"All the news and all the views. All the time and as it happens!"

The Trustco Times

International Edition

ANNUAL REPORT 2009 | TRUSTCO GROUP HOLDINGS Ltd Registration No 2003/058 | Windhoek, THURSDAY, 6 AUGUST 2009

17 YEARS OF EXCEPTIONAL GROWTH

Trustco perpetuates a proud heritage, serving the Namibian people with an array of services. Education is the greatest equaliser. This rings true. Not only as a slogan but as a mission. Offering legal cover for those who really need it, life cover to those who could never afford it. Trustco has truly matured into a proudly Namibian institution. Worthy of being toasted, worthy of being called "a household name".

Revenue
Up 71%

Headline Earnings
Up 54%

Net Profit for Micro Insurance
Up 30%

Net Profit for Micro Finance & Education
Up 31%

Distributable Reserves
Up 80%

CONTENTS

TRUSTCO GROUP HOLDINGS LIMITED

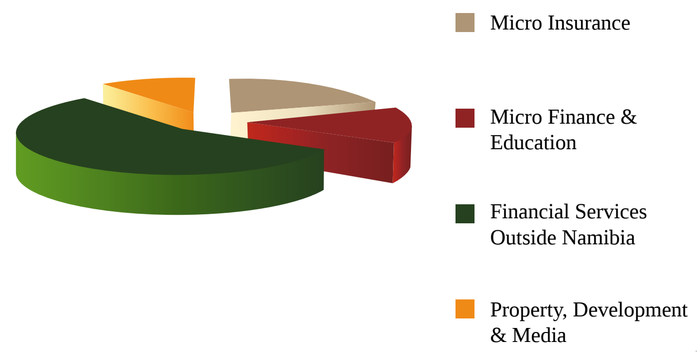
Incorporated in the Republic of Namibia
Registration No 2003/058

FINANCIAL HIGHLIGHTS

Business as *unusual*

Trustco continued the exceptional growth that the market has come to expect from one of Namibia's leading and most innovative companies. This has been achieved in market conditions that are less favourable compared to previous financial years. This again demonstrated the robustness of Trustco. Products with a strong social justice undertone was delivered whilst growth continued for the 2009 year. This was achieved mainly through revenue and earnings growth in Trustco's major segments namely Micro Insurance, Micro Finance & Education and Financial Services outside Namibia. The Group also underwent restructuring during the year to make operations more versatile and to enforce more stringent expense controls. This was achieved through the sale of non-core businesses and the consolidation of the Property holding & rental income and Development & media segments, now known as the Property, development & media segment. The Group has aligned itself to reap the opportunities that are available in the regions and business sectors it operates in.

REVENUE
PER SEGMENT: 2009



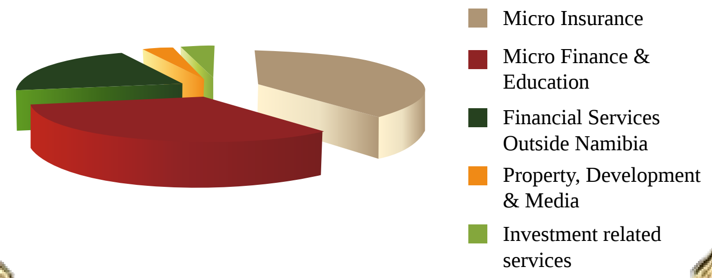
Financial highlights

Group Revenue increased by 71% from 2008. Headline earnings increased by 54%. Distributable reserves increased by 80% from March 2008 to N$ 194 million while educational loans advanced increased by 45% to N$ 133 million.

Financial Services outside Namibia contributed the largest portion to Group revenue with Micro Insurance and Micro Finance and Education contributing the bulk of profits for the 2009 year. The Namibian operations again proved highly profitable with satisfactory gross margins.

Trustco's functional and presentation currency is in Namibian Dollar (N$) and during the year ended 31 March 2009 one N$ was equal to one ZAR.

PROFIT PER OPERATIONAL
SEGMENT: 2009



Africa Board Listing

Trustco supplemented its primary Namibian Stock Exchange listing (share code: TUC), and made history by being the first African company to list on the new Africa Board of the JSE Limited (share code: TTO) on 19 February 2009 by means of a dual primary listing. (The listing criteria is the same as for the main board of the JSE.) In preparation for the listing, a share split was approved by shareholders on 9 January 2009 and registered by the Registrar of Companies on 20 January 2009. One ordinary no par value share was split into 5 ordinary par value shares of 23c each.

This brought improved liquidity to the Trustco share, an attribute that will be of great value for Trustco with the future expansion plans and the raising of capital. The listing also makes Trustco more visible in Africa which will provide the Group with additional momentum.

This annual report contains two external audit reports due to the primary listings on the JSE and the NSX.

5 over 5 strategy

The Group has adopted a five year strategy whereby it aims to reach a market capitalisation of N$ 5 billion in five years time starting from 19 February 2009, the date Trustco listed on the Africa Board of the JSE. This strategy was well received by Trustco management and staff and the short term strategy of the Group has already been aligned to meet this target.

TRUSTCO
oshili nawa

FINANCIAL HIGHLIGHTS

Moving forward

Growth is expected to continue in all the segments for the 2010 year.

Micro Insurance's new exciting Trustco Mobile product will be the spearhead to take the business into Africa. Alliances with selected mobile operators and the acquisition of life and short term insurers will be the focus for this segment.

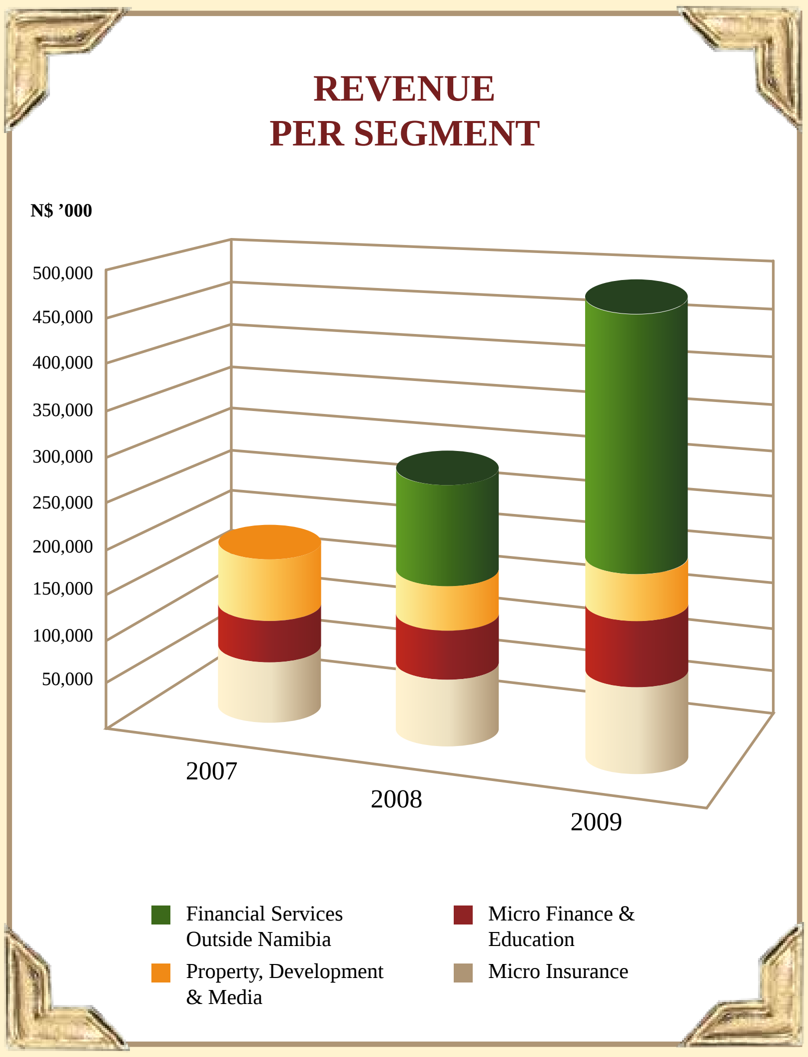
Micro Finance and Education is expected to continue its growth path through the recent launch of a number of new courses which form part of the education sector. Education has a direct impact on Micro Finance as 94% of all registered students are financed through Trustco Finance. The acquisition of micro finance operators is an adopted strategy, as it is complimentary to the micro insurance business model.

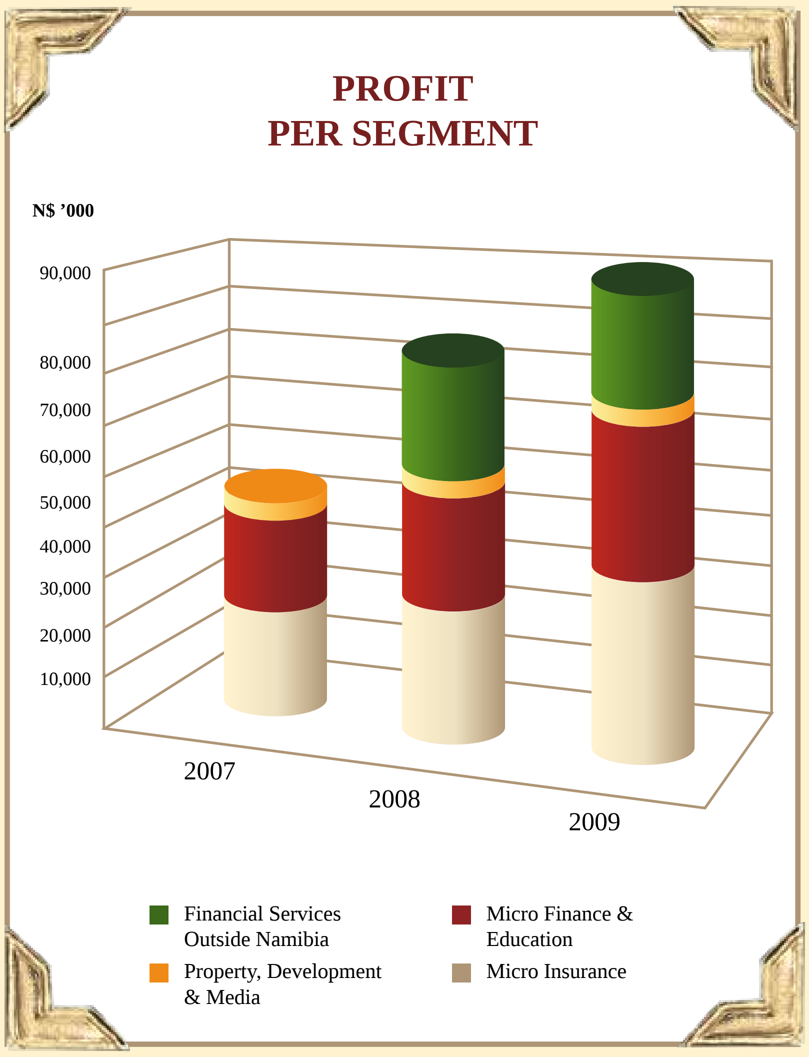
Expansion is also on the cards for Trustco Financial Services (previously Dex Group Financial Services (Pty) Ltd). Trustco expects to grow its current broker customer base and to unleash this business to its full potential in Group context, due to the synergies it offers. Trustco is now in a position to be involved in the day to day operations of Trustco Financial Services, a limitation that still applied in the 2009 financial year as a result of the acquisition terms.

The Property, Development and Media segment will start to realise some of the unlocked profits through the Lafrenz development project.

Funding will form an integral part to achieve growth for the 2010 year and beyond and the Group is actively seeking to arrange capital to facilitate its growth strategy.

Trustco expects the current tax asset to be fully utilised during 2010 resulting in a possible tax charge for the next financial year.





MICRO INSURANCE

Trustco Insurance

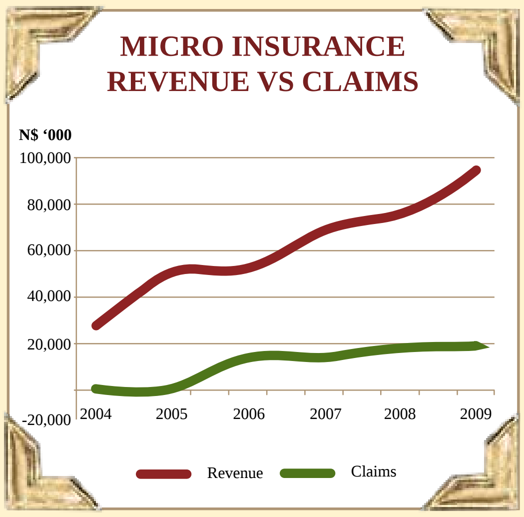
Trustco Insurance, better known as Legal Shield, is one of the flagship companies of Trustco that offers cost-effective and affordable legal and short-term insurance products in Namibia.

Legal shield was founded in 2000 and the initial focus was to provide affordable legal assistance to all Namibians. In 2002 the company expanded its business to include a variety of new products that cover medical illness, trauma, including dread disease and salary loss as a result of illness.Trustco Insurance was a pioneer in providing free life insurance in the form of a funeral benefit provided to all its policy holders.

Renier Taljaard,
MD - Trustco Insurance

Even in the midst of economic challenging times the company has shown a healthy growth with total earned premiums for the year increasing 24% over the previous financial year, whilst the claims paid out as a percentage of earned premiums for the same period decreased with 6% to 32%.

Trustco Insurance has grown into one of the most visible in Namibia and is also contributing to the Namibian economy by employing more than 100 employees. More than 70 000 claims were processed by the company during the past nine years. Without the affordable Legal Shield cover most of its policyholders would not have had the funds to pay for legal presentation. Legal Shield takes its social responsibility very seriously and is involved via sponsorships and other support in many sports codes and other welfare organizations. The Company awarded scholarships every year since 2004 to deserving legal students to attend the University of Namibia each year. Legal Shield trusts that these type of scholarships will enhance and strengthen the legal expertise in this country.



This segment enhanced the current funeral benefits to all its members by providing additional life cover free of charge. This will hold significant benefits for both policy holders and Trustco Insurance.

Trustco Insurance will launch a Legal Shield Mobile Office during the next few months. This will enable Trustco to render an even better service to their valued members.The Mobile Office will visit remote areas on a regular basis where members can make enquiries, take out new or additional policies,pay premiums and play PC Winna Mariba.

Legal Insurance in the current economic environment is not a luxury anymore, it has become a necessity. Rather have it and not need it, than need it and not have it!

www.legalshield.na

Trustco Life

During the past financial year a clear distinction was made between the Short term and Life insurance business within Trustco Group with the appointment of a separate Managing Director for each of the companies.

Trustco Life is responsible for providing the widely successful Funeral Shield product and also underwrites all funeral benefits offered by Trustco Insurance on its Short term insurance products.

For the 2010 financial year we expect the growth to continue for Trustco Life, especially through the additional growth expected with the roll out of the promising Trustco Mobile product. Through Trustco Mobile, Trustco Life aims to provide micro-insurance to around 5 million mobile users in targeted SADC countries by 31 March 2010. In order to achieve this, an innovative mass-underwriting and claims procedure had to be developed and implemented.

In difficult global financial times we believe that unique and innovative products and services will distinguish Trustco Life from its competitors and ensure that the insurance sector will remain a core part of future Trustco Group operations. The company paid a dividend of N$ 18 million to Legal Shield Holdings (Pty) Ltd, the holding company of both insurers.

Corné Powell, MD - Trustco Life

MICRO INSURANCE

Trustco Mobile

In June 2008, Trustco launched one of the Group's most innovative products, Trustco Mobile. This product provides free life-insurance to people who use mobile phones. In collaboration with selected mobile operators, Trustco is able to bundle free life cover with the purchase of mobile phone airtime. With the growing demand for mobile phones among consumers, this model creates a vast distribution network focused directly on its target consumer, the mobile phone user.

The Trustco Mobile business model creates a true win-win for all parties, as:

Mobile operators increase their number of subscribers as well as their Average Rate Per User (ARPU). Recognizing these benefits, Trustco is able to command significant premium of the airtime spent.

Users obtain free life insurance and Trustco Mobile taps into one of the largest distribution networks, the mobile operators, serving its target market. This provides Trustco Mobile with a rapidly-growing annuity income stream from a vast captive customer base.

Working with renowned actuaries and consultants, Trustco developed an actuarial model to determine a profitable basis for providing free life insurance to mobile subscribers based on airtime spent. It was determined that life cover could be provided at 100 times the airtime spent in a 30-day period. The maximum amount of cover is currently N$100 000 in Namibia.

Amongst others it also received other accolades during the 2008 Gecko Awards for best innovation service and product. As many organizations are challenged with the issue of benefits towards their employees, Trustco Mobile realized that this product is the solution. Companies are now able to offer their employees airtime and Free Life Cover at the same time - on a monthly basis.

The incredible success of the Trustco Mobile concept immediately caught the attention of other cellular companies in Africa whom intends to offer Trustco Mobile products exclusively across its entire subscriber base.

Globally, the top priorities for insurance companies in emerging markets are to increase their customer base, enhance distribution networks and retain customers. Trustco Mobile believes that this product can achieve just that.

Over the past 10 months, Trustco has developed a software platform that allows for seamless integration between the mobile operators, Trustco Mobile and Trustco's Life Insurance business. This system provides a virtually paperless environment and the ability to mass-underwrite in a short time span.

Africa Expansion

Trustco Mobile (Pty) Ltd concluded an agreement with Powercom (Pty) Ltd, a subsidiary of Telecel Globe Ltd, trading as Cell One in Namibia. Telecel Globe is a majority owned subsidiary of Orascom Telecom SAE considered among the largest and most diversified network operators in the Middle East, Africa, and South Asia.

This agreement enables Trustco Mobile to expand its offer of free life cover from the limited customer base available during the previous test phase to now cover all purchasers of Cell One airtime. "Life cover will be extended on application, against a minimum airtime purchase per month. This offer will be exclusive to Cell One customers in Namibia for the duration of the agreement."

The agreement includes provision for introductions to other mobile service provider subsidiaries of Telecel Globe Ltd, and thus Trustco Mobile has implemented an expansion strategy for the rest of Africa. We target to roll-out the concept into SADC countries first, before exploring other markets. The premise of the Trustco Mobile concept is that it will cater for the between 60% and 70% of the SADC population that do not have life insurance.

Africa, with a population of over 960 million and a mobile penetration rate of approximately 30%, is recognised as the region with the highest mobile cellular growth rate in the world. "70% of lives (+/- 150 million people) in SADC alone are non- or underinsured".

trustcomobile
ling ling, free life!

Amos Shiyuka, MD - Trustco Mobile

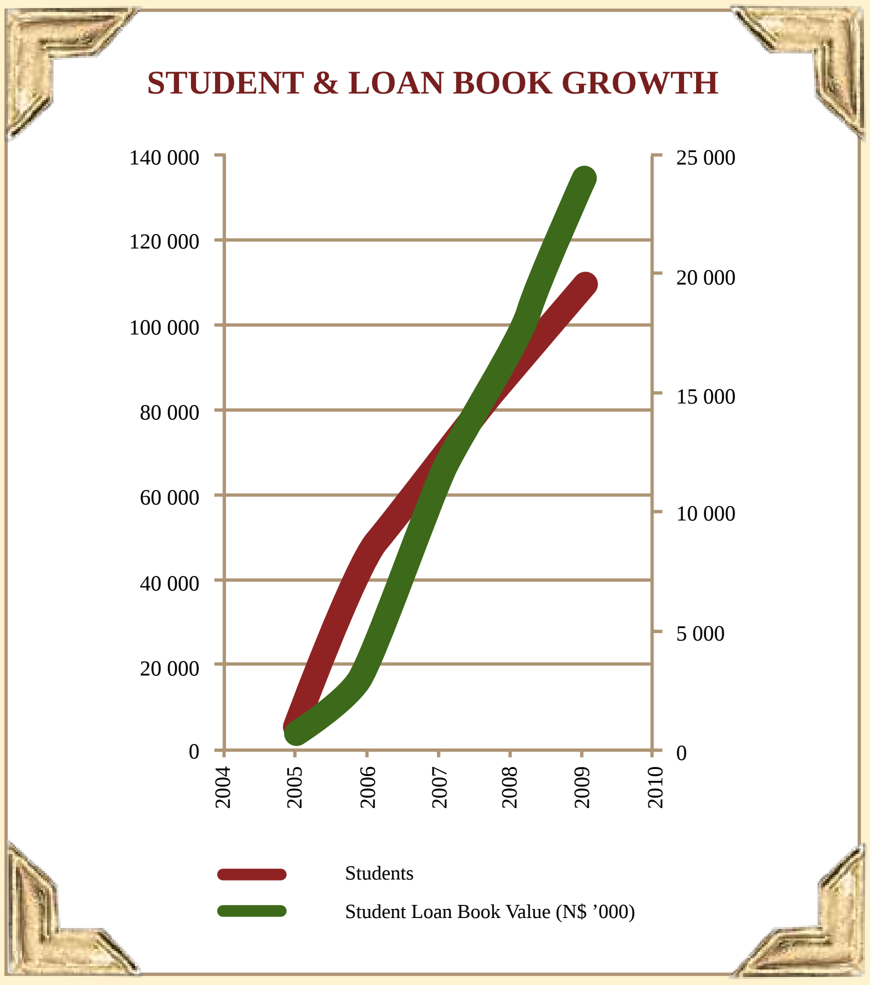
MICRO FINANCE & EDUCATION

Micro Finance

Trustco Micro Finance offers a unique micro lending program. Trustco Finance lends to students the upfront cost for payment of courses with loan repayments supported by direct salary deductions. Financing for courses was typically the largest hurdle to overcome for many students, but with direct access to Educational Funding, students are in a position to enrol in coursework that would help them increase their core competencies and increase nett salaries.

