ANNUAL REPORT 2011

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TRUSTCO oshili nawa

ABOUT TRUSTCO

Financial Highlights

Nature of business

Trustco Group Holdings Limited ("Trustco"), with its core activities in micro insurance and microfinance, is primarily a diversified financial services company serving the lower end of the consumer market. Through the use of technology, affordable and appropriate products and services, Trustco is able to better service the mass market, where access to finance and insurance remains limited. Following the recent launch of its mobile insurance product in Zimbabwe, its 2009 listing on the Africa Board of the JSE Limited ("JSE"), and its integration with mobile telephony to reach underserved communities, Trustco is poised to become a truly pan-African group.

Financial overview

Despite southern Africa's slow emergence from the global recession, historical low interest rates and severe flooding in northern Namibia, Trustco was still able to provide a solid performance. Profit after tax increased by 38% to NAD190 million while headline earnings grew by 55% to NAD132 million compared to the previous corresponding financial period ended 31 March 2010. This financial period marked Trustco Mobile (Pty) Limited's ("Trustco Mobile") first contribution to the Group profits with the company adding NAD23 million to net profit after tax.

Earnings were further boosted by property sales from the Lafrenz property, Trustco's veritable "land bank", which houses prime industrial property on the outskirts of Windhoek. During the financial period ended 31 March 2011, the Group sold 54 000 square metres of the Lafrenz property for NAD68 million at an average sales price of NAD1,250 per square metre. This recent sale represents only 3% of the approximate 1.8 million square metres of land available for sale. An additional 120 000 square metres are earmarked for sale during the next financial year.

Earnings were further enhanced by an award in favour of Trustco for damages arising out of a breach of contract by the South African Broadcasting Corporation ("SABC"). The award was recognised during this period to the extent of NAD54 million.

Revenue in the microfinance and education segment declined marginally as a result of new loans being subjected to stricter credit criteria, therefore improving the quality of assets on the loan book. This is confirmed by the reduced income statement charge during the period under review, which more than halved when compared to the comparative period, and this on an increased gross loan book during the period under review.

Administrative expenses increased 10% for the current financial period compared to the previous financial period. This is mainly due to a NAD17 million underwriting fee paid to a third party insurance firm in Zimbabwe as part of the Trustco Mobile business and NAD12 million impairment charge recognised on the loans provided on the sale of the restaurant business. Legal proceedings have been instituted against the relevant parties, however management deem it prudent to provide for the loans.

Review of operations

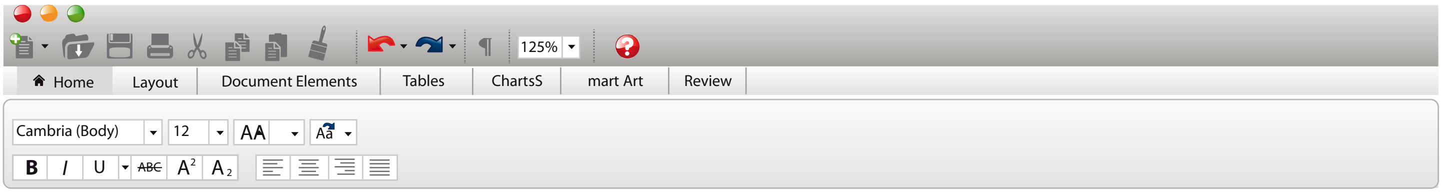
Micro Insurance and Technology Solutions

Namibia

The financial period showed a marginal increase in revenue which amounted to NAD111.52 million for micro insurance. The net profit after tax increased by 11% compared to the corresponding period, as a result of effective expense controls being in place. With the recent introduction of new products, revenue for this segment is expected to achieve further growth. Premium increases were put on hold during 2010 as an incentive to members as the Company celebrated its 10th anniversary. Premium increases will resume during the current financial year.

Zimbabwe

The 2011 financial period has been a momentous one for Trustco Mobile. On 7 October 2010, EcoLife, a partnership between Trustco Mobile, First Mutual Life Assurance Company (Private) Limited and Econet Wireless (Private) Limited, was launched all



across Zimbabwe. This marked the second step in Trustco's African expansion beyond Namibia. EcoLife has been well received in the Zimbabwean market and continues to grow apace. On 31 March 2011, Trustco Mobile boasted 1.6 million registered customers across Zimbabwe and it anticipates a rapid increase in this number as discussions with telecommunication operators and financial service providers develop into new business opportunities across the African continent.

While the current model leverages off the high mobile penetration rate to increase insurance permeation in sub-Saharan Africa, where less than 5% of the population has access to insurance, the robustness and flexibility of the technology allows it to be applied to any transactional-based system. Given Trustco Mobile's potential replicability and adaptability across various emerging markets, this business is expected to blaze the trail for the expansion of Trustco's other subsidiaries into the rest of the African continent.

South Africa

Trustco Financial Services (Pty) Limited ("TFS") provides intermediary administrative and software solutions to the financial services and insurance market. The financial period ended 31 March 2011 proved to be a challenging year for the South African insurance industry due to the global economic recession. Consequently, revenues declined by 10% and net profits dropped by 18% compared to the previous corresponding financial period. With the focus on enhancing services along the value chain and responding to the increased interest in TFS's software solutions, the next financial year should see a marked increase in top- and bottom-line performance.

Micro finance and education

Namibia

Severe flooding in the northern part of Namibia, where the bulk of students are located, resulted in a 13% decline in revenue and a 13% drop in net profit after tax compared to the period ending 31 March 2010. The reduction in the prime lending rate further adversely affected the yield on educational loans. Stricter credit criteria also subdued growth during the current financial period.

Despite the challenging conditions, gross Educational loans increased from NAD193 million to NAD226 million from 31 March 2010 to 31 March 2011. Trustco Finance concluded a loan agreement with the International Finance Corporation which should significantly improve the lending programme and the growth of the loan book. NAD40 million was disbursed during the year under review, a futher NAD30 million immediately after year-end and another NAD10 million will be disbursed upon the Group's request.

Trustco properties

Namibia

Property investment and development have been an integral part of the Trustco business culture since the inception of Trustco. The current property portfolio consists primarily of residential, commercial and industrial properties in Namibia as well as strategic virgin land, a key driver in this business segment.

Following the acquisition in 2004 of 360 hectares (3.6 million square metres) of undeveloped industrial and residential land north of Windhoek, the Group's "land bank" has just yielded its first significant returns through the sale of industrial plots.

Capital requirements in the Group will be enhanced through the sale of land during the next financial period.

ABOUT TRUSTCO

DIRECTORATE

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1. Adv Raymond Heathcote

Chairman
Independent Non-executive
LLB

25 September 1964

Namlex Chambers, Windhoek

Wall

Friends

Adv. Heathcote joined the Government Attorney in Namibia in 1991. He was admitted as an Attorney of the High Court of Namibia towards the end of 1992. He acted as a Judge of the High Court of Namibia in 2005, 2007, 2009 and 2011 and several of his judgments have been reported in the Namibian Law Reports and South African Law Reports. During September 2009 he was honoured by being appointed Senior Counsel. Adv. Heathcote currently serves as the president of the Society of Advocates in Namibia.

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2. Theofelus Mberirua

Vice Chairman
Chairman of REMCO
Independent Non-executive
Masters of Business Administration

12 February 1962

Ettiene Rossouw and Yshar Street, Northern Industrial, Windhoek

Wall

Friends

T Mberirua has held various senior executive positions such as that of Managing Director of Standard Bank Namibia Limited, and served on various directorships with large Namibian Companies across various industries such as, to name a few, First National Bank Namibia and Standard Insurance Brokers Namibia (Pty) Ltd. Mberirua has lectured financial courses and information technology both in the USA and in Namibia. He is currently actively involved in the private sector in southern Africa.

TRUSTCO oshili nawa

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3. Dr Tobie Aupindi

Independent Non-executive
Member of REMCO and ARMCO
PHD Global Corporate Strategy
MBA

12 May 1974

12 Kestrel Street, Windhoek

Wall

Friends

A well-qualified, globally exposed, experienced and successful international business leader with an impressive track record of success in strategic roles in the commercial and state sectors. Adept at presenting concepts and influencing and inspiring others, he combines excellent networking skills with marketing expertise to facilitate and drive success. Passionate about applying his business re-engineering skills to maximise stakeholder returns by transforming organisations, he had successfully negotiated international upstream oil and gas exploration agreements worth billions of US Dollars. He also achieved international recognition in the international business sectors when voted 'Africa's Personality for 2010 (WTA), voted by 183,000 business and travel expert leaders from all over the world. He developed and successfully utilised the Tobie Aupindi Corporate Strategy Framework as a strategic business tool for creating 'high-performance enterprises' by identifying strategic options and adopting a systematic and robust approach.

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4. Veronica de Klerk

Independent Non-executive
Member of REMCO

26 November 1954

3 Ruhr Street, Northern Industrial
Windhoek

Wall

Friends

De Klerk is currently the Executive Director of Namibia's most prominent rural development organisation – Women's Action for Development (WAD), which is widely known as one of the most effective NGO's in Namibia. Under her leadership WAD is initiating a wide range of small businesses and has engaged in training an impressive number of unemployed Namibians country-wide, to acquire various skills to enter the labour market. Through her directorship and prominence in the media, the organisation has attracted a number of frontline Black Economic Empowerment partners to promote broad-based economic empowerment among the poor. De Klerk is a well-known Television and Radio personality and has gained business and economic experience when she was appointed to the President's Economic Advisory Council during 1997. De Klerk is acknowledged in the publication: "Guide to Namibian Politics" as one of the 109 Namibian key-players that influences political direction in the country.

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5. Monica Nashandi

Independent Non-executive
Member of ARMCO
Masters of Administration in diplomacy
UK Diploma in Youth and Development
Commonwealth Programme

12 October 1959

15 Luther Street, Windhoek

Wall

Friends

A career diplomat with a vast knowledge on international relations, politics and diplomacy, among which, Nashandi served as back to back Ambassador for Namibia and to the United Kingdom of Great Britain and Northern Ireland, Sweden, Finland, Norway, Denmark, Iceland and Ambassador Extraordinaire and Plenipotentiary to the Republic of Ireland and further to the UN, roles in which she applied her intellectual negotiating skills. M Nashandi is versatile in that she has the capability to switch to new roles in both governmental and corporate environment as proven in her recent role as senior advisor to the President of the Republic on strategic planning and policy formulation. She is also passionate about using her vast knowledge in strategic cooperations negotiated through bilateral relations both between countries or organisations, and, in particular in the areas of economic, investment, trade and tourism.

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6. Winton Johan Geyser

Independent Non-executive
Chairman of ARMCO
B Compt
B Comp (Hons)
CA (SA)

3 June 1960

27 Kallie Roodt Street, Northern Industrial, Windhoek

Wall

Friends

W J Geyser completed his articles and qualified as a Chartered Accountant in the Republic of South Africa and is a member of the South African Institute of Chartered Accountants. He held the position of Assistant Manager at the audit firm Deloitte, Haskins & Sells (now Deloitte) and later joined their Financial Management Services division where he provided accounting assistance, taxation and estate planning to a number of individuals and companies. Since then he has performed consultancy work for large corporations and has held various senior positions such as Group Financial Manager at Fluid Holdings Limited, General Manager (Finance) with Agra Co-op Limited and Financial Director of M Pupkewitz & Sons (Pty) Limited. Geyser currently holds the position of Group Managing Director of Epic Holdings (Pty) Limited and various other directorships in Namibian Companies.

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7. Floors Abrahams

Financial Director
Executive
B.Com

19 June 1975

Trustco, 2 Keller Street, Windhoek

Wall

Friends

After obtaining his B.Com degree, Abrahams commenced with his articles in 1997. During this period he accumulated vast experience in the financial sector and conducted various client audits. Upon completion of his articles Abrahams was approached by Trustco and subsequently appointed as its Group Financial Manager in 2000. On 01 April 2004 Abrahams accepted appointment as Trustco's Group Financial Director. He assisted with and played an important role in Trustco's various listings on the JSE Limited and the NSX. Abrahams recently celebrated his 11th year with Trustco.

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8. Quinton van Rooyen

Group Managing Director
Executive
B.Iuris, LLB

16 April 1965

Trustco, 2 Keller Street, Windhoek

Wall

Friends

Van Rooyen acquired Trustco for a meagre NAD100.00 in 1992 upon finalising his studies and simultaneously took over its debt. His business creativity has led to him being voted Business Communicator of the Year in 2003 and voted second Most Admired Business Personality of the Year in 2007. His talent and passion is to create products and services that are both socially responsible and that create extraordinary wealth by harnessing opportunities in Africa. Van Rooyen passionately believes that the full potential of Africa is yet to be realised.

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9. Jan Jones

Alternate Director for Q van Rooyen
Executive

2 August 1971

Trustco, 2 Keller Street, Windhoek

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Friends

Jones has a wide range of experience in business management, ranging from operational and client management in several firms to sales and marketing management with firms in Namibia. Of particular note was his rise from IT manager. Since starting with Trustco in 2000, Jones has moved up from being IT manager to General Manager and Company Director in 2003, before accepting the position of deputy Group CEO. Jones' passion is to integrate technology solutions into viable products, especially for the mass market.

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Board of Directors

EXECUTIVE COMMITTEE

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Quinton van Rooyen

Group Managing Director

Wall

Photos (375)

Friends

Share: **Status** **Photo** **Link** **Video**

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Jan Jones

Head: Africa Expansion/Deputy Managing Director

Wall

Photos (205)

Friends

Share: **Status** **Photo** **Link** **Video**

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Floors J Abrahams

Financial Director

Wall

Photos (119)

Friends

Share: **Status** **Photo** **Link** **Video**

EXECUTIVE COMMITTEE

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Janene van den Heaver
Head: Namibia Operations

- **Wall**
- Photos (79)
- Friends

Share: **Status** **Photo** **Link** **Video**

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Dr. Corne Powell
Head: Properties

- **Wall**
- Photos (102)
- Friends

Share: **Status** **Photo** **Link** **Video**

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Elmarie Janse van Rensburg
Head: Corporate Affairs
as at 1 October 2010

- **Wall**
- Photos (88)
- Friends

Share: **Status** **Photo** **Link** **Video**

EXECUTIVE COMMITTEE

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Adrian Bock

Head: Corporate Finance
as at 15 April 2011

Wall
Photos (205)
Friends

Share: **Status** **Photo** **Link** **Video**

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Jans Wessels

Head: SA Operations
as at 1 April 2011

Wall
Photos (119)
Friends

Share: **Status** **Photo** **Link** **Video**

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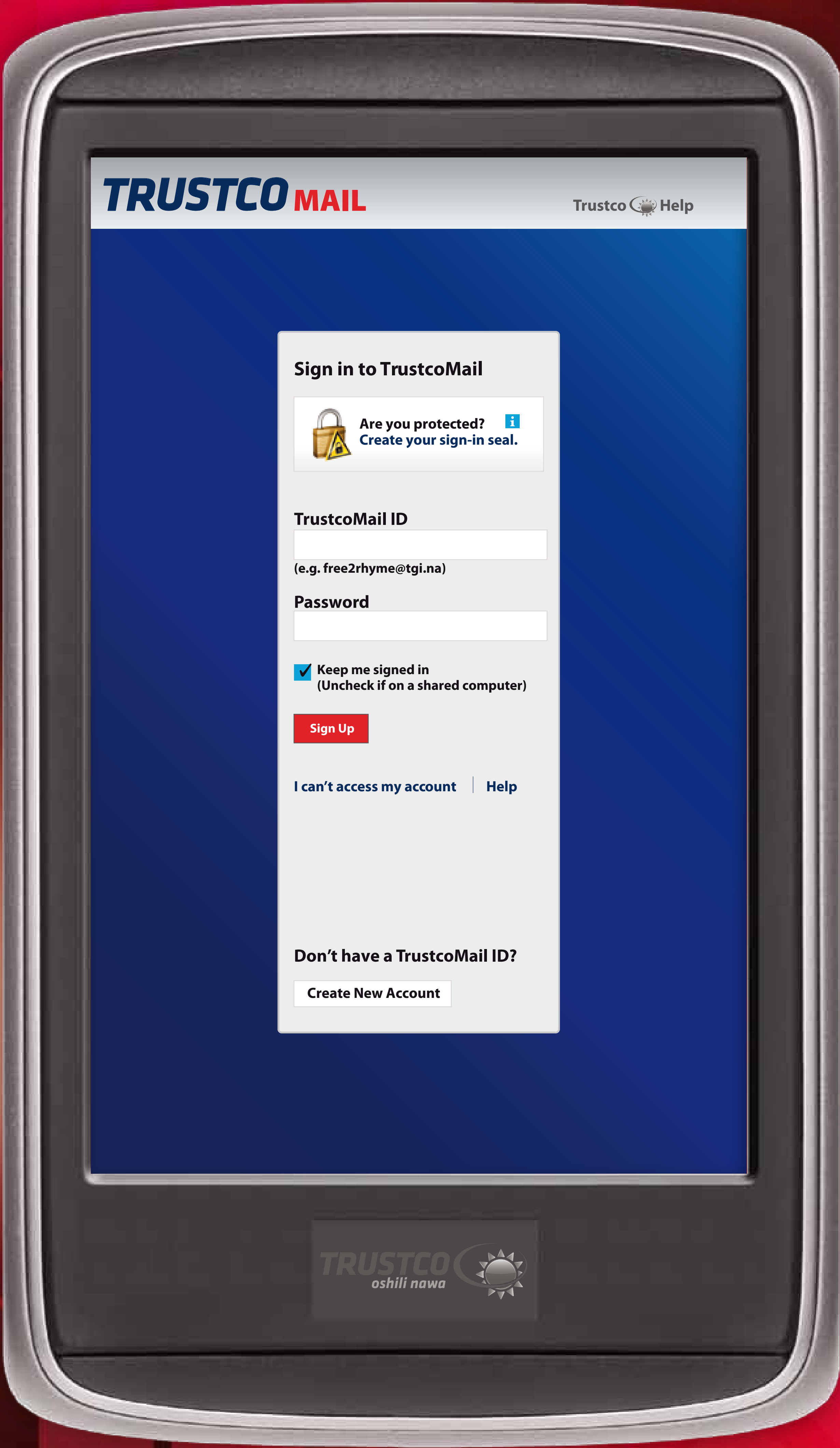
Desnei Leaf-camp

Head: Corporate Strategy

Wall
Photos (97)
Friends

Share: **Status** **Photo** **Link** **Video**


TRUSTCO MAIL
Trustco Help
Sign in to TrustcoMail
Are you protected?
Create your sign-in seal.
TrustcoMail ID
(e.g. free2rhyme@tgi.na)
Password
Keep me signed in
(Uncheck if on a shared computer)
Sign Up
I can't access my account
Help
Don't have a TrustcoMail ID?
Create New Account
TRUSTCO
oshili nawa

REPORTS

Chairman's Report

Taking Flight

2011 was the year we spread our wings and stepped off the precipice after carefully judging the height, measuring the wind speed and calibrating our eagerness to soar. Having successfully penetrated the South African market through an acquisition in 2007, we launched into the Zimbabwean market with an innovative new product that we had diligently tested in the Namibian market. That product is Trustco Mobile, a pioneering mobile micro insurance product able to deliver micro insurance easily and affordably anywhere in the country where mobile telephony is available.

In October 2010, Ecolife, a partnership between Trustco, First Mutual Life and Econet Wireless Zimbabwe, was launched across Zimbabwe. The initial subscription for the life insurance exceeded expectation, proving the product's viability outside Namibia. While the current model leverages off the high penetration rate to increase insurance permeation in sub-Saharan Africa, where less than 5% of the population has access to insurance, the robustness and flexibility of the technology allows it to be applied to any transactional-based system. Given Trustco Mobile's potential replicability and adaptability across various emerging markets, this business is expected to blaze a trail for the expansion of Trustco's other subsidiaries into the rest of the African continent.

