices are used by the Group as part of its underwriting strategy to mitigate underwriting risk:

- All long-term insurance product additions and alterations are required to pass through the approval framework that forms part of the life insurance business's governance process. The statutory actuaries approve the policy conditions and premium rates of new and revised products;

Expenses are managed through the Group's budgeting process and continuous monitoring of actual versus budgeted expenses is conducted and reported on.

The risk that the Group may pay fraudulent claims (claims risk) is mitigated by employing highly trained client service staff to ensure that fraudulent claims are identified and investigated thoroughly. The legitimacy of claims is verified by internal, financial and operating controls that are designed to contain and monitor claims risks.

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 of risk by class of business. The Group is broadly represented across Namibia and exposures to risks are representative of the economic activity in the various regions. The Group has exposure to lines of insurance business as described in the previous paragraph.

Fair value of financial instruments
The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

45 Events after balance sheet date

45.1 SABC legal action award

The arbitration process between Trustco Group International (Pty) Ltd and the South African Broadcasting Corporation (SABC) continued as a result of breach of contract by the SABC. The arbitrator made the following award after the parties final submissions during June 2010: Payment to the amount of N$ R24.7million; interest a tempore morae on the amount from 22 October 2004 (being the date of the statement of claim) until date of payment and the costs of the arbitration. The Company was advised by its external legal representatives that there are good prospects that the amount of the award made by the arbitrator will be increased by an Appeal Tribunal. Acting on that advice the Company resolved to file an appeal against the award made seeking an increase in the amount awarded. A notice of appeal was served on the arbitrator and the SABC on 28 June 2010. Due to the uncertainty associated with the final amount to be awarded as a result of the appeal and the timing thereof, it was decided to not recognise any amount in profit and loss for the 2010 financial year.

45.2 IFC funding

Trustco entered into negotiations with the International Finance Corporation (the "IFC") in terms of which the IFC proposed to provide a 7-year senior loan of N$80 million (approximately USD10.9 million) to support the student lending program of Trustco Finance (Pty) Ltd ("Trustco Finance"). Trustco Finance is a wholly owned subsidiary of the Company. The proposed loan will support the long term strategy of the Group as it expands its micro-lending and education business in Namibia and in the Southern African region. The proposal is subject to the necessary approvals by the Company and the IFC.

45.3 Loan advanced to Atlanta Cinema CC

Trustco Capital (Pty) Ltd advanced a loan to Atlanta Cinema CC. The loan amount outstanding on 31 March 2010 was N$ 12.3 million. The last monthly payment received from Atlanta Cinema CC was on 16 April 2010. Trustco Capital (Pty) Ltd instituted legal proceedings against Atlanta Cinema CC for the outstanding balance. Messrs. Becker, Ludwig and van der Merwe signed personal suretyships.

45.4 Appointment of new directors'

The Board is in the process of finding a new chairman to replace Dr. D. Namwandi who resigned on 21 March 2010 as chairman. Additional non-executive directors will also be appointed to further compliment the Board.

45.5 Trustco Mobile

Trustco Mobile (Pty) Ltd is busy with final negotiations to conclude an agreement with Econet Wireless (Pty) Limited ("Econet") and First Mutual Life Assurance Co. ("First Mutual") in Zimbabwe. This agreement will provide free life cover and other value added services to the 4.2 million subscriber base of Econet based on the airtime purchased by subscribers. The life cover will be underwritten by First Mutual. Trustco Mobile (Pty) Ltd will receive a monthly facility fee from Econet based on the number subscribers that opted for the value added service. Trustco Mobile will provide the informational technology framework and applications to facilitate this service and will be liable for an administration fee payable to First Mutual.

COMPARATIVE FIGURES

46 Comparative figures

Property, development and media segment
The Property, development and media segment is a combination of the Property holding and rental income and Development and Media segments as reported in the previous year. These two segments were combined into one segment as management desired to group all non-financial services activities into a single segment.