Adrianna Lambert, MD - Micro Finance

Today, the Micro Finance and Education units operate as two complementary businesses that enable students to enrol in a wide range of courses, using an affordable payment plan. This combination had a profound impact on student enrolments, which increased six-fold since 2005 to over 19 000, making IOL the largest distance education institution in Namibia. In addition, 94% of students enrolling at IOL currently utilize the micro finance facility. Total revenue from Micro Finance and Education has grown from N$ 24 million in 2006 to N$ 71 million in 2009, a compound annual growth rate of 44%. Over the same period, the loan book has grown from N$ 20 million to N$ 133 million in 2009. It offers loans for study purposes only.



Significantly, the Portfolio at Risk (PAR) is only marginally over 3%. The Company's excellent risk management is exhibited by extremely low yearly write-offs and bad debt expense. This is mainly achieved through a tough screening process and flexible payment terms offered to the students.

Trustco expects this growth to continue as a result of all the new courses offered through IOL. Acquiring micro finance operators throughout Africa is a strategy that will receive focus in future.

TRUSTCO FINANCE (Pty) Ltd.

WWW.IOL.NA

MICRO FINANCE & EDUCATION

Education

Institute for Open Learning (Pty) Ltd ("IOL"), is the largest Namibian distance learning education institution founded in 1997. The unit provides students with a wide range of courses including qualifications for teachers, business courses and computer based training. Since inception, there has been strong demand for IOL courses and the institution has taught over 24 000 students to date.

The number of students increased significantly over the years as IOL expanded its course offerings and made courses more accessible to students. IOL started offering computer based educational courses to its students in 2006. Short courses were introduced in 2007, extending the reach of the educational services provided. In addition, contact sessions are also presented on a weekly basis in the main regions of Namibia and the recent launch of the student support centers was received very positively by the students. Student numbers grew by 27% in the 2009 financial year. Today, IOL offers six distinct types of courses, encompassing 60 courses in total.

Some of the courses offered by IOL includes ACE (Advanced Certificate in Education), B.Ed Degree (Bachelor of Education), Short Courses, NSSC (Namibia Senior Secondary Certificate), ICDL (International Computer Driving License) and the Microsoft E-Training Programme.

Going forward

The ongoing commitment of the Namibian Government to support education and the accreditation of IOL's curricula, are expected to continue the high growth trajectory which has been achieved over the past 3 years.

Annually there are approximately 28 000 school leavers who are rejected from the formal education system. IOL's aim is to provide a broader variety of courses and thereby tap into a larger proportion of these school leavers.

To meet the growing demand for courses, IOL recently concluded a contract with International University of Management and from the end of February 2009 began offering a further 32 courses to compliment the existing 35 courses. The new courses focus on providing learners with business related content, thereby empowering Namibians to start their own businesses.

I·O·L Institute for Open Learning

TEL - 061 275 4700

Education is the greatest equaliser

Dolores Wolfaardt, Acting MD - IOL

FINANCIAL SERVICES OUTSIDE NAMIBIA

Trustco Financial Services (South Africa)

TFS administrated premiums in excess of N$ 1.3 billion during the period under review. This was 16% more than the premiums administrated for the same period in the prior year.

Revenue contribution to the Group was N$ 267.8 million up 159% from 2008, being 55.2% of total Group revenue.

Although net profit after tax was down 8% to N$ 19.5 million, the prior year included a deferred tax income in excess of N$ 8 million.

Profit before tax was up 7% to N$ 13.8 million.

TFS, previously known as DexGroup Financial Services, launched its new branding to coincide with the listing of Trustco Group Holdings Ltd on the JSE's Africa Board on 19 February 2009.

Besides the intermediary holding company rebranding, the Trustco Corporate Solutions and Trustco Informatix brands were established. Response to the brand received from the existing clients was exceedingly positive, as they recognise the benefits of having a relationship with part of a listed entity and the security and recognition that this conveys to their client base.

TFS is a specialised provider of holistic solution-driven products and services across the financial and management service sectors.

This entails issuing policy contracts to policy holders, calculating and collecting premiums and fees from policy holders, paying commissions and fees to contracted brokers, paying risk premiums to insurers and executing all aspects of claims settling.

This unit has turned it's focus to mergers and acquisitions in line with Group focus to accelerate growth. Through this step we will be able to double certain revenue lines with minimal expansion or investment in the IT systems.

The Product Development division also set their sights on introducing revolutionary new products into the South African short-term insurance market in the following 12 months. Some of these would have already gone live by the time of this report.

On the Informatix front the future holds the roll-out of the new web-front end system and coalescing certain of the IT systems currently in use by the larger Group.

Exciting times for Trustco's SA arm indeed!

Jans Wessels, Acting MD - Trustco Financial Services

Financial Services

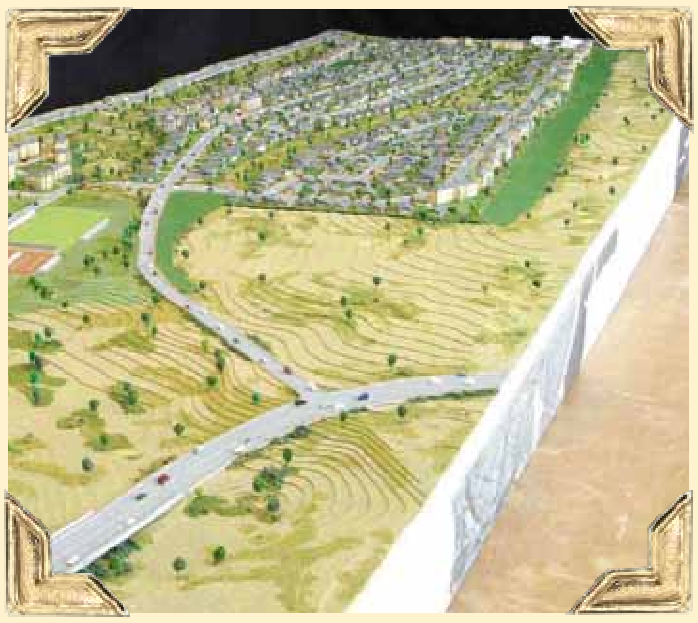
PROPERTY, DEVELOPMENT & MEDIA

This includes Trustco's non-core business units that mainly provide auxiliary and complementary services to the core segments. Previously reported on as two separate segments (the Property segment and the Development & Media segment), this segment was restructured to make the Group more versatile and to be able to focus more on its core business.

Trustco Properties was established in 1992 as the initial core division of the Trustco Group. It deals with the management and maintenance of Trustco's existing property portfolio and all new developments. The portfolio consists of residential and commercial property, both in Namibia and in South Africa and are held for investment purposes and also owner occupied.

For the 2010 year the Property division will primarily focus on the Lafrenz development project. The objective of this project is to provide prime residential, commercial and industrial property for the middle to lower income groups and is expected to contribute significantly to local profits over the next five years. The 350 hectares of unspoiled, undeveloped land was purchased for N$ 1/m² in 2004 and is currently selling in excess of N$ 900/m² (including bulk services estimated at a cost of N$ 250/m²). The Lafrenz development project is currently disclosed under inventory on the balance sheet with a value of N$ 28.9 million. The directors estimate that 60-70% of the land will be available for sale. The remaining land is either unsuitable for development or earmarked for infrastructure.

Other operations forming part of this segment are Informante (which represents Media) and Trustco Air Services.



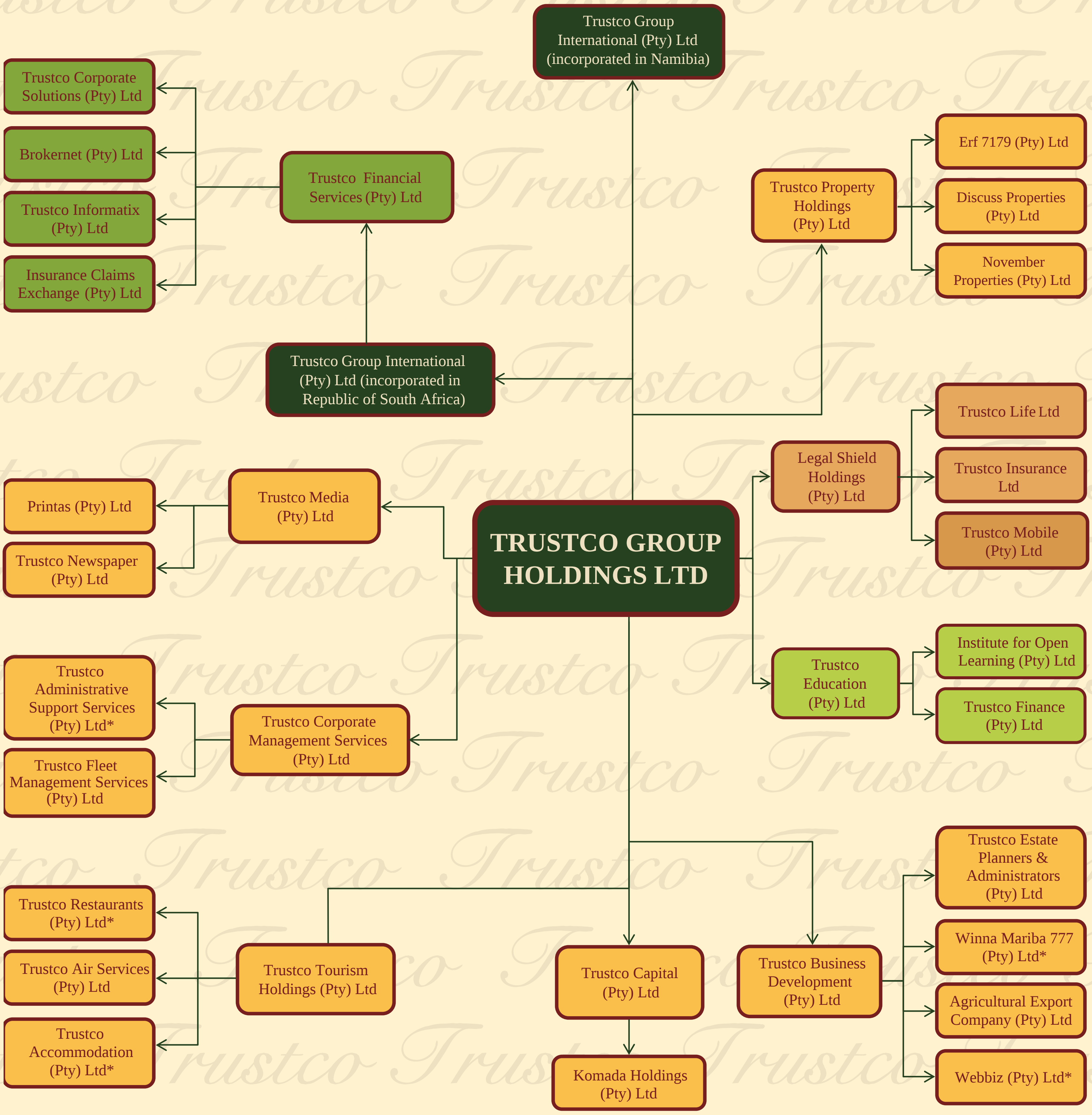
Lafrenz Development Project

informanté

TRUSTCO Properties

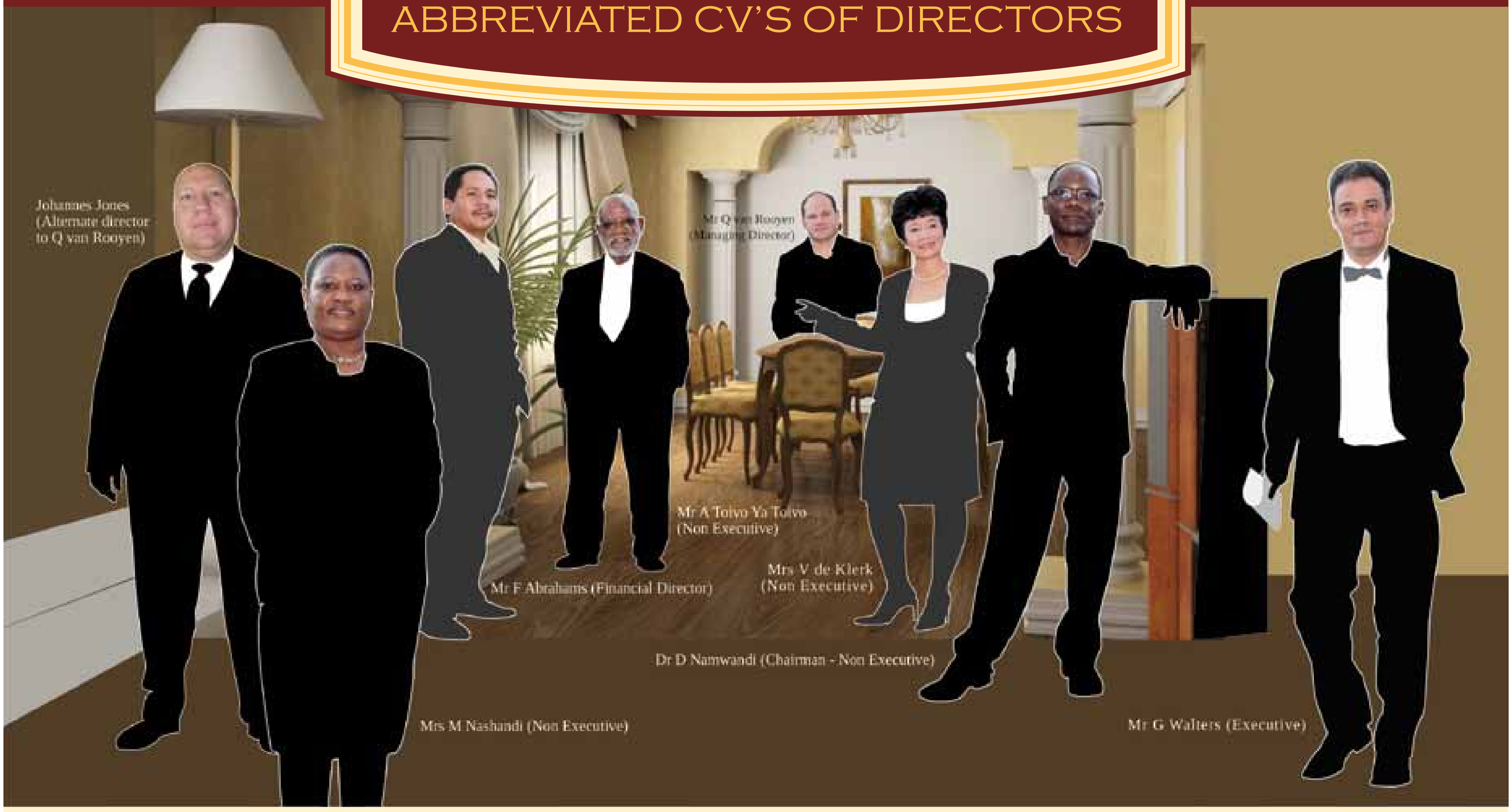
TRUSTCO air services

TRUSTCO GROUP ORGANOGRAM



* Dormant subsidiary

ABBREVIATED CV'S OF DIRECTORS



Quinton van Rooyen (Executive)
(DOB: 16 April 1965) B. Iuris, LLB,
Group Managing Director
(Trustco, 2 Keller Street, Windhoek)

Q. van Rooyen completed his studies part time whilst employed in the judicial department of the Government of Namibia. He obtained the position of public prosecutor before entering the private sector. After joining Trustco in 1992, he proceeded to build the Group from a humble property company to where it is today. Q. van Rooyen became managing director of the Group in 2000.

Dr David Namwandi (Non–executive)
(DOB: 28 February 1954) PhD (Honoris Causa), MBA, Hon FABE, FCIM, FSBP (International Institute of Management, 59 Bahnhof Street, Windhoek)

Dr. Namwandi is a well known individual within academic circles. He is currently serving as chairman of the International Institute of Management as well as a member of the NQA and National Council of Higher Education. Prior experience has also been gained in the financial services and transport sectors.

Johannes Jones
(Alternate director to Q. van Rooyen)
(DOB: 2 August 1971) Group Exco, Media and Business Development (Trustco, 2 Keller Street, Windhoek)

J. Jones has a wide range of experience in business management, ranging from operational and client management in several firms in Pretoria, to sales and marketing management (as well as co-owner) with firms in Namibia. Of particular note was his rise from IT manager for Wise Computer Solutions to his eventual buy-out of their most successful product, Schoolwrite, a student administration system that had sole mandate for schools in the Western Cape. Since starting at Trustco in 2000, J. Jones has moved up from being IT manager, to general manager and Company director in 2003, before accepting the position of deputy Group CEO.

Veronica de Klerk (Non–executive)
(DOB: 26 November 1954) (Women's Action for Development, Swabou Building, 25 Schonlein Street, Windhoek West)

V. de Klerk is currently the executive director of Women's Action for Development, a company which strives to improve the socio-economic and socio-political situation of primarily rural communities and has held this position for five years. Previously she was with a well known media representative and has also attained extensive business acumen and has served on the Presidents Economic Advisory Council since 1997.

Floors Abrahams (Executive)
(DOB: 19 June 1975)
B. Com, Group Financial Director
(Trustco, 2 Keller Street, Windhoek)

F.J. Abrahams completed his B.Com degree in 1996, started his articles in 1997 and completed them in 1999. During this time he participated in the audits of Trustco. In 2000 he was appointed as Group financial manager. On 1 April 2004, F.J. Abrahams became Group financial director, where he has served since.

Gorden Walters (Executive)
(DOB: 16 June 1969) B Com (Honours), B. Compt, Director: Business Development (Trustco, 2 Keller Street, Windhoek)

G.R.I. Walters has over 17 years of finance, accounting and business development experience. He started his work as a trainee accountant with NamDeb in 1990. He served his articles with Ernst & Young and was general manager of group finance at NamPower from 2002 until July 2006. In August 2006 he was appointed as the chief financial officer (Africa) for TMP in which he procured the funding for the second GSM mobile operator in Namibia, CellOne. He joined Trustco as a non-executive director in June 2007 and then as an executive director in September 2007. He is a certified public accountant and has attended the EMBA at the University of Cape Town.

Andimba Toivo Ya Toivo
(Non–executive)
(DOB: 22 August 1924)

A.H. Toivo Ya Toivo graduated as a teacher in 1950. Shortly thereafter he left for Cape Town and in 1952 he joined the railway police. In 1954 he joined the Modern Youth Society and acted as organizing secretary. In 1966 he was arrested by the South African security forces for assisting SWAPO and sentenced to 20 years imprisonment. He was released on 1 March 1984. He became a member of the Politbureau, Central Committee and Secretary General of SWAPO. In 1990 he was appointed as Minister of Mines and Energy and in 1999 he was appointed as Minister of Labour. In 2002 he was appointed as Minister of Prisons and Correctional Services. He held the position until he retired on 21 March 2005. On 1 April 2005 he joined J&P Group Holdings as executive chairman until now.

Monica Nashandi (Non–executive)
(DOB: 12 October 1959) MA (Diplomatic Studies), Diploma in Public Administration Youth and Development (Ministry of Foreign Affairs, Government Offices, Robert Mugabe Avenue, Windhoek)

M. Nashandi is a veteran diplomat with over 20 years experience in the diplomatic corps. She is currently the head of the department of multilateral affairs, Ministry of Foreign Affairs. Previous posts include high commissioner to the United Kingdom of Great Britain and ambassador to the Republic of Ireland.

CHAIRMAN'S REPORT

Introduction

The year under review has been an extraordinarily eventful year, not only for the Trustco Group of companies, but for the world at large. The United States' historic Presidential Election, the global financial crisis and the subsequent collapse of many long-standing firms were only some of the global events that shaped the past year. Closer to home, the floods in northern Namibia challenged the governments' response capacity and left both individuals and businesses struggling for their livelihood. It is with this global and local environment in mind, that this report is presented.

Strategic view

As has been reported many times before, the Group's main focus is the generation of shareholder's wealth. With that in mind, we, the board, in consultation with management, have embarked on a rather ambitious five year strategy to increase our market capitalization to N$ 5 billion. A vital first step in this plan was to create additional visibility in our shares, a goal that was greatly boosted by the dual primary listing on the Africa Board of the JSE. This move will also allow for greater ease in capital raising in future, so as to fund our continual expansion into the African continent.

Leadership

Trustco has, over the years, become known as one of the most innovative companies in the Namibian market, with exceptional returns year after year. This can be attributed to our unconventional approach to human capital development and leadership. Our growth (despite the less-than-favourable market conditions) stands as a testament and vindication of this approach, and I believe it will continue to serve us well into the foreseeable future. Our products, all with a strong social justice undertone, should prove resilient and will continue to provide a sustainable service to our stakeholders i.e. clients, business partners and employees.

Appreciation

Trustco is a true Namibian initiative, providing for the insurance, educational and financial needs of over a quarter million individuals in Namibia alone. The scope of an operation such as ours belies its ultimate complexity, which our conscientious board and our extraordinary management team handle with ease. However, despite strong leadership, none of our accomplishments would be possible without the energy and creativity exhibited by our over 650 employees, or without the support of our stakeholders. On behalf of the Board of Directors and on my own behalf I would like to record my appreciation to them.