Maintaining Stability

Establishing a wider footprint in Africa requires patience and perseverance, qualities that Trustco has successfully honed over the years. With Zimbabwe marking our fledgling attempt, we anticipate taking full flight in 2012 and securing new markets in West Africa. Meanwhile, we continue to build a solid base, maintaining strong performance in our home markets. Namibia and South Africa have slowly started to emerge from the global recession which kept regional output and growth subdued over 2011. Consumer demand remained relatively flat while business confidence showed a cautious return. The heavy floods in the northern parts of Namibia wreaked havoc on business, infrastructure and the environment. In spite of all this, Trustco managed a relatively strong financial performance with after-tax profits coming in at NAD190 million, a 38% increase on the previous year ending 31 March 2010. Headline earnings, which were boosted by property sales, rose by 55%, reaching NAD132 million at the end of March 2011.

Alleviating poverty through enhanced access to productive finance remains the development objective of many governments and development institutions. Trustco has been a long-time partner in this endeavour through the extension of microloans to fund further education in Namibia. The demand for finance and quality education remains beyond the scope of supply. Striving to meet this demand efficiently and competitively, both in Namibia and beyond, means that Trustco will remain relevant and active for years to come.

Interest income has come down marginally as a result of the current low interest rate regime facing the credit market. We have attempted to combat this decline by improving the asset quality of our loan book and thereby reducing impairments. The tightening of our lending criteria has meant that the rate of growth of new loans granted declined significantly in the beginning before regaining upward momentum. The shift away from debit order payments in favour of salary stop orders has also helped to reduce our bad debt rate. With the introduction of new courses and learning tools through IOL, we should see the extension of new loans picking up during the course of 2012.

The insurance industry in Namibia is well developed and quite mature offering limited expansion opportunities and fierce competition. Trustco has succeeded in this market by focusing on the mass market where insurance is still not accessible, either because it is not affordable or simply not available. Ensuring that our products remain affordable and valuable to our clients requires continuous innovation and adaptation to the changing economic circumstances our clients constantly face. The speed with which we can act and respond is often hampered by the skills shortage the industry as a whole faces. The Namibian insurance industry is greatly challenged by the lack of underwriting and claims specialists as well as financial experts with an insurance background. While on-the-job training offers some relief, to adequately address the problem it needs to be coupled with appropriate technical training and knowledge construction.

Chairman's Report (continued)

Serving the lower end of the market can be rewarding for companies that incorporate flexibility, simplicity and responsiveness into their products and services. To date, the banking industry in Namibia has failed to respond appropriately to the needs of this market. High transaction costs and complex products mean that a large number of the population still remains underbanked. For those with bank accounts, the ability to transact payments efficiently is constrained by the high cost of debit order fees which, in some cases, can exceed the debit order payment, thus negating the efficiency of this payment method. As a consequence, credit terms become stricter as credit providers can no longer rely on debit orders as a secure method of payment. Enhancing market access and bringing down the cost of serving the economically sensitive consumer can best be achieved by bringing affordable, simple and responsive banking to the masses.

Despite the slow economic recovery of global markets, local bourses continued to rally in 2011 with the JSE All Share Index achieving a 12.0% return. The JSE Financial Index was less impressive, only achieving a 2.5% return. Following a precipitous decline in 2010, Trustco Shares shot up from a low of NAD0.28 per share in September to a high of NAD1.35 in March 2011. This represented an astounding 120.5% return over the 12 months ending 31 March 2011. The impressive rallying of Trustco's shares of the past 12 months bears testimony to the soundness of the Group's business model and the resilience of the management team. This business model is underpinned by a deep knowledge of Trustco's target market, a strong market position and brand recognition of Trustco's products, creative marketing and innovative solutions to meet the insurance, finance and education needs of southern Africa's emerging markets.

Trustco at a Glance

Trustco Group Holdings is made up of nimble, innovative companies focused on technology-driven, market reactive, affordable products and solutions to consumers in the middle to lower end of the socio-economic segment. What distinguishes Trustco from its competitors are:

- "carefully researched and appropriately designed products and services that suit the needs of a constantly changing consumer market";
- "our focus on affordability and accessibility, recognising that our clients are vulnerable to changing economic conditions";
- a technology-driven strategy that maximises efficiency and reduces waste;
- delivering financial solutions and services that address the various stages of the client's economic lifespan;
- a formidable marketing strategy and tools that are carefully targeted and able to reach the remotest corners of our geographical markets; and
- a strong loyalty to our customers and commitment to service excellence.

How Did We Get Here?

Year	Activity/Sector	Description
1992	Property development	Acquired Trustco from a small property development company and successfully completed the construction of 27 apartments over two years.
2000	Legal insurance	Established Trustco Insurance, a cost-efficient and affordable legal insurance product in Namibia that covers the policyholder and his/her direct family members against legal costs plus a funeral benefit for the main policyholder. Trustco Insurance has subsequently introduced other short-term insurance products and has over 300 000 policyholders.
2005	Education and microfinance	Acquired Open Learning Group Namibia, later renamed Institute For Open Learning, ("IOL"), to get into microfinance through payroll deduction. IOL had 2 500 students and a loan book of NAD4million. The business consisted of both the education and finance operations.
2006	Life insurance	Trustco registered as a long-term life insurer providing affordable life cover under the name Trustco Life to underserved segments of the population.
2006	NSX listing	The listing brought over 2 800 ordinary Namibian citizens into the stock market.
2007	Expansion into South Africa	Acquired Trustco Financial Services, formerly Dex, an insurance claims administration company based in South Africa.
2008	Mobile insurance	Launched Trustco Mobile in Namibia and expanded access to life insurance through mobile telephony.
2009	Africa Board listing	Trustco Group Holdings was the first company to list on the Africa Board of the JSE.
2010	Expansion into Zimbabwe	Launched Trustco Mobile in Zimbabwe.

Adv. R Heathcote
Chairman

Windhoek
30 June 2011

TRUSTCO MAIL

Check Mail | New

Search Mail... Go

Delete | Reply | Forward | Spam | Move | Print | Actions

Inbox
Drafts
Sent
Spam
Trash

Group Managing Director's Report

Tests are a gift. Great tests are a great gift. To fail a test would be a misfortune ... but to refuse it is to refuse the gift, and is something much worse, more irrevocable, than simple misfortune....

The 2011 financial year was a year marked with tests, both great and small, for Trustco. From the struggling economy, slow to emerge from the global recession, to the flooding that once again nearly overwhelmed our country's northern region, Trustco was tested. But hard times seem like a poor reason to just stagnate – when you can't do what you want, you do what you can, and what Trustco did was remarkable this year.

What Dreams are Made of

With the remarkable 2010 financial year behind us, our targets were set higher for this year. Given a proven growth record, our management team could not rest on their laurels and provide shareholders and other stakeholders with average returns. Instead, they once again attested their leadership skills – and guided Trustco to an impressive 38% growth in Net Profit after Tax and a 55% growth in Headline Earnings.

Expeditious Efficiency

The Trustco Team extended their reach this year – securing revenue from home and abroad. But the most momentous one this year had to have been the eventual maturity of the Trustco Mobile investment.

On 7 October 2010, Trustco Mobile, in partnership with our Zimbabwean colleagues, Econet Wireless and First Mutual Life, was launched under the name EcoLife – and has brought free life insurance into the homes of over one million ordinary Zimbabweans.

As noted in prior reports, this product has remarkable potential – leveraging off mobile penetration to deepen access to life insurance across almost any transaction-based platform.

With a Long Track Record

Yet this would not have been possible without the continuing assistance of our Namibian insurance operations where, for years, this system has provided free life cover to our more than 300 000 insured members.

Indeed, this year marked the tenth anniversary of our local insurance arm – which we celebrated by offering our customers a 12-month premium increase holiday. With this tremendous saving for our customers and their continued loyalty to Trustco, the insurance team still managed to achieve an 11% growth in profit after tax. Effective cost controls implemented during the financial year ensured that even without the premium increase we were still able to deliver on profits.

All Great Deeds are Accomplished out of Imperfection

Sadly, the greatest test of character comes not from victory, but from loss. With severely restricted credit markets, the Namibian Reserve Bank opted to keep interest rates at historically low levels over the past financial year resulting in a concomitant impact on the interest income of our previously starring unit – Education and Microfinance.

Furthermore, the aforementioned flooding in northern Namibia put additional pressure on top and bottom-line performance, as most of our country's population and hence the majority of our students are located in that region.

Nevertheless, even after reporting a 13% decline in revenues and net profit after tax, education and microfinance succeeded in growing the gross educational loan book by 17% giving them the ability to swiftly bounce back once conditions improve.

Inevitability

Recognising that South Africa's emergence from the global economic recession would be slower than projected, our South African division, which provides middle-ware and administrative insurance solutions focused on cost efficiency and service enhancement all along the value chain. This served to dampen the negative impact on business performance. However, revenues were down 10% and net profit after tax declined by 18%.

But even this expected decline will not stifle management's creativity and, with a shift in focus towards cost efficiency and service enhancement, we are confident that our South African operations will bounce back in the coming financial year.

Not all that Glitters...

Our continuing commitment and dedication to our original core business "property", bore its share of fruit this year. Our "land bank" in Windhoek's Lafrenz industrial area provided a well-timed boost to profits.

With the sale of only 3% of the prime industrial real estate on offer, Trustco Properties contributed an astounding NAD 68 Million in profit for the group. And, with a further 6% scheduled for sale during the coming year, we anticipate that this business will continue to unlock value for shareholders in the coming years.

Lawyers and Statistics

An award totalling NAD54 Million was made by the South African arbitrator for damages resulting from SABC's breach of contract with Trustco. This brings the conclusion of the case closer. The NAD54 Million has been recognised in this year's financial statements.

Reputation and Honour

With the 2011 financial year now behind us, I can only say this: Trustco will always remain honour-bound to its values:

T rust
R esponsibility and Respect
U nstoppable Growth
S atisfactory Service
T ogether we stand as one company
C onfident and Creative, generating
O pportunity for our stakeholders and customers

For reputation is what others think of you – but honour is what you know of yourself.

Q van Rooyen
Windhoek

Group Managing Director
30 June 2011

TRUSTCO MAIL

Check Mail | New | Search Mail... | Go

Inbox
Drafts
Sent
Spam
Trash

Delete | Reply | Forward | Spam | Move | Print | Actions

Corporate Governance

Introduction

Trustco Group Holdings Limited and its subsidiaries (the Group) are committed to the principles of openness, integrity and accountability as advocated in the King III Report on Corporate Governance, 2009. Accordingly, the directors endorse and, during the period under review, have applied the Code of Corporate Practices and Conduct ("the Code") as set out in the King Report. In supporting the Code the directors recognise the need to conduct the business of the enterprise with integrity and in accordance with generally accepted corporate practices. The Group is committed to complying with all legislation, regulations and best practices relevant to our business, in every country where we conduct business. Monitoring the Group's compliance with the Code forms part of the mandate of the Group's audit and risk management committee.

Key Governance Developments

During the year under review, the following developments were key to the Group's corporate governance process:

- ongoing compliance with the Code and other industry specific legislation and regulations;
- the Group's code of conduct throughout the operations, which sets out minimum standards of ethical behaviour for all employees of the Group;
- approval of plans to substantially increase the resources of the compliance monitoring/audit department;
- ongoing awareness and cognisance of international/emerging governance trends. These are considered for implementation only where appropriate; and
- keeping abreast of all relevant legislation and regulations, as well as major developments that could impact on the Group and its operations.

Compliance with the Code

The directors are of the opinion that the Group complies substantially with, material aspects of the Code for the year under review. Ongoing attention is given to matters of corporate governance.

Application of the Code and Approach to Corporate Governance

All entities in the Group are required to subscribe to the spirit and principles of the Code. In addition, the Code is applied to all operating entities of the nature and size identified in the Code. Whereas the audit and risk management committee reviews overall Group compliance with the Code and is the focal point of the Group's corporate governance system, the heads of the various divisions and business units within the Group are responsible for ensuring compliance. In addition, the following is undertaken:

- a full and effective review by the audit and risk management committee of all aspects relating to ongoing corporate governance during the year, and the inclusion of statements in this regard in this annual report; and
- a review of current and emerging trends in corporate governance and the Group's governance systems and benchmarking the Group's governance systems against local and international best practice. In its governance approach, the board believes that, while compliance with the formal standards of governance practice is important, greater emphasis is placed on ensuring effectiveness of governance practice, with greater emphasis being placed on ensuring compliance with the substance of governance over form. The board also seeks to ensure that good governance is practised at all levels in the Group and is an integral part of the Group's corporate culture.

Board of Directors and Board Committees

The Group is governed by a unitary board of directors, assisted by the following Group committees:

- Executive committee;
- Remuneration committee; and
- Audit and risk management committee.

Each committee acts within agreed terms of reference and the chairman of each committee reports, where appropriate, to the board at its scheduled meetings. Where appropriate, the minutes of the committee are tabled at board meetings. The chairman of the board is a non-executive director. The roles of chairman and chief executive officer are separated, with a clear division of responsibility to ensure a clear distinction of duties and responsibilities between them. The chairman has no executive functions. The role of all directors is to bring independent judgement and experience to the board's decision-making. Directors are advised that they may take independent advice, at the cost of the Company, in the proper execution of their duties as directors. They have direct and unfettered access to the external auditors, professional advisers and the advice of the company secretary. Details of the directors appear on page 101 of this annual report. There are eight directors, of whom six are non-executive independent directors.

Board Appointments and Succession Planning

Shareholders appoint the board of Trustco Group Holdings Limited at its annual general meeting. In turn, this board appoints the board of the various subsidiaries and monitors and obtains regular feedback. Non-executive directors on the Trustco Group Holdings Limited board are appointed for specific terms and reappointment is not automatic. All appointments are made in terms of a formal and transparent procedure and are subject to confirmation by the members at the annual general meeting. The Group believes that the board's constitution, in terms of both the number and expertise, is sufficient and appropriate to meet the Group's needs.

Independence

The board applies the Code's guidelines when considering a director's independence. The board confirms the independence, as stated in the Code, of all of its non-executive directors.

Retirement of Non-executive Directors

One-third of the directors appointed in terms of the articles of association are subject, by rotation, to retirement and re-election at the annual general meeting. In addition, all directors are subject to election by members at the first annual general meeting after their initial appointment.

Interests in Contracts and Conflict of interest

Directors are required to inform the board timeously of conflicts or potential conflicts of interest that they may have in relation to particular items of business and are obliged to recuse themselves from discussions or decisions in relation to such matters. Directors are also required to disclose their shareholdings in other companies as well as their other directorships at least annually and to inform the board when any changes occur.

Mr Q van Rooyen During the year ended 31 March 2011, Mr Q van Rooyen has an interest in a management agreement between Next Investments (Pty) Limited, of which he is a director and Trustco Group International (Pty) Limited (incorporated in Namibia), a subsidiary of the Company. The agreement establishes that when Trustco Group International (Pty) Limited (incorporated in Namibia) performs management work on behalf of Next Investments (Pty) Limited it must be refunded by way of a management fee.

Mr Q van Rooyen also lends funds to the Group on which he receives interest at Namibian prime rate (2011: 9.75% and 2010: 11.75%) and provides personal surety to the Group for which Next Investments (Pty) earns a facility fee.

All the above transactions were approved by the board and were reduced to writing in the form of formal, signed agreements. No other interests in contracts or conflicts of interest were brought to the attention of the board.

Advice

Directors have unlimited access to the Group company secretary, who acts as an adviser to the board and its committees on issues including compliance with rules and procedures, statutory regulations and the Code. The name of the Group company secretary is recorded on page 101 of this annual report. Furthermore, any director may, in appropriate circumstances and at the expense of the Group, obtain independent professional advice. The directors are also entitled, with the prior knowledge of the Group managing director ("Group MD"), to have access to senior management and to all relevant Group information.

Board Committees

A number of board-appointed committees have been established to assist the board in discharging its responsibilities. The membership, principal functions and their attendance at the relevant committee meetings are set out below.

Executive Committee (Exco)

Members: Q van Rooyen (Chairman), J Jones, C van Rooyen (resigned 30 June 2010), F J Abrahams, J van den Heever, Dr C Powell, A Bock (appointed 15 April 2011),D. Leaf-camp (appointed 17 January 2011) and E Janse van Rensburg (appointed October 2010).

Composition and meeting procedures

Exco is chaired by the Group MD and has regular input from executives from operations, sales, finance, actuarial, IT, human resources, compliance and special projects. Meetings are normally held once a week. The committee is responsible for strategy and operations of the Group within the parameters defined by the board. Where necessary decisions or recommendations of Exco are referred to the board for final approval, whilst in other instances Exco's authority will be delegated to a subcommittee or particular Exco members.

Remuneration Committee (Remco)

Members: T Mberirua (Chairman), V de Klerk and Dr T Aupindi.

Composition and meeting procedures

Remco is chaired by an independent director and comprises solely of non-executive directors of Trustco Group Holdings Limited. The Group MD, who is the executive responsible for people management attends the meetings by invitation but does not participate in the committee's deliberations. Meetings are held at least once a year.

Role, purpose and principal functions

Remco is responsible for consideration and recommendation to the board on matters such as succession planning, general staff policies, remuneration and benefits, performance bonuses, executive remuneration, directors' remuneration and fees, service contracts, the short-term incentive scheme and long-term incentive scheme and Group retirement funds. In considering executive directors' emoluments the committee is cognisant of responsibility, individual performance and the Group's retention strategies. To this end, the committee relies on external market surveys and industry reward levels as benchmarks. Remuneration packages are structured in such a way that short- and long-term incentives are linked to the achievement of business objectives and the delivery of member value. Non-executive directors receive fees for their contribution to the boards and committees on which they serve. Remco recommends proposed fees for approval by the Trustco Group Holdings Limited board, after due consideration of comparable fee structures and market practices. This committee also performs the functions of a traditional "nominations committee".

Audit and Risk Management Committee (Armco)

Members: W Geyser (Chairman), M Nashandi, Dr T Aupindi and T Mberirua

Composition and meeting procedures

All members of Armco are independent. In addition, the meetings are attended by the Group MD, FD, representatives of the external auditors, BDO Namibia and the internal auditor, who attend by invitation. Meetings are held at least three times a year and are also attended by the members of executive management when necessary, including those involved in risk management and control and finance.

Role, purpose and principal functions

Armco assists the board with regard to reporting financial information, the selection and application of accounting policies, monitoring the Group's internal control systems and various compliance-related matters.

Specific responsibilities include:

- reviewing and recommending to the board annual financial statements;
- dealing with matters relating to financial and internal control, accounting policies, reporting and disclosure;
- dealing with the engagement of the external auditors and fees payable to the external auditors;
- approving and ensuring compliance with the Group's policy on non-audit services;
- reviewing and/or approving internal audit, compliance and forensic services policies, plans, reports and findings;
- ensuring compliance with applicable legislation and regulations;
- evaluating the performance of the external auditors;
- reviewing external audit plans, findings and reports;
- assisting the board in the oversight of risk management; and
- reviewing the independence of the external auditors on an annual basis.

The Group's policy on non-audit services, which is annually reviewed by the Armco, sets out in detail what services may or may not be provided to Trustco Group Holdings Limited by the external auditors. The policy is largely based on a review of current and emerging trends in corporate governance and the Group's governance systems. The Group's governance systems are benchmarked against local and international best practice. Armco conducts a formal external auditor evaluation process. This evaluation will occur annually and includes various criteria and standards such as audit planning, technical abilities, audit process/outputs and quality control, business insight, independence and general factors. Armco makes efforts to keep abreast of current and emerging trends in accounting standards which have become a major challenge, particularly with the introduction of International Financial Reporting Standards ("IFRS"). The board reviews the performance of the Armco to evaluate how effectively it has discharged its duties as per its terms of reference.

Armco is satisfied as to the independence of the external auditors.

As required by the JSE Listing Requirement 3.84(h), the audit committee has satisfied itself that the Group finance director has appropriate expertise and experience.