Looking forward

As could be seen throughout the year, massive changes in our socio-economic system can happen quite suddenly, and without warning. While the events of the past year can be seen as a sharp critique of a capitalist society, we of the Board believe that the actions of a few, rogue companies can serve to vilify even those who had no hand in it. Despite the negativity and loss of confidence in businesses around the globe, Trustco will stand strong, unapologetically, as an example of the free market that creates employment, serves as the originator of the tax base that funds our democracy and creates a safe haven for the most disadvantaged of our society.

With this in mind, the board believes in the revolutionary new product that we have in Trustco Mobile, and that it will serve as a strong base for our expansion into the African continent. Despite the setbacks experienced globally, we are of the opinion that management has been sufficiently prudent in their actions, and we thus believe that organic growth will continue apace during the 2010 financial year.

Africa is still a continent with extraordinary potential, and we believe that we will be able to leverage these opportunities into growth for our shareholders and stakeholders. Trustco will be ready, with all the resources at its disposal, to take its place in Africa.

Dr. D Namwandi
Chairperson

CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

Trustco once again delivered on its remarkable year on year growth, despite the worsening operational environment experienced globally. Revenue has reached a new record, amounting to almost a half billion Namibian dollars. Headline earnings once again exceeded expectations, growing by 54%. All this in a year fraught with challenges, but luckily tempered with quite a few uplifting moments for the Group.

Our drive towards excellence should not be taken lightly, however. As we continue to grow, repositioning ourselves as a world-class group, we should never become complacent. With the turbulence of the world-wide financial crisis affecting us all, the market has turned even more competitive than before, and we should not lose sight of the fact that even an innovative company cannot rest on its laurels.

Strategic considerations

I believe that the success of our management team in creating a unique atmosphere in which both creativity and responsibility can blossom has truly enhanced the entrepreneurial spirit we're fostering in the Group. It is in this spirit that we've refocused the group during the year, divesting of some of our non-core businesses, while developing an infrastructure that can better support our management team. With our continued expansion into the African continent, I believe that a strong, centralized corporate support team, from which all segments can benefit, while allowing greater segmental autonomy, is vital to sustain our expansion.

With both the African roll-out of Trustco Mobile (our mobile airtime-based micro insurance solution) and the ongoing expansion of Trustco Financial Services on the horizon, we were pleased to be able to list on the Africa Board of the JSE during February. The listing provided a much needed boost to the liquidity of your shares, and well as having the additional benefit of providing the Group with much greater visibility in the African market. With reference to our aforementioned expansion plans, the listing should greatly aid our efforts to raise capital for those ventures. Coinciding with our listing, management has also adopted a five year strategy, with the intention of raising the Group's market capitalization to N$ 5 billion over the next 5 years (colloquially known as the 5 over 5 strategy). I am confident that they'll be able to achieve this goal.

Operational overview

Property, Development & Media

As previously mentioned, the divesting of some of our non-core businesses during the year gave us the opportunity to refocus this segment, combining it with our property segment. While it was with a heavy heart that the management team turned over the proverbial keys to our two restaurants, the completion of the long-running negotiations to acquire full control of Printas, our printing press in partnership with the Namiban newspaper, provided a satisfactory counterpoint.

While this segment is certainly not part of our core business, it does provide a valuable service to all our other segments. The Informante newspaper has been the leading investigative newspaper in Namibia since inception, and Trustco Air Services, our air charter division, has a 100% incident free safety record. And even though our property division has taken a bit of a beating due to market conditions, I believe that our groundbreaking Lafrenz development will come to fruition during the next few years, providing the reinvigoration the property market sorely needs.

Micro Finance & Education

The two companies comprising this segment, the Institute for Open Learning and Trustco Finance, has grown to become the backbone of our Namibian operations. From an inauspicious beginning, IOL has grown to become the largest distance learning education institution in Namibia, with its counterpart, Trustco Finance, growing its student loan book in tandem to cope with the increasing demand for knowledge.

Even though the floods in Northern Namibia once again impacted registrations this year, it nevertheless did not stop this segment from delivering strong results. With an ever increasing demand for new courses, management has expanded the course offerings during the past year, with negotiations under way for even a greater selection during the coming year. I am quite thrilled about the social impact our courses have had and will have in uplifting Namibian society.

Micro Insurance

Our insurance segment has been the flagship of the Group since its inception in 2000. With a strong social justice undertone, our innovative range of products has had a profound impact on the hearts and minds of the Namibian populace. While this segment had several challenges, both internal and external, it has emerged even stronger this year, with an inspiring strategy going forward.

With the insurance sector usually taking the financial brunt in an economic slump, management has initiated a rather unique enhancement to all current policies. By leveraging the Trustco Mobile product into our other policies, proving free life cover to all paid-up clients, they aim to provide a greater incentive to all our customers to keep policy payments up to date. With the Trustco Mobile rollout into Africa just around the corner, I believe that this segment will play a vital role in our expansion into the continent.

Financial Services outside Namibia

With the rebranding from DexGroup Financial Services to Trustco Financial Services coinciding with the Group's Africa Board listing, we have shown our commitment to be the leading premium and claim administration intermediary in Southern Africa. With great synergies expected during our African expansion, and revolutionary new products on the horizon, I support management's continuing drive to be a core component of Trustco's future growth.

Future Outlook

Trustco has had an excellent year, showing resilience during unstable market conditions. While this does give us confidence in continuing our expansion, we will remain cautiously optimistic about future market conditions. I believe in developing the Group entrepreneurially, growing organically rather than employing cost controls as a means to ensure short-term profitability. I am confident that our management teams will continue to foster creative talent, delivering innovative products that appeal to our customers. A specialist merger and acquisition team has been assembled to enhance the expansion plans.

With the current economic climate, the coming year seems more daunting than the one we just concluded. But with expansion continuing both at home and abroad, I believe that our team will continue to seize the opportunities presented to them and prove yet again their commitment to our long-term development.

Appreciation

With all the successes enjoyed by the Group during the year, I cannot help but lament the fact the human performance can only be observed after all is said and done. While I have benefitted from the support of management and the board, without the exceptional contribution of all of Trustco's employees, none of this would have been possible. I'd like to extend my heartfelt appreciation to all of you, and call on you to continue with your extra ordinary efforts.

Q van Rooyen
Chief Executive Officer

CORPORATE GOVERNANCE

Introduction

Trustco Group Holdings Ltd and its subsidiaries (the Group) are committed to the principles of openness, integrity and accountability as advocated in the King II Report on Corporate Governance, 2002. 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 recognize 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 cognizance of international/emerging governance trends. These are considered for implementation only where appropriate.
- 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 with, and has applied, the requirements of the Code for the year under review.

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 Board is accountable for the development and execution of the Group's strategy, operating performance and financial results, all practised within the Group's governance authorities. These governance authorities describe the specific levels of authority and required approvals for all major decisions at both Group and divisional level. It clarifies which executive position, committee or board needs to be consulted prior to taking the decision, which body makes the decision and which bodies should thereafter be informed of the decision. The Board attempts to balance the often conflicting dynamics of encouraging entrepreneurial behaviour in the Group against the constraints of corporate governance.

The Board is responsible for its own composition, the appointment of the Chairman and the Chief Executive Officer, and the constitution and composition of its sub-committees. The Board has a charter setting out its policies, roles and responsibilities in the execution of its mandate. Each Board Committee also has a charter, or terms of reference.

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

- Executive Committee
- Remuneration Committee
- 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 62 of this annual report. There are seven directors, of whom four 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

CORPORATE GOVERNANCE

directors on the Trustco Group Holdings Ltd board are appointed for specific terms and re-appointment 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. The directors eligible for re-election at the forthcoming annual general meeting are Me V. de Klerk and Me. M. Nashandi.

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 excuse 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.

Q. van Rooyen

During the year ended 31 March 2009, Q. van Rooyen has an interest in a management agreement between Next Investments (Pty) Ltd, of which he is a director and Trustco Group International (Pty) Ltd (inc. in Namibia), a subsidiary of the Company. The agreement establishes that when Trustco Group International (Pty) Ltd (inc. in Namibia) performs management work on behalf of Next Investments (Pty) Ltd it must be refunded by way of a management fee.

Q. van Rooyen also lends funds to the Group on which he received 12% interest.

Dr. D. Namwandi

On 16 February 2009, Institute for Open Learning (Pty) Ltd ("IOL") entered into an agreement with The International University of Management ("IUM") whereby IOL obtained the rights to coordinate, administrate and perform other duties expected of an educational institution of selected courses of IUM. In return IOL will pay a fee to IUM. Dr. Namwandi is a director of IUM.

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 62 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 Chief Executive Officer, 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, F.J. Abrahams, G.R.I. Walters, J. van den Heever, C. van Rooyen, Adv. P.J. Miller

Composition and meeting procedures

Exco is chaired by the CEO 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 sub-committee or particular Exco members.

Remuneration Committee (Remco)

Members: Dr. D. Namwandi (Chairman), V. de Klerk, A.H. Toivo ya Toivo

Composition and meeting procedures

Remco is chaired by an independent director and comprises solely of non-executive directors of Trustco Group Holdings Ltd. The Chief Executive Officer, 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

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 Ltd board, after due consideration of comparable fee structures and market practices. This committee also performs the functions of a traditional "Nominations Committee".

CORPORATE GOVERNANCE

Audit and Risk Management Committee (Armco)

Members: Dr. D. Namwandi (Chairman), M. Nashandi, G.R.I. Walters

Composition and meeting procedures

Two members of Armco are independent and G.R.I. Walters is the only executive member. In addition, the meetings are attended by the CEO, representatives of the external auditors, BDO Spencer Steward (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.

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 Ltd 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.

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

Attendance at meetings

The following table sets out the number of meetings held and individual directors' attendance records at the Board and its principal standing committees (based on membership of those committees, rather than attendance as an invitee) during the year.

	Board	Audit & Risk Committee	Remuneration Committee
Number of meetings held	8	3	1
Adv. T.J. Frank SC	4/8	2/3	n/a
M. Nashandi	6/8	3/3	n/a
G.R.I. Walters	8/8	3/3	n/a
Dr. D. Namwandi	8/8	3/3	1/1
V. de Klerk	7/8	n/a	0/1
A.H. Toivo ya Toivo	6/8	n/a	1/1
Q. van Rooyen	6/8	n/a	1/1
F.J. Abrahams	8/8	n/a	n/a
J. Jones	2/8	n/a	n/a

Audit and Risk Management Committee

Adv. T.J. Frank resigned as chairman and Dr. Namwandi was appointed chairman in his place.

Remuneration Committee

Adv. T.J. Frank resigned as chairman and Dr. Namwandi was appointed chairman in his place.

Staff Social Scheme

The Board of Director approved a Staff Social Scheme which became effective on 1 June 2008. The purpose of the social scheme is to contribute to the social wellbeing 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:

- Hospitalization
- Maternity and Paternity Benefit
- Life and disability
- Employee Fund
- Annual leave
- 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 towards 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%.

CORPORATE GOVERNANCE

- New employees will contribute the full 8.5% from the date of employment.
- Employees appointed for a period of longer than 5 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.

The Group 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. Internally 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.

VALUE ADDED STATEMENT
For the year ended 31 March 2009

	2009 N$ '000	2009 %	2008 N$ '000	2008 %
Value added is the wealth created by Trustco Group Holdings Ltd and its subsidiaries through the sale of products and provision of services.				
Income received from all sources	**525 265**		345 982	
Purchases and other direct costs of services	**(318 803)**		(184 217)	
Wealth created	**206 462**		161 765	
Distribution of wealth created by Trustco Group of companies:				
Employee compensation				
Salaries, wages and other benefits	**66 853**	**32.4%**	41 540	25.7%
Shareholders				
Dividends	**6 698**	**3.2%**	2 986	1.8%
Government				
Taxation (PAYE, Income tax, etc.)	**24 245**	**11.7%**	28 401	17.6%
Retention for expansion and future growth	**108 666**	**52.6%**	88 838	54.9%
Net profit for the year	**93 378**		77 915	
Depreciation and amortisation	**15 288**		10 923	
	206 462	**100.0%**	161 765	100.0%

ANALYSIS OF SHAREHOLDERS
as at 31 March 2009

	Number of shareholders	Number of shares	% of shareholders	% of shares
Range of shareholders				
100 - 499 Shares	5	1 155	0.19	0.00
500 - 999 Shares	1 221	611 590	45.90	0.09
1000 - 1999 Shares	673	831 000	25.30	0.12
2000 - 2999 Shares	213	490 405	8.01	0.07
3000 - 3999 Shares	79	248 541	2.97	0.04
4000 - 4999 Shares	29	124 432	1.09	0.02
5000 - 9999 Shares	254	1 511 600	9.55	0.21
10000 Shares and above	186	703 323 367	6.99	99.46
	2 660	707 142 090	100.00	100.00
Category				
Corporate Bodies	12	35 502 435	0.5	5.0
Nominee Companies	5	222 349 235	0.2	31.4
Private Individuals	2 636	419 306 725	99.1	59.3
Trusts	7	29 983 695	0.3	4.2
	2 660	707 142 090	100.0	100.0
Public shareholders	2 647	283 157 775	99.5	40.0
Non-public shareholders	13	423 984 315	0.5	60.0
	2 660	707 142 090	100.0	100.0

Large shareholders - more than 1% of share capital	**Number of shares**	**% of shares**
Q. van Rooyen	392 554 120	55.51
First National Bank Namibia Nominees	108 981 510	15.41
Standard Bank Namibia Nominees	113 366 935	16.03
Trustco Staff Share Incentive Scheme Trust	29 782 270	4.21
DexGroup (Pty) Ltd	32 727 685	4.63
	677 412 520	95.80

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprises of 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 responsibilites 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 Goverance 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.

Dr. D. Namwandi
Chairman

Windhoek
6 August 2009

CERTIFICATE BY THE COMPANY SECRETARY

I, Petrus Jacobus Miller, 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.

Adv. P.J. Miller
Secretary

Windhoek
6 August 2009

STATEMENT OF RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The directors are required by the Namibian Companies Act, 1973, 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 and in the manner as required by the Companies Act of Namibia, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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.

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 is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the 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 cash flow forecast for the year to 31 March 2010 and, in the light of this review and the current financial position, they are satisfied that the Company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 24 to 61, which have been prepared on the going concern basis, were approved by the Board on 6 August 2009 and were signed on its behalf by:

Dr. D. Namwandi
Chairperson

Q. van Rooyen
Managing Director

Windhoek
6 August 2009

REPORT OF THE INDEPENDENT AUDITORS

BDO

BDO Spencer Steward (Namibia)
Chartered Accountants
and Business Advisors

ICAN Practise Number: 9402.

P.O. Box 2184, 61 Bismarck Street
WINDHOEK, NAMIBIA
Telephone 061-224125, Fax 061-236518
Email: windhoek@bdo.com.na

P.O. Box 4353, 119 Sam Nujoma Drive
WALVIS BAY, NAMIBIA
Telephone 064 -209881, Fax 064-209882
Email: walvisbay@bdo.com.na

REPORT OF THE INDEPENDENT AUDITORS

to the shareholders 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 balance sheets as at 31 March 2009, the consolidated and separate income statements, the consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year ended, a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 24 to 61.

Directors' Responsibility for the Financial Statements

The Group's directors are responsible for the preparation and fair presentation of these annual 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 annual 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 annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual 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 the directors, as well as evaluating the overall presentation of the annual 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 annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Trustco Group Holdings Limited as of 31 March 2009, and it's 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 Spencer Steward (Namibia)

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

6 August 2009
Windhoek

REPORT OF THE INDEPENDENT AUDITORS

BDO
BDO Spencer Steward
Chartered Accountants

BDO Place 457 Rodericks Road
Lynnwood 0081 Pretoria
PO Box 95436/7/8/9 95635
Waterkloof 0145
Telephone: +27 12 348-2000
Telefax: +27 12 348-2010
Docex 205 Pretoria
Internet E-Mail: info@bdopta.co.za
Website: www.bdo.co.za

REPORT OF THE INDEPENDENT AUDITORS

to the Shareholders 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 balance sheets as at 31 March 2009, the consolidated and separate income statements, the consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year ended, a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 24 to 61.

Directors' Responsibility for the Financial Statements

The Group's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual 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.

Auditors' 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 annual 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 judgment, 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 the directors, 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 annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Trustco Group Holdings Limited as at 31 March 2009, and it's consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

BDO Spencer Steward.

BDO Spencer Steward **6 August 2009**
Registered Auditors
Chartered Accountants (S.A)

Per B. Bosman
Partner

Member firms in South Africa
Cape Town Johannesburg
Durban Port Elizabeth

Partners
B J Bosman D C Malan
A R Edge (Managing) M P McGarrigle
J C Lemmer J More

Consultants
A J Heynen

REPORT OF THE DIRECTORS

For the year ended 31 March 2009

The directors present their report with the audited annual financial statements of the Company and of the Group for the year ended 31 March 2009.

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 26 onwards. The consolidated income statements are set out on page 27. The extent to which the various segments of the Group contributed to the assets employed, turnover and net income after tax, was as follows:

	Total assets		Turnover		Net profit after tax attributable to equity holders of the parent	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	N$ '000	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**
Micro Insurance	**29 688**	27 746	**93 847**	75 704	**36 227**	27 829
Micro Finance and Education	**150 795**	106 597	**71 197**	54 889	**30 015**	22 871
Financial services outside Namibia	**195 822**	154 265	**267 843**	103 589	**19 561**	21 159
Property, Development and Media	**299 700**	205 044	**51 627**	49 729	**3 139**	3 305
Investment related services	**86 319**	142 288	**-**	-	**3 481**	2 518
	762 324	635 940	**484 514**	283 911	**92 423**	77 682

SHAREHOLDERS' VALUE

Based on the results, shareholders value for 2009 is N$ 370.5 million (2008: N$ 260.8 million). The directors are confident that this value will show growth for the foreseeable future and beyond.

DIVIDENDS

The Board of Directors recommended an ordinary dividend of 2 cents per share on 24 July 2009. This dividend is to be approved by the shareholders at the Annual General Meeting to be held on 28 August 2009. On 14 August 2008 an oridinary dividend of 1 cent (5 cents before share split), which equate to N$ 6.99 million was approved and paid on 30 September 2008.

BORROWINGS

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

DIRECTORATE AND APPRECIATION

The Board of Directors are reflected on page 62. Adv. T.J. Frank SC resigned as chairman and director on 13 November 2008. Dr. D. Namwandi was appointed chairman in his place. 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.

ACQUISITION

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

DISPOSAL OF NON-CORE BUSINESS DIVISIONS

The Board has taken measures to dispose of non-core business units in order that the Group can focus on its core business which is Micro Finance and Education and Micro Insurance sectors within the borders of Namibia. As a result two restaurants were sold during the year namely Café Society and Iitumba.

Café Society

The Group disposed of the Café Society Restaurant, located in Windhoek, Namibia, to Rotisa Training and Recruitment CC ("Rotisa"), an entity controlled by Wilhelm and Rolanda Grobler, for an amount of N$ 2 million. In addition, Trustco entered into a loan agreement with Rotisa for an amount of N$ 2 million at an interest rate of 10% per annum in order to facilitate the disposal. Mr. Grobler is a director of Trustco Tourism (Pty) Ltd, a subsidiary in the Group, and Rolanda is his wife. In terms of the JSE Limited Listings Requirements, the disposal is accordingly a small related party transaction.

Iitumba

The Group disposed of the Iitumba Restaurant, located in Windhoek, Namibia, to parties unrelated to the Group, for an amount of N$ 12 million. In addition, Trustco entered into a loan agreement with these parties for an amount of N$ 12 million at an interest rate of 10% per annum in order to facilitate the disposal.

THE YEAR AHEAD

The Board remains optimistic about the future and expects the extraordinary organic growth to continue. Micro Insurance will remain an integral part of the Group's strategy to achieve continued growth through the launch of exciting new business initiatives into Africa (i.e. Trustco Mobile). Future growth will further be driven by Micro Finance and Education through new course offerings, the Lafrenz housing project and strategic acquisitions. Management expects that the Group tax assets will be fully utilized during the next financial year resulting in a potential tax charge.

The Company realizes that it has a most important role to fulfil in the Namibian economy and is prepared to obtain sufficient investments to ensure services and products compared to the best in Namibia. We have made substantial progress in this regard through continued development of our core business.

The Group has set itself a great deal to accomplish in 2010. The economic environment affecting our business remains important for future performance and conditions will prove challenging. Trustco faces all the future challenges with considerable confidence. The foundations we have established during the past five years and the Group's well-positioned core business will provide a sound platform for building value for the future.

SHARE CAPITAL

The Company consolidated the Trustco Staff Share Incentive Scheme Trust ("the Trust"), resulting in a reduction in equity in the Group accounts.

On 20 January 2009 the Group issued 7 001 405 ordinary shares with a par value of N$ 0.23 per share to D. van Huyssteen in lieu of services rendered for N$ 0.71 per share increasing the issued ordinary share capital to N$ 162.65 million. The issued ordinary shares at 31 March 2009 amounted to 707 142 090 shares. Refer to the analysis of shareholders on page 19 for the reconciliation of issued shares.