Corporate Governance (continued)

Attendance of Meetings					
*(*Non-executive)*	*Appointed*	*Resigned*	*Board*	*Audit and Risk Committee*	*Remuneration Committee*
Number of meetings held			*4*	*3*	*2*
Adv. R Heathcote*	29 Sep 10		2/2	n/a	n/a
M Nashandi*			3/4	2/3	n/a
G R I Walters		30 Sep 10	1/2	1/1	n/a
W Geyser*	29 Sep 10		2/2	2/2	n/a
V de Klerk*			3/4	n/a	2/2
A H Toivo ya Toivo*		29 Sep 10	1/2	n/a	1/2
Q van Rooyen			3/4	3/3	1/2
F J Abrahams			4/4	3/3	n/a
Dr T Aupindi*	29 Sep 10		2/2	2/2	2/2
T Mberirua*	29 Sep 10		2/2	2/2	2/2

Audit and Risk Management Committee

Dr Namwandi resigned on 21 March 2010 as chairman and W Geyser appointed in his place on 29 September 2010.

Remuneration Committee

Dr Namwandi resigned as chairman on 21 March 2010 and T Mberirua was appointed in his place on 29 September 2010.

Staff Social Scheme

The board of directors approved a staff social scheme which became effective on 1 June 2008. The purpose of the social scheme is to contribute to the social well-being and health of Trustco staff members and to provide financial security to either the staff member or the family of the staff member by means of life and disability cover.

The scheme comprises of the following:

- hospitalisation;
- maternity and paternity benefits;
- life and disability;
- employee fund;
- annual leave; and
- minimum wages.

Trustco and the individual staff member will contribute 8.5% monthly towards the scheme as follows:

- A maximum of 8.5% of the monthly basic remuneration of which 5% will be allocated toward an employee fund.
- The contribution to the employee fund of current employees will be phased in commencing with a 1% contribution and escalating with a further 1% every three months to the maximum of 5%.
- New employees will contribute the full 8.5% from the date of employment.
- Employees appointed for a period of longer than five years will benefit from 20% of the company's contribution towards the employee fund escalating with 10% annually on the initial appointment date.

Borrowing Powers

The board may in its discretion borrow or raise from time to time such amounts as it deems fit for the Company's purposes, provided that it will be obliged to procure the aggregate principal amount at any one time outstanding in respect of monies so borrowed or raised by the Company and/or all its subsidiaries shall not exceed the aggregate of the issued and paid up capital of the Company and the amounts standing to the credit of all distributable and non-distributable reserve accounts, including share premium account and share capital redemption reserve fund but excluding any provision for taxation, any reserve created by the writing up of any assets of the Company after the acquisition of such assets by the Company and any reserve created by the writing up of any asset of any subsidiary of the Company after the date on which such subsidiary became a subsidiary of the Company.

Risk Management

Risk taking, in an appropriate manner, is an integral part of business. Success relies on optimising the trade-off between risk and reward. In the course of conducting its business, the Group is exposed to a variety of risks, including credit, market, operational, strategic and reputational risk. The long-term sustained growth, continued success and reputation of the Group are critically dependent on the quality of risk management. Risk management is one of the Group's core capabilities and management is committed to applying international best practice and standards. The Group's risk philosophy is underpinned by its objective of member value creation through sustainable profitable growth, in a manner that is consistent with members' expectations of the Group's risk-bearing capacity and its risk appetite. The Group's objective in this regard is to ensure that a quality risk management culture is sustained throughout its operations. The culture is built on the following main elements:

- adherence to the value system of the Group;
- an integrated holistic risk management approach to achieve optimal business decision-making;
- pro active risk management;
- a risk awareness culture via management and the business units;
- disciplined and effective risk management processes and controls, and adherence to risk management standards and limits; and
- compliance with the relevant statutory, regulatory and supervisory requirements. The management of risk is fundamental to the Group's business and allows management to operate more effectively in an environment characterised by uncertainty and risk.

Risk Management (continued)

The Group's risk management approach is that all risks must be identified and managed, and that the returns must be commensurate with the risks taken, relative to the Group's risk appetite. Risk management in the Group is guided by several principles, the most important being:

- integrity and reliability of the financial and operational information that is used internally and for public reporting;
- safeguarding and maintenance of assets;
- detection and minimisation of fraud, potential liability, loss and material misstatement;
- compliance with applicable laws, regulations and policies;
- efficient and effective operations;
- the assignment of appropriate responsibility and accountability;
- the adoption of a framework for integrated risk management;
- comprehensive risk assessment and measurement; and
- independent review.

Responsibility and Accountability

Excellence in risk management is based on a culture in which management makes risk identification, risk management and the establishment and maintenance of an efficient control environment an integral part of its regular activities. Overall risk management policies, risk appetite and tolerances are set on a comprehensive, organisation-wide basis by senior management, and reviewed with and (where appropriate) approved by the board of directors. These policies, appetites and tolerances are clearly communicated throughout the Group and apply to the various divisions and wholly-owned subsidiaries.

Board and Executive Management Responsibility

The board is responsible for approving the Group's risk appetite annually. This risk appetite is translated into risk limits per division and/or subsidiary and per risk type. Adherence to these limits is monitored and culminates in a risk profile for the Group. The board of directors is responsible for the Group's systems of financial and operational internal control. To fulfil this responsibility, the executive directors ensure that management maintains accounting records and is continually developing and continues to maintain systems of internal control that are appropriate. Control measures have been put in place to identify and monitor the risk referred to above. Internal controls are founded on the basis that directors and employees are required to maintain the highest ethical standards. The Group's organisational structure incorporates suitable segregation of authority, duties and reporting lines and promotes effective communication of information. Defined control activities include documented policies and procedures as well as budgeting and forecasting disciplines with comparison of actual results against these budgets and forecasts. The directors have satisfied themselves that these systems and procedures are implemented, maintained and monitored by appropriately trained personnel. The effectiveness of the systems of internal control in operations is monitored continually through reviews and reports from senior executives and divisional managers, the internal and the external auditors. Furthermore, management has various control self-assessment processes in place to supplement the existing structures for evaluating the systems of internal control. For the year under review none of the above reviews indicated that the systems of internal control were not appropriate or satisfactory. Furthermore, no material loss, exposure or misstatement arising from a material breakdown in the functioning of the systems has been reported to the directors.

Integrated Report

Trustco Group Holdings Limited (Trustco) is a diversified financial services group serving the mass consumer market "with a primary focus on":

- micro insurance;
- microfinance for education; and
- technology solutions aimed at the financial services sector.

Trustco delivers affordable and appropriate insurance and financial products primarily to the lower end of the market where access remains limited. Market-driven micro insurance products are delivered through Trustco Insurance and Trustco Life, the Group's short-term and life insurance providers to Namibia's population. Access to education is enhanced through the provision of both education for working students and the finance to support lifelong learning. The Institute for Open Learning "IOL", a wholly-owned subsidiary of Trustco, is Namibia's largest private distance education institution while Trustco Finance, through the provision of microloans, ensures that all of IOL's students can pursue their education without the burden of financial constraint. In South Africa, Trustco Financial Services "TFS" offers customised solutions to a wide variety of brokers and underwriters in the insurance industry. These core business activities are supported by Trustco's marketing, media, property and aviation business units. The innovation, skills and competency of these units have attracted public demand and hence some of these support services are extended to Namibia's business community.

This report represents the first integrated annual financial report for Trustco. This 2011 Integrated Report seeks to provide a balanced, transparent and objective view of the financial, operational and sustainability issues that are relevant and material to Trustco for the year ended 31 March 2011. This report sets out abstracts of the financial information reported as at the same date as well as non-financial information as approved by the board of Trustco on 30 June 2011.

This report covers the operations of all the companies in the group, including those operations located in Windhoek, Ongwediva, Katima Mulilo, Rundu, Keetmanshoop and Walvis Bay in Namibia; Johannesburg and Cape Town in South Africa; and Harare in Zimbabwe; the simplified group structure is shown below, highlighting the companies largely responsible for the Group's income. All of the subsidiaries are wholly-owned by Trustco Group Holdings Limited.

Listed on NSX in 2006 | **TRUSTCO GROUP HOLDINGS** | **Listed on JSE (Africa Board) in 2009**

MICRO INSURANCE AND TECHNOLOGY SOLUTIONS	MICRO FINANCE AND EDUCATION	PROPERTY	HEAD OFFICE AND STRATEGIC BUSINESS
NAMIBIA SOUTH AFRICA ZIMBABWE	NAMIBIA	NAMIBIA SOUTH AFRICA	NAMIBIA

TRUSTCO MAIL

Integrated Report (continued)

None of the information included in the Integrated Report has been restated from what was previously disclosed in other reports that we previously produced. As it is our first attempt at producing such a report, we have not had the report externally assured but we will endeavour to ensure that the information that is reported on in the future is externally assured and reported.

The discussion paper on the framework for integrated reporting issued by the Integrated Reporting Committee is the current guidline for integrated reporting. Integrated reporting is a new requirement for the Group and reported on for the first time. Going forward the Group will continue to develop the integrated report to ensure compliance with best practices including measurement and disclosure of sustainability reporting.

Stakeholders are advised to read the Trustco Group Holdings Limited Annual Report 2011 in addition to this report.

Statement by the Board of Directors to Accompany the Integrated Report

The board of directors of Trustco Group Holdings Limited "the board" acknowledges its role and responsibility to ensure the integrity of the Integrated Report. The board has accordingly carefully assessed the Integrated Report and in the opinion of the board the Integrated Report addresses all material issues, and presents fairly the integrated performance of the organisation and its impacts. The Integrated Report has been prepared in line with best practice pursuant to the recommendations of the King III Code (Principle 9.1). The board authorised the Integrated Report for release on 30 June 2011.

This document is signed by Adv. R Heathcote and Mr Q van Rooyen, who have been duly authorised thereto by the board.

Adv. R Heathcote
Chairman
Windhoek
30 June 2011

Q van Rooyen
Managing Director

TRUSTCO MAIL

Check Mail | New
Search Mail... | Go

Inbox
Drafts
Sent
Spam
Trash

Delete | Reply | Forward | Spam | Move | Print | Actions

Vision and Mission

Vision

With our roots firmly in Namibia and our reach extended beyond Africa, we seek to generate sustainable opportunities to create wealth for our customers, shareholders and employees while impacting positively on society and our planet.

Mission

We provide efficient and dynamic products and services to our core industries, ensuring responsible and sustainable growth that will have a positive impact on society and our environment. We embrace technology to facilitate innovative and affordable solutions in each of our niche markets. We are accountable to all stakeholders to deliver value and sustainable returns on their investments. We value our employees and recognise their intellectual value and commitment as an important component of our success.

Strategic Objectives

We aim to:

1. provide affordable and innovative products through constant research and innovation with the aim of perfecting our products and services in order that they remain affordable and relevant to the needs of our market;

2. expand our products and services into the rest of Africa by replicating our successes, transferring our knowledge, adapting our products and refining our technology;

3. generate opportunities for our customers to achieve wealth by enhancing access to quality education and affordable finance;

4. alleviate poverty by making life insurance and funeral cover more accessible and affordable to the 95% of Africans currently uninsured; and

5. increase shareholder value through focus on our core business underpinned by quality book growth and prudent management of bad debt, excellence in customer service and stakeholder relationships.

TRUSTCO MAIL

Check Mail | New
Search Mail... | Go

Inbox
Drafts
Sent
Spam
Trash

Delete | Reply | Forward | Spam | Move | Print | Actions

Report of the Audit and Risk Management Committee

for the year ended 31 March 2011

The audit and risk management committee comprises a majority of independent non-executive directors and it meets no less than three times a year. This committee assists the Board in observing its responsibility for ensuring that the Group's financial and computer systems provide reliable, accurate and up-to-date information to support the current financial position and that the published annual financial statements represent a fair reflection of its financial position. It also ensures that appropriate accounting policies, control and compliance procedures are in place. The internal and external auditors attend its meetings and have unrestricted access to the chairman of the committee.

The objectives of the audit and risk management committee are to ensure that all members are aware of their duties and responsibilities as members of the audit and risk committee and that applicable legislation and regulations affecting their conduct are clearly understood, and to ensure that the principles of good corporate governance are applied in all dealings on behalf of the Trustco Group.

The committee has met its objectives and has found no material weakness in controls and is satisfied with the level of disclosure to it and to the stakeholders.

W Geyser
Chairman
Windhoek
30 June 2011

Certificate by the Company Secretary

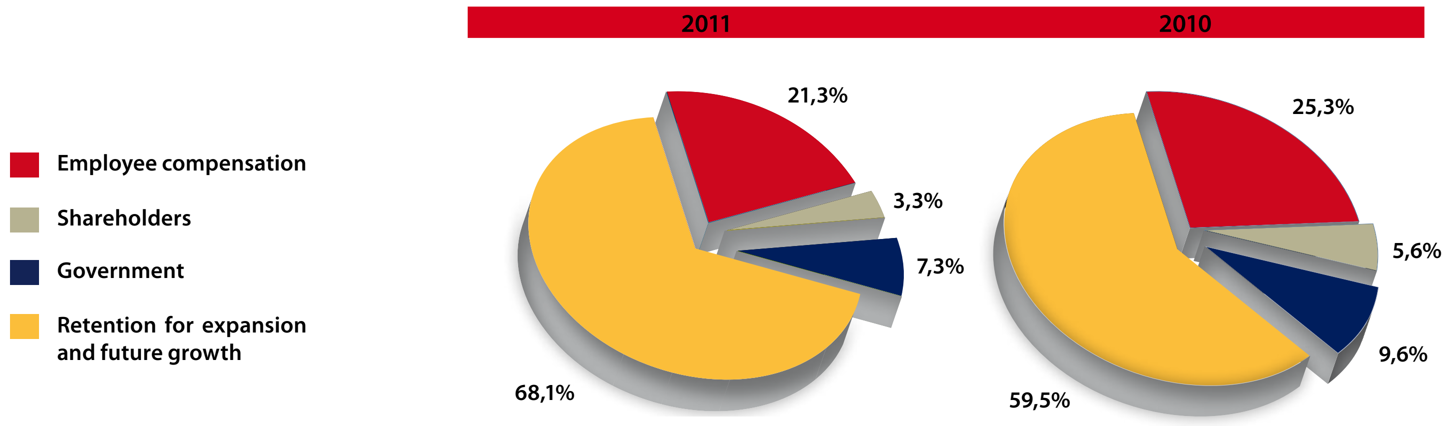
I, Jacoline Bazuin, being the company secretary of Trustco Group Holdings Limited, certify that the company has, for the year under review, lodged all returns required of a public company with the Registrar of Companies and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

J Bazuin
Secretary
Windhoek
30 June 2011

Value Added Statement

for the year ended 31 March 2011

	2011		2010	
	N$ '000	%	N$ '000	%
Value added is the wealth created by Trustco Group Holdings Limited and its subsidiaries through the sale of products and provision of services.				
Revenue from all operations	744 982		670 346	
Purchases and other direct costs of services	(435 808)		(415 290)	
Wealth created	309 174		255 056	
Distribution of wealth created by Trustco Group of companies:				
Employee compensation				
Salaries, wages and other benefits	66 028	21.3%	64 552	25.3%
Shareholders				
Dividends	10 168	3.3%	14 143	5.6%
Government				
Taxation (PAYE, Income tax, etc.)	22 490	7.3%	24 505	9.6%
Retention for expansion and future growth	210 488	68.1%	151 856	59.5%
Net profit for the year	189 771		137 544	
Depreciation and amortisation	20 717		14 312	
	309 174	**100.0%**	**255 056**	**100.0%**



Statement of Responsibility and Approval of Annual Financial Statements by the Board of Directors

for the year ended 31 March 2011

The directors are required by the Namibian Companies Act, 2004, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Company and its subsidiaries as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards, the AC 500 Standards as issued by the Accounting Practices Board or its successor, and in the manner as required by the Companies Acts of Namibia and South Africa, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The annual financial statements incorporate full and responsible disclosure in line with the Group's philosophy on corporate governance and as required by the Namibian Stock Exchange (NSX) and JSE Limited.

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

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

The directors have reviewed the Company's and its subsidiaries cash flow forecast for the year to 31 March 2012 and, in the light of this review and the current financial position, they are satisfied that the Company and its subsidiaries have or have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Group's annual financial statements. The annual financial statements have been examined by the Company's and its subsidiaries external auditors and their reports are presented on pages 33 and 34.

The annual financial statements set out on pages 35 to 98, which have been prepared on the going concern basis, were approved by the board on 30 June 2011 and were signed on its behalf by:

Adv. R Heathcote
Chairman
Windhoek
30 June 2011

Q van Rooyen
Managing Director

Report by the Statutory Actuary for Trustco Life Limited

I hereby certify that:

The valuation of Trustco Life Limited as at 31 March 2011, has been conducted in accordance with, and this Statutory Actuary's Report has been produced in accordance with the Namibian Long Term Insurance Act, 1998 and the Actuarial Society of South Africa Professional Guidance Notes;

I have accepted that the Annual Financial Statements comply with the requirements of eth Companies Act and Insurance Act;

The Statutory Actuary's Report, read together with the annual financial statements, fairly presents the financial position of the Company; and

The Company was financially sound as at the valuation date, and in my opinion is likely to remain financially sound for the foreseeable future.

PC Falcony

Statutory Actuary
Fellow of the Actuarial Society of South Africa
Fellow of the Faculty of Actuaries

Independent Auditor's Report

To the members of Trustco Group Holdings Limited

We have audited the accompanying group annual financial statements and annual financial statements of Trustco Group Holdings Limited, which comprise the consolidated and separate statements of financial position as at 31 March 2011, and the consolidated and separate statements of comprehensive income, movements in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 35 to 98.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of Namibia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Trustco Group Holdings Limited as at 31 March 2011, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of Namibia.

BDO

BDO (Namibia)
Registered Accountants and Auditors
Chartered Accountants (Namibia)

30 June 2011
Windhoek

Independent Auditor's Report

To the Members of Trustco Group Holdings Limited

We have audited the group annual financial statements and annual financial statements of Trustco Group Holdings Limited, which comprise the consolidated and separate statements of financial position as at 31 March 2011, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 35 to 98

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the AC 500 Standards as issued by the Accounting Practices Board. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Trustco Group Holdings Limited as at 31 March 2011, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the AC 500 Standards as issued by the Accounting Practices Board.

BDO South Africa Incorporated

BDO South Africa Incorporated
Registered Auditors

Per: J Lemmer
30 June 2011
Johannesburg

Report of the Directors

for the year ended 31 March 2011

The directors present their report with the audited annual financial statements of the Company and of the Group for the year ended 31 March 2011.

Financial Results

The financial results of the Company and Group for the year under review are reflected in the annual financial statements set out on page 35 onwards. The consolidated statement of comprehensive income is set out on page 42. The extent to which the various segments of the Group contributed to the assets employed, turnover and net income after tax, was as follows:

	Turnover		Total assets		Net profit after tax attributable to equity holders of the parent	
	2011 N$'000	2010 N$'000	2011 N$'000	2010 N$'000	2011 N$'000	2010 N$'000
Micro insurance and technology solutions						
Namibia	111 520	108 365	59 631	38 222	49 762	44 985
Zimbabwe	45 317	–	15 167	–	23 910	–
South Africa	263 123	291 699	216 843	199 107	16 284	19 937
Microfinance and education						
Namibia	91 293	104 542	220 824	193 547	34 203	39 342
Property						
Namibia	59 949	28 875	169 163	88 551	90 904	69 814
South Africa	174	232	13 275	11 425	985	(249)
Head office and strategic business						
Namibia	15 642	16 735	527 444	390 252	(26 277)	(36 285)
	587 018	550 448	1 222 347	921 104	189 770	137 544

Shareholders' Value

Based on the results, shareholders value for 2011 is NAD672.5 million (2010: NAD478.6 million). The directors are confident that this value will show growth for the foreseeable future and beyond.

Dividends

During the year under review an interim dividend of 1.50 cents per share (2010: final dividend of 2 cents) amounting to a total of NAD10.17 million (2010: NAD14.14 million) was declared and paid by the Group. The policy of the Group is to declare dividends of between four and five times cover. The Board of Directors declared on 24 June 2011 that a final dividend of 2.00 cents per share be paid on 12 August 2011 bringing the total dividend for the year to 3, 50 cents per share.