REPORT OF THE DIRECTORS
For the year ended 31 March 2009

EVENTS SUBSEQUENT TO YEAR END

Disposal of assets

The Group sold its printing press machinery and the Informante printing contract to Democratic Media Holdings (Pty) Ltd (DMH) after year end but before the approval of these annual financial statements. The decision to dispose of all of the Group's printing assets is pertinent to measures taken by the Board to re-align the Group's focus on the pivotal core business which lies in the Micro Finance and Education and Micro Insurance sectors within the borders of Namibia and beyond. In furtherance of the Group's objectives in this regard, it was decided to sell the printing press machinery of Printas (Pty) Ltd together with the Informante printing contract to the DMH Group, effective 30 June 2009. The terms and conditions of the sale provide for the take over of all machinery and the Informante printing contract by the DMH Group, which will also assume the printing of study material for Institute for Open Learning (Pty) Ltd, a subsidiary in the Group.

Vendor shares

Trustco Financial Services (Pty) Ltd (previously DexGroup (Pty) Ltd) met their profit targets and are thus in partial compliance with the purchase agreement. The remaining shares will only be issued once full compliance with the purchase agreement is attained.

SABC Legal Action

Trustco Group International (Pty) Ltd is currently in an arbitration process with the South African Broadcasting Corporation (SABC) because of breach of contract by the SABC. A ruling was made on 2 April 2007 in favour of TGI by an independent arbitrator. The arbitration was scheduled to continue during the week commencing 1 December 2008, to determine the amount of damages payable by the SABC. However, the arbitrator issued a ruling on 6 November 2008 that the matter will now proceed only from 27 July 2009 until 3 August 2009. The amount claimed is N$ 140 million. However, the amount to be awarded is in the discretion of the arbitrator.

Agreement with CEO

Since his appointment as Managing Director of Trustco Group Holdings Limited Mr. Q. van Rooyen has not received any bonuses. Pursuant to a resolution of the Remuneration Committee dated 31 March 2008 negotiations regarding his remuneration commenced and were concluded during June 2009. The agreement reached was tabled at the Board meeting held 2nd July 2009 and adopted in principle. The agreement will be for a further 5 year period at which date the Company is permitted to re-appoint Mr. van Rooyen for a further period on terms and conditions to be agreed upon at that time.

The remuneration package of Mr. van Rooyen shall be determined once annually on the following basis:

- 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.

No additional salary, bonus, car scheme, medical aid or pension contributions of any nature for the duration of the agreement shall be paid to Mr. van Rooyen over and above the remuneration package as determined.

If the annual growth in any one or more of the categories compared with the previous financial year is less than the average inflation rate for that year plus 5% such category or categories shall be omitted from the determination.

The Company will refund Mr. van Rooyen for all reasonable expenses and disbursements incurred in the course of the business of the Company. Payment thereof shall be made upon presentation of a claim signed off by the Financial Director and one Exco member of the Company.

The Trustco Staff Share Incentive Trust or the Company, at the option of the Company, shall issue the shares to Mr. van Rooyen if he decide to exercise his right to take up shares and against payment by him of the par value of the shares to the Trust or the Company. The issue shall be made not later than 14 days after the option was exercised and payment was made. Mr. van Rooyen shall not sell or otherwise dispose of the shares for a period of two years after the shares have been issued.

The company is in the process of seeking the necessary approval from the JSE, the NSX and Company shareholders for the implementation of this agreement.

SPECIAL RESOLUTIONS

The following special resolutions were passed during the year under review:

Trustco Group Holdings Limited

It was resolved on 9 January 2009 and registered with the Registrar of Companies on 20 January 2009 that:

- The existing authorised share capital of the Company being 500 000 000 no par value shares, be converted into 500 000 000 ordinary par value shares of N$ 1.15 each, resulting in the authorised share capital of the Company being 500 000 000 ordinary par value shares of N$ 1.15 each, totaling N$ 575 000 000.00.
- The existing issued share capital of the Company being 140 028 137 no par value shares, be converted into 140 028 137 ordinary par value shares of N$ 1.15 each, resulting in the issued share capital of the Company being 140 028 137 ordinary par value shares of N$ 1.15 each, totaling N$ 161 032 357.55.
- The existing authorised share capital consisting of 500 000 000 ordinary par value shares of N$ 1.15 each be subdivided into 2 500 000 000 ordinary par value shares of N$ 0.23 each, totaling N$ 575 000 000.00, resulting in a total authorised share capital of 2 500 000 000 ordinary par value shares of N$ 0.23 each, totaling N$ 575 000 000.00.
- The issued share capital of the Company being 140 028 137 ordinary par value shares of N$ 1.15 each, totaling 161 032 357.55 be subdivided to 700 140 685 ordinary par value shares of N$ 0.23 each, resulting in the total issued share capital of the Company being 700 140 685 ordinary par value shares of N$ 0.23 each, totaling N$ 161 032 357.55.
- Substitution share certificates, reflecting the existing share value, shall be issued.
- The existing Articles of Association of the Company be abrogated in it's entirety and replace so as to comply with the provision of the NSX and JSE listing requirements.

HOLDING COMPANY'S INTEREST IN SUBSIDIARIES

	Issued share capital		Company's interest: % held		Company's interest: Shares at cost	
	2009	2008	2009	2008	2009	2008
	N$	N$	%	%	N$	N$
Legal Shield Holdings (Pty) Ltd	**100**	100	**100**	100	**100**	100
Trustco Education (Pty) Ltd	**100**	100	**100**	100	**100**	100
Trustco Financial Services (Pty) Ltd (previously DexGroup Financial Sevices (Pty) Ltd)	**4 000**	4 000	**100**	100	**-**	-
Trustco Property Holdings (Pty) Ltd	**100**	100	**100**	100	**100**	100
Trustco Group International (Pty) Ltd (inc. in Republic of Namibia)	**100**	100	**100**	100	**68 549 357**	68 549 357
Trustco Corporate Management Services (Pty) Ltd	**100**	100	**100**	100	**100**	100
Trustco Capital (Pty) Ltd	**100**	100	**100**	100	**100**	100
Trustco Media (Pty) Ltd	**100**	100	**100**	100	**100**	100
Trustco Tourism Holdings (Pty) Ltd	**100**	100	**100**	100	**100**	100
Trustco Business Development (Pty) Ltd	**100**	100	**100**	100	**100**	100
Trustco Staff Share Incentive Scheme Trust*						
Trustco Group International (Pty) Ltd (*inc. in Republic of South Africa*)	**100**	100	**100**	100	**100**	100
					68 550 257	68 550 257

* The Group has management control over the Trust.

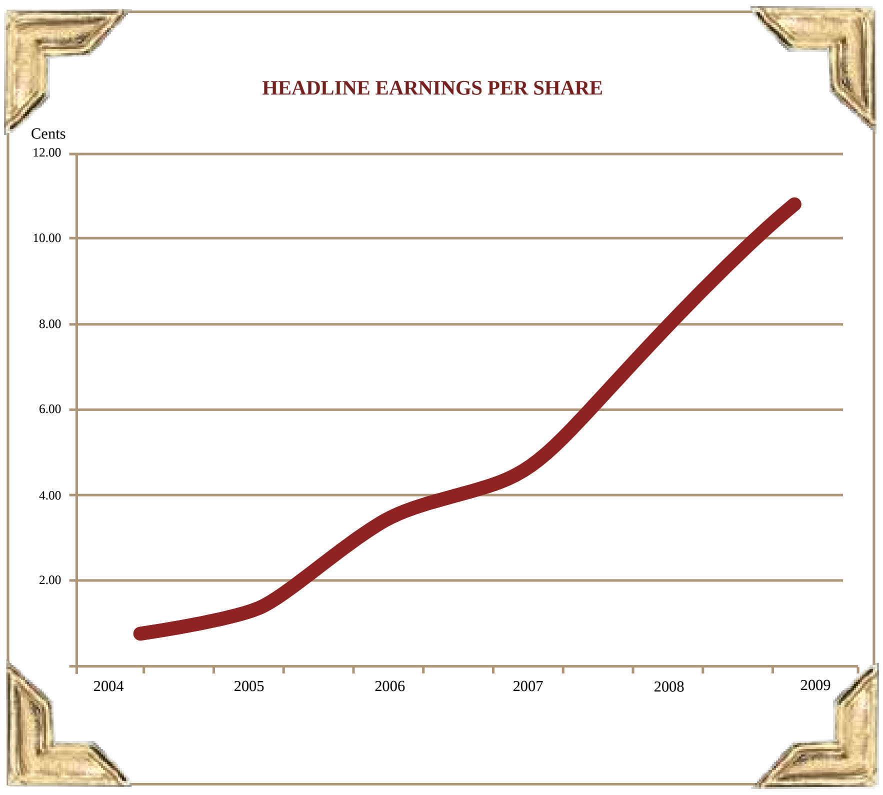
CONSOLIDATED BALANCE SHEETS
as at 31 March 2009

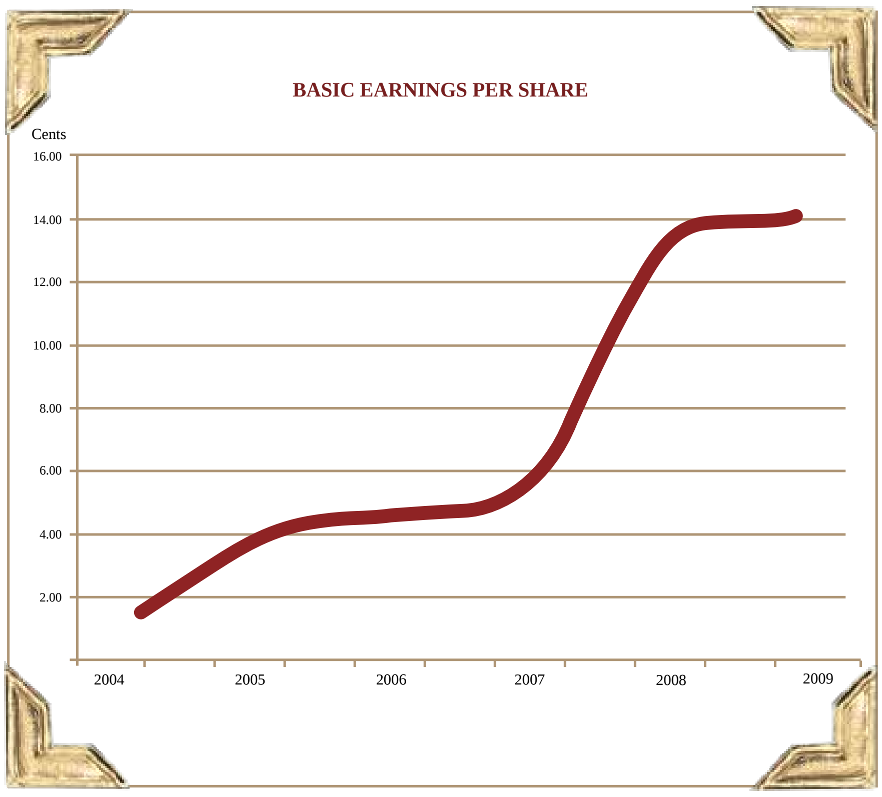
	Notes	Group 2009 N$ '000	Group 2008 N$ '000	Company 2009 N$ '000	Company 2008 N$ '000
ASSETS					
Non-current assets					
Property, plant and equipment	3	**154 210**	142 529	**-**	-
Investment properties	4	**33 753**	36 812	**-**	-
Intangible assets	5	**186 942**	174 605	**-**	-
Investment in subsidiaries	6	**-**	-	**68 550**	68 550
Deferred income tax assets	7	**45 147**	18 296	**480**	169
Educational loans advanced	8	**79 003**	59 966	**-**	-
Other loans advanced	9	**24 188**	-	**-**	-
Finance lease receivable	10	**1 276**	1 613	**-**	-
Amounts due by related parties	11	**-**	-	**210 422**	163 976
Total non-current assets		**524 519**	433 821	**279 452**	232 695
Current assets					
Available-for-sale financial assets	12	**10 035**	6 291	**-**	-
Short-term portion of educational loans advanced	8	**54 024**	32 082	**-**	-
Short-term portion of other loans advanced	9	**386**	-	**-**	-
Short-term portion of finance lease receivable	10	**337**	322	**-**	-
Amounts due by related parties	11	**3 002**	-	**-**	-
Inventories	13	**30 244**	30 972	**-**	-
Trade and other receivables	14	**31 018**	33 358	**-**	10 500
Current income tax assets	41.2	**263**	167	**-**	-
Cash and cash equivalents	15	**108 496**	98 927	**37**	54
Total current assets		**237 805**	202 119	**37**	10 554
Total assets		**762 324**	635 940	**279 489**	243 249
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	16	**162 645**	-	**162 645**	-
Stated capital	16	**-**	141 448	**-**	141 448
Deemed treasury shares	17	**(19 137)**	(35 359)	**(19 137)**	(35 359)
Vendor shares	18	**14 976**	35 526	**14 976**	35 526
Contingency reserves	19	**726**	(303)	**-**	-
Revaluation reserves	20	**16 851**	12 801	**-**	-
Distributable reserves		**194 416**	107 862	**108 951**	101 006
Attributable to equity holders of the parent		**370 477**	261 975	**267 435**	242 621
Minority interest	21	**-**	(1 139)	**-**	-
Total capital and reserves		**370 477**	260 836	**267 435**	242 621
Non-current liabilities					
Long-term liabilities	22	**117 832**	109 503	**-**	-
Other liabilities	23	**1 590**	936	**-**	-
Deferred income tax liabilities	7	**27 062**	25 466	**-**	-
Policy holders' liability under insurance contracts	24	**2 472**	2 001	**-**	-
Amounts due to related parties	11	**15 786**	32 849	**10 225**	16
Total non-current liabilities		**164 742**	170 755	**10 225**	16
Current liabilities					
Current portion of long-term liabilities	22	**15 700**	14 854	**-**	-
Current portion of other liabilities	23	**1 128**	2 083	**-**	-
Trade and other payables	25	**179 368**	159 353	**1 829**	113
Technical provisions	26	**15 834**	11 018	**-**	-
Provision for share appreciation rights	27	**-**	1 361	**-**	499
Current income tax liabilities	41.2	**128**	169	**-**	-
Bank overdraft	28	**14 947**	15 511	**-**	-
Total current liabilities		**227 105**	204 349	**1 829**	612
Total equity and liabilities		**762 324**	635 940	**279 489**	243 249

CONSOLIDATED INCOME STATEMENTS

For the year ended 31 March 2009

	Notes	Group 2009 N$ '000	Group 2008 N$ '000	Company 2009 N$ '000	Company 2008 N$ '000
Insurance premium revenue	31	**93 847**	75 704	**-**	-
Revenue	31	**390 667**	208 207	**-**	-
Total revenue		**484 514**	283 911	**-**	-
Cost of sales	32	**(257 172)**	(118 928)	**-**	-
		227 342	164 983	**-**	-
Investment income	37	**4 500**	22 406	**30 171**	35 330
Fair value gains and losses		**2 730**	1 889	**-**	-
Other income		**33 521**	37 776	**-**	-
Insurance benefits and claims	33	**(21 760)**	(19 688)	**-**	-
Transfer to policyholder liabilities	24	**(471)**	(274)	**-**	-
Change in unearned premium provision	31	**(165)**	(759)	**-**	-
Administration expenses		**(153 796)**	(109 581)	**(14 437)**	(7 717)
Finance costs	38	**(25 375)**	(38 201)	**(1 115)**	(1 492)
Profit before taxation	34	**66 526**	58 551	**14 619**	26 121
Taxation	39	**26 852**	19 364	**311**	169
Profit for the year		**93 378**	77 915	**14 930**	26 290
Attributable to:					
Equity holders of the parent		**92 423**	77 682		
Minority interest	21	**955**	233		
		93 378	77 915		
Earnings per shares:					
Basic earnings per share (cents)	40	**14.00**	13.01		
Diluted earnings per share (cents)	40	**13.49**	12.33		
Dividends declared per share (cents)	40	**1.00**	0.50		
Dividends paid per share (cents)	40	**1.00**	0.50		





CONSOLIDATED STATEMENTS OF MOVEMENT IN EQUITY

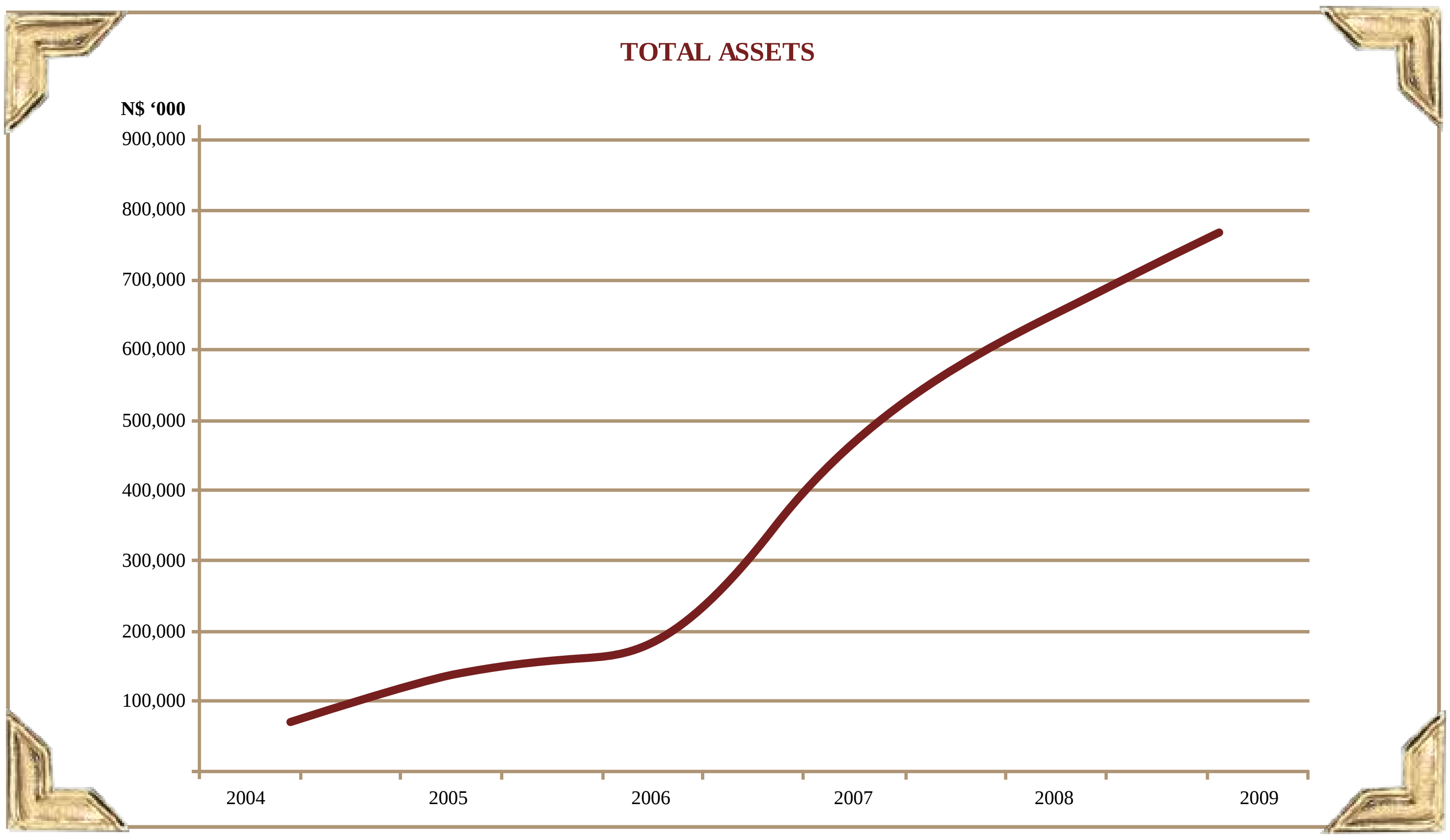
For the year ended 31 March 2009

Group	Stated Capital N$ '000	Share Capital N$ '000	Share Premium N$ '000	Deemed treasury shares N$ '000	Vendor Shares N$ '000	Other Reserves N$ '000	Distributable Reserves N$ '000	Minority Interest N$ '000	Total N$ '000
Balance at 1 April 2007	141 920	-	-	(45 051)	-	7 156	33 220	(1 372)	135 873
Transfer to contingency reserve	-	-	-	-	-	54	(54)	-	-
VAT on listing costs	(472)	-	-	-	-	-	-	-	(472)
Revaluation of property, plant and equipment, net of deferred tax and release of depreciation to income statement	-	-	-	-	-	5 288	-	-	5 288
Vendor shares to be issued as result of business combination	-	-	-	-	35 526	-	-	-	35 526
Sale of deemed treasury shares of Trustco Staff Share Incentive Scheme Trust	-	-	-	9 692	-	-	-	-	9 692
Net income/(expense) recognised directly in equity	141 448	-	-	(35 359)	35 526	12 498	33 166	(1 372)	185 907
Profit for the year	-	-	-	-	-	-	77 682	233	77 915
Total recognised income and expenses for 2008	141 448	-	-	(35 359)	35 526	12 498	110 848	(1 139)	263 822
Dividends for the period	-	-	-	-	-	-	(2 986)	-	(2 986)
Balance at 31 March 2008	141 448	-	-	(35 359)	35 526	12 498	107 862	(1 139)	260 836
Balance at 1 April 2008	**141 448**	**-**	**-**	**(35 359)**	**35 526**	**12 498**	**107 862**	**(1 139)**	**260 836**
Transfer to contingency reserve	**-**	**-**	**-**	**-**	**-**	**1 029**	**(1 029)**	**-**	**-**
Vendor shares issued as result of business combination	**19 636**	**-**	**-**	**-**	**(19 636)**	**-**	**-**	**-**	**-**
Vendor shares settled in cash	**-**	**-**	**-**	**-**	**(914)**	**-**	**-**	**-**	**(914)**
Costs of share issue	**(49)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(49)**
Revaluation of property, plant and equipment, net of deferred tax and release of depreciation to income statement	**-**	**-**	**-**	**-**	**-**	**4 050**	**-**	**-**	**4 050**
Sale of deemed treasury shares of Trustco Staff Share Incentive Scheme Trust	**-**	**-**	**-**	**16 222**	**-**	**-**	**-**	**-**	**16 222**
Profit on sale of deemed treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**3 042**	**-**	**3 042**
Conversion of no-par value shares to par value shares	**(161 035)**	**161 035**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share issue	**-**	**1 610**	**3 361**	**-**	**-**	**-**	**-**	**-**	**4 971**
Listing costs	**-**	**-**	**(3 361)**	**-**	**-**	**-**	**-**	**-**	**(3 361)**
Acquisition of minority interest in entity under common control	**-**	**-**	**-**	**-**	**-**	**-**	**(1 184)**	**184**	**(1 000)**
Net income/(expense) recognised directly in equity	**-**	**162 645**	**-**	**(19 137)**	**14 976**	**17 577**	**108 691**	**(955)**	**283 797**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**92 423**	**955**	**93 378**
Total recognised income and expenses for 2009	**-**	**162 645**	**-**	**(19 137)**	**14 976**	**17 577**	**201 114**	**-**	**377 175**
Dividends for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(6 698)**	**-**	**(6 698)**
Balance at 31 March 2009	**-**	**162 645**	**-**	**(19 137)**	**14 976**	**17 577**	**194 416**	**-**	**370 477**
Notes:	**16**	**16**	**16**	**17**	**18**	**19 & 20**			

Company	Stated Capital N$ '000	Share Capital N$ '000	Share Premium N$ '000	Deemed treasury shares N$ '000	Vendor Shares N$ '000	Distributable Reserves N$ '000	Total N$ '000
Balance at 1 April 2007	141 920	-	-	(45 051)	-	78 053	174 922
VAT on listing costs	(472)	-	-	-	-	-	(472)
Vendor shares to be issued as result of business combination	-	-	-	-	35 526	-	35 526
Sale of deemed treasury shares by the Trustco Staff Share Incentive Scheme Trust	-	-	-	9 692	-	-	9 692
Net income/(expense) recognised directly in equity	141 448	-	-	(35 359)	35 526	78 053	219 668
Profit for the year	-	-	-	-	-	26 290	26 290
Total recognised income and expenses for	141 448	-	-	(35 359)	35 526	104 343	245 958
Dividends for the period	-	-	-	-	-	(3 337)	(3 337)
Balance at 31 March 2008	141 448	-	-	(35 359)	35 526	101 006	242 621
Balance at 1 April 2008	**141 448**	**-**	**-**	**(35 359)**	**35 526**	**101 006**	**242 621**
Vendor shares issued as result of business combination	**19 636**	**-**	**-**	**-**	**(19 636)**	**-**	**-**
Vendor shares settled in cash	**-**	**-**	**-**	**-**	**(914)**	**-**	**(914)**
Costs of share issue	**(49)**	**-**	**-**	**-**	**-**	**-**	**(49)**
Conversion of no-par value shares to par value shares	**(161 035)**	**161 035**	**-**	**-**	**-**	**-**	**-**
Share issue	**-**	**1 610**	**3 361**	**-**	**-**	**-**	**4 971**
Listing costs	**-**	**-**	**(3 361)**	**-**	**-**	**-**	**(3 361)**
Sale of deemed treasury shares by the Trustco Staff Share Incentive Scheme Trust	**-**	**-**	**-**	**16 222**	**-**	**-**	**16 222**
Net income/(expense) recognised directly in equity	**-**	**162 645**	**-**	**(19 137)**	**14 976**	**101 006**	**259 490**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**14 930**	**14 930**
Total recognised income and expenses for 2009	**-**	**162 645**	**-**	**(19 137)**	**14 976**	**115 936**	**274 420**
Dividends for the period	**-**	**-**	**-**	**-**	**-**	**(6 985)**	**(6 985)**
Balance at 31 March 2009	**-**	**162 645**	**-**	**(19 137)**	**14 976**	**108 951**	**267 435**
Notes:	**16**	**16**	**16**	**17**	**18**		

CONSOLIDATED CASH FLOW STATEMENTS
For the year ended 31 March 2009

	Notes	Group		Company	
		2009	2008	2009	2008
		N$ '000	N$ '000	N$ '000	N$ '000
Cash flow from operating activities					
Cash generated from / (absorbed by) operations	41.1	**95 744**	69 766	**(867)**	(17 160)
Interest received	37	**4 500**	3 988	**16 171**	7 216
Dividends received	37	**-**	18 418	**14 000**	28 114
Finance costs	38	**(25 375)**	(38 201)	**(1 115)**	(1 492)
Net educational loans advanced	8	**(40 979)**	(28 201)	**-**	-
Dividends paid		**(6 698)**	(2 986)	**(6 985)**	(3 337)
Taxation paid	41.2	**(137)**	(122)	**-**	(86)
Net cash flow from operating activities		**27 055**	22 662	**21 204**	13 255
Cash flow from investing activities					
Additions to property, plant and equipment	3	**(13 694)**	(20 600)	**-**	-
Additions to investment property	4	**(72)**	(2 461)	**-**	-
Additions to intangible assets	5	**(13 434)**	(24 280)	**-**	-
Acquisition of subsidiary, net of cash acquired	41.4	**-**	45 483	**-**	-
Additions to available-for-sale financial assets		**(3 744)**	-	**-**	-
Acquisition of minority interest in entity under common control		**(1 000)**	-	**-**	-
Proceeds on sale of property, plant and equipment		**1 324**	1 092	**-**	-
Proceeds on sale of investment properties		**-**	141	**-**	-
Proceeds on sale of intangible assets		**-**	1 270	**-**	-
Proceeds on sale of available-for-sale financial assets		**-**	131 249	**-**	77 893
Net cash flow from investing activities		**(30 620)**	131 894	**-**	77 893
Cash flow from financing activities					
Costs of shares issued		**(49)**	-	**(49)**	-
VAT on listing costs		**-**	(472)	**-**	(472)
Redemption of vendor shares in cash		**(1 157)**	-	**(1 157)**	-
Sale of deemed treasury shares		**19 264**	-	**16 222**	-
Proceeds from long term liabilities		**9 175**	33 874	**-**	-
(Repayment of) / proceeds from related party loans		**(13 705)**	26 167	**(36 237)**	(90 798)
Decrease / (increase) in policy holder under insurance contracts	24	**471**	274	**-**	-
Repayment of term loan and unsecured long term liabilities		**-**	(135 525)	**-**	-
Repayment of other liabilities		**(301)**	(1 704)	**-**	-
Net cash flow from financing activities		**13 698**	(77 386)	**(21 221)**	(91 270)
Net change in cash and cash equivalents		**10 133**	77 170	**(17)**	(122)
Cash and cash equivalents at beginning of year	41.3	**83 416**	6 246	**54**	176
Cash and cash equivalents at end of year	41.3	**93 549**	83 416	**37**	54



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

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,1973. The consolidated annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

Trustco's functional and presentation currency is in Namibian Dollar (N$) and during the year ended 31 March 2009 1 N$ was equal to 1 ZAR.

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. Significant judgements include:

Fair value estimation
The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet 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 makes assumptions that are based on market conditions existing at each balance sheet 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 balance sheet date.

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

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

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

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

The Group and the Company recognise the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group and the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group and the Company to realise the net deferred tax assets recorded at the balance sheet 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 balance sheet date. In determining whether an impairment loss should be recorded in the income statement, the Group and the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

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

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

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

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

Share appreciation rights (SAR's)
Management used the binomial lattice model to determine the value of share appreciation rights.

Contingent provisions on business combinations
Contingencies recognised in the current year required estimates and judgments.

1.2 Basis of consolidation

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

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 income statement. 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.

1.4 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. Day to day repairs and maintenance are not capitalised.

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

Land and buildings, machinery and equipment and aircrafts are carried at revalued amounts, being the fair value at date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

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

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

The depreciable value of buildings is considered to be nil on the basis that it is the Company's practice to maintain these buildings in a continual state of sound repair and to extend and to improve selected buildings from time to time, resulting in the residual value of these assets being equal to the current carrying values.

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

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

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

1.5 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.
Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Subsequent to initial recognition investment property is measured at fair value. A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

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

1.6 Intangible assets

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

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

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

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

Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.
The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

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

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

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

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

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

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

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

1.7 Goodwill

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

Subsequently goodwill is carried at cost less any accumulated impairment.

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

Internally generated goodwill is not recognised as an asset.

1.8 Investments in subsidiaries

Company annual financial statements
Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

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

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

1.9 Financial instruments

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

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

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

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

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

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

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

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

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

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

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

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 income statement 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 income statement.

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

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

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

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

A financial asset is classified as held for trading if:

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

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 assesses at each balance sheet 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 income statement.

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 income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group and the Company's right to receive payments are established.

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

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

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

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

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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 balance sheet 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 (applicable in the Republic of South Africa) credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused Secondary Tax on Companies credits can be utilised.

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

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

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

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

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

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

1.12 Impairment of assets

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

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

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

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

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

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

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

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

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

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

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

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.13 Leases

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

Finance leases – lessor
The Group and the Company recognises finance lease receivables on the balance sheet.

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 balance sheet 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 balance sheet 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 income statement.

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 Share based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction. When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions, the goods or services received are measured, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity, indirectly, are measured by reference to the fair value of the equity instruments granted.

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

If the share based payments granted do not vest until the counterparty completes a specified period of service, the Company accounts for those services as they are rendered by the counterparty during the vesting period. If the share based payments vest immediately the services received are recognised in full.

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded, as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

1.15 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

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.

1.16 Provisions and contingencies

Provisions are recognised when:
- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision. Provisions are not recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

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

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 29.

1.17 Revenue

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

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

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the stage of completion of the transaction at the balance sheet 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 balance sheet 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.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the Company's right to receive payment has been established. Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.18 Cost of sales

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, 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.

1.19 Borrowing costs

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

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

The capitalisation of borrowing costs commences when:

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

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

1.20 Translation of foreign currencies

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

At each balance sheet 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.

1.21 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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

uncertain future event (the insured event) adversely affects the policyholder. Such contracts may also transfer financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.
The following typical types of contracts issued by the Group are classified as insurance contracts:

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

Valuation and recognition

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

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

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

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

Recognition

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

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

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

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

Liability adequacy test
At each balance sheet 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.

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

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

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

1.22 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 Namibia of 1998.

1.23 Post balance sheet events

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

2 Statements and interpretations not yet effective

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

A number of standards were amended as a result of the annual improvements project of the IASB. These amendments are unlikely to have a material impact on the Group's accounts and have therefore not been analysed in detail. The Group will adopt the changes to these standards as they become effective. These standards were as follows:

- IFRS 1 First-time Adoption of International Financial Reporting Standards (Measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRS for the first time.) - effective for annual periods beginning on or after 1 July 2009.
- IFRS 2 Share Based Payments (Amendments to vesting conditions and cancellations) - effective for annual periods beginning on or after 1 January 2009.
- IFRS 2 Share Based Payments (Clarification of scope of IFRS 2 and IFRS 3 revised) - effective for annual periods beginning on or after 1 July 2009.
- IFRS 3 Business Combinations (Amendments to accounting for business combinations) - effective for annual periods beginning on or after 1 July 2009.
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Plan to sell the controlling interest in a subsidiary) - effective for annual periods beginning on or after 1 July 2009.
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations) - effective for annual periods beginning on or after 1 January 2010.
- IFRS 7 Financial Instruments: Disclosures (Presentation of finance costs) - effective for annual periods beginning on or after 1 January 2009.
- IFRS 7 Financial Instruments: Disclosures (Amendment dealing with improving disclosures about Financial Instruments) - effective for annual periods beginning on or after 1 January 2009.
- IFRS 7 Financial Instruments: Disclosures (Amendments enhancing disclosures about for value and liquidity risk) - effective for annual periods beginning on or after 1 January 2009.
- IFRS 8 Operating Segments (New standard on segment reporting (replaces IAS 14)) - effective for annual periods beginning on or after 1 January 2009.
- IFRS 8 Operating Segments (Disclosure of information about segment assets) -

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

effective for annual periods beginning on or after 1 January 2010.

- IAS 1 Presentation of Financial Statements (Amendments to structure of Financial Statements) - effective for annual periods beginning on or after 1 January 2009.
- IAS 1 Presentation of Financial Statements (Current/non-current classification of derivatives) - effective for annual periods beginning on or after 1 January 2009.
- IAS 1 Presentation of Financial Statements (Current/non-current classification of convertible instruments) - effective for annual periods beginning on or after 1 January 2010.
- IAS 7 Statement of Cash Flows (Classification of expenditures on unrecognised assets) - effective for annual periods beginning on or after 1 January 2010.
- IAS 8 Accounting Policies Changes in Accounting Estimates and Errors (Status of implementation guidance) - effective for annual periods beginning on or after 1 January 2009.
- IAS 10 Events after the Reporting Period (Dividends declared after the end of the reporting period) - effective for annual periods beginning on or after 1 January 2009.
- IAS 10 Events after the Reporting Period (Amendment resulting from the issue of IFRIC 17) - effective for annual periods beginning on or after 1 July 2009.
- IAS 16 Property Plant and Equipment (Recoverable amount) - effective for annual periods beginning on or after 1 January 2009.
- IAS 16 Property Plant and Equipment (Sale of assets held for rental) - effective for annual periods beginning on or after 1 January 2009.
- IAS 17 Leases (Classification of leases of land and buildings) - effective for annual periods beginning on or after 1 January 2010.
- IAS 18 Revenue (Costs of originating a loan) - effective for annual periods beginning on or after 1 January 2009.
- IAS 19 Employee Benefits (Curtailments and negative past service cost) - effective for annual periods beginning on or after 1 January 2009.
- IAS 19 Employee Benefits (Plan administration costs) - effective for annual periods beginning on or after 1 January 2009.
- IAS 19 Employee Benefits (Replacement of term 'fall due') - effective for annual periods beginning on or after 1 January 2009.
- IAS 19 Employee Benefits (Guidance on contingent liabilities) - effective for annual periods beginning on or after 1 January 2009.
- IAS 20 Accounting for Government Grants and Disclosure of Government Assistance (Government loans with a below-market rate of interest) - effective for annual periods beginning on or after 1 January 2009.
- IAS 20 Accounting for Government Grants and Disclosure of Government Assistance (Consistency of terminology with other IFRSs) - effective for annual periods beginning on or after 1 January 2009.
- IAS 23 Borrowing Costs (Amendment requiring capitalisation only model) - effective for annual periods beginning on or after 1 January 2009.
- IAS 23 Borrowing Costs (Components of borrowing costs) - effective for annual periods beginning on or after 1 January 2009.
- IAS 27 Consolidated and Separate Financial Statements (Amendment dealing with measurement of the cost of investments when adopting IFRS for the first time.) - effective for annual periods beginning on or after 1 January 2009.
- IAS 27 Consolidated and Separate Financial Statements (Consequential amendments from changes to Business Combinations) - effective for annual periods beginning on or after 1 July 2009.
- IAS 27 Consolidated and Separate Financial Statements (Measurement of subsidiary held for sale in separate financial statements) - effective for annual periods beginning on or after 1 July 2009.
- IAS 28 Investments in Associates (Required disclosures when investments in associates are accounted for at fair value through profit or loss) - effective for annual periods beginning on or after 1 January 2009.
- IAS 28 Investments in Associates (Impairment of investment in associate) - effective for annual periods beginning on or after 1 January 2009.
- IAS 28 Investments in Associates (Consequential amendments from changes to Business Combinations) - effective for annual periods beginning on or after 1 July 2009.
- IAS 29 Financial Reporting in Hyperinflationary Economies (Description of measurement basis in financial statements) - effective for annual periods beginning on or after 1 January 2009.
- IAS 29 Financial Reporting in Hyperinflationary Economies (Consistency of terminology with other IFRSs) - effective for annual periods beginning on or after 1 January 2009.
- IAS 31 Interests in Joint Ventures (Required disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss) - effective for annual periods beginning on or after 1 January 2009.
- IAS 31 Interests in Joint Ventures (Consequential amendments from changes to Business Combinations) - effective for annual periods beginning on or after 1 July 2009.
- IAS 32 Financial Instruments: Presentation (Certain financial instruments will be classified as equity whereas, prior to these amendments, they would have been classified as financial liabilities) - effective for annual periods beginning on or after 1 January 2009.
- IAS 34 Interim Financial Reporting (Earnings per share disclosures in interim financial reports) - effective for annual periods beginning on or after 1 January 2009.
- IAS 36 Impairment of Assets (Disclosure of estimates used to determine recoverable amount) - effective for annual periods beginning on or after 1 January 2009.
- IAS 36 Impairment of Assets (Unit of accounting for goodwill impairment test) - effective for annual periods beginning on or after 1 January 2010.
- IAS 38 Intangible Assets (Advertising and promotional activities) - effective for annual periods beginning on or after 1 January 2009.
- IAS 38 Intangible Assets (Unit of production method of amortization) - effective for annual periods beginning on or after 1 January 2009.
- IAS 38 Intangible Assets (Additional consequential amendments arising from revised IFRS 3) - effective for annual periods beginning on or after 1 July 2009.
- IAS 38 Intangible Assets (Measuring the fair value of an intangible asset acquired in a business combination) - effective for annual periods beginning on or after 1 July 2009.
- IAS 39 Financial Instruments: Recognition and Measurement (Reclassification of derivatives into or out of the classification of at fair value through profit or loss) - effective for annual periods beginning on or after 1 January 2009.
- IAS 39 Financial Instruments: Recognition and Measurement (Designating and documenting hedges at the segment level) - effective for annual periods beginning on or after 1 January 2009.
- IAS 39 Financial Instruments: Recognition and Measurement (Applicable effective interest rate on cessation of fair value hedge accounting) - effective for annual periods beginning on or after 1 January 2009.
- IAS 39 Financial Instruments: Recognition and Measurement (Clarifies two hedge accounting issues: Inflation in a financial hedged item and a one-sided risk in a hedged item) - effective for annual periods beginning on or after 1 July 2009
- IAS 39 Financial Instruments: Recognition and Measurement (Treating loan prepayment penalties as closely related embedded derivatives) - effective for annual periods beginning on or after 1 January 2010.
- IAS 39 Financial Instruments: Recognition and Measurement (Scope exemption for business combination contracts) - effective for annual periods beginning on or after 1 January 2010.
- IAS 39 Financial Instruments: Recognition and Measurement (Cash flow hedge accounting) - effective for annual periods beginning on or after 1 January 2010.
- IAS 40 Investment Property (Property under construction or development for future use as investment property) - effective for annual periods beginning on or after 1 January 2009.
- IAS 40 Investment Property (Consistency of terminology with IAS 8) - effective for annual periods beginning on or after 1 January 2009.
- IAS 40 Investment Property (Investment property held under lease) - effective for annual periods beginning on or after 1 January 2009.
- IAS 41 Agriculture (Discount rate for fair value calculations) - effective for annual periods beginning on or after 1 January 2009.
- IAS 41 Agriculture (Additional biological transformation) - effective for annual periods beginning on or after 1 January 2009.
- IAS 41 Agriculture (Examples of agricultural produce and products) - effective for annual periods beginning on or after 1 January 2009.
- IAS 41 Agriculture (Point-of-sale costs) - effective for annual periods beginning on or after 1 January 2009.
- IFRIC 9 (amended) Reassessment of Embedded Derivatives Scope of IFRIC 9 and revised IFRS 3 - effective for annual periods beginning on or after 1 July 2009.
- IFRIC 12 Service Concession Arrangements - effective for annual periods beginning on or after 1 January 2008.
- IFRIC 13 Customer Loyalty Programmes - effective for annual periods beginning on or after 1 July 2008.
- IFRIC 14 IAS 19— The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction - effective for annual periods beginning on or after 1 January 2008.
- IFRIC 15 Agreements for the Construction of Real Estate. - effective for annual periods beginning on or after 1 January 2009.
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation. - effective for annual periods beginning on or after 1 October 2008.
- IFRIC 16 (amended) Hedges of a Net Investment in a Foreign Operation (Amendment to the restriction on the entity the entity that can hold hedging instruments) - effective for annual periods beginning on or after 1 July 2009.
- IFRIC 17 Distribution of Non-cash Assets to Owners - effective for annual periods beginning on or after 1 July 2009.
- IFRIC 18 Transfers of Assets from Customers - effective for annual periods beginning on or after 1 July 2009.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

3 Property, plant and equipment

Group	2009 Cost N$ '000	2009 Accumulated depreciation N$ '000	2009 Carrying amount N$ '000	2008 Cost N$ '000	2008 Accumulated depreciation N$ '000	2008 Carrying amount N$ '000
Land and buildings	**68 953**	**(2)**	**68 951**	60 072	-	60 072
Computer equipment and software	**32 159**	**(18 502)**	**13 657**	24 465	(12 716)	11 749
Machinery and equipment	**20 341**	**(5 307)**	**15 034**	19 380	(3 838)	15 542
Motor vehicles	**13 589**	**(3 038)**	**10 551**	12 298	(2 302)	9 996
Aircrafts	**53 712**	**(10 400)**	**43 312**	47 644	(5 210)	42 434
Office equipment and furniture	**6 491**	**(3 786)**	**2 705**	6 106	(3 370)	2 736
	195 245	**(41 035)**	**154 210**	169 965	(27 436)	142 529

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

	2009	2008
Motor vehicles (carrying value)	**4 835**	8 301

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

2009	Land & buildings N$ '000	Computer equipment & software N$ '000	Machinery & equipment N$ '000	Motor vehicles N$ '000	Aircrafts N$ '000	Office equipment & furniture N$ '000	Total N$ '000
Carrying amount at beginning of year	**60 072**	**11 749**	**15 542**	**9 996**	**42 434**	**2 736**	**142 529**
Additions	**841**	**7 798**	**1 820**	**2 270**	**502**	**463**	**13 694**
Transfer from investment properties	**5 719**	**-**	**-**	**-**	**-**	**-**	**5 719**
Revaluations	**2 321**	**-**	**-**	**-**	**5 664**	**-**	**7 985**
Depreciation	**(2)**	**(5 849)**	**(1 904)**	**(675)**	**(5 288)**	**(473)**	**(14 191)**
Disposals	**-**	**(41)**	**(424)**	**(1 040)**	**-**	**(21)**	**(1 526)**
Carrying amount at end of year	**68 951**	**13 657**	**15 034**	**10 551**	**43 312**	**2 705**	**154 210**

2008	Land & buildings N$ '000	Computer equipment & software N$ '000	Machinery & equipment N$ '000	Motor vehicles N$ '000	Aircrafts N$ '000	Office equipment & furniture N$ '000	Total N$ '000
Carrying amount at beginning of year	50 955	7 571	16 157	9 852	37 886	2 796	125 217
Additions	7 617	7 433	913	1 371	2 953	313	20 600
Acquired through business combinations	-	598	-	-	-	547	1 145
Revaluations	1 500	-	318	-	4 511	-	6 329
Depreciation	-	(3 853)	(1 717)	(894)	(2 916)	(417)	(9 797)
Disposals	-	-	(129)	(333)	-	(503)	(965)
Carrying amount at end of year	60 072	11 749	15 542	9 996	42 434	2 736	142 529

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 & buildings N$ '000	Machinery & equipment N$ '000	Aircrafts N$ '000	Total N$ '000
2009	**61 895**	**14 513**	**28 938**	**105 346**
2008	55 337	14 842	31 969	102 148

The Group's aeroplanes were valued by G. Weiss of Pilatus PC 12 Centre on 31 March 2009 utilising methods detailed in the International Recognised Blue Book for aircraft valuations. Weiss is not connected to the company and has recent experience in the aeroplanes being valued.