Borrowings

The borrowings of the Group are within the limits set by the articles of association.

Report of the Directors (continued)

Directorate and Appreciation

The board of directors are reflected on page 101. The Company is fortunate to have an energetic management team to lead the Group forward. The directors, management and staff of the various companies in the Group have all played a crucial role in the year under review. We would like to thank each individual and team for their contributions this year.

Details of appointment and resignations of directors and other officers in the year under review were as follows:

Name	Position	Appointment	Resignation
Adv. R Heathcote	Director: independent, non-executive chairman	29-Sep-10	
W Geyser	Director: independent, non-executive director	29-Sep-10	
A H Toivo ya Toivo	Director: independent, non-executive director		29-Sep-10
G R I Walters	Executive Director		30-Sep-10
Dr T Aupindi	Director: independent, non-executive director	29-Sep-10	
T Mberirua	Director: independent, non-executive director	29-Sep-10	
J Bazuin	Company Secretary	25-Mar-11	
Adv. P J.Miller	Company Secretary		25-Mar-11

Dex Financial Services (Pty) Limited Acquisition

On 1 November 2007 the Group acquired all of the shares in Trustco Financial Services (Pty) Limited ("TFS") (previously DexGroup Financial Services (Pty) Limited) from DexGroup (Pty) Limited ("the seller"). In terms of the agreement the Group had to pay NAD20 million in cash upfront and the balance of and a further NAD45 million by issuing a fixed number of shares. These shares have been issued from 2008 to 2010 based on pro rata net profit after tax of TFS in each year.

The purchase agreement perfected subsequently as TFS achieved its profit targets. At the time of perfection, DexGroup did not settle the overdraft facility of NAD19.4 million, which was a condition of the agreement. The vendor shares were settled during the 2010 financial year. The shares were utilised to repay the amounts due from DexGroup (Pty) Limited ("DexGroup") of NAD30.8 million. The remaining net debt due by DexGroup of NAD15.83 was impaired during the 2010 financial year.

Arbitration proceedings were instituted to collect the outstanding amounts and the hearing commenced on 1 November 2010. On 29 November 2010, the arbitrator in the arbitration between DexGroup versus Trustco Group International (Pty) Limited, incorporated in South Africa, ("Trustco Group International") and others, delivered his final award. In terms of the award, DexGroup remains liable to Trustco Group International to repay the overdraft facility of NAD19.4 million. Upon discharge of this obligation, DexGroup is entitled to the issue and transfer of ordinary shares ("vendor shares") in Trustco Group Holdings Limited.

The net debt due by the DexGroup, previously impaired, was reversed in the current year, due to the award of the arbitrator and new developments in the financial position of DexGroup. DexGroup is now in the position to repay amounts owing to Trustco Group International.

The total amount of shares to be issued upon payment of the NAD19.4 million, is 4.789 million shares.

Microfinance Government Deduction Code

The deduction code is renewable from time to time. The current code is valid until 31 July 2011. The Ministry of Finance undertook in writing on 15 April 2009 that should the deduction code expire, Trustco will be allowed to utilise the code until the then current outstanding loans are repaid without the loading of new students on the system. The directors are confident that the deduction code will be extended as the monatorium on the issuing of new codes has been lifted by the Government of Namibia and at least two new deduction codes were recently awarded.

Report of the Directors (continued)

Remuneration of Group Managing Director

In terms of his employment contract, Q. van Rooyen is entitled to a bonus to be calculated as follows as Group targets have been achieved:

- 0.25% of the audited annual turnover of the Company;
- 0.5% of the audited annual headline earnings of the Company;
- 0.5% of the audited annual basic earnings of the Company.

Q van Rooyen waived any bonus he would have received this year and no bonus was accrued for Q. van Rooyen.

Trustco Staff Share Incentive Scheme Trust

There were no dealings in the share incentive scheme during the year under review. No options have ever been issued in terms of this scheme.

Events Subsequent To Year-end

SABC legal action

The arbitration process between Trustco Group International (Pty) Limited ("the Company") 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 R24.7 million; 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 total amount awarded plus the interest *tempore morae* accounted for in the current year is NAD54 million.

The Company's external legal representatives advised there are good prospects that an Appeal Tribunal will increase the amount of the award made by the arbitrator. 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. The appeal will be heard on 27 September 2011.

Funding from the IFC

Trustco concluded negotiations with the International Finance Corporation (the "IFC") in terms of which the IFC provided a seven year senior loan of NAD80 million (approximately USD10.9 million) to support the student lending programme of Trustco Finance (Pty) Limited ("Trustco Finance"). Trustco Finance is a wholly-owned subsidiary of the Company. The 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 Group has received NAD40 million during the year under review and NAD30 million was received after the year end. IFC is still to disburse the remaining NAD10 million upon the Group's request.

Trustco Mobile

The Group through its subsidiary Trustco Mobile (Pty) Limited ("the Company") concluded an agreement with Econet Wireless (Private) Limited ("Econet") and First Mutual Life Assurance Co in Zimbabwe during the year under review. After year-end, Econet cancelled the agreement and unilaterally turned off access to the system thereby restricted the Company's ability to render its service in terms of the contract. The cancellation by Econet is the result of a dispute relating to a notice of payment of royalties and underwriting fees. The Company has approached the Zimbabwean courts to instruct Econet to switch on the feeds to the system to enable the Company to continue rendering its service per contract and to protect its use of the system. At the time of reporting judgment was still outstanding.

Report of the Directors (continued)

Special Resolutions

Two specials resolutions were passed during the year under review:

Special Resolution 1: Share buy-back

The Company is permitted to repurchase its own securities in terms of Namibian Legislation and subject to the provisions of the listing requirements of the Namibian Stock Exchange and the Johannesburg Stock Exchange.

Special Resolution 2

That section 59 (1) of the Articles of Association of the Company be amended by the deletion of the words "and as a legal practioner".

The Year Ahead

The board remains optimistic about the future and expects the organic growth to continue. Micro insurance will remain an integral part of the Group's strategy to achieve continued growth through the launch of new business initiatives into Africa (i.e. Trustco Mobile). Future growth will further be driven by microfinance and education through new course offerings, the Lafrenz development project and strategic acquisitions, if market conditions permit.

Holding Company's Interest In Subsidiaries

	Issued share capital		Company's Interest % held		Company's Interest Shares at cost	
	2011 N$	2010 N$	2011 %	2010 %	2011 N$	2010 N$
	2011	2010	2011	2010	2011	2010
Legal Shield Holdings (Pty) Limited	**100**	100	**100**	100	**100**	100
Trustco Education (Pty) Limited	**100**	100	**100**	100	**100**	100
Trustco Financial Services (Pty) Limited (previously DexGroup Financial Services (Pty) Limited)	**4 000**	4 000	**100**	100	**–**	–
Trustco Property Holdings (Pty) Limited	**100**	100	**100**	100	**100**	100
Trustco Group International (Pty) Limited (incorporated in Republic of Namibia)	**100**	100	**100**	100	**68 549 357**	68 549 357
Trustco Corporate Management Services (Pty) Limited	**100**	100	**100**	100	**100**	100
Trustco Capital (Pty) Limited	**100**	100	**100**	100	**100**	100
Trustco Media (Pty) Limited	**100**	100	**100**	100	**100**	100
Trustco Tourism Holdings (Pty) Limited	**100**	100	**100**	100	**100**	100
Trustco Business Development (Pty) Limited	**100**	100	**100**	100	**100**	100
Trustco Group International (Pty) Limited (incorporated in Republic of South Africa)	**100**	100	**100**	100	**100**	100
Trustco Mobile Mauritius	**100**	–	**100**	–	**100**	–
					68 550 357	**68 550 257**

The aggregate contribution made to the Group's Profit after tax by the subsidiaries in the Group, amounted to NAD202.5 million (2010: NAD150.2 million) and the Company contributed a loss of NAD12.8 million (2010: loss of NAD12.7 million) to Group earnings.

Analysis of Shareholders

	Number of shareholders		% of shareholders	% of shares
Range of shareholders				
1 – 499	18	3 965	0.61	0.00
500 – 999 shares	1 244	625 572	42.06	0.09
1000 – 1999 shares	693	856 794	23.43	0.12
2000 – 2999 shares	230	531 593	7.78	0.08
3000 – 3999 shares	91	289 638	3.08	0.04
4000 – 4999 shares	37	158 970	1.25	0.02
5000 – 9999 shares	288	1 739 511	9.73	0.25
10000 shares and above	357	702 936 047	12.06	99.40
	2 958	707 142 090	100.00	100.00
Category				
Corporate bodies	41	83 126 298	1.39	11.76
Nominee companies	7	142 065 428	0.24	20.09
Private individuals	2 886	449 202 974	97.56	63.52
Trusts	24	32 747 390	0.81	4.63
	2 958	707 142 090	100.00	100.00
Public shareholders	2 871	279 126 186	97.06	39.47
Non-public shareholders	87	428 015 904	2.94	60.53
Directors	15	397 009 348	0.51	56.14
Associates	1	41 350	0.03	0.01
Employees with restricted trading terms	70	1 698 576	2.37	0.24
Employee share trust	1	29 266 630	0.03	4.14
	2 958	707 142 090	100.00	100.00

	Number of shares	% of share
Large shareholders - more than 1% of share capital		
Q van Rooyen*	392 554 120	55.51
Standard Chartered Bank Nominees	97 731 920	13.82
Renaissance Investments Management	23 000 000	3.25
Namibian Government Institution Pension Fund	7 586 351	1.07
Standard Bank Namibia Nominees	24 808 500	3.51
Trustco Staff Share Incentive Scheme Trust	29 266 630	4.14
Snowball Wealth (Pty) Limited	16 000 000	2.26
Manhattan Financial	10 102 011	1.43
Standard Bank South Africa Nominees	9 257 127	1.31
	610 306 659	86.31

*Q van Rooyen is a director as well as a major shareholder

GROUP FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2011

		Group		Company	
	Notes	**2011 N$'000**	2010 N$'000	**2011 N$'000**	2010 N$'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	**129 697**	139 366	**–**	–
Investment property	4	**232 829**	143 233	**–**	–
Intangible assets	5	**240 922**	194 718	**–**	–
Investment in subsidiaries	6	**–**	–	**68 550**	68 550
Deferred income tax assets	7	**62 096**	50 855	**–**	–
Educational loans advanced	8	**120 266**	106 840	**–**	–
Other loans advanced	9	**24 164**	37 163	**–**	–
Finance lease receivable	10	**457**	872	**–**	–
Amounts due by related parties	11	**–**	–	**286 734**	215 826
Total non-current assets		**810 431**	673 047	**355 284**	284 376
Current assets					
Assets at fair value through profit and loss	12	**25 699**	18 274	**–**	–
Short-term portion of educational loans advanced	8	**87 473**	71 463	**–**	–
Short-term portion of other loans advanced	9	**833**	908	**–**	–
Short-term portion of finance lease receivable	10	**419**	387	**–**	–
Inventories	13	**16 541**	18 677	**–**	–
Trade and other receivables	14	**197 500**	46 549	**–**	–
Current income tax assets	39.2	**766**	752	**–**	–
Cash and cash equivalents	15	**82 685**	91 047	**10**	4
Total current assets		**411 916**	248 057	**10**	4
Total assets		**1 222 347**	921 104	**355 294**	284 380
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	16	**162 645**	162 645	**162 645**	162 645
Deemed treasury shares	17	**(18 731)**	(18 731)	**(18 731)**	(18 731)
Vendor shares	18	**14 976**	–	**14 976**	–
Contingency reserves	19	**2 361**	1 902	**–**	–
Revaluation reserves	20	**15 414**	16 098	**–**	–
Distributable reserves		**495 875**	316 731	**131 473**	122 172
Attributable to equity holders of the parent		**672 540**	478 645	**290 363**	266 086
Total capital and reserves		**672 540**	478 645	**290 363**	266 086
Non-current liabilities					
Long-term liabilities	21	**151 435**	111 090	**–**	–
Other liabilities	22	**334**	3 150	**–**	–
Deferred income tax liabilities	7	**87 833**	57 082	**–**	–
Policyholders´ liability under insurance contracts	23	**8 307**	4 899	**–**	–
Amounts due to related parties	11	**–**	20 834	**61 077**	15 657
Total non-current liabilities		**247 909**	197 055	**61 077**	15 657
Current liabilities					
Current portion of long-term liabilities	21	**55 288**	15 367	**–**	–
Current portion of other liabilities	22	**3 127**	1 645	**–**	–
Amounts due to related parties	11	**8 826**	–	**–**	–
Trade and other payables	24	**167 262**	187 572	**2 488**	2 169
Technical provisions	25	**18 428**	17 189	**–**	–
Current income tax liabilities	39.2	**7 778**	2 005	**1 344**	468
Bank overdraft	26	**41 189**	21 626	**22**	–
Total current liabilities		**301 898**	245 404	**3 854**	2 637
Total equity and liabilities		**1 222 347**	921 104	**355 294**	284 380

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year-ended 31 March 2011

	Notes	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Insurance premium revenue	29	**111 520**	108 365	**–**	–
Revenue	29	**475 498**	442 083	**5 600**	3 600
Total revenue		**587 018**	550 448	**5 600**	3 600
Cost of sales	30	**(265 144)**	(279 087)	**–**	–
Gross profit		**321 874**	271 361	**5 600**	3 600
Investment income	35	**29 306**	7 883	**29 075**	36 459
Fair value gains and losses on investment property		**63 514**	88 261	**–**	–
Other income		**65 144**	23 754	**–**	–
Insurance benefits and claims	31	**(21 405)**	(16 922)	**–**	–
Transfer to policyholders' liabilities	23	**(3 408)**	(2 427)	**–**	–
Change in unearned premium provision	29	**(629)**	(367)	**–**	–
Administrative expenses		**(208 303)**	(189 556)	**(11 273)**	(11 609)
Finance costs	36	**(22 139)**	(20 489)	**(2 133)**	(1)
Profit before taxation	32	**223 954**	161 498	**21 269**	28 449
Taxation	37	**(34 183)**	(23 954)	**(1 361)**	(1 085)
Profit for the year		**189 771**	137 544	**19 908**	27 364
Other comprehensive income, net of tax		**(684)**	(753)	**–**	–
Revaluation of property, plant and equipment, net of deferred tax and release of depreciation		**(684)**	(753)	**–**	–
Total comprehensive income for the period		**189 087**	136 791	**19 908**	27 364
Earnings per shares:					
Basic earnings per share (cents)	38	**28.02**	20.31		
Diluted earnings per share (cents)	38	**27.82**	20.31		

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

for the year-ended 31 March 2011

	Share capital N$'000	Deemed treasury shares N$'000	**Vendor shares N$'000**	Contingency reserve N$'000	**Revaluation reserve N$'000**	Distributable reserves N$'000	**Total N$'000**
Group							
Balance at 1 April 2009	**162 645**	(19 137)	**14 976**	726	**16 851**	194 416	**370 477**
Transfer to contingency reserve	**–**	–	**–**	1 176	**–**	(1 176)	**–**
Vendor shares settled	**–**	–	**(14 976)**	–	**–**	–	**(14 976)**
Sale of deemed treasury shares by Trustco Share Incentive Scheme Trust (" TSSIST")	**–**	406	**–**	–	**–**	–	**406**
Gain on sale of deemed treasury shares	**–**	–	**–**	–	**–**	90	**90**
Net income/(expense) recognised directly in equity	**162 645**	(18 731)	**–**	1 902	**16 851**	193 330	**355 997**
Total comprehensive income for the period	**–**	–	**–**	–	**(753)**	137 544	**136 791**
Total recognised income and expenses for 2010	**162 645**	(18 731)	**–**	1 902	**16 098**	330 874	**492 788**
Dividends for the period	**–**	–	**–**	–	**–**	(14 143)	**(14 143)**
Balance at 31 March 2010	**162 645**	(18 731)	**–**	1 902	**16 098**	316 731	**478 645**
Balance at 1 April 2010	**162 645**	(18 731)	**–**	1 902	**16 098**	316 731	**478 645**
Transfer to contingency reserve	**–**	–	**–**	459	**–**	(459)	**–**
Net income/(expense) recognised directly in equity	**162 645**	(18 731)	**–**	2 361	**16 098**	316 272	**478 645**
Vendor shares movement	**–**	–	**14 976**	–	**–**	–	**14 976**
Total comprehensive income for the period	**–**	–	**–**	–	**(684)**	189 771	**189 087**
Total recognised income and expenses for 2011	**162 645**	(18 731)	**14 976**	2 361	**15 414**	506 043	**682 708**
Dividends for the period	**–**	–	**–**	–	**–**	(10 168)	**(10 168)**
Balance at 31 March 2011	**162 645**	(18 731)	**14 976**	2 361	**15 414**	495 875	**672 540**
Notes	**16**	17	**18**	19	**20**		

	Notes	**Group 2011 N$'000**	Group 2010 N$'000
Dividends declared per share (cents)	38	1.50	2.00
Dividends paid per share (cents)	38	1.50	2.00

	Share capital N$'000	Deemed treasury shares N$'000	**Vendor shares N$'000**	Distributable reserves N$'000	**Total N$'000**
Company					
Balance at 1 April 2009	**162 645**	(19 137)	**14 976**	108 951	**267 435**
Vendor shares settled	**–**	–	**(14 976)**	–	**(14 976)**
Sale of deemed treasury shares by TSSIST	**–**	406	**–**	–	**406**
Net income/(expense) recognised directly in equity	**162 645**	(18 731)	**–**	108 951	**252 865**
Total comprehensive income for the period	**–**	–	**–**	27 364	**27 364**
Total recognised income and expenses for 2010	**162 645**	(18 731)	**–**	136 315	**280 229**
Dividends for the period	**–**	–	**–**	(14 143)	**(14 143)**
Balance at 31 March 2010	**162 645**	(18 731)	**–**	122 172	**266 086**
Balance at 1 April 2011	**162 645**	(18 731)	**–**	122 172	**266 086**
Vendor shares movement	**–**	–	**14 976**	–	**14 976**
Net income/(expense) recognised directly in equity	**162 645**	(18 731)	**14 976**	122 172	**281 062**
Total comprehensive income for the period	**–**	–	**–**	19 908	**19 908**
Total recognised income and expenses for 2011	**162 645**	(18 731)	**14 976**	142 080	**300 970**
Dividends for the period	**–**	–	**–**	(10 607)	**(10 607)**
Balance at 31 March 2011	**162 645**	(18 731)	**14 976**	131 473	**290 363**
Notes	**16**	17	**18**		

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year-ended 31 March 2011

		Group		Company	
	Notes	2011 N$'000	2010 N$'000	2011 N$'000	2010 N$'000
Cash flow from operating activities					
Cash generated by operations before working capital changes	39.1	**185 378**	82 650	**9 303**	(22 985)
Changes in working capital	39.1	**(169 343)**	(9 015)	**319**	340
Investment income	35	**29 306**	7 883	**12 575**	10 759
Dividends received	35	**–**	–	**16 500**	25 700
Finance costs	36	**(22 139)**	(20 489)	**(2 133)**	(1)
Net educational loans advanced	8	**(29 436)**	(45 276)	**–**	–
Dividends paid		**(10 168)**	(14 143)	**(10 607)**	(14 143)
Taxation paid	39.2	**(5 517)**	(397)	**(485)**	(137)
Net cash flow from operating activities		**(21 919)**	1 213	**25 472**	(467)
Cash flow from investing activities					
Additions to property, plant and equipment	3	**(13 128)**	(20 180)	**–**	–
Additions to investment property	4	**(6 411)**	(200)	**–**	–
Additions to intangible assets	5	**(39 700)**	(11 739)	**–**	–
Acquisition of subsidiary, net of cash acquired	39.4	**(7 254)**	–	**–**	–
Acquisition of business, net of cash acquired	39.5	**(3 315)**	–	**–**	–
Additions to assets at fair value through profit or loss		**(7 425)**	(8 239)	**–**	–
Proceeds from sale of property, plant and equipment		**895**	9 042	**–**	–
Net cash flow from investing activities		**(76 338)**	(31 316)	**–**	–
Cash flow from financing activities					
Sale of deemed treasury shares		**–**	496	**–**	406
Proceeds from/(repayment of) long-term liabilities		**80 266**	(7 075)	**–**	–
(Repayment of)/proceeds from related party loans		**(12 008)**	8 050	**(25 488)**	28
Increase in policyholder under insurance contracts	23	**3 408**	2 427	**–**	–
(Repayment of)/proceeds from other liabilities		**(1 334)**	2 077	**–**	–
Net cash flow from financing activities		**70 332**	5 975	**(25 488)**	434
Net change in cash and cash equivalents		**(27 925)**	(24 128)	**(16)**	(33)
Cash and cash equivalents at the beginning of the year	39.3	**69 421**	93 549	**4**	37
Cash and cash equivalents at the end of the year	39.3	**41 496**	69 421	**(12)**	4

1 Accounting policies

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, 2004. 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 (for example, over-the counter derivatives) is determined by using valuation techniques. The Group and the Company use a variety of methods and make 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 judgement. In making this judgement, 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 and non-depreciable assets 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 recognise 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 forecasted 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. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Group and the Company make judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1 Accounting policies (continued)

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 the 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 review and test 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 has 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 judgements.

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 deconsolidated 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 consistency with the policies adopted by the Group.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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 the statement of comprehensive income. 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

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The Group's external reportable segments reflect the internal reporting structure of the Group, which is the basis on which resource allocation decisions are made by management in attainment of strategic objectives. During the year under review as a result of changes in the scope of the Group's activities, management changed its internal operating and financial reporting structures. Those changes are reflected in the new segment reporting format disclosed for which comparative information, where practicable, has been presented.

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 or 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.

1 Accounting policies (continued)

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, 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, and aircrafts arising on revaluation are credited to revaluation and other reserves in shareholders' equity. Decreases that off-set 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	Indefinite
Buildings	50 years
Machinery and equipment	6 – 15 years
Motor vehicles	8 years
Office equipment and furniture	6 – 8 years
Computer equipment and software	3 – 5 years
Aircrafts	
• Engine	1 500 – 3 500 flight hours
• Airframe	18 000 – 20 000 flight hours
• Avionics and equipment	10 years

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.

Definite life

The carrying amount of intangible assets are 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, licences and patents	20 to 25 years
Film project	5 years

Indefinite life

The carrying amount of intangible assets are 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:

- Computer software: i-Edge (previously E-Sure), TrustCollect (previously 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.

1 Accounting policies (continued)

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 classify 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 positions 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 establish 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 recognised to reflect irrecoverable amounts.

Provision for impairment

Provision for impairment consist of a specific provision. A specific provision is made on loans where no payment has been received on the loan in excess of three months and where no payment can be reserved from the government by means of a deduction code.

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

1 Accounting policies (continued)

- 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 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 assess 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 is 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.

Fair value measurement hierarchy

IFRS 7 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value measurement hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 – inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- level 3 – inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs).

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:

- 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 credits (applicable in the Republic of South Africa) 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 Accounting policies (continued)

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out ("FIFO") 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 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 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 are 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 assess 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 estimate the recoverable amount of the asset.

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

- test 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; and
- test 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 recognise 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.

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.

1 Accounting policies (continued)

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 27.

1.16 Revenue

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

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group 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 Group; 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 Group;
- 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 contract.

Only 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.

Interest received on financial assets (includes interest received on microfinance loan book)

Interest income on financial assets that are classified as loan 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; and
- 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.

1 Accounting policies (continued)

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:

- a policy which provides legal cover in the event of litigation against or in favour of policyholders;
- a policy providing lump sum benefits and costs recoveries for death;
- a policy which provides salary cover;
- a policy which provides 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 ("PGNs") issued by the Actuarial Society of South Africa ("ASSA"). Of particular relevance to the insurance liability calculations are the following actuarial guidance notes:

- PGN102: Life Offices – HIV/AIDS
- PGN103: Report by Statutory Actuary in Financial Statements
- PGN104: Life Offices – Valuation of Long-term Insurers
- PGN105: 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 policyholders' 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 the 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 in insurance liabilities.

Claims

Full provision is made for the estimated cost of claims notified but not settled at the reporting date. Provision is also made for the expected cost of claims incurred but not intimated at the 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.

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 standardised 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.

Policyholder 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 Namibian 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 movements 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 reporting date that proved evidence of conditions that existed at the reporting date. Events after the reporting date that are indicative of conditions that arose after the reporting 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 (amendment relieves first-time adopters of IFRS 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 January 2011;

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 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 unreplaced and voluntarily replaced share-based payment awards) – effective for annual periods beginning on or after 1 January 2011;

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 and removed some disclosure items which were seen to be superfluous or misleading) – effective for annual periods beginning on or after 1 January 2011;

IFRS 7 Financial Instruments: Disclosures (amendments require additional disclosure on transfer transactions of financial assets, including the possible effects of any residual risks that the transferring entity retains. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period) – effective for annual periods beginning on or after 1 July 2011;

IFRS 9 Financial Instruments (new 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;

IFRS 10 Consolidated Financial Statements (new standard that replaces the consolidation requirements in SIC12 Consolidation: Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess) – effective for annual periods beginning on or after 1 January 2013;

IFRS 11 Joint Arrangements (new standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. The standard requires a single method for accounting for interests in jointly controlled entities) – effective for annual periods beginning on or after 1 January 2013;

IFRS 12 Disclosure of Interests in Other Entities (new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles) – effective for annual periods beginning on or after 1 January 2013;

IFRS 13 Fair Value Measurement (new guidance on fair value measurement and disclosure requirements) – effective for annual periods beginning on or after 1 January 2013;

IAS 1 Presentation of Financial Statements (clarification of statement of movements in equity) – effective for annual periods beginning on or after 1 January 2011;

IAS 1 Presentation of Financial Statements (new requirements to group together items within OCI that may be reclassified to the profit or loss section of the income statement in order to facilitate the assessment of their impact on the overall performance of an entity) – effective for annual periods beginning on or after 1 July 2012;

IAS 12 Income Taxes (rebuttable presumption introduced that an investment property will be recovered in its entirety through sale) – effective for annual periods beginning on or after 1 January 2012;

IAS 19 Employee Benefits (amendments to the accounting for current and future obligations resulting from the provision of defined benefit plans) – effective for annual periods beginning on or after 1 January 2013;

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 (transition requirements for amendments arising as a result of IAS 27 Consolidated and Separate Financial Statements) – effective for annual periods beginning on or after 1 July 2010;

IAS 27 Consolidated and Separate Financial Statements (consequential amendments resulting from the issue of IFRS 10, 11 and 12) – effective for annual periods beginning on or after 1 January 2013;

IAS 28 Investments in Associates (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 28 Investments in Associates (consequential amendments resulting from the issue of IFRS 10, 11 and 12) – effective for annual periods beginning on or after 1 January 2013;

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 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; and

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.

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 does not anticipate that the above Standards and Interpretations will have a material effect on the Group’s annual financial statements except for IAS 12, Income Taxes, the effect which is disclosed as per note 7.

3 Property, plant and equipment	2011 Cost N$'000	2011 Accumulated depreciation N$'000	2011 Carrying amount N$'000	2010 Cost N$'000	2010 Accumulated depreciation N$'000	2010 Carrying amount N$'000
Group						
Land and buildings	72 498	(24)	72 474	66 750	(2)	66 748
Computer equipment and software	41 735	(30 535)	11 200	43 001	(25 993)	17 008
Machinery and equipment	8 344	(5 389)	2 955	7 972	(4 273)	3 699
Motor vehicles	15 277	(2 856)	12 421	13 656	(2 410)	11 246
Aircrafts	47 890	(19 902)	27 988	53 788	(15 388)	38 400
Office equipment and furniture	6 578	(3 919)	2 659	5 756	(3 491)	2 265
	192 322	(62 625)	129 697	190 923	(51 557)	139 366
The following capitalised leased assets are included in property, plant and equipment:						
Motor vehicles (carrying value)			8 518			7 419

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

	Land and Buildings N$'000	Computer equipment and software N$'000	Machinery and equipment N$'000	Motor vehicles N$'000	Aircrafts N$'000	Office equipment and furniture N$'000	Total N$'000
2011							
Carrying amount at the beginning of the year	66 748	17 008	3 699	11 246	38 400	2 265	139 366
Additions	339	7 685	373	3 475	479	777	13 128
Transfer from investment properties	1 317	–	–	–	–	–	1 317
Acquired through business combinations	–	133	–	72	–	56	261
Revaluations	4 081	–	–	–	(7 123)	–	(3 042)
Depreciation	(11)	(13 373)	(1 116)	(1 067)	(3 768)	(439)	(19 774)
Disposals	–	(253)	(1)	(1 305)	–	–	(1 559)
Carrying amount at the end of the year	72 474	11 200	2 955	12 421	27 988	2 659	129 697
2010							
Carrying amount at the beginning of the 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 from 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 the end of the year	66 748	17 008	3 699	11 246	38 400	2 265	139 366

3 Property, plant and equipment (continued)

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$'000	Machinery and equipment N$'000	Aircrafts N$'000	Total N$'000
2011	**56 201**	**2 434**	**24 732**	**83 367**
2010	54 556	3 178	28 021	85 755

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

The Group's aeroplanes were valued by R Irons of ExecuJet Aviation Group during February 2011 utilising methods detailed in the Internationally Recognised Blue Book for aircraft valuations. Neither R Irons nor ExecuJet Aviation Group are connected to the company. R Irons has recent experience in aeroplanes being valued.

Properties are stated at fair value, which has been determined based on valuations performed by Gert Hamman Property Valuers CC and A de Beer during March 2011, in accordance with International Valuation Standards. Gert Hamman Property Valuers CC and A de Beer 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 notes 21 and 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.

4 Investment property	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Balance at the beginning of the year	**143 233**	33 753	**–**	–
Additions	**6 411**	200	**–**	–
Reclassification from inventory	**–**	13 255	**–**	–
Transfer (to)/from property, plant and equipment	**(1 317)**	7 764	**–**	–
Acquired through business combination	**20 988**	–	**–**	–
Fair value adjustments	**63 514**	88 261	**–**	–
Balance at the end of the year	**232 829**	143 233	**–**	–

Investment properties are stated at fair value on 31 March 2011, which has been determined based on valuations performed by Gert Hamman Property Valuers CC and A. de Beer, in accordance with International Valuation Standards. Gert Hamman Property Valuers CC and A 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 valuations was based on the direct sales comparison method, the income capitalisation method and current market conditions.

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

	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Rental income	**2 196**	1 631	**–**	–
Direct operating expenses: income-generating properties	**9**	132	**–**	–

Certain investment properties as described above have been mortgaged as security for liabilities described in note 21. 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.

5 **Intangible assets**	**2011** Cost N$'000	**2011** Accumulated amortisation and impairment N$'000	**2011** Carrying amount N$'000	2010 Cost N$'000	2010 Accumulated amortisation and impairment N$'000	2010 Carrying amount N$'000
Group						
Computer software – definite life	**4 090**	**(1 370)**	**2 720**	1 782	(1 037)	745
Computer software – indefinite life	**191 447**	**–**	**191 447**	179 989	–	179 989
Trademarks, licences and patents	**44 916**	**(6 185)**	**38 731**	18 982	(5 551)	13 431
Film project and insurance book	**8 577**	**(553)**	**8 024**	553	–	553
	249 030	**(8 108)**	**240 922**	201 306	(6 588)	194 718

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

	Computer Equipment Definite life N$'000	Computer Equipment Indefinite life N$'000	Trademarks, licences and patents N$'000	Film project and insurance book N$'000	Total N$'000
2011					
Carrying amount at the beginning of the year	**745**	**179 989**	**13 431**	**553**	**194 718**
Additions	**2 308**	**11 458**	**25 934**	**–**	**39 700**
Acquired through business combination	**–**	**–**	**–**	**8 024**	**8 024**
Impairment	**–**	**–**	**(24)**	**(553)**	**(577)**
Amortisation	**(333)**	**–**	**(610)**	**–**	**(943)**
Carrying amount at the end of the year	**2 720**	**191 447**	**38 731**	**8 024**	**240 922**
2010					
Carrying amount at the beginning of the year	582	168 531	17 276	553	186 942
Additions	281	–	–	–	281
Internally generated	–	11 458	–	–	11 458
Impairment	–	–	(3 469)	–	(3 469)
Amortisation	(118)	–	(376)	–	(494)
Carrying amount at the end of the year	745	179 989	13 431	553	194 718

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 TrustCollect (previously DexCollect) and i-Edge (previously E-Sure) which is the core of the insurance business of Trustco Financial Services (Pty) Limited (previously DexGroup Financial Services (Pty) Limited). There is no foreseeable limit to the period over which TrustCollect and i-Edge 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 Institute for Open Learning ("IOL") and Legal Shield Life trademarks, which are included under trademarks, licences and patents, are considered to have a definite life of 25 years.

The Trustco Mobile patent, which is included under trademarks, licences and patents and which was acquired in the current year, is considered to have a definite life of 20 years.

The insurance book which is included under the film project and insurance book, was acquired during the current year through a business combination and is considered to have a definite life of 5 years.

6 Investment in subsidiaries	Company 2011 N$	Company 2010 N$
Unlisted shares at cost		
Legal Shield Holdings (Pty) Limited	100	100
Trustco Education (Pty) Limited	100	100
Trustco Media (Pty) Limited	100	100
Trustco Capital (Pty) Limited	100	100
Trustco Corporate Management Services (Pty) Limited	100	100
Trustco Business Development (Pty) Limited	100	100
Trustco Tourism Holdings (Pty) Limited	100	100
Trustco Group International (Pty) Limited (incorporated in Republic of South Africa)	100	100
Trustco Group International (Pty) Limited (incorporated in Republic of Namibia)	68 549 357	68 549 357
Trustco Property Holdings (Pty) Limited	100	100
Trustco Mobile Mauritius	100	–
	68 550 357	68 550 257

7 Deferred taxation	Group Opening balance N$'000	Group Movement for the year N$'000	Group Closing balance N$'000	Company Opening balance N$'000	Company Movement for the year N$'000	Company Closing balance N$'000
2011						
Property, plant and equipment	(21 747)	8 268	(13 479)	–	–	–
Land	(18)	–	(18)	–	–	–
Investment properties	(53 741)	(23 505)	(77 246)	–	–	–
Intangible assets	(5 075)	3 720	(1 355)	–	–	–
Finance lease (assets)/liability	1 907	(291)	1 616	–	–	–
Prepayment	(1 639)	637	(1 002)	–	–	–
Provision for doubtful debts	24	3 064	3 088	–	–	–
Income received in advance	3 852	(10 745)	(6 893)	–	–	–
Provision for leave and bonuses	439	37	476	–	–	–
Deferred tax on assessed loss	69 771	(695)	69 076	–	–	–
	(6 227)	(19 510)	(25 737)	–	–	–
2010						
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	–	–	–
Prepayment	(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)	–

7 Deferred taxation (continued)	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Non-current assets	**62 096**	50 855	**–**	–
Non-current liabilities	**(87 833)**	(57 082)	**–**	–
	(25 737)	(6 227)	**–**	–

Deferred tax assets and liabilities are only off-set 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.

Impact of amendment to IAS 12 Income Taxes, not early adopted by the Group

Effect on consolidated statement of comprehensive income	Profit for the year reported N$'000	Decrease in tax charge N$'000	Adjusted profit N$'000
2011	189 771	23 213	212 984
2010	137 544	34 124	171 668
2009	93 378	886	94 264

Effect on consolidated statement of movement in equity	Distributable reserves reported	Tax effect on opening balance	Decrease in tax charge	Cumulative change	Adjusted distributable reserves
2011	495 875	–	23 213	76 348	572 223
2010	316 731	–	34 124	53 135	369 866
2009	194 416	18 125	886	19 011	213 427

Effect on statement of financial position	Deferred tax liability reported	Tax effect on opening balance	Decrease in tax charge	Cumulative change	Adjusted deferred tax liability
2011	87 833	–	(23 213)	(76 348)	11 485
2010	57 082	–	(34 124)	(53 135)	3 947
2009	27 062	(18 125)	(886)	(19 011)	8 051

The effect of the amendment to the company is nil, as it does not own investment properties.

8 Educational loans	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Educational loans advanced at the beginning of the year	192 648	137 727	–	–
Impairment of loans at the beginning of the year	(14 345)	(4 700)	–	–
Opening balance	178 303	133 027	–	–
	29 436	45 276	–	–
Loans advanced (including transaction costs)	119 467	120 887	–	–
Payments received	(86 514)	(65 220)	–	–
Amounts written off as uncollectible	–	(746)		
Increase in impairment	(3 517)	(9 645)	–	–
Closing balance	207 739	178 303	–	–
Consisting of:				
Educational loans advanced at the end of the year	225 601	192 648	–	–
Impairment of loans at the end of the year	(17 862)	(14 345)	–	–
Closing balance	207 739	178 303	–	–
Less: short-term portion	(87 473)	(71 463)	–	–
Long-term portion	120 266	106 840	–	–
Reconciliation of impairment				
Opening balance	14 345	4 700	–	–
Provision for impairment utilised during the year	3 517	9 645	–	–
Closing balance	17 862	14 345	–	–

The balance of educational loans that are overdue but not impaired amounted to NAD 7 278 136 (2010: NAD10 260 921). Overdue but not impaired is defined as payments that are outstanding for more than one month but not longer than three months. A provision for impairment is made on all loans with payments outstanding longer than three months. These loans bear interest at rates ranging between 1.75% (only staff loans) and 19.5% (2010: 5.03% (only staff loans) and 22.78%), are unsecured and repayable over periods between 12 to 60 months.

The educational loan book serves as security for the facilities of ABSA and IFC (refer to note 21).

9 Other loans advanced	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Non-current receivables	5 558	5 832	–	–
Other loans	31 348	32 312	–	–
Provision for bad debts	(11 909)	(73)	–	–
	24 997	38 071	–	–
Less: short-term portion	(833)	(908)	–	–
	24 164	37 163	–	–
Reconciliation of provision for bad debts				
Opening balance	(73)	–	–	–
Increase in provision	(11 836)	(73)	–	–
Closing balance	(11 909)	(73)	–	–

The non-current receivable originated from the 2009 financial year purchase of the minority interest in Printas (Pty) Limited. The agreement includes an amount of damages that the seller has to pay to the Group for the cancellation of the printing contract of NAD10 million. The Group agreed to lend this amount to the seller interest free and repayable over 10 years in equal payments of NAD1 million. The loan was fair valued by discounting it at 10% per annum over a period of 10 years. The instalments of the loan serves as security to Standard Bank of Namibia Limited.

Other loans originated 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) Limited, a subsidiary in the Group, at interest rates ranging between 8% and 10%, repayable over an average of 228 (2010: 240) monthly instalments of NAD81 565 (2010: range between NAD31 898 and NAD136 858 per month). Personal surety also obtained from respective buyers where deemed necessary. The Group raised a provision for bad debts amounting to NAD11.8 million on loans originated from the sale of the non-core business sold during the 2010 financial year when the purchasers stopped payment. Legal proceedings have been instituted against the relevant parties.

These loans are classified as "loans and receivables" for IAS 39 Financial Instruments: Recognition and Measurement purposes.

10 Finance lease receivable	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Minimum lease payments				
Within one year	**500**	500	**–**	–
In the second to fifth years inclusive	**500**	1 000	**–**	–
	1 000	1 500	**–**	–
Less: unearned finance income	**(124)**	(241)	**–**	–
	876	1 259	**–**	–
Present value of minimum lease payments				
Within one year	**419**	387	**–**	–
In the second to fifth years inclusive	**457**	872	**–**	–
	876	1 259	**–**	–

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 7.50% (2010: 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 NAD500 000 each, with two instalments remaining.