Properties are stated at fair value, which has been determined based on valuations performed by Gert Hamman Property Valuers CC and L. de Witt on 5 February 2009 and 25 March 2009, respectively, in accordance with International Valuation Standards. Gert Hamman Property Valuers CC and de Witt are not connected to the Group, are qualified property valuators and have recent experience in location and category of the property being valued. Commercial properties were valued by using the income capitalisation method. This method involves the determining of the net income of the property that will be capitalised at a rate sought by prudent investors to determine the capitalised value of the subject property. The expected income of the property will be determined by the comparison of the market rentals of similar properties.

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

4 Investment properties	Group 2009 N$ '000	Group 2008 N$ '000	Company 2009 N$ '000	Company 2008 N$ '000
Balance at beginning of year	**36 812**	32 627	**-**	-
Additions	**72**	2 461	**-**	-
Transfer to property, plant and equipment	**(5 719)**	-	**-**	-
Disposals	**-**	(165)	**-**	-
Fair value adjustments	**2 588**	1 889	**-**	-
Balance at end of year	**33 753**	36 812	**-**	-

Investment properties are stated at fair value as at 31 March 2009, which has been determined based on valuations performed by Gert Hamman Property Valuers CC and L. de Witt, in accordance with International Valuation Standards. Gert Hamman Property Valuers CC and de Witt are not connected to the Group, are qualified property valuators and have recent experience in location and category of the investment property being valued. The valuation was based on the direct sales comparison method and current market conditions.

The following amounts, included in the Income Statement, relate to these properties:

	Group 2009	Group 2008	Company 2009	Company 2008
Rental income	**1 330**	2 420	**-**	-
Direct operating expenses: income generating properties	**123**	89	**-**	-

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

5 Intangible assets Group	2009 Cost N$ '000	2009 Accumulated amortisation & impairment N$ '000	2009 Carrying amount N$ '000	2008 Cost N$ '000	2008 Accumulated amortisation & impairment N$ '000	2008 Carrying amount N$ '000
Computer software - Definite life	**1 501**	**(919)**	**582**	1 144	(224)	920
Computer software - Indefinite life	**168 531**	**-**	**168 531**	157 747	-	157 747
Trademarks, licenses and products under development	**18 982**	**(1 706)**	**17 276**	16 689	(1 304)	15 385
Film project	**553**	**-**	**553**	553	-	553
	189 567	**(2 625)**	**186 942**	176 133	(1 528)	174 605

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

2009	Computer software Definite life N$ '000	Computer software Indefinite life N$ '000	Trademarks, licenses & products under development N$ '000	Film Project N$ '000	Total N$ '000
Carrying amount at beginning of year	**920**	**157 747**	**15 385**	**553**	**174 605**
Additions	**282**	**-**	**2 293**	**-**	**2 575**
Transfer between categories	**75**	**(75)**	**-**	**-**	**-**
Internally generated	**-**	**10 859**	**-**	**-**	**10 859**
Amortisation	**(695)**	**-**	**(402)**	**-**	**(1 097)**
Carrying amount at end of year	**582**	**168 531**	**17 276**	**553**	**186 942**

2008	Computer software Definite life N$ '000	Computer software Indefinite life N$ '000	Trademarks, licenses & products under development N$ '000	Film Project N$ '000	Total N$ '000
Carrying amount at beginning of year	-	-	12 148	540	12 688
Additions	1 144	7 628	5 409	13	14 194
Internally generated	-	10 086	-	-	10 086
Disposals	-	-	(1 270)	-	(1 270)
Acquired through business combination	-	140 033	-	-	140 033
Amortisation	(224)	-	(902)	-	(1 126)
Carrying amount at end of year	920	157 747	15 385	553	174 605

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

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

The IOL Learn product is currently being developed internally. This product was tested for impairment and the amount is considered to be recoverable.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

6 Investment in subsidiaries	Company 2009 N$ '000	Company 2008 N$ '000
Unlisted shares at cost		
Legal Shield Holdings (Pty) Ltd*	**-**	-
Trustco Education (Pty) Ltd*	**-**	-
Trustco Media (Pty) Ltd*	**-**	-
Trustco Capital (Pty) Ltd*	**-**	-
Trustco Corporate Management Services (Pty) Ltd*	**-**	-
Trustco Business Development (Pty) Ltd*	**-**	-
Trustco Tourism Holdings (Pty) Ltd*	**-**	-
Trustco Group International (Pty) Ltd (inc. in Republic of South Africa)*	**-**	-
Trustco Group International (Pty) Ltd (inc. in Republic of Namibia)	**68 550**	68 550
Trustco Property Holdings (Pty) Ltd*	**-**	-
	68 550	68 550

* Investments in these subsidiaries consists of N$ 100 and are disclosed as nil balances due to rounding to thousand.

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
2009						
Property, plant and equipment	**(18 210)**	**(7 776)**	**(25 986)**	**-**	**-**	**-**
Land	**(18)**	**-**	**(18)**	**-**	**-**	**-**
Investment properties	**(18 841)**	**(1 020)**	**(19 861)**	**-**	**-**	**-**
Intangible assets	**(5 581)**	**981**	**(4 600)**	**-**	**-**	**-**
Finance lease (assets) / liability	**1 030**	**(123)**	**907**	**-**	**-**	**-**
Prepayment	**(1 332)**	**(894)**	**(2 226)**	**-**	**-**	**-**
Provision for doubtful debts	**-**	**87**	**87**	**-**	**-**	**-**
Income received in advance	**4 910**	**74**	**4 984**	**-**	**-**	**-**
Provision for leave and bonuses	**856**	**(134)**	**722**	**-**	**-**	**-**
Provision for share appreciation rights	**-**	**144**	**144**	**-**	**-**	**-**
Deferred tax on assessed loss	**30 016**	**33 916**	**63 932**	**169**	**311**	**480**
	(7 170)	**25 255**	**18 085**	**169**	**311**	**480**
2008						
Property, plant and equipment	(13 214)	(4 996)	(18 210)	-	-	-
Land	(35)	17	(18)	-	-	-
Investment properties	(16 185)	(2 656)	(18 841)	-	-	-
Intangible assets	(1 528)	(4 053)	(5 581)	-	-	-
Finance lease (assets) / liability	1 653	(623)	1 030	-	-	-
Prepayment	(826)	(506)	(1 332)	-	-	-
Income received in advance	2 331	2 579	4 910	-	-	-
Provision for leave and bonuses	1 068	(212)	856	-	-	-
Deferred tax on assessed loss	13 639	16 377	30 016	-	169	169
	(13 097)	5 927	(7 170)	-	169	169

	Group 2009 N$ '000	Group 2008 N$ '000	Company 2009 N$ '000	Company 2008 N$ '000
Non-current assets	**45 147**	18 296	**480**	169
Non-current liabilities	**(27 062)**	(25 466)	**-**	-
	18 085	(7 170)	**480**	169

Deferred tax assets and liabilities are only offset when the income tax relates to the same legal entity or fiscal authority or they intend to settle the assets and liabilities on a net basis. The Group, through one of its subsidiaries, has a tax asset available for set off against future taxable profit of N$ 13 040 249 (2008: N$ 33 540 249). The deferred tax asset recognized in the financial statements for the current year is N$ 20 500 000 (2008: N$ 4 854 833). The deferred tax asset recognized is based on the probability of future taxable profit being available in the distant future to set it off against.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

	Group		Company	
	2009	2008	2009	2008
8 Educational loans	N$ '000	N$ '000	N$ '000	N$ '000
Educational loans advanced at beginning of the year	**97 047**	69 411	-	-
Impairment of loans at beginning of the year	**(4 999)**	(5 564)	-	-
Opening balance	**92 048**	63 847	-	-
	40 979	28 201	-	-
Loans advanced (including transaction costs)	**89 110**	60 548	-	-
Payments received	**(48 430)**	(32 912)	-	-
Provision for impairment utilized during the year	**299**	565	-	-
Closing balance	**133 027**	92 048	-	-
Consisting of:				
Educational loans advanced at end of the year	**137 727**	97 047	-	-
Impairment of loans at end of the year	**(4 700)**	(4 999)	-	-
Closing balance	**133 027**	92 048	-	-
Less: short term portion	**(54 024)**	(32 082)	-	-
Long term portion	**79 003**	59 966	-	-
Reconciliation of impairment				
Opening balance	**4 999**	5 564	-	-
Provision for impairment utilized during the year	**(299)**	(565)	-	-
Closing balance	**4 700**	4 999	-	-

Repayments of educational loans which are over due but not impaired amounted to N$ 995 439 (2008: N$ 728 284). The balance of these loans are N$ 10 211 550 (2008: N$ 8 987 326). Over due but not impaired is defined as payments that are outstanding for more than one month but not longer than 3 months. Loans with payments outstanding longer than 3 months are impaired. These loans bear interest at rates ranging between 14.25% and 26.75% (2008: 15.25% and 27.75%), are unsecured and repayable over periods between 12 to 60 months.

Part of the loan book serves as security for a loan from the Development Bank of Namibia Ltd. Refer note 22 for detail.

9 Other loans advanced

	Group 2009	Group 2008	Company 2009	Company 2008
Non-current receivables	**6 145**	-	-	-
Other loans	**18 429**	-	-	-
	24 574	-	-	-
Less: Short-term portion	**(386)**	-	-	-
	24 188	-	-	-

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

Other loans orginated from the sale of non-core business divisions to various parties and the sale of a piece of land which was included in work in progress. The purchasers borrowed funds from Trustco Capital (Pty) Ltd, a subsidiary in the Group at interest rates ranging between 8% and 10%, repayable in 240 monthly instalments ranging between N$ 31 898 and N$ 133 925. These loans are secured by sureties provided by R. Grobler, J.J. Becker, P.L. Ludwig, D.I. van der Merwe and a mortgage bond will be registered over Erf 80 of the remainder of portion A of Farm Nubuamis, Windhoek.

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

10 Finance lease receivable

	Group 2009	Group 2008	Company 2009	Company 2008
Minimum lease payments				
Within one year	**500**	500	-	-
In the second to fifth years inclusive	**1 500**	2 000	-	-
	2 000	2 500	-	-
Less: unearned finance income	**(387)**	(565)	-	-
	1 613	1 935	-	-
Present value of minimum lease payments				
Within one year	**337**	322	-	-
In the second to fifth years inclusive	**1 276**	1 613	-	-
	1 613	1 935	-	-

The finance lease bears interest at a rate linked to the variable bond rate of Namibia and is unsecured. The average effective interest rate is approximately 9.19% per annum. Assets leased under finance leases do not have any residual values. The finance lease is repayable in five annual instalments of N$ 500 000 each, with 4 instalments remaining.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

11 Amounts (due to) / due by related parties	Group 2009 N$ '000	Group 2008 N$ '000	Company 2009 N$ '000	Company 2008 N$ '000
Subsidiaries of the Company				
Webbiz (Pty) Ltd	-	-	(30)	(16)
Institute for Open Learning (Pty) Ltd	-	-	1 035	-
Trustco Insurance Ltd	-	-	(15)	-
Legal Shield Holdings (Pty) Ltd	-	-	(7 000)	-
Trustco Fleet Management Services (Pty) Ltd	-	-	1 990	1 709
Trustco Group International (Pty) Ltd (inc. in Republic of Namibia)	-	-	54 363	22 497
Trustco Group International (Pty) Ltd (inc. in Republic of South Africa)	-	-	36 926	36 682
Trustco Finance (Pty) Ltd	-	-	18 370	14 615
Trustco Capital (Pty) Ltd	-	-	97 738	88 473

Loans to or from subsidiaries are unsecured, bear interest between nil precent and prime and have no fixed terms of repayment. No repayments will be made in the next 12 months.

	Group 2009	Group 2008	Company 2009	Company 2008
Other related parties				
Trustco Staff Share Incentive Scheme Trust	-	-	(3 180)	-
The Free Press of Namibia (Pty) Ltd	-	(6 360)	-	-
Next Investments (Pty) Ltd	(15 786)	(24 819)	-	-
DexGroup (Pty) Ltd	3 002	(1 670)	-	-
	(12 784)	(32 849)	200 197	163 960
Non-current assets	-	-	210 422	163 976
Current assets	3 002	-	-	-
Non-current liabilities	(15 786)	(32 849)	(10 225)	(16)
	(12 784)	(32 849)	200 197	163 960

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

The loan from The Free Press of Namibia (Pty) Ltd was written off during the year after the Group acquired the remaining 50% shareholding in Printas (Pty) Ltd.

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

The loan to DexGroup (Pty) Ltd is unsecured, interest free and has no fixed terms of repayment. These terms are currently in a process of renegotiation. This entity was the previous holding company of Trustco Financial Services (Pty) Ltd, which is now a wholly owned subsidiary of Trustco Group International (Pty) Ltd (inc. in Republic of South Africa).

12 Available-for-sale financial assets

	Group 2009	Group 2008	Company 2009	Company 2008
Investments in balanced funds with no specific date of maturity	10 035	6 291	-	-
Current portion	10 035	6 291	-	-

These investments are given as security for certain liabilites as stated in note 22.

13 Inventories

	Group 2009	Group 2008	Company 2009	Company 2008
Raw materials	424	-	-	-
Work in progress	28 867	27 964	-	-
Finished goods	953	3 008	-	-
	30 244	30 972	-	-

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

Work in progress of N$ 28.87 million (2008: N$ 27.96 million) relates to land in Lafrenz, Windhoek, measuring 3 509 338 square meters (2008: 3 515 310 square meters) and are expected to be recovered after more than 12 months. The Group is in the process of preparing the land for the selling of erven. The property was fair valued as at 31 March 2009 by Gert Hamman Property Valuers CC for N$ 154.6 million (2008: N$ 55.2 million), on the basis of open market value, supported by market evidence, in accordance with International Valuation Standards. During the year 5 972 square meters of this land was sold to Holger Jensen who is not related to the Group for N$ 700.00 per square meter.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

	Group		Company	
	2009	2008	2009	2008
14 Trade and other receivables	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**
Trade receivables	**12 669**	12 864	**-**	-
Less: impairment of receivables	**(571)**	(93)	**-**	-
Trade receivables - net	**12 098**	12 771	**-**	-
Prepayments	**7 276**	4 612	**-**	-
State: other taxes receivable	**2 897**	5 320	**-**	-
Other receivables	**8 747**	10 655	**-**	10 500
	31 018	33 358	**-**	10 500
Movement in impairment				
Opening balance	**93**	-	**-**	-
Impairment losses provided for	**478**	93	**-**	-
Closing balance	**571**	93	**-**	-

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

As of 31 March 2009, trade receivables of N$ 8.9 million (2008: N$ 3.2 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 3 months	**2 990**	1 527	**-**	-
3 to 6 months	**3 030**	1 258	**-**	-
Older than 6 months	**2 895**	410	**-**	-
	8 915	3 195	**-**	-

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

Cash at bank and on hand	**93 618**	95 574	**37**	54
Short-term bank deposits	**14 878**	3 353	**-**	-
	108 496	98 927	**37**	54

Short-term bank deposits held at ABSA Bank Ltd to the amount of N$ 14 million serves as security for bank overdrafts. Refer note 28.

16 Share capital	**Number of shares '000**	**Stated capital N$ '000**	**Share capital N$ '000**	**Share premium N$ '000**	**Total N$ '000**
Authorised					
At 31 March 2008: 500 000 000 ordinary shares of no par value	500 000 000				
At 31 March 2009: 2 500 000 000 ordinary par value shares of N$ 0.23	575 000 000				

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

	Number of shares '000	Stated capital N$ '000	Share capital N$ '000	Share premium N$ '000	Total N$ '000
Issued and fully paid					
Balance at 1 April 2007	133 480 300	141 920	-	-	141 920
Issue of ordinary shares	2 300	-	-	-	-
VAT on listing costs	-	(472)	-	-	(472)
Balance at 31 March 2008	133 482 600	141 448	-	-	141 448
Balance at 1 April 2008	**133 482 600**	**141 448**	**-**	**-**	**141 448**
Vendor shares issued as result of business combination	**6 545 537**	**19 636**	**-**	**-**	**19 636**
Costs of share issue	**-**	**(49)**	**-**	**-**	**(49)**
No par value shares converted to par value shares	**-**	**(161 035)**	**161 035**	**-**	**-**
	140 028 137	**-**	**161 035**	**-**	**161 035**

The issued share capital of 140 028 137 ordinary shares of no par value was converted into 140 028 137 ordinary par value shares of N$ 1.15 each.

Five shares issued for every one share held	**700 140 685**	**-**	**161 035**	**-**	**161 035**
Issue of ordinary shares at N$ 0.71	**7 001 405**	**-**	**1 610**	**3 361**	**4 971**
Costs of share issue	**-**	**-**	**-**	**(3 361)**	**(3 361)**
Balance at 31 March 2009	**707 142 090**	**-**	**162 645**	**-**	**162 645**

The issued share capital of 140 028 137 ordinary par value shares of N$ 1.15 each was subdivided into 700 140 685 ordinary par value shares of N$ 0.23 each.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

	Number of shares		Group		Company	
	2009	2008	2009	2008	2009	2008
17 Deemed treasury shares			N$ '000	N$ '000	N$ '000	N$ '000
Opening balance	**11 050 360**	14 050 360	**35 359**	45 051	**35 359**	45 051
Sale of deemed treasury shares by the Trustco Staff Share Incentive Scheme Trust	**(5 070 000)**	(3 000 000)	**(16 222)**	(9 692)	**(16 222)**	(9 692)
	5 980 360	11 050 360				
Share split						
Five shares issued for every one share held on 20 January 2009	**29 901 800**		**19 137**	35 359	**19 137**	35 359

During the 2007 financial year 70 251 800 (14 050 360 before share split) shares were purchased from Q. van Rooyen and the Senior Employee Trust by the Trustco Staff Share Incentive Scheme Trust ("the Trust"), respectively. The Trust borrowed the funds from the Company. The loan is interest free and shall be repaid from amounts received by the Trustees. 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 that reason 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 and is therefore consolidated.

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

18 Vendor shares	Group 2009	Group 2008	Company 2009	Company 2008
Balance at beginning of year	**35 526**	-	**35 526**	-
Arising on acquisition through business combinations	**-**	35 526	**-**	35 526
Vendor shares issued	**(19 636)**	-	**(19 636)**	-
Vendor shares repaid in cash	**(914)**	-	**(914)**	-
Balance at the end of the year	**14 976**	35 526	**14 976**	35 526

On 1 November 2007 the Group acquired all of the shares in Trustco Financial Services (Pty) Ltd (previously DexGroup Financial Sevices (Pty) Ltd). The Group paid N$ 20 million in cash and will pay a further N$ 45 million by issuing a fixed number of shares. The number of shares was determined on the date of purchase by dividing N$ 45 million by a price of N$ 0.76, equalling 59 210 525 shares. These shares will be issued from 2008 to 2011 based on pro rata net profit after tax of Trustco Financial Services (Pty) Ltd in each year. The fair value of the equity settled instrument is calculated using the share price at the date of exchange, being N$ 0.60. Trustco Financial Services (Pty) Ltd met their profit targets and are thus in partial compliance with the purchase agreement. The remaining shares will only be issued once full compliance with the purchase agreement is attained. Refer note 41.4.

19 Contingency reserves	Group 2009	Group 2008	Company 2009	Company 2008
Policy holders' contingency reserve				
Balance at beginning of year	**(303)**	(357)	**-**	-
Increase in reserve	**1 029**	54	**-**	-
Balance at the end of the year	**726**	(303)	**-**	-

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

20 Revaluation reserves	Group 2009	Group 2008	Company 2009	Company 2008
Balance at beginning of year	**12 801**	7 513	**-**	-
Surplus arising from the revaluation of property, plant and equipment, net of deferred taxation	**5 805**	5 838	**-**	-
Depreciation on plant and equipment recognised directly in equity	**(1 755)**	(550)	**-**	-
Balance at end of year	**16 851**	12 801	**-**	-
Comprising:				
Revaluation of property, plant and equipment	**16 851**	12 801	**-**	-
	16 851	12 801	**-**	-

21 Minority interest	Group 2009	Group 2008	Company 2009	Company 2008
Balance at beginning of year	**(1 139)**	(1 372)	**-**	-
Share of profit for the year	**955**	233	**-**	-
Purchase of minority interest	**184**	-	**-**	-
Balance at end of year	**-**	(1 139)	**-**	-

During the year under review Trustco Media (Pty) Ltd acquired 50% of the share capital of Printas (Pty) Ltd (previously Free Press Printers (Pty) Ltd) from The Free Press of Namibia (Pty) Ltd for N$ 1 million. The Group now has 100% interest in Printas (Pty) Ltd. Refer to the directors' report for further details.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

22 Long-term liabilities

	Group 2009 N$ '000	Group 2008 N$ '000	Company 2009 N$ '000	Company 2008 N$ '000
Secured				
Bank loans	**36 008**	24 597	**-**	-
Mortgage loans	**54 031**	58 120	**-**	-
Liabilities under instalment sale agreements	**39 642**	41 640	**-**	-
Operating lease straight lining liability	**851**	-	**-**	-
Claims float	**3 000**	-	**-**	-
	133 532	124 357	**-**	-
Current portion included under current liabilities	**(15 700)**	(14 854)	**-**	-
	117 832	109 503	**-**	-
Current liabilities	**15 700**	14 854	**-**	-
Non-current liabilities	**117 832**	109 503	**-**	-
	133 532	124 357	**-**	-

The bank loans consists of a term loan with Bank Windhoek Ltd amounting to N$ 20.98 million which is secured over work in progress with a carrying value of N$ 28.87 million (2008: N$ 27.96 million) and a market value of N$ 154.6 million (2008: N$ 63.3 million), repayable in 60 monthly instalments of N$ 577 146 (2008: N$ 557 122) including interest at prime rate and a loan from the Development Bank of Namibia Ltd amounting to N$ 15 million which is secured over part of the educational loan book with a carrying value of N$ 133.03 million, repayable in 20 equal quarterly payments of N$ 983 210 starting on 30 June 2009 including interest at prime rate less 3% per annum.

The mortgage loans are secured over land and buildings and investment properties with carrying values of N$ 68.95 million (2008: N$ 60.07 million) and N$ 33.75 million (2008: N$ 36.81 million), respectively and repayable in monthly instalments up to 20 years of N$ 773 996 (2008: N$ 608 027) including interest at home loan rates ranging between 11.00% and 14.25% (2008: 13.25% and 15.25%).

Liabilities under instalment sale agreements are payable over periods from 1 to 5 years at effective interest rates ranging from 10.75% to 14.25% (2008: 13.25% to 15.25%) per annum. These liabilities are repayable in monthly instalments of approximately N$ 898 941 (2008: N$ 964 886) and are secured over Machinery and equipment, motor vehicles and aircrafts with a carrying amount of N$ 56.8 million (2008: N$ 53.4 million).

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

- Unlimted surety by Trustco Group Holdings Ltd, Institute for Open Learning (Pty) Ltd and Trustco Education (Pty) Ltd in favour of Development Bank of Namibia Ltd.
- Unlimited cession of the ring fenced educational loan book to the amount of N$ 15 million.
- N$ 35 million restricted cession of educational loan book.
- Cession of intercompany loans of Trustco Group International (Pty) Ltd (inc. in Republic of Namibia), Institute for Open Learning (Pty) Ltd, Trustco Capital (Pty) Ltd and Trustco Group Holdings Ltd.
- Power of Attorney for N$ 8 500 000 and N$ 2 250 000 respectively over Portion 1 of Portion A of the farm Nubuamis Number 37, Windhoek in the name of Trustco Group International (Pty) Ltd, registration number 92/335.
- Cession of Fire Damage over Portion 1 of the farm Nubuamis Number 37, Windhoek in the name of Printas (Pty) Ltd, registration number 2005/0328. Insured amount N$ 10 000 000.
- Pledge dated 8 December 2006 over call deposit in name of Printas (Pty) Ltd, restricted to N$ 3 300 000.
- Pledge dated 4 July 2007 over call deposit in name of Printas (Pty) Ltd, restricted to N$ 2 300 000.
- Suretyship for N$ 15 000 000, N$ 8 000 000, N$ 5 650 000, N$ 8 000 000 and N$ 8 000 000 respectively by Trustco Group International (Pty) Ltd, registration number 92/335 in favour of Printas (Pty) Ltd, registration number 2005/0328.
- Suretyship for N$ 15 000 000 and N$ 8 000 000 respectively by Printas (Pty) Ltd, registration number 2005/0328.

23 Other liabilities

	Group 2009 N$ '000	Group 2008 N$ '000	Company 2009 N$ '000	Company 2008 N$ '000
Finance lease obligations				
Minimum lease payments due				
- within one year	**1 763**	2 456	-	-
- in second to fifth year inclusive	**1 324**	998	-	-
	3 087	3 454	**-**	-
less: future finance charges	**(369)**	(435)	-	-
Present value of minimum lease payments	**2 718**	3 019	**-**	-
Present value of minimum lease payments due				
- within one year	**1 128**	2 083	-	-
- in second to fifth year inclusive	**1 590**	936	-	-
	2 718	3 019	**-**	-
Non-current liabilities	**1 590**	936	**-**	-
Current liabilities	**1 128**	2 083	**-**	-
	2 718	3 019	**-**	-

Liabilities under finance leases are repayable over periods from 1 to 5 years at an effective interest rate of 13.75% (2008: 13%) per annum. These liabilities are repayable in monthly instalments of approximately N$ 378 375 (2008: N$ 362 868) and are secured over motor vehicles with a carrying amount of N$ 4.84 million (2008: N$ 8.30 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

	Group		Company	
	2009	2008	2009	2008
24 Policy Holder liability under insurance contracts	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**
Balance at beginning of year	**2 001**	1 727	**-**	-
Movement during the year	**471**	274	**-**	-
Balance at end of year	**2 472**	2 001	**-**	-

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").

25 Trade and other payables

	Group 2009	Group 2008	Company 2009	Company 2008
Trade creditors	**151 256**	140 540	**360**	55
Income received in advance	**8 704**	2 255	**-**	-
Accrued expenses	**11 790**	10 260	**391**	58
State: other taxes due	**4 587**	3 121	**609**	-
Other payables	**3 031**	3 177	**469**	-
	179 368	159 353	**1 829**	113

26 Technical provisions

	Group 2009	Group 2008	Company 2009	Company 2008
26.1 Provision for IBNR				
Balance at beginning of year	**1 296**	1 847	**-**	-
Transfer from / (to) income statement	**625**	(551)	**-**	-
Balance at end of year	**1 921**	1 296	**-**	-
26.2 Provision for outstanding claims				
Long-term insurance contracts				
Balance at beginning of year	**169**	297	**-**	-
Transfer to income statement	**(133)**	(128)	**-**	-
Balance at end of year	**36**	169	**-**	-
Short-term insurance contracts				
Balance at beginning of year	**2 812**	3 470	**-**	-
Transfer from / (to) income statement	**4 159**	(658)	**-**	-
Balance at end of year	**6 971**	2 812	**-**	-
Total provision for outstanding claims	**7 007**	2 981	**-**	-
26.3 Unearned premium reserve				
Long-term insurance contracts				
Balance at beginning of year	**1 269**	1 129	**-**	-
Transfer from income statement	**102**	140	**-**	-
Balance at end of year	**1 371**	1 269	**-**	-
Short-term insurance contracts				
Balance at beginning of year	**5 472**	4 853	-	-
Transfer from income statement	**63**	619	-	-
Balance at end of year	**5 535**	5 472	-	-
Total unearned premium reserve	**6 906**	6 741	**-**	-
Total technical provisions	**15 834**	11 018	**-**	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

27 Share appreciation rights

The Trustco Group Holdings Limited Staff Share Appreciation Rights, that entitles elegible employees who wish to part take to share appreciation rights (SARs), was dissolved during the year under review. This was a cash-settled share-based payment arrangement as defined in IFRS 2: Share-based Payment. The current provision will be utilised to purchase shares for eligible employees. The amount of the cash payment was determined based on the increase in the share price of the Company between the grant date and the exercise date. No share appreciation rights were granted before 7 November 2002 in terms of IFRS 2: Share Based Payments.

Employees who were employed by the Group prior to 27 September 2006 received SARs at N$ 3.20 per share equal to their basic annual salary at the date of allocation vesting over a 5 year period. Employees who were employed subsequent to 27 September 2006 received SARs equal to their annual basic salary as at the grant date. The allocation will be made at the closing share price of the Trustco Group Holdings Limited on the NSX on grant date, vesting over a 5 year period. Employees who are offered new positions will receive SARs equal to their annual basic salary on the date of assumption of duties at the closing price value.

Performance incentives were made quarterly on the following basis:

- If a subsidiary is within 2.5% or better of Board budgeted revenue each eligible employee in that subsidiary will receive 12.5% of their annual basis salary in the allocation of SARs at the closing price value.
- A further 12.5% will accrue if the subsidiary is within 2.5% or better of Board budgeted net profit on the same basis.
- Employees can exercise their SARs once the particular allocation or portion thereof was allocated more than one year prior to the date of trade.
- Each employee may trade in a maximum of 20% of their SARs during the first year, 40% during the second year, 60% during the third year, 80% during the fourth year and 100% during the fifth year. In any event, all SARs must be redeemed after five years after grant date.
- Management may suspend trade in SARs if in its opinion circumstances warrant such a step.
- If any of the subsidiaries do not achieve the quarterly budget targets the employees in that subsidiary will forfeit SARs as follows:
  - Managing directors, General managers, Managers and Supervisors: Should a subsidiary's actual revenue or net profit fall to below 97.5% of its budgeted revenue or net profit, 7.5% of the previous allocation will be forfeit, or 15% if both fall below.
  - Other employees: Should a subsidiary's actual revenue or net profit fall to below 97.5% of its budgeted revenue or net profit, 5% of the previous allocation will be forfeit, or 10% if both fall below.

Reconciliation of movements in SARs	**Weighted average exercise price 2009 N$**	**Number of rights 2009**	**Weighted average exercise price 2008 N$**	**Number of rights 2008**
The number and weighted average exercise prices of SARs is as follows:				
Outstanding at the beginning of the period	**-**	**7 584 007**	-	-
Granted during the period at:				
	0.64	**1 388 379**	0.64	7 466 607
	0.66	**189 801**	0.66	111 817
	0.68	**12 802**	0.68	117 528
	0.69	**(29 262)**	0.69	256 864
	0.70	**1 928 129**	0.70	214 253
	0.72	**809 048**	0.72	32 458
	0.73	**988 172**	0.73	-
	0.74	**977 623**	0.74	-
	0.76	**144 183**	0.76	-
	0.77	**203 758**	0.77	-
Forfeited during the period	**0.66**	**(3 541 140)**	0.64	(607 645)
Exercised during the period	**0.75**	**(470 637)**	0.70	(7 875)
Dissolved during the year	**0.68**	**(10 184 863)**	-	-
Outstanding at the end the period	**0.64**	**-**	0.64	7 584 007
Exercisable at the end of the period		**-**	0.64	797 714

No SARs are outstanding at 31 March 2009. At 31 March 2008 the SAR's outstanding had an exercise price in the range of N$ 3.20 to N$ 3.51 and a weighted average remaining contractual life of 4.02 years. The weighted average share price at the date of exercise for SARs exercised in 2009 was N$ 3.51.

Measurements and assumptions

The fair value of services received are measured by reference to the fair value of SARs granted. The estimate of the fair value of SARs granted is measured using a binomial lattice model. SAR's are granted under a service and non-market based performance condition. Such conditions are not taken into account in the grant date fair value measurement of the SARs. There are no market conditions associated with the SARs.

SARs model inputs	**2009**	**2008**
Number of SARs	**-**	7 584 007
Contractual life	**-**	4.02 years
Share price at reporting date	**N$ 0.76**	N$ 3.50
Exercise price	**-**	N$ 3.22
Expected volatility	**-**	14.70%
Expected dividends	**nil**	nil
Attrition rate	**-**	40.4%
Risk-free interest rate (based on Namibian GC12 bond yield rates)	**-**	9.92%

All the above model inputs are expressed as weighted averages. The expected volatility is based on the annualised historic volatility since listing date (27 September 2006). The expected life assumption is based on the average length of time to expiration. These inputs in the binomial lattice model resulted in a weighted average fair value for the SAR's of nil (2008: N$ 0.77).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

	Group		Company	
	2009	**2008**	**2009**	**2008**
27 Share appreciation rights (continued)	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**
Employee expenses				
Expenses arising from SARs granted	**310**	1 007	**-**	341
Effect of changes in the fair value of SARs	**351**	354	**(499)**	158
Total expense recognised as employee costs	**661**	1 361	**(499)**	499
Total intrinsic value of liability for vested benefits	**721**	239	**168**	184
Provision for share appreciation rights				
Opening balance	**1 361**	-	**499**	-
Increase in provision	**661**	1 361	**(30)**	499
Settled in cash	**(500)**	-	**-**	-
Transfer to other payables as result of dissolution of the scheme	**(1 522)**	-	**(469)**	-
Closing balance	**-**	1 361	**-**	499

28 Bank overdraft

The Group's available banking facilities and the extent to which they have been used are as follows:

Limit of bank overdraft facilities	**33 000**	15 000	**-**	-
Portion of facilities utilized	**14 947**	15 511	**-**	-

These banking facilities are secured as follows:

- 4th and 5th mortgage bonds totalling N$ 7 000 000 over Erf 7490, Windhoek and extended at the lower of the mortgage bonds or 80% for the valuation of N$ 29 349 400, and a cession over the fire policy of N$ 37 500 000.
- Unlimited surety by Trustco Group Holdings Ltd, Trustco Group International (Pty) Ltd (inc. in Republic of South Africa), Trustco Financial Services (Pty) Ltd (previously DexGroup Financial Sevices (Pty) Ltd), Trustco Finance (Pty) Ltd and Institute for Open Learning (Pty) Ltd.
- Unlimited surety by Q. van Rooyen dated 22 March 2005 for Institute for Open Learning (Pty) Ltd.
- Short term deposits. Refer note 15.

29 Contingent assets, liabilities and guarantees

Legal and consulting fees	**-**	1 360	**-**	-

Trustco Group International (Pty) Ltd is currently in an arbitration process with the South African Broadcasting Corporation (SABC) because of breach of contract by the SABC. A ruling was made on 2 April 2007 in favour of TGI by an independent arbitrator. The arbitration was scheduled to continue during the week commencing 1 December 2008, to determine the amount of damages payable by the SABC. The arbitrator issued a ruling on 6 November 2008 that the matter will now proceed only from 27 July 2009 until 3 August 2009. The amount claimed is N$ 140 million. The amount to be awarded is in the discretion of the arbitrator.

The deduction code is renewable from time to time. The current code is valid until 30 August 2009. 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 utilize the code until the then current loans are repaid without loading new students onto the system.

The Group has other pending legal cases for which the total legal cost is estimated to be not more than N$ 510 000 (2008: N$ 300 000).

Guarantees

In terms of Section 45 of the Short-term Insurance Act of South Africa, 1998, an entity must be in possession of an Intermediaries Guarantee Facility Limited (IGF) guarantee in order to collect premiums and carry on the business as an insurer. An IGF guarantee to the amount of N$ 50 million was taken out by BrokerNet (Pty) Ltd, an indirect subsidiary of the Company. IGF required that BrokerNet (Pty) Ltd obtains an underlying guarantee from an insurer. BrokerNet (Pty) Ltd obtained such guarantee from Constantia Insurance Company Limited (CIC) who placed the guarantee on the condition that the Company would issue a deed of surety and that Q. van Rooyen cede 150 000 000 shares in the Company. All of these conditions have been met and CIC effected the placement of the guarantee.

	Group		Company	
	2009	**2008**	**2009**	**2008**
30 Capital commitments	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**
Property, plant and equipment (approved by directors but not contracted for)	**36 198**	23 000	**-**	-

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

	Group		Company	
	2009	2008	2009	2008
31 Revenue	N$ '000	N$ '000	N$ '000	N$ '000
Rental income	**1 330**	3 495	**-**	-
Commission, development and management fees	**4 104**	6 966	**-**	-
Tourism	**10 014**	9 311	**-**	-
Printing revenue	**22 889**	21 320	**-**	-
Media	**8 528**	6 505	**-**	-
SMS revenue	**4 763**	2 132	**-**	-
Educational- and financial services	**71 196**	54 889	**-**	-
Financial services outside Namibia	**267 843**	103 589	**-**	-
	390 667	208 207	**-**	-
Insurance premium revenue	**93 847**	75 704	**-**	-
Total revenue	**484 514**	283 911	**-**	-
Insurance income can be analysed as follows:				
Long-term insurance contracts				
Gross premium written	**36 248**	29 762	**-**	-
Change in deferred income	**(102)**	(140)	**-**	-
	36 146	29 622	**-**	-
Short-term insurance contracts				
Gross premium written	**57 764**	46 701	**-**	-
Change in deferred income	**(63)**	(619)	**-**	-
	57 701	46 082	**-**	-
Total insurance income	**93 847**	75 704	**-**	-
Aggregate change in deferred income	**(165)**	(759)	**-**	-
32 Cost of sales				
Cost of goods sold	**19 664**	21 358	**-**	-
Cost of services rendered	**237 508**	97 570	**-**	-
	257 172	118 928	**-**	-
33 Claims and benefits paid on insurance contracts				
Long-term insurance contracts				
Death claims paid	**2 768**	1 936	**-**	-
Change in provision for outstanding claims	**(133)**	(128)	**-**	-
	2 635	1 808	**-**	-
Short-term insurance contracts				
Claims paid out	**14 341**	19 229	**-**	-
Change in provision for outstanding claims	**4 784**	(1 349)	**-**	-
	19 125	17 880	**-**	-
Total claims	**21 760**	19 688	**-**	-
34 Profit before taxation				
This is arrived at after taking into account the following :				
Included in Other income is the following:				
Negative goodwill	**-**	27 702	**-**	-
Damages received	**7 216**	-	**-**	-
Profit on disposal of property, plant and equipment	**135**	127	**-**	-
Profit on disposals of investments	**-**	1 050	**-**	-
Profit on foreign exchange differences	**5 458**	1 262	**-**	-
Profit on disposal of non-core businesses	**18 442**	-	**-**	-
Profit on sale of trademark	**-**	2 230	**-**	-
Legal fees recovered (including SABC)	**1 673**	1 250	**-**	-
Included in Administration expenses is the following:				
Depreciation and amortisation				
- Property, plant and equipment	**14 191**	9 797	**-**	-
- Intangible assets	**1 097**	1 126	**-**	-
Auditors' remuneration				
- Audit fees	**1 282**	703	**39**	-
- Other services	**-**	467	**-**	96
Loss on disposal of property, plant and equipment	**337**	-	**-**	-
Loss on disposal of investment properties	**-**	24	**-**	-
Loss on foreign exchange	**65**	73	**-**	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

35 Staff costs	Group 2009 N$ '000	Group 2008 N$ '000	Company 2009 N$ '000	Company 2008 N$ '000
Salaries and wages	**63 887**	39 007	**4 487**	2 691
Medical aid contribution	**2 305**	1 172	**-**	-
Share appreciation rights	**661**	1 361	**(499)**	499
	66 853	41 540	**3 988**	3 190

36 Directors' emoluments

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

* All share appreciation rights vested at date of dissolution were transferred to other payables.