11 Amounts (due to)/due by related parties	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Subsidiaries of the Company				
Webbiz (Pty) Limited	**–**	–	**(30)**	(30)
Institute for Open Learning (Pty) Limited	**–**	–	**625**	1 125
Trustco Insurance Limited	**–**	–	**(3 469)**	331
Trustco Newspapers (Pty) Limited	**–**	–	**5 000**	5 000
Trustco Education (Pty) Limited	**–**	–	**20 000**	20 000
Legal Shield Holdings (Pty) Limited	**–**	–	**(10 325)**	(11 625)
Trustco Mobile (Pty) Limited	**–**	–	**(6 128)**	–
Trustco Fleet Management Services (Pty) Limited*	**–**	–	**2 520**	2 253
Trustco Group International (Pty) Limited (incorporated in Republic of Namibia)	**–**	–	**104 014**	58 959
Trustco Group International (Pty) Limited (incorporated in Republic of South Africa)*	**–**	–	**39 646**	23 274
Trustco Finance (Pty) Limited*	**–**	–	**(36 684)**	793
Trustco Capital (Pty) Limited*	**–**	–	**114 929**	104 091
Other related parties				
Trustco Staff Share Incentive Scheme Trust	**–**	–	**(4 441)**	(4 002)
Next Investments (Pty) Limited	**(8 826)**	(20 834)	**–**	–
	(8 826)	(20 834)	**225 657**	200 169
Non-current assets	**–**	–	**286 734**	215 826
Current assets	**–**	–	**–**	–
Non-current liabilities	**–**	(20 834)	**(61 077)**	(15 657)
Current liabilities	**(8 826)**	–	**–**	–
	(8 826)	(20 834)	**225 657**	200 169

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

* The loans to subsidiary companies are unsecured and do not have fixed repayment terms. Loans bear interest between 6% and 9.75% per annum.

All other loans to subsidiary companies are unsecured, interest free and do not have fixed repayment terms. The loan from Next Investments (Pty) Limited is unsecured, bears interest at 9.75% (Namibian prime rate) per annum. Loan is repayable in the next twelve months. The sole shareholder of Next Investments (Pty) Limited is Mr. Q van Rooyen.

12 Assets at fair value through profit and loss	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Investments in balanced funds with no specific date of maturity	25 699	18 274	–	–
Current portion	25 699	18 274	–	–

These investments are held at Momentum and Liberty Life. These investments form part of a structured finance transaction and serve as security for certain liabilites as stated in note 21. The investment managers have a non-restrictive mandate to manage these investments. Average monthly payments of NAD 548 127 are made (2010: NAD633 745). The minimum value of these investments are guaranteed to not be lower than the capital invested.

13 Inventories	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Work in progress	13 877	17 117	–	–
Finished goods	2 646	1 560	–	–
Non-stock and consumables	18	–	–	–
	16 541	18 677	–	–

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

Work in progress of NAD13.88 million (2010: NAD 17.12 million) relates to Lafrenz industrial land, Windhoek. The Group is in the process of selling industrial erven.

The Lafrenz land classified under work in progress above has been mortgaged as security for the liability described in note 21.

14 Trade and other receivables	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Trade receivables	42 434	11 807	–	–
Property sales receivables	59 067	8 788	–	–
Less: impairment of receivables	(349)	(210)	–	–
	101 152	20 385	–	–
Prepayments	3 625	4 983	–	–
SABC legal award receivable	54 193	–	–	–
State: other taxes receivable	1 934	1 684	–	–
Other receivables	36 596	19 497	–	–
	197 500	46 549	–	–
Movement in impairment				
Opening balance	210	571	–	–
Amounts written off	–	(554)		
Impairment losses provided for	139	193	–	–
Closing balance	349	210	–	–

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

As of 31 March 2011, trade receivables of NAD3.8 million (2010: NAD2.7 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 is as follows:

Up to three months	1 589	1 065	–	–
Three to six months	266	354	–	–
Older than six months	1 960	1 262	–	–
	3 815	2 681	–	–

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 2011 N$'000**	Group 2010 N$'000	**Company 2011 N$'000**	Company 2010 N$'000
Cash at bank and on hand	**82 538**	91 047	**10**	4
Short-term bank deposits	**147**	–	**–**	–
	82 685	91 047	**10**	4

16 Share capital	**Number of shares '000**	**Share capital N$'000**	**Total N$'000**
Authorised			
At 31 March 2011: 2 500 000 000 ordinary par value shares of NAD0.23	**2 500 000**	**575 000**	**575 000**
At 31 March 2010: 2 500 000 000 ordinary par value shares of NAD0.23	2 500 000	575 000	575 000
Issued and fully paid			
Balance as at 31 March 2011	**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.

17 Deemed treasury shares	**Number of shares 2011 '000**	Number of shares 2010 '000	**Group 2011 N$'000**	Group 2010 N$'000	**Company 2011 N$'000**	Company 2010 N$'000
Opening balance	**29 266 630**	29 901 800	**18 731**	19 137	**18 731**	19 137
Sale of deemed treasury shares by the Trustco staff Share Incentive Scheme Trust	–	(635 170)	–	(406)	–	(406)
	29 266 630	29 266 630	**18 731**	18 731	**18 731**	18 731

During the 2007 financial year 70 251 800 (14 050 360 before share split) shares were purchased from Mr 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 treated as a special purpose entity that was consolidated into the Group and Company's financial statements. The shares held by the Trust are therefore treated as deemed treasury shares for consolidation and Company purposes. The Group and the Company have management control over the Trust.

18 Vendor shares	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Balance at the beginning of the year	–	14 976	–	14 976
Vendor shares movement	14 976	–	14 976	–
Fulfilment of agreement	–	(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) Limited ("TFS") (previously DexGroup Financial Services (Pty) Limited) from DexGroup (Pty) Limited ("the seller"). In terms of the agreement the Group had to pay NAD20 million in cash upfront and the balance of and a further NAD45 million by issuing a fixed number of shares. These shares have been issued from 2008 to 2010 based on pro rata net profit after tax of TFS in each year.

The purchase agreement perfected subsequently as TFS achieved its profit targets. At the time of perfection, DexGroup did not settle the overdraft facility of NAD19.4 million, which was a condition of the agreement. The vendor shares were settled during the 2010 financial year. The shares were utilised to repay the amounts due from DexGroup (Pty) Limited ("DexGroup") of NAD30.8 million. The remaining net debt due by DexGroup of NAD15.83 was impaired during the 2010 financial year.

Arbitration proceedings were instituted to collect the outstanding amounts and the hearing commenced on 1 November 2010. On 29 November 2010, the arbitrator in the arbitration between DexGroup versus Trustco Group International (Pty) Limited, incorporated in South Africa, ("Trustco Group International") and others, delivered his final award. In terms of the award, DexGroup remains liable to Trustco Group International to repay the overdraft facility of NAD19.4 million. Upon discharge of this obligation, DexGroup is entitled to the issue and transfer of ordinary shares ("vendor shares") in Trustco Group Holdings Limited.

The net debt due by the DexGroup, previously impaired, was reversed in the current year, due to the award of the arbitrator and new developments in the financial position of DexGroup. DexGroup is now in the position to repay amounts owing to Trustco Group International.

The total amount of shares to be issued upon payment of the NAD19.4 million, is 4.789 million shares.

19 Contingency reserves	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Policyholders' contingency reserve				
Balance at the beginning of the year	1 902	726	–	–
Increase in reserve	459	1 176	–	–
Balance at the end of the year	2 361	1 902	–	–

The Group raised 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.

20 Revaluation reserves	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Balance at the beginning of the year	**16 098**	16 851	**–**	–
(Deficit) arising from the revaluation of property, plant and equipment, net of deferred taxation and release of depreciation to the statement of comprehensive income	**(684)**	(753)	**–**	–
Balance at the end of the year	**15 414**	16 098	**–**	–
Comprising:				
Revaluation of property, plant and equipment	**15 414**	16 098	**–**	–

21 Long-term liabilities	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Secured				
Term loans	**109 151**	34 500	**–**	–
Mortgage loans	**58 835**	53 919	**–**	–
Liabilities under instalment sale agreements	**34 892**	33 106	**–**	–
Operating lease straight-lining liability	**845**	1 932	**–**	–
Claims float	**3 000**	3 000	**–**	–
	206 723	126 457	**–**	–
Current portion included under current liabilities	**(55 288)**	(15 367)	**–**	–
	151 435	111 090	**–**	–
Current liabilities	**55 288**	15 367	**–**	–
Non-current liabilities	**151 435**	111 090	**–**	–
	206 723	126 457	**–**	–

The term loans consists of:

- a term loan with Bank Windhoek Limited amounting to NAD18.3 million which is secured over work in progress and investment property with a carrying value of NAD175.5 million (2010: NAD129.3 million), repayable in 60 monthly instalments of NAD524 881 (2010: NAD525 000) including interest at prime lending rate (9.75%);
- a loan from the Development Bank of Namibia Limited amounting to NAD9.6 million which is repayable in 12 equal quarterly payments of NAD902 926 (2010: NAD 979 331 million) that bears interest at prime rate (9.75%) less 3% per annum.
- a loan from International Finance Corporation ("IFC") of NAD41.2 million repayable in 10 equal semi-annual payments from December 2012 bearing an average interest of 13.02%. The Group received a further NAD30 million after year-end; and
- a loan from ABSA Bank Limited amounting to NAD40 million which is repayable in 60 equal monthly instalment including interest at South African prime lending rate (9%) minus one per cent.

21 Long-term liabilities (continued)

The mortgage loans are secured over land and buildings and investment properties with carrying values of NAD72.4 million (2010: NAD67.7 million) and NAD49.3 million (2010: NAD30.1 million), respectively and repayable in monthly instalments up to 20 years of NAD788 095 (2010: NAD668 560) including interest at home loan rates ranging between 7.00% and 10.50% (2010: 10.00% and 12.75%).

Liabilities under instalment sale agreements are payable over periods from one to five years at effective interest rates ranging from 8.00% to 10.25% (2010: 10.75% to 14.25%) per annum. These liabilities are repayable in monthly instalments of approximately NAD475 021 (2010: NAD489 464) and are secured over machinery and equipment and aircraft with a carrying amount of NAD39.3 million (2010: NAD38.1 million). Instalment sale agreements for purchase of the two aircrafts are due for settlement during the next twelve months with a final balloon payment of NAD31.0 million

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

- Cession of fire damage over Portion 1 of the farm Nubuamis Number 37, Windhoek in the name of Printas (Pty) Limited, registration number 2005/0328.
- Share pledged by Mr Q van Rooyen to serve as security for the Development Bank of Namibia loan.
- Suretyship for NAD15 million from Trustco Group International (Pty) Limited and Trustco Media (Pty) Limited 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.
- Unlimited cession by Trustco Finance (Pty) Limited of the Trustco Finance student loan book, to be shared *pari passu* with the IFC and ABSA.
- Other loans advanced (refer to note 9) in favour of Standard Bank of Namibia Limited.

22 Other liabilities	Group		Company	
	2011 N$'000	2010 N$'000	**2011 N$'000**	2010 N$'000
Finance lease obligations				
Minimum lease payments due				
– within one year	**2 905**	3 173	**–**	–
– in second to fifth year inclusive	**996**	2 204	**–**	–
	3 901	5 377	**–**	–
Less: future finance charges	**(440)**	(582)	**–**	–
Present value of minimum lease payments	**3 461**	4 795	**–**	–
Present value of minimum lease payments due				
– within one year	**3 127**	1 645	**–**	–
– in second to fifth year inclusive	**334**	3 150	**–**	–
	3 461	4 795	**–**	–
Non-current liabilities	**334**	3 150	**–**	–
Current liabilities	**3 127**	1 645	**–**	–
	3 461	4 795	**–**	–

Liabilities under finance leases are repayable over periods from one to three years at an effective interest rate of 9.75% (2010: 11.75%) per annum. These liabilities are repayable in monthly instalments of approximately NAD410 736 (2010: NAD316 701) and are secured over motor vehicles with a carrying amount of NAD8.5 million (2010: NAD7.4 million).

23 Policy holder liability under insurance contracts	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Balance at the beginning of the year	**4 899**	2 472	**–**	–
Movement during the year	**3 408**	2 427	**–**	–
Balance at the end of the year	**8 307**	4 899	**–**	–

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").

24 Trade and other payables	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Trade creditors	**20 892**	18 823	**138**	106
Income received in advance	**3 205**	5 427	**–**	–
Accrued expenses	**7 102**	16 011	**1 430**	475
State: other taxes due	**14 790**	5 895	**396**	538
Other payables	**3 083**	6 662	**524**	1 050
Insurance premiums due to insurers*	**88 177**	88 770	**–**	–
Amounts due to financial service providers*	**8 715**	23 455	**–**	–
External broker commission payable*	**9 385**	10 681	**–**	–
Administered claims fund*	**11 913**	11 848	**–**	–
	167 262	187 572	**2 488**	2 169

* These liabilities relate to amounts due by Trustco Financial Services (Pty) Limited ("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 net 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 due to financial services intermediaries as a result of premiums collected from insurers by TFS. Claims funds due to insurers relates to amounts due in respect of claims advanced from insurers to TFS, payable to the insured for claims approved by insurer but not due. 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 27. These liabilities form part of the micro insurance and technology solutions: South Africa segment. Refer to note 42 on segmental information.

25 Technical Provisions	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
25.1 Balance at the beginning of the year	**2 008**	1 921	–	–
Transfer from statement of comprehensive income	**440**	87	–	–
Balance at the end of the year	**2 448**	2 008	–	–
25.2 Long-term insurance contracts				
Balance at the beginning of the year	**82**	36	–	–
Transfer from statement of comprehensive income	**40**	46	–	–
Balance at the end of the year	**122**	82	–	–
Short-term insurance contracts				
Balance at the beginning of the year	**7 826**	6 971	–	–
Transfer from statement of comprehensive income	**69**	855	–	–
Balance at the end of the year	**7 895**	7 826	–	–
Total provision for outstanding claims	**8 017**	7 908	–	–
25.3 Long-term insurance contracts				
Balance at the beginning of the year	**1 432**	1 371	–	–
Transfer from statement of comprehensive income	**539**	61	–	–
Balance at the end of the year	**1 971**	1 432	–	–
Short-term insurance contracts				
Balance at beginning of year	**5 841**	5 535	–	–
Transfer from statement of comprehensive income	**151**	306	–	–
Balance at the end of the year	**5 992**	5 841	–	–
Total unearned premium reserve	**7 963**	7 273	–	–
Total technical provisions	**18 428**	17 189	–	–

26 Bank Overdraft	2011 N$'000	2010 N$'000	2011 N$'000	2010 N$'000
The Group's available banking facilities and the extent to which they have been used are as follows:				
Available	**39 000**	19 000	–	–
Utilised	**41 189**	21 626	22	–

These banking facilities are secured as follows:

- Fourth and fifth mortgage bonds totalling NAD7 000 000 over Erf 7490, Windhoek in favour of First National Bank of Namibia Limited.
- Unlimited surety by Mr Q van Rooyen in favour of Standard Bank of Namibia Limited and First National Bank of Namibia Limited.
- Plot 29 Hopwell Aris, Windhoek in favour of Standard Bank of Namibia Limited. This is a van Rooyen property.
- Shares to the value of NAD3.5 million have been pledged by Mr Q van Rooyen in favour of First National Bank of Namibia Limited.

27 Contingent liabilities and guarantees

SABC legal action

The arbitration process between Trustco Group International (Pty) Limited ("the Company") 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 R24.7 million; 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 total amount awarded plus the interest *tempore morae* accounted for in the current year is NAD54 million.

The Company's external legal representatives advised there are good prospects that an Appeal Tribunal will increase the amount of the award made by the arbitrator. 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. The appeal will be heard on 27 September 2011.

Microfinance Government Deduction Code

The deduction code is renewable from time to time. The current code is valid until July 2011. On previous occasions it was renewed whenever it came up for renewal. The Group is in a legal process regarding the deduction code and is awaiting judgement of an appeal lodged by the Ministry of Finance. The Ministry of Finance undertook in writing on 15 April 2009 that should the deduction code expire, Trustco will be allowed to utilise the code until the then current loans are repaid without loading new students on to the system.

Pending Legal Cases

The Group has other pending legal cases for which the total legal cost is estimated to be not more than NAD890 000 (2010: NAD805 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 NAD50 million was taken out by Trustco Intermediary Solutions (Pty) Limited, an indirect subsidiary of the Company. IGF required that Trustco Intermediary Solutions (Pty) Limited obtains an underlying guarantee from an insurer. Trustco Intermediary Solutions (Pty) Limited 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 Mr Q van Rooyen ceded 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 and are released in terms of the previous surety arrangement. On these conditions CICL effected the placement of the guarantee.

	Group		Company	
28 Capital commitments	**2011 N$'000**	2010 N$'000	**2011 N$'000**	2010 N$'000
Approved by directors but not contracted for:				
Property, plant and equipment	**122 135**	43 324	–	–

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.

29 Revenue	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Revenue comprises turnover, which excludes value added tax and represents the invoiced value of goods and services supplied.				
Major classes of revenue comprise:				
Insurance premium revenue	111 520	108 365	–	–
Broker commission and fees (administration, premium handling and claims administration)	263 123	291 699	–	–
Microfinance income (interest and fees received on loan book)	39 246	34 457	–	–
	413 889	434 521	–	–
Education				
Tuition and other related fees	52 047	70 085	–	–
Rental income	2 222	1 631	–	–
Charter income	5 941	6 050	–	–
Printing revenue	–	555	–	–
Advertising revenue	5 181	9 952	–	–
SMS revenue	3 351	1 708	–	–
Trustco Mobile International	45 317	–	–	–
Property sales	59 070	25 946	–	–
Management fees	–	–	5 600	3 600
	121 082	45 842	5 600	3 600
Total revenue	587 018	550 448	5 600	3 600
Insurance income can be analysed as follows:				
Long-term insurance contracts				
Gross premium written	50 864	45 557	–	–
Change in deferred income	(539)	(61)	–	–
	50 326	45 496	–	–
Short-term insurance contracts				
Gross premium written	61 284	63 175	–	–
Change in deferred income	(90)	(306)	–	–
	61 194	62 869	–	–
Total insurance income	111 520	108 365	–	–
Aggregate change in deferred income	(629)	(367)	–	–

30 Cost of sales	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Cost of goods sold	27 156	26 981	–	–
Cost of services rendered	237 988	252 106	–	–
	265 144	279 087	–	–

31 Claims and benefits paid on insurance contracts	2011 N$'000	2010 N$'000	2011 N$'000	2010 N$'000
Long-term insurance contracts				
Death claims paid	**4 733**	4 197	**–**	–
Change in provision for outstanding claims	**38**	46	**–**	–
	4 771	4 243	**–**	–
Short-term insurance contracts				
Claims paid out	**16 062**	11 824	**–**	–
Change in provision for outstanding claims	**572**	855	**–**	–
	16 634	12 679	**–**	–
Total claims	**21 405**	16 922	**–**	–

32 Profit before taxation	2011 N$'000	2010 N$'000	2011 N$'000	2010 N$'000
This is arrived at after taking into account the following:				
Included in other income is the following:				
Negative goodwill	**18 486**	–	**–**	
Realisation of contingent asset as a result of finalising the DexGroup purchase agreement	**–**	20 000	**–**	
Profit on foreign exchange differences	**–**	88	**–**	
Profit on disposal of non-core businesses	**–**	2 834	**–**	
Reversal of impairment relating to DexGroup (Pty) Limited	**15 824**	–	**–**	
SABC award including costs	**29 512**	–	**–**	
Included in administration expenses is the following:				
Depreciation and amortisation				
- Property, plant and equipment	**19 774**	13 818	**–**	–
- Intangible assets	**943**	494	**–**	–
Auditors' remuneration				
- Audit fees	**1 582**	1 662	**97**	160
- Other services	**–**	–	**–**	–
Impairment of intangible assets	**553**	3 469	**–**	–
Loss on disposal of property, plant and equipment	**664**	5 541	**–**	–
Increase in the provision for doubtful debts relating to the microfinance student loan book	**3 517**	9 645	**–**	–
Impairment of loans and receivables	**11 836**	15 858	**–**	–
Loss on foreign exchange	**17**	4	**–**	–
Bad debts written off	**2 793**	–	**–**	–

33 Directors' emoluments	Share-holding shares (direct) '000	Remuner-ation fees N$'000	Basic N$'000	Bonuses N$'000	Retirement and medical N$'000	Other benefits N$'000	Total N$'000
2011							
Holding Company directors							
Executive Directors							
Q van Rooyen (*Managing Director*)*	392 554	–	–	–	–	–	–
F J Abrahams (*Financial Director*)	686	–	709	165	–	9	883
G R I Waters (*resigned 30 September 2010*)	149	–	911	122	31	15	1 079
	393 389	–	1 620	287	31	24	1 962
Non-executive directors							
M Nashandi	15	84	–	–	–	–	84
W Geyser (*appointed 29 September 2010*)	–	62	–	–	–	–	62
T Mberirua (*appointed 29 September 2010*)	–	83	–	–	–	–	83
Dr T Aupindi (*appointed 29 September 2010*)	–	64	–	–	–	–	64
Adv. R Heathcote (*appointed 29 September 2010*)	–	57	–	–	–	–	57
V de Klerk	16	74	–	–	–	–	74
A H Toivo ya Toivo (*retired 29 September 2010*)	–	33	–	–	–	–	33
	31	457	–	–	–	–	457
Subsidiary company directors							
Executive Directors							
J Jones	1 775	–	1 058	247	–	13	1 318
C van Rooyen (*resigned 30 June 2010*)	–	–	100	–	–	–	100
J van den Heever	462	–	727	165	–	21	913
D Swindon	491	–	879	316	–	7	1 202
Dr. C J Powell	514	–	693	147	–	7	847
E Janse van Rensburg	79	–	218	–	–	–	218
N M Basson (*resigned 30 April 2011*)	22	–	421	22	–	13	456
A Lambert	48	–	434	44	–	57	535
T Nampolo	13	–	324	57	–	7	388
I Barnard	–	–	913	67	1	5	986
J Wessels	237	–	1 682	142	365	5	2 194
E Cockroft	–	–	522	14	15	4	555
E du Toit	–	–	478	28	62	5	573
B du Plessis	304	–	556	–	51	3	610
D Caine	–	–	714	69	146	5	934
S W A Castro Carballo	35	–	519	21	75	5	620
	3 980	–	10 238	1 339	715	157	12 449
Total	397 400	457	11 858	1 626	746	181	14 868

*In terms of an employment contract, Mr Q van Rooyen is entitled to a bonus to be calculated as follows as Group targets have been achieved:

- 0.25% of the audited annual turnover of the Company;
- 0.5% of the audited annual headline earnings of the Company; and
- 0.5% of the audited annual basic earnings of the Company.

Mr Q van Rooyen waived any bonus he would have received this year and no bonus was accrued for Mr Q van Rooyen

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

33 Directors' emoluments (continued)	Shareholding shares (direct) '000	Remuneration fees N$'000	Basic N$'000	Bonuses N$'000	Retirement and medical N$'000	Other benefits N$'000	Total N$'000
2010							
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 CJ 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

34 Staff costs	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Salaries and wages	63 622	61 572	4 458	5 022
Medical aid and employee fund contributions	2 406	2 980	–	–
	66 028	64 552	4 458	5 022

35 Investment Income	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Interest received				
- Bank	1 037	1 770	5	–
- Related party loans	–	–	12 570	10 759
- External party loans	27 938	4 086	–	–
- Finance lease receivable	318	318	–	–
- Investments	13	1 709	–	–
	29 306	7 883	12 575	10 759
Dividends received	–	–	16 500	25 700
	29 306	7 883	29 075	36 459
Investment revenue earned on financial assets, analysed by category of asset, is as follows:				
Loans and receivables (including cash and bank balances)	29 293	6 174	12 575	10 759
Fair value through profit and loss	13	1 709	–	–
Available for sale financial assets	–	–	16 500	25 700
	29 306	7 883	29 075	36 459

36 Finance costs	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Interest paid				
– Bank overdraft	4 955	3 763	–	–
– Related party loans	1 483	2 754	–	1
– Long-term liabilities	9 273	8 322	2 133	–
– Finance leases	6 845	6 131	–	–
	22 556	20 970	2 133	1
Less: amounts included in the cost of qualifying assets	(417)	(481)	–	–
	22 139	20 489	2 133	1
Finance costs on financial liabilities, analysed by category of liabilities, is as follows:				
Financial liabilities at fair value through profit or loss	–	–	–	–
Other financial liabilities measured at amortised cost using the effective interest method	22 139	20 489	2 133	1
	22 139	20 489	2 133	1

37 Taxation	**Group 2011 N$'000**	Group 2010 N$'000	**Company 2011 N$'000**	Company 2010 N$'000
37.1 Income tax recognised in profit or loss				
Namibia – normal tax				
Current tax expense in respect of the current year	11 276	1 750	1 361	605
Deferred tax expense relating to origination and reversal of temporary differences	30 639	22 286	–	480
	41 915	24 036	1 361	1 085
South Africa – normal tax				
Current tax expense in respect of the current year	–	35	–	–
Deferred tax expense relating to origination and reversal of temporary differences	(7 732)	(117)	–	–
	(7 732)	(82)	–	–
Reconciliation of the tax expense	34 183	23 954	1 361	1 085

	Group South Africa 2011 N$'000	Group South Africa 2010 N$'000	**Group Namibia 2011 N$'000**	Group Namibia 2010 N$'000	**Company Namibia 2011 N$'000**	Company Namibia 2010 N$'000
Profit before tax	**4 082**	23 036	**219 872**	138 462	**21 269**	28 449
Tax rate	**28.0%**	28.0%	**34.0%**	34.0%	**34.0%**	34.0%
Tax on profit before tax at applicable tax rate	**1 143**	6 450	**74 757**	47 077	**7 232**	9 673
Tax effect of income that is exempt from taxation	**–**	(3 711)	**(24 310)**	(15 386)	**(5 871)**	(8 602)
Disallowable expenditure	**2 217**	–	**–**	1 282	**–**	–
Deferred tax asset recognised on consolidation (refer note 7)	**–**	–	**–**	(7 795)	**–**	–
Movement in contingency reserve	**–**	–	**55**	(190)	**–**	–
Deferred tax assets not recognised	**–**	(3 208)	**–**	–	**–**	–
Tax loss available for future set-off	**(11 092)**	–	**(8 587)**	–	**–**	–
Tax rate adjustment	**–**	–	**–**	(310)	**–**	14
Prior year over/(under)provision	**–**	387	**–**	(642)	**–**	–
Tax (debit)/credit to statement of comprehensive income	**(7 732)**	(82)	**41 915**	24 036	**1 361**	1 085

The Group has estimated tax losses of NAD203.2 million (2010: NAD124.0 million) available for set-off against future taxable income. The Company has no tax loss available for future set-off against taxable income.

	Group 2011 N$'000	Group 2010 N$'000	**Company 2011 N$'000**	Company 2010 N$'000
37.2 Income tax recognised in other comprehensive income				
Namibia – normal tax				
Deferred tax expense relating to origination and reversal of temporary differences	**(1 361)**	(1 873)	**–**	–
South Africa – normal tax				
Deferred tax expense relating to origination and reversal of temporary differences	**(27)**	(39)	**–**	–
	(1 388)	(1 911)	**–**	–

38 Earnings, headline earnings and dividends per share	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Earnings for the purposes of basic earnings per share being the profit attributable to ordinary shareholders	189 771	137 544	–	–
Adjustments net of taxation:	(57 831)	(52 212)	–	–
Loss / (profit) on disposals of property, plant and equipment	353	3 657	–	–
Fair value adjustments on investment properties	(40 079)	(58 159)	–	–
Impairment of intangible assets	381	2 290	–	–
Negative goodwill	(18 486)	–	–	–
Headline earnings	131 940	85 332	–	–
Weighted number of ordinary shares for the purposes of basic earnings per share ('000)	677 240	677 240	–	–
Contingently issuable shares as a result of business combinations ('000)	4 789	–		
Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)	682 029	677 240	–	–
Basic earnings per share (cents)	28.02	20.31	–	–
Diluted earnings per share (cents)	27.82	20.31	–	–
Headline earnings per share (cents)	19.48	12.60	–	–
Diluted headline earnings per share (cents)	19.35	12.60	–	–
Dividends per share				
During the year under review normal dividends of 1.50 cents per share (2010: 2.00 cents) amounting to a total of NAD10.61 million (2010: NAD14.14 million) were declared and paid by the Company.	1.50	2.00		

39 Cash flow information

	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
39.1 Cash generated by operations				
Cash generated by operations before working capital changes	185 378	82 650	9 303	(22 985)
Profit on ordinary activities before taxation	223 954	161 498	21 269	28 449
Adjustments:				
– Depreciation	19 774	13 818	–	–
– Amortisation of intangible assets	943	494	–	–
– Impairment of intangible assets	577	–	–	–
– Investment income	(29 306)	(7 883)	(29 075)	(36 459)
– Finance costs	22 139	20 489	2 133	1
– Loss on disposal of property, plant and equipment	664	5 541	–	–
– Fair value adjustment on investment properties	(63 514)	(88 261)	–	–
– Negative goodwill	(18 486)	–	–	–
– Finance lease assets	383	354	–	–
– Fulfillment of Trustco Financial Services (Pty) Limited agreement	14 976	(14 976)	14 976	(14 976)
– Other loans advanced	13 074	(13 497)	–	–
– Increase in technical provision	1 239	1 355	–	–
– Other non–cash items	(1 039)	3 718	–	–
Changes in working capital:	(169 343)	(9 015)	319	340
– Decrease / (increase) in inventories	2 136	(1 688)	–	–
– Increase in trade and other receivables	(150 951)	(15 531)	–	–
– (Decrease) / Increase in trade and other payables	(20 528)	8 204	319	340
	16 035	73 635	9 622	(22 645)
39.2 Taxation paid				
Balance outstanding at the beginning of the year	1 253	(135)	468	–
– Current income tax assets	(752)	(263)	–	–
– Current income tax liabilities	2 005	128	468	–
Expense for the year	11 276	1 785	1 361	605
Balance outstanding at the end of the year	(7 012)	(1 253)	(1 344)	(468)
– Current income tax assets	766	752	–	–
– Current income tax liabilities	(7 778)	(2 005)	(1 344)	(468)
	5 517	397	485	137
39.3 Cash and cash equivalents				
Bank balances and cash deposits	82 685	91 047	10	4
Bank overdraft	(41 189)	(21 626)	(22)	–
	41 496	69 421	(12)	4
39.4 Subsidiaries acquired				
The Group, acquired all of the shares in				
Northern Industrial Estates (Pty) Limited on 1 February 2011.				
The fair value of assets acquired and liabilities assumed were as follows:				
Investment property	20 988	–	–	–
Net assets	20 988	–	–	–
Negative goodwill	(13 734)	–	–	–
Cash paid	7 254	–	–	–
Cash flow on acquisition				
Cash and cash equivalents	–	–	–	–
Net cash acquired	–	–	–	–
Paid in cash	(7 254)	–	–	–
Cost of acquisition	(7 254)	–	–	–
Cash outflow on acquisition, net of cash acquired	(7 254)	–	–	–

39 Cash flow information	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
39.5 Business acquired				
The Group acquired the business of Lleader Underwriting Management on 1 August 2010.				
The fair value of assets acquired and liabilities assumed were as follows:				
Property, plant and equipment	261	–	–	–
Intangible assets	8 024	–	–	–
Provisions	(218)	–	–	–
Net assets	8 067	–	–	–
Negative goodwill	(4 752)	–	–	–
Cash paid	3 315	–	–	–
Cash flow on acquisition				
Cash and cash equivalents	–	–	–	–
Net cash acquired	–	–	–	–
Paid in cash	(3 315)	–	–	–
Cost of acquisition	(3 315)	–	–	–
	(3 315)	–	–	–

40 Solvency margin	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
Solvency margin of Trustco Insurance Limited	21.7%	22.1%		

The solvency margin represents shareholders' interest of NAD13.3 million (2010: NAD13.9 million) expressed as a percentage of net premium income of NAD61.2 million (2010: NAD62.8 million) for the year under review.

CAR ratio of Trustco Life Limited	189%	101%		

41 Related parties

The Group is controlled by Mr Q van Rooyen who owns 55.51% of the Company's shares. Material related parties are disclosed in notes 6 and 33.

Other related parties are:

Subsidiaries
Trustco Property Holdings (Pty) Limited
Discuss Properties (Pty) Limited
November Properties (Pty) Limited
Erf 7179 (Pty) Limited
Trustco Corporate Management Services (Pty) Limited
Trustco Fleet Management Services (Pty) Limited
Trustco Administrative Support Services (Pty) Limited
Trustco Capital (Pty) Limited
Komada Holdings (Pty) Limited
Trustco Media (Pty) Limited
Trustco Mobile (Pty) Limited
Trustco Newspapers (Pty) Limited
Printas (Pty) Limited
Trustco Education (Pty) Limited
Institute for Open Learning (Pty) Limited
Trustco Finance (Pty) Limited
Trustco Insurance Holdings (Pty) Limited
Trustco Insurance Limited
Trustco Life Limited
Trustco Tourism Holdings (Pty) Limited
Trustco Restaurants (Pty) Limited
Trustco Accommodation (Pty) Limited
Trustco Air Services (Pty) Limited
Trustco Business Development (Pty) Limited
Webbiz (Pty) Limited
Winna Mariba 777 (Pty) Limited
Agricultural Export Company (Pty) Limited
Northern Industrial Estates (Pty) Limited
Trustco Mobile Mauritius
Trustco Estate Planners and Administrators (Pty) Limited
Trustco Group International (Pty) Limited (inc. in Republic of Namibia)
Trustco Group International (Pty) Limited (inc. in Republic of South Africa)
Trustco Financial Services (Pty) Limited
Brokernet (Pty) Limited
Trustco Corporate Solutions (Pty) Limited
Trustco Informatix (Pty) Limited
Insurance Claims Exchange (Pty) Limited

Entities in which board members have significant influence
Next Investments (Pty) Limited
Northern Namibia Development Company (Pty) Limited
Namibia Medical Investments (Pty) Limited
Othinge Investments (Pty) Limited
Golf Properties (Pty) Limited
Foxtrot Properties (Pty) Limited

Other related entities
Trustco Staff Share Incentive Scheme Trust

	Relationship	Group 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
41 Related parties (continued)					

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 2011 N$'000	Group 2010 N$'000	Company 2011 N$'000	Company 2010 N$'000
41.1 Charter income received					
Next Investments (Pty) Limited	Common director: Mr Q van Rooyen	46	–	–	–
41.2 Rent received					
Next Investments (Pty) Limited	Common director: Mr Q van Rooyen	79	66	–	–
41.3 Labour consultancy					
Next Investments (Pty) Limited	Common director: Mr Q van Rooyen	3	–	–	–
41.4 Interest received					
Trustco Group International (Pty) Limited (incorporated in Republic of Namibia)	Direct subsidiary	–	–	–	397
Trustco Group International (Pty) Limited (incorporated in Republic of South Africa)	Direct subsidiary	–	–	1 396	1 324
Trustco Capital (Pty) Limited	Direct subsidiary	–	–	10 812	6 353
Trustco Fleet Management Services (Pty) Limited	Indirect subsidiary	–	–	267	262
Trustco Finance (Pty) Limited	Indirect subsidiary	–	–	95	2 423
41.5 Management fees received					
Trustco Group International (Pty) Limited (incorporated in Republic of Namibia)	Direct subsidiary	–	–	5 600	3 600
41.6 Dividends received					
Legal Shield Holdings (Pty) Limited	Direct subsidiary	–	–	16 500	25 700
41.7 Interest paid					
Next Investments (Pty) Limited	Common director: Mr Q van Rooyen	1 483	2 754	–	–
41.8 Facility fee					
Next Investments (Pty) Limited		2 766	1 840	2 766	1 840

Refer to note 33 for details on key management compensation.

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

42 Segment Results

Primary reporting format: Business segments

For management purposes, the Group is organised into seven business segments, namely: Micro Insurance and Technology – Namibia, Zimbabwe and South Africa; Microfinance and Education – Namibia; Property - Namibia and South Africa; and Head Office and Strategic Business – Namibia. The business segment results are as follows:

	Micro insurance and technology solutions			Micro - finance and education	Property		Head office and strategic business	
	Namibia	Zimbabwe	South Africa	Namibia	Namibia	South Africa	Namibia	Group
	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
2011								
Segment revenue	–	45 317	263 123	95 793	64 118	174	98 677	567 202
Inter-segment revenue	–	–	–	(4 500)	(4 169)	–	(83 035)	(91 704)
	–	45 317	263 123	91 293	59 949	174	15 642	475 498
Insurance income	111 520	–	–	–	–	–	–	111 520
External revenue	111 520	45 317	263 123	91 293	59 949	174	15 642	587 018
Segment result	25 764	23 910	16 342	11 324	94 858	(4 527)	32 772	200 443
Inter-segment	23 998	–	(58)	22 879	(3 954)	5 512	(59 049)	(10 672)
Profit for the year	49 762	23 910	16 284	34 203	90 904	985	(26 277)	189 771
Share of profit of equity-accounted investees	–	–	–	–	–	–	–	–
Profit attributable to equity holders of the parent	49 762	23 910	16 284	34 203	90 904	985	(26 277)	189 771
Segment assets	59 631	15 167	216 843	220 824	169 163	13 275	527 444	1 222 347
Segment liabilities	30 638	–	128 804	105 566	63 028	7 219	214 552	549 807
Capital expenditure	–	–	–	–	2 500	–	86 012	88 512
Depreciation	20	–	569	65	1	88	19 031	19 774
Amortisation of intangible assets	319	–	333	290	–	–	–	942
2010								
Segment revenue	–	–	291 699	104 542	29 100	232	122 463	548 036
Inter-segment revenue	–	–	–	–	(225)	–	(105 728)	(105 953)
	–	–	291 699	104 542	28 875	232	16 735	442 083
Insurance income	108 365	–	–	–	–	–	–	108 365
External revenue	108 365	–	291 699	104 542	28 875	232	16 735	550 448
Segment result	38 488	–	23 367	2 338	69 589	(249)	20 121	153 654
Inter-segment	6 497	–	(3 430)	37 004	225	–	(56 406)	(16 110)
Profit for the year	44 985	–	19 937	39 342	69 814	(249)	(36 285)	137 544
Share of profit of equity-accounted investees	–	–	–	–	–	–	–	–
Profit attributable to equity holders of the parent	44 985	–	19 937	39 342	69 814	(249)	(36 285)	137 544
Segment assets	38 222	–	199 107	193 547	88 551	11 425	390 252	921 104
Segment liabilities	28 219	–	129 116	28 152	60 299	7 334	189 339	442 459
Capital expenditure	19	–	12 812	–	–	–	19 272	32 103
Depreciation	61	–	563	92	–	–	13 102	13 818
Amortisation of intangible assets	112	–	92	290	–	–	–	494

42 **Segment Results**	**Namibia N$'000**	**Zimbabwe N$'000**	**South Africa N$'000**	**Group N$'000**
Secondary reporting format: Geographical segments The Company and its subsidiaries is situated in three geographical segments, namely: Namibia, Zimbabwe and South Africa. The geographical segment results are as follows:				
2011				
External revenue	**278 404**	**45 317**	**263 297**	**587 018**
Segment assets	**977 062**	**15 167**	**230 118**	**1 222 347**
Capital expenditure	**88 512**	**–**	**–**	**88 512**
Segment liabilities	**413 784**	**–**	**136 023**	**549 807**
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

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, assets at fair value through profit and loss, loans and receivables, inventories, trade and other receivables and cash and cash equivalents.

Segment liabilities comprise operating liabilities.

Capital expenditure comprises additions to property, plant and equipment (note 3), investment properties (note 4) and intangible assets (note 5), including additions resulting from acquisitions through business combinations (notes 3, 4, 5, 39.4 and 39.5).

43 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 21 and 22, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, vendor shares and reserves as disclosed in notes 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 in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

	Group		Company	
	2011 N$'000	2010 N$'000	**2011 N$'000**	2010 N$'000
Categories of financial instruments				
Financial assets				
Loans and receivables (including cash and cash equivalents)	**513 798**	353 545	**286 744**	215 830
Investments in subsidiaries at cost	**–**	–	**68 550**	68 550
Assets at fair value through profit and loss	**25 699**	18 274	**–**	–
Financial liabilities				
Amortised cost	**439 406**	377 477	**63 191**	17 826

43 Financial instruments (continued)

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 exposed to currency risk on royalties earned that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Namibian Dollar, South African Rand and US Dollar. The currencies in which these transactions are concluded are primarily denominated in US Dollar.

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.

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 statement of financial position 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 reporting date. For floating liabilities, the analysis is prepared assuming the liability outstanding at the reporting 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 2011 would have decreased/increased by NAD22 000 (2010: decreased/increased by NAD680 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 fair value of issued fixed rate debt and the cash flow exposure on the issued variable rate debt. The fair value of interest swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate on the outstanding balances at the end of the financial year.

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

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2011 %	2010 %	**2011 N$'000**	2010 N$'000	**2011 N$'000**	2010 N$'000
Less than one year	**10.31**	10.90	**58 400**	63 600	**(527)**	(612)
One to two years	**–**	10.31	**–**	58 400	**–**	(1 165)
			58 400	122 000	**(527)**	(1 777)

43 Financial instruments (continued)

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate is the prime of First National Bank of Namibia Limited. The Group will settle the difference between the fixed and floating interest rate on a net basis. The interest rate swap agreement matured on 18 April 2011.

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.

Unit price sensitivity analysis

The result of the sensitivity analysis below have been determined based on the exposure of the balance fund investment to equity price risks at the reporting date.
If the unit prices of the balanced fund investments had been 5% higher/lower:
– net profit for the year ended 31 March 2011 would have increased/decreased by NAD1 284 950 (2010: NAD803 683)
The Group's sensitivity to unit 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 four 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 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 2011 no guarantees were outstanding (2010: 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.

43 Financial instruments (continued)

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 implemented 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.

	Effective interest rate %	Due in less than one year N$'000	Due in one to two years N$'000	Due in two to three years N$'000	Due in three to four years N$'000	Due after four years N$'000	Total N$'000
Group: Liabilities							
2011							
Other financial liabilities							
Non-interest bearing							
- Trade and other payables	–	152 472	–	–	–	–	152 472
- Technical provisions	–	18 428	–	–	–	–	18 428
- Policyholder liability under insurance contracts	–	8 307	–	–	–	–	8 307
Variable interest rate instruments							
– Bank loans	7.00% – 9.75%	17 910	17 910	17 910	14 761	51 612	120 103
– Mortgage loans	7.00% – 10.50%	9 387	9 387	9 387	9 387	34 124	71 672
– Finance lease obligations	8.00% – 10.25%	35 788	1 465	1 465	–	–	38 718
– Administered claims fund	–	–	–	–	–	3 000	3 000
– Finance leases	9.75%	2 905	996	–	–	–	3 901
– Bank overdraft	9.75%	45 205	–	–	–	–	45 205
Fixed interest rate instruments							
– Amounts due to related parties	6% – 9.75%	9 687	–	–	–	–	9 687
		300 089	29 758	28 762	24 148	88 736	471 493
2010							
Other financial liabilities							
Non-interest bearing							
– Trade and other payables	–	181 677	–	–	–	–	181 677
– Technical provisions	–	17 189	–	–	–	–	17 189
– Policyholder liability under insurance contracts	–	4 899	–	–	–	–	4 899
Variable interest rate instruments							
– Bank loans	9.75% – 11.75%	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	9.50% – 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
		254 027	81 378	19 426	19 230	52 953	427 014

43 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
Group: Assets							
2011							
Loans and receivables							
Non-interest bearing							
– Trade and other receivables	–	195 566	–	–	–	–	195 566
Variable interest rate instruments							
– Educational loans advanced	1.75% -19.5%	83 048	63 177	43 508	23 656	11 308	225 297
– Other loans advanced	10.00%	1 979	1 979	1 979	1 979	16 682	24 598
– Amounts receivable under finance leases	7.50%	500	500	–	–	–	1 000
– Cash and cash equivalents	2.50%	84 752	–	–	–	–	84 752
Fair value through profit and loss							
Fixed interest rate instruments							
– Investments in balanced funds	9.00%	28 012	–	–	–	–	28 012
		393 857	66 256	45 487	25 635	27 990	559 225
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							
Fixed 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
Company: Liabilities							
2011							
Other financial liabilities							
Non–interest bearing							
– Trade and other payables	–	2 092	–	–	–	–	2 092
– Amounts due to related parties	–	–	24 393	–	–	–	24 393
Variable interest rate instruments							
– Amounts due to related parties	6% – 9.75%	–	40 261	–	–	–	40 261
		2 092	64 654	–	–	–	66 746
2010							
Other financial liabilities							
Non–interest bearing							
– Trade and other payables	–	1 631	–	–	–	–	1 631
– Amounts due to related parties	–	–	15 657	–	–	–	15 657
		1 631	15 657	–	–	–	17 288

43 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: Assets							
2011							
Loans and receivables							
Non-interest bearing							
– Amounts due by related parties	–	–	129 639	–	–	–	129 639
Variable interest rate instruments							
– Amounts due by related parties	6% – 9.75%	–	169 474	–	–	–	169 474
– Cash and cash equivalents	2.00%	10	–	–	–	–	10
		10	299 113	–	–	–	299 123
2010							
Loans and receivables							
Variable interest rate instruments							
– Amounts due by related parties	9.25%	–	257 600	–	–	257 600	257 600
– Cash and cash equivalents	2.00%	4	–	–	–	4	4
		4	257 600	–	–	257 604	257 604

Insurance risk and policies for mitigating insurance risk

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

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

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 estimation

The following is an analysis of the financial instruments that are measured subsequent to initial recognition at fair value. They are grouped into levels 1 to 3 based on the extent to which the fair value is observable.

The levels are classified as follows:

- level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 - inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- level 3 - inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs).

43 Financial instruments (continued)	Level 1 N$ '000	Level 2 N$ '000	Level 3 N$ '000	Total carrying amount N$ '000
Group: Assets				
2011				
Fair value through profit and loss				
Investments in balanced funds	25 699	-	-	25 699
	25 699	-	-	25 699
2010				
Fair value through profit and loss				
Investments in balanced funds	18 274	-	-	18 274
	18 274	-	-	18 274
Group: Liabilities				
2011				
Other financial liabilities				
- Technical provisions	-	-	18 428	18 428
- Policy holder liability under insurance contracts	-	-	8 307	8 307
	-	-	26 735	26 735
2010				
Other financial liabilities				
- Technical provisions	-	-	17 189	17 189
- Policy holder liability under insurance contracts	-	-	4 899	4 899
	-	-	22 088	22 088

A reconciliation has been performed for fair value measurements in level 3 of the fair value hierarchy as follows:

	2011 N$'000	2010 N$'000
Group: Liabilities		
Technical provisions		
Carrying value at beginning of the year	**17 189**	15 834
Net fair value (loss)/gain on technical provisions	**1 239**	1 355
Carrying value at the end of the year	**18 428**	17 189
Policy holder liability under insurance contracts		
Carrying value at beginning of the year	**4 899**	**2 472**
Net fair value (loss)/gain on policy liabilities	**3 408**	**2 427**
Carrying value at the end of the year	**8 307**	**4 899**

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market date where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of the policyholder liability under insurance contracts is determined 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); and
- Technical provisions are calculated as a percentage of premiums earned. Different percentages are applied by class of business.

44 Events subsequent to year-end

SABC legal action

The arbitration process between Trustco Group International (Pty) Limited ("the Company") 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 R24.7 million; 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 total amount awarded plus the interest *tempore morae* accounted for in the current year is NAD54 million.

The Company's external legal representatives advised there are good prospects that an Appeal Tribunal will increase the amount of the award made by the arbitrator. 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. The appeal will be heard on 27 September 2011.

Funding from the IFC

"Trustco concluded negotiations with the International Finance Corporation (the "IFC") in terms of which the IFC provided a 7-year senior loan of NAD80 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 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 Group has received NAD40 million during the year under review and a further NAD 30 million was received after year end. IFC is still to disburse the remaining NAD10 million upon Group's request. "

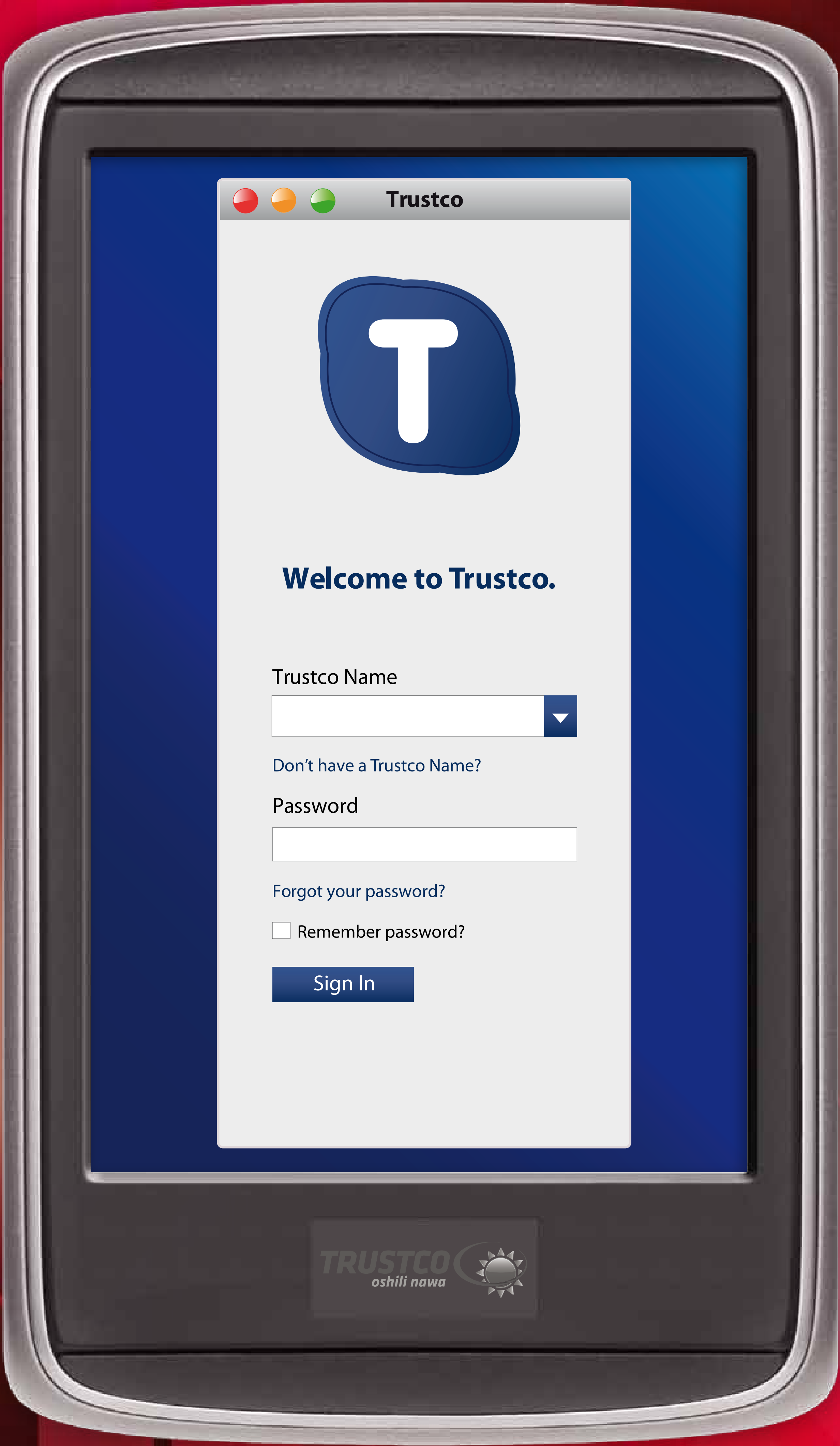
Trustco Mobile

The Group through its subsidiary Trustco Mobile (Pty) Limited ("the Company") concluded an agreement with Econet Wireless (Private) Limited ("Econet") and First Mutual Life Assurance Co in Zimbabwe during the year under review. After year-end, Econet cancelled the agreement and unilaterally turned off access to the system thereby restricted the Company's ability to render its service in terms of the contract. The cancellation by Econet is the result of a dispute relating to a notice of payment of royalties and underwriting fees. The Company has approached the Zimbabwean courts to instruct Econet to switch on the feeds to the system to enable the Company to continue rendering its service per contract and to protect its use of the system. At the time of reporting judgment was still outstanding.

45 Comparative figures

Property, Head office and Strategic business

The private equity segment as reported in the previous year has been divided into two segments, property and head office and strategic business due to the focus on property as a significant business component.



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Shareholders' Diary

Financial year-end	March
Reviewed results	May
Publication of annual report	July
Next annual general meeting	August
Interim report	November
Dividends	
- Final dividend	2.00 cents

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Directorate and Administration

Directors

Executive

Q van Rooyen (Managing Director)
J Jones (Alternate to Q van Rooyen)
FJ Abrahams (Financial Director)

Non-executive

Adv. R Heathcote (Chairman)
T Mberirua (Vice Chairman)
Dr T Aupindi
W Geyser
V de Klerk
M Nashandi

Company Secretary

J Bazuin

Indicators

Company registration number: 2003/058
NSX share code: TUC
JSE share code: TTO

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Corporate partners

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BDO - Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
61 Bismarck Street
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Namibia

Transfer secretaries: Namibia

Transfer Secretaries (Pty) Ltd
Kaiserkrone Centre, Post Street Mall
PO Box 2401
Windhoek
Namibia
Registration Number: 93/713
Telephone:
+264 61 22 76 47
Facsimile:
+264 61 24 85 31

Sponsors: Namibia

IJG Securities (Pty) Ltd
100 Robert Mugabe Avenue
PO Box 186
Windhoek
Namibia
Registration Number: 95/505

Bankers: Namibia

Bank Windhoek Limited
First National Bank of Namibia Limited
Standard Bank Namibia Limited

Auditors: South Africa

BDO - South Africa
Registered Auditors
Riverwalk Office Park, Building C,
3rd Floor, 41 Matroosberg Road,
Ashlea Gardens
Pretoria 0081, South Africa

Transfer secretaries: South Africa

Computershare Investor Services (Pty) Ltd
Ground Floor
70 Marshall Street
Johannesburg
2001, South Africa
Registration Number: 2004/003647/07
Telephone:
+27 11 370 7700
Facsimile:
+27 11 688 7716

Sponsors: South Africa

Questco
The Pivot
Entrance D, 2nd Floor
No 1 Montecasino Blvd,
Fourways, 2055

Bankers: South Africa

ABSA
First National Bank of South Africa Limited
Standard Bank South Africa Limited

Trustco Group International

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Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of the shareholders of the Company will be held in the boardroom, 3rd Floor, Trustco House, 2 Keller Street, Windhoek on 19 August 2011 at 10h00 for the following business:
to receive, consider and approve the annual financial statements for the year-ended 31 March 2011; to consider all and any matters of the Company which, in terms of the Company's articles of association, do not constitute special business of the Company; and to consider and if deemed fit, to pass with or without modification, the following resolutions:

1. **Ordinary resolution number 1**
   Adoption of the annual financial statements for the year-ended 31 March 2011.

2. **Ordinary resolution number 2**
   Approval of the remuneration of the non-executive directors as set out in note 33 to the annual financial statements for the year-ended 31 March 2011.

3. **Ordinary resolution number 3**
   To consider the reappointment of V de Klerk and M Nashandi as directors (abridged CV's as per page 6 and 7 of the annual report) and who retire as directors in terms of the Company's articles of association and being eligible, offer themselves for re-election and to appoint Adrian Lee Bock as a director.

   Abridged CV of AL Bock:
   A qualified chartered accountant with experience in corporate finance and mergers and aquisitions. Adrian joined Trustco in April 2011 as Head of Corporate Finance.

4. **Ordinary resolution number 4**

   BDO Namibia and BDO South Africa be reappointed as auditors of the Company and authorise the directors to determine the remuneration of the auditors.

5. **Ordinary resolution number 5**
   All the authorised but unissued shares in the capital of the Company be and are hereby placed under the direct control of the directors who are hereby authorised to allot or issue shares on such terms and conditions as they deem fit, subject to the provisions of the Companies Act (Act 28 of 2004, as amended), the articles of association of the Company and the Listings Requirements of the Namibian Stock Exchange and the Johannesburg Stock Exchange Limited, which provide inter alia that:

   - such issue of shares shall not in the aggregate exceed 15% of the Company's share issue; and
   - the resolution for the issue of the shares must be approved by a 75% majority of votes cast in favour of such resolution.

6. **Ordinary resolution number 6**
   Approve the dividends paid by the company as declared by the directors for the financial year ended 31 March 2011.

7. **Special resolution number 1**
   That the Company is permitted to re-purchase its own securities in terms of the listing requirements of the JSE and the NSX, which should not be more than 10% of the issued share capital.

Voting options

All holders of the Company's shares will be entitled to attend and vote at the annual general meeting. On a show of hands, every holder of the Company shares who is present in person or represented by proxy, or in the case of a company, the representative appointed in terms of section 196 of the Companies Act, shall have one vote.

On a poll, the holders of ordinary shares present in person or represented by proxy will each be entitled to one vote for every ordinary share held.

Proxies

Each member entitled to attend the annual general meeting is entitled to appoint one or more proxies to attend, speak and to vote in his/her stead.

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Directorate and Administration

The form of proxy for the annual general meeting, which sets out the relevant instructions for its completion, accompanies this notice and may also be obtained on request from the transfer secretaries of the company.

In order to be effective, duly completed forms must be received by the office of the transfer secretaries of the Company by no later than 10h00 on 16 August 2011.

By order of the Board

J Bazuin
Company Secretary
Windhoek
30 June 2011

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TRUSTCO GROUP HOLDINGS Limited

Registration number: 2003/058

FORM OF PROXY

I/We ....

being member/s of Trustco Group Holdings Limited and holding shares entitling me/us to ....votes (1 vote per share) do hereby appoint:

....of .... or failing him/her

....of .... or failing him/her

....of .... or failing him/her

the chairman of the meeting as my proxy to vote for me/us on my/our behalf at the annual general meeting to be held at 3rd Floor, boardroom, Trustco House, 2 Keller Street, Windhoek on 19 August 2011, or any adjournment thereof.

Signed at .... on this...day of..2011.

Address: ....

Signature..

Mark with an X whichever is appropriate. Unless otherwise directed, the proxy will vote or abstain as he/she deems fit in respect of the member's total holdings. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak, and on a poll, vote in his/her stead. A proxy need not be a member of the Company. Kindly complete and return the form to the Transfer Secretaries, PO Box 2401, Windhoek by 10h00 on 16 August 2011.

	I/We desire to vote as follows:	VOTE FOR	VOTE AGAINST	ABSTAIN
	Ordinary resolution			
1.	To receive, consider and adopt the annual financial statements for the year-ended 31 March 2011.			
2.	To approve the remuneration of the non-executive directors.			
3.1	Re-appointment of Ms M Nashandi as director.			
3.2	Re-appointment of Ms V de Klerk as director.			
3.3	Appointment of Mr AL Bock as a director.			
4.1	Re-elect BDO – Namibia and BDO – South Africa as external auditors.			
4.2	Authorise the directors to approve the auditors' remuneration.			
5.	To place the authorised but unissued share capital under the control of the directors.			
6.	Approve the interim dividend of 1.5 cents per ordinary share and final dividend of 2 cents per ordinary share as paid by directors for the year ended 31 March 2011.			
7.	**Special resolution number 1** That the Company is permitted to re-purchase its own securities in terms of Namibian Law and subject to the listing requirements of the JSE and the NSX, which shall not be more than 10% of issued share capital.			


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