Dealings by directors

The following share transactions were carried out by directors after year end but before the date of approval of the annual report:

Shares purchased	**Date**	**N$**	**Shares**	**N$ per share**
J. van den Heever	9 June 2009	61 775	76 903	0.80
J. Jones	9 June 2009	130 880	163 600	0.80
F.J. Abrahams	9 June 2009	101 418	126 772	0.80

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

36 Directors' emoluments (continued)

	Share Appreciation Rights*		Shareholding	Remuneration					
2008	**Granted '000**	**Value N$ '000**	**Shares (direct) '000**	**Fees N$ '000**	**Basic N$ '000**	**Bonuses N$ '000**	**Retirement & medical N$ '000**	**Other benefits N$ '000**	**Total N$ '000**
Holding Company directors									
Executive Directors									
Q. van Rooyen *(Managing Director)*	-	-	78 499	15	960	-	-	-	975
F.J. Abrahams *(Financial Director)*	257	66	30	-	426	175	-	-	601
G.R.I. Walters	225	21	-	26	421	-	-	-	447
	482	87	78 529	41	1 807	175	-	-	2 023
Non-executive directors									
Adv. T.J. Frank SC *(Chairperson)*	-	-	53	345	-	-	-	-	345
M. Nashandi	-	-	3	119	-	-	-	-	119
Dr. D. Namwandi	-	-	11	166	-	-	-	-	166
V. de Klerk	-	-	3	90	-	-	-	-	90
A.H. Toivo ya Toivo	-	-	-	50	-	-	-	-	50
	-	-	70	770	-	-	-	-	770
Subsidiary company directors									
Executive Directors									
J. Jones	344	89	215	-	539	240	-	12	791
P. J. Miller	258	65	10	-	453	175	-	6	634
C. van Rooyen	-	-	-	-	301	-	-	-	301
J. van den Heever	156	27	1	-	455	-	-	32	487
M. Hamata	78	11	-	-	304	-	-	23	327
P. C. Bekker	156	31	-	-	370	-	-	6	376
N. Hearn	-	-	-	-	365	50	-	4	419
D. C. Kleinscmidt	156	42	1	-	354	50	-	6	410
D. Swindon	188	51	31	-	655	-	-	6	661
Dr. C.J. Powell	185	31	10	-	458	-	-	6	464
J. Grobler	156	19	-	-	231	-	-	-	231
N.M. Basson	-	-	-	-	442	50	-	16	508
G. Herman	184	46	-	-	588	-	-	-	588
G. Spinas	-	-	3	-	396	-	-	11	407
J. Müller	-	-	-	-	74	-	73	2	149
A. van Wyk	-	-	-	-	279	-	-	2	281
E. Laing	-	-	-	-	167	-	16	2	185
S. Stols	-	-	-	-	315	-	51	2	368
J. Cockcraft	-	-	-	-	115	-	12	2	129
J. Wessels	-	-	-	-	369	-	82	2	453
D. Caine	-	-	-	-	212	-	36	2	250
S. Jones Castro Carballo	-	-	-	-	113	-	22	2	137
	1 861	412	271	-	7 555	565	292	144	8 556
Non-executive directors									
G. Lister	-	-	-	20	-	-	-	-	20
Total	2 343	499	78 870	831	9 362	740	292	144	11 369

* All share appreciation rights were granted during the year. No rights were exercised during the year.

37 Investment income	**Group 2009 N$ '000**	**Group 2008 N$ '000**	**Company 2009 N$ '000**	**Company 2008 N$ '000**
Interest received				
- Bank	**2 957**	2 366	**21**	14
- Related party loans	**-**	-	**16 150**	7 202
- External party loans	**903**	-	**-**	-
- Finance lease receivable	**318**	205	**-**	-
- Investments	**322**	1 417	**-**	-
	4 500	3 988	**16 171**	7 216
Dividends received	**-**	18 418	**14 000**	28 114
	4 500	22 406	**30 171**	35 330

Investment revenue earned on financial assets, analysed by category of asset, is as follows:

	Group 2009	Group 2008	Company 2009	Company 2008
Loans and receivables (including cash and bank balances)	**4 178**	2 571	**16 171**	7 216
Available for sale financial assets	**322**	19 835	**14 000**	28 114
	4 500	22 406	**30 171**	35 330

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

	Group		Company	
	2009	2008	2009	2008
38 Finance costs	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**
Interest paid				
- Bank overdraft	**2 798**	5 655	**286**	1 492
- Related party loans	**1 641**	792	**-**	-
- Term loan	**-**	21 160	**-**	-
- Long term liabilities	**12 480**	6 882	**829**	-
- Finance leases	**9 067**	4 325	**-**	-
	25 986	38 814	**1 115**	1 492
Less: Amounts included in the cost of qualifying assets	**(611)**	(613)	**-**	-
	25 375	38 201	**1 115**	1 492

Qualifying assets are included in work in progress in note 13. Amounts included in finance costs were calculated at 15.25% (2008: 15.25%).

39 Taxation

	Group 2009	Group 2008	Company 2009	Company 2008
Namibia normal tax				
Current taxation	**(174)**	-	**-**	-
Deferred tax: Current year	**20 425**	12 148	**311**	169
	20 251	12 148	**311**	169
South Africa normal tax				
Current taxation	**193**	-	**-**	-
Deferred tax: Current year	**6 408**	7 216	**-**	-
	6 601	7 216	**-**	-
	26 852	19 364	**311**	169

	Group				Company	
	South Africa		Namibia		Namibia	
	2009	2008	2009	2008	2009	2008
Reconciliation of the tax expense	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**
Profit before tax	**13 175**	39 114	**53 351**	19 437	**14 619**	26 121
Tax rate	**28.0%**	28.0%	**35.0%**	35.0%	**35.0%**	35.0%
Tax on profit before tax at applicable tax rate	**(3 689)**	(10 952)	**(18 673)**	(6 803)	**(5 117)**	(9 142)
Tax effect of income that is exempt from taxation	**6 200**	14 165	**17 842**	14 096	**4 900**	9 840
Disallowable expenditure	**(636)**	-	**(3)**	-	**-**	(529)
Deferred tax asset recognised on consolidation (refer note 7)	**-**	-	**20 500**	4 855	**-**	-
Movement in contingency reserve	**-**	-	**369**	-	**-**	-
Deferred tax assets not recognised	**4 726**	-	**216**	-	**-**	-
Assessed loss raised from prior periods	**-**	4 003	**-**	-	**-**	-
Prior year over / (under) provision	**-**	-	**-**	-	**528**	-
Tax debit / (credit) to income statement	**6 601**	7 216	**20 251**	12 148	**311**	169

The Group and Company have estimated tax losses of N$ 130.4 million (2008: N$ 108.96 million) and N$ 0.9 million (2008: N$ 1.49 million) respectively, available for set off against future taxable income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

	Group		Company	
	2009	2008	2009	2008
40 Earnings, headline earnings and dividends per share	N$ '000	N$ '000	N$ '000	N$ '000
Earnings for the purposes of basic earnings per share being the profit attributable to ordinary shareholders	92 423	77 682		
Adjustments net of taxation:	(21 059)	(31 299)		
Loss / (profit) on disposal of property, plant and equipment	131	(83)		
Fair value adjustments on investment properties	(1 682)	(1 284)		
Gain on loan written off	(7 216)	-		
Profit on disposal of non-core divisions	(12 292)	-		
Negative goodwill	-	(27 702)		
Profit on disposal of trademark	-	(2 230)		
Headline earnings	71 364	46 383		
Weighted number of ordinary shares for the purposes of basic earnings per share ('000)	660 197	597 202		
Contigently issuable shares as a result of business acquisition	24 960	32 730		
Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)	685 157	629 932		
Basic earnings per share (cents)	14.00	13.01		
Diluted earnings per share (cents)	13.49	12.33		
Headline earnings per share (cents)	10.81	7.77		
Diluted headline earnings per share (cents)	10.42	7.36		

Dividends per share

During the year under review normal dividends of 1.00 cents per share (2008: 0.50 cents per share) amounting to a total of N$ 6.70 million (2008: N$ 2.99 million) and N$ 6.99 million (2008: N$ 3.34 million) were declared and paid by the Group and the Company, respectively.

41 Cash flow information

41.1 Cash generated by operations

	Group 2009	Group 2008	Company 2009	Company 2008
Profit on ordinary activities before taxation	66 526	58 551	14 619	26 121
Adjustments:				
- Depreciation	14 191	9 797	-	-
- Amortisation of intangible assets	1 097	1 126	-	-
- Investment income	(4 500)	(22 406)	(30 171)	(35 330)
- Finance costs	25 375	38 201	1 115	1 492
- Loss / (profit) on disposal of property, plant and equipment	202	(127)	-	-
- Loss on disposal of investment properties	-	24	-	-
- Profit on disposals of investments	-	(1 050)	-	-
- Fair value adjustment on investment properties	(2 730)	(1 889)	-	-
- Negative goodwill	-	(27 702)	-	-
- Finance lease assets	322	(1 935)	-	-
- Write-off of loan account	(6 360)	-	-	-
- Other loans advanced	(24 574)	-	-	-
- Increase in technical provision	4 816	578	-	-
- Other non-cash items	(343)	2 315	1 853	-
Changes in working capital:				
- Decrease / (increase) in inventories	728	(154)	-	-
- Decrease / (increase) in trade and other receivable	2 340	2 719	10 500	(10 026)
- Increase / (decrease) in provision for share appreciation rights	(1 361)	1 361	(499)	499
- Increase in trade and other payables	20 015	10 357	1 716	84
	95 744	69 766	(867)	(17 160)

41.2 Taxation paid

	Group 2009	Group 2008	Company 2009	Company 2008
Balance outstanding at beginning of year	2	164	-	86
- Current income tax assets	(167)	(121)	-	-
- Current income tax liabilities	169	285	-	86
Acquired through business combination	-	(40)	-	-
Balance outstanding at end of year	135	(2)	-	-
- Current income tax assets	263	167	-	-
- Current income tax liabilities	(128)	(169)	-	-
	137	122	-	86

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

41.3 Cash and cash equivalents	Group 2009 N$ '000	Group 2008 N$ '000	Company 2009 N$ '000	Company 2008 N$ '000
Bank balances and cash deposits	**93 618**	95 574	**37**	54
Short-term investments (call deposits)	**14 878**	3 353	**-**	-
Bank overdraft	**(14 947)**	(15 511)	**-**	-
	93 549	83 416	**37**	54

41.4 Subsidiaries purchased

On 1 November 2007 the Group acquired all of the shares in Trustco Financial Services (Pty) Ltd (previously DexGroup Financial Sevices (Pty) Ltd). The Group paid N$ 20 million in cash and will pay a further N$ 45 million by issuing a fixed number of shares. The number of shares was determined on the date of purchase by dividing N$ 45 million by a price of N$ 0.76, equalling 59 210 525 shares. These shares will be issued from 2008 to 2011 based on pro rata net profit after tax of Trustco Financial Services (Pty) Ltd in each year. The Group issued 32 727 685 shares to the purchaser during the year.

The fair value of assets acquired and liabilities assumed were as follows:

Property, plant and equipment	1 145
Intangible assets	140 033
Deferred income tax assets	199
Amounts due by related parties	174
Trade and other receivables	11 798
Current income tax assets	47
Cash and cash equivalents	67 530
Deferred income tax liabilities	(108)
Amounts due to related parties	(8 400)
Trade and other payables	(117 786)
Provisions	(334)
Current income tax liabilities	(7)
Bank overdraft	(557)
Net assets	93 734
Recognition of deferred tax on revaluation reserve	(9 016)
Cost of acquisition	(1 490)
Consideration	(55 526)
Negative goodwill	27 702
Cash flow on acquisition	
Cash and cash equivalents	67 530
Bank overdraft	(557)
Net cash acquired	66 973
Paid in cash	(21 490)
Consideration	(55 526)
Cost of acquisition	(1 490)
To be settled in equity - ordinary shares in Trustco Group Holdings Ltd	35 526
Cash inflow on acquisition, net of cash acquired	45 483

Income statement if business combination was effective 1 April 2007

If the acquisition was effective on 1 April 2007, the total revenue and profit before tax for the Group would have been as follows:

Revenue	360 464
Profit before taxation	62 725

42 Solvency margin	2009	2008
Solvency margin of Trustco Insurance Ltd	**17.9%**	23.6%

The solvency margin represents shareholders' interest of N$ 10.4 million (2008: N$ 11.0 million) expressed as a percentage of net premium income of N$ 57.8 million (2008: N$ 46.7 million) for the year under review. The ratio has decreased from the prior year due to a dividend of N$ 2.5 million paid to the holding company, Legal Shield Holdings (Pty) Ltd.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

		Group		Company	
		2009	2008	2009	2008
43 Related parties		**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**

The Group is controlled by Q. van Rooyen who owns 55.5% of the Company's shares. Material related parties are disclosed in notes 6 and 36. A complete list of subsidiaries can be viewed in the Group organogram on page 11.

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 2009	Group 2008	Company 2009	Company 2008
43.1 Purchases from related parties					
Secretarial Skills CC	Common director: J. Müller	-	1 060	-	-
DexGroup (Pty) Ltd	Common director: J. Müller	-	280	-	-
Dexdata Technologies (Pty)Ltd	Common director: J. Müller	-	520	-	-
43.2 Charter income received					
Next Investments (Pty) Ltd	Common director: Q. van Rooyen	**423**	194	-	-
Northern Namibia Development Company (Pty) Ltd	Common director: Q. van Rooyen	-	284	-	-
43.3 Rent received					
Next Investments (Pty) Ltd	Common director: Q. van Rooyen	**64**	56	-	-
43.4 Printing income received					
The Free Press of Namibia (Pty) Ltd	Previous minority shareholder	**20 929**	19 860	-	-
43.5 Interest received					
Trustco Group International (Pty) Ltd (inc. in Republic of Namibia)	Direct subsidiary	-	-	-	6 198
Trustco Capital (Pty) Ltd	Direct subsidiary	-	-	**9 259**	70
Trustco Fleet Management Services (Pty) Ltd	Indirect subsidiary	-	-	**259**	198
Trustco Finance (Pty) Ltd	Indirect subsidiary	-	-	**2 388**	1 345
43.6 Management fees received					
Next Investments (Pty) Ltd	Common director: Q. van Rooyen	-	167	**4 060**	-
43.7 Dividends received					
Legal Shield Holdings (Pty) Ltd	Direct subsidiary	-	-	**14 000**	17 500
43.8 Interest paid					
Next Investments (Pty) Ltd	Common director: Q. van Rooyen	**1 641**	792	-	-

Refer to note 36 for details on key management compensation.

Outstanding balances

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

		Group 2009	Group 2008	Company 2009	Company 2008
Printas (Pty) Ltd (previously Free Press Printers (Pty) Ltd)	Indirect subsidiary	-	880	-	-
DexGroup (Pty) Ltd	Common director: J. Müller	**647**	-	-	-
Dexrad (Pty) Ltd	Common director: J. Müller	**141**	-	-	-
Dex Security Solutions (Pty) Ltd	Common director: J. Müller	**361**	-	-	-
Secretarial Skills CC	Common director: J. Müller	**20**	-	-	-

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

		Group 2009	Group 2008	Company 2009	Company 2008
DexGroup (Pty) Ltd	Common director: J. Müller	**26**	-	-	-
Dexdata Technologies (Pty) Ltd	Common director: J. Müller	**903**	-	-	-
Secretarial Skills CC	Common director: J. Müller	**3**	-	-	-

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

44 Segment results	Micro Insurance N$ '000	Micro Finance and Education N$ '000	Financial services outside Namibia N$ '000	Property, Development and Media N$ '000	Investment related services N$ '000	Group N$ '000
Primary reporting format: Business segments						
For management purposes, the Group is organised into five business segments, namely: Micro Insurance; Micro Finance and Education; Financial Services outside Namibia; Property, Development and Media; and Investment related services. The business segment results are as follows:						
2009						
Segment revenue	**-**	**71 197**	**267 843**	**141 458**	**-**	**480 498**
Inter segment revenue	**-**	**-**	**-**	**(89 831)**	**-**	**(89 831)**
	-	**71 197**	**267 843**	**51 627**	**-**	**390 667**
Insurance income	**93 847**	**-**	**-**	**-**	**-**	**93 847**
External revenue	**93 847**	**71 197**	**267 843**	**51 627**	**-**	**484 514**
Segment result	**26 365**	**(2 777)**	**19 561**	**31 582**	**15 334**	**90 065**
Inter segment	**9 862**	**32 792**	**-**	**(27 488)**	**(11 853)**	**3 313**
Profit for the year	**36 227**	**30 015**	**19 561**	**4 094**	**3 481**	**93 378**
Share of profit of equity accounted investees	**-**	**-**	**-**	**(955)**	**-**	**(955)**
Profit attributable to equity holders of the parent	**36 227**	**30 015**	**19 561**	**3 139**	**3 481**	**92 423**
Segment assets	**29 688**	**150 795**	**195 822**	**299 700**	**86 319**	**762 324**
Segment liabilities	**21 174**	**31 977**	**130 209**	**180 053**	**28 434**	**391 847**
Capital expenditure	**-**	**892**	**11 832**	**14 476**	**-**	**27 200**
Depreciation	**83**	**190**	**495**	**13 423**	**-**	**14 191**
Amortisation of intangible assets	**112**	**290**	**695**	**-**	**-**	**1 097**
2008						
Segment revenue	-	54 889	107 533	107 180	-	269 602
Inter segment revenue	-	-	(3 944)	(57 451)	-	(61 395)
	-	54 889	103 589	49 729	-	208 207
Insurance income	75 704	-	-	-	-	75 704
External revenue	75 704	54 889	103 589	49 729	-	283 911
Segment result	19 527	4 933	21 159	(9 621)	51 377	87 375
Inter segment	8 302	17 938	-	13 159	(48 859)	(9 460)
Profit for the year	27 829	22 871	21 159	3 538	2 518	77 915
Share of profit of equity accounted investees	-	-	-	(233)	-	(233)
Profit attributable to equity holders of the parent	27 829	22 871	21 159	3 305	2 518	77 682
Segment assets	27 746	106 597	154 265	205 044	142 288	635 940
Segment liabilities	17 205	17 491	123 323	143 436	73 649	375 104
Capital expenditure	10	1 814	19 097	26 420	-	47 341
Depreciation	91	182	136	9 388	-	9 797
Amortisation of intangible assets	111	290	224	501	-	1 126

Secondary reporting format: Geographical segments

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

	Namibia N$ '000	South Africa N$ '000	Group N$ '000
2009			
External revenue	**216 387**	**268 127**	**484 514**
Segment assets	**551 821**	**210 503**	**762 324**
Capital expenditure	**15 316**	**11 884**	**27 200**
Segment liabilities	**253 749**	**138 098**	**391 847**
2008			
External revenue	180 322	103 589	283 911
Segment assets	468 391	167 549	635 940
Capital expenditure	28 244	19 097	47 341
Segment liabilities	243 660	131 444	375 104

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

Segment liabilities comprise 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, 5 and 41.4).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

45 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 stakeholers through the optimisation of the debt and equity balance.

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

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

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Significant accounting policies

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

Categories of financial instruments	**Group**		**Company**	
	2009	**2008**	**2009**	**2008**
	N$ '000	**N$ '000**	**N$ '000**	**N$ '000**
Financial assets				
Loans and receivables (including cash and cash equivalents)	**301 730**	226 268	**210 459**	174 530
Investments in subsidiaries at cost	**-**	-	**68 550**	68 550
Available-for-sale financial assets	**10 035**	6 291	**-**	-
Financial liabilities				
Amortised cost	**364 657**	348 108	**12 054**	129

Financial risk management objectives

The Group's coporate 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 Groups 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.

The Group incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Foreign currency risk management

The Group was exposed to currency risk on paper purchases that were 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 were concluded were primarily denominated in US Dollar. During the year, the Group changed the paper supplier to a Rand-demoninated supplier so as to reduce foreign currency risk. At year end, there were no longer any exposure to US Dollar exchange rate fluctuations.

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

A 5 percent deterioration / appreciation in the value of the US dollar in relation to the Namibian dollar would result in an increase/decrease of the Group's net profit for the year ending 31 March 2009 of N$ 2 805 948. This is due to uncovered forward exchange contracts expiring during the year due to a change of suppliers, and is not expected to continue.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

45 Financial instruments (continued)

Interest rate risk management

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

Interest rate sensitivity analysis

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

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

- profit for the year ended 31 March 2009 would have decrease / increase by N$ 571 000 (2008: decrease / increase by N$ 41 883). This is mainly due to interest rates on variable rate borrowings.

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate asset instruments.

Interest rate swap contracts

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

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

Cash flow hedges	**Average contracted fixed interest rate**		**Notional principal amount**		**Fair value**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Outstanding receive floating pay fixed contracts	**%**	**%**	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**
Less than 1 year	**11.20**	-	**63 600**	-	**(1 624)**	-
1 to 2 years	**10.31**	-	**58 400**	-	**(292)**	-
			122 000	-	**(1 916)**	-

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

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

Equity price sensitivity analysis

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

If equity had been 5% higher / lower:

- net profit for the year ended 31 March 2009 would have been unaffected as the equity investments are classified as available-for-sale and no equity investments were disposed of or impaired.

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. Refer note 8 and 14 for classifications of educational loans advanced and receivables, respectively.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

45 Financial instruments (continued)

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 2009 no guarantees were outstanding (2008: none).

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

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

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

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

Group: Liabilities	**Effective interest rate**	**Due in less than 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due after 4 years**	**Total**
2009	**%**	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**	**N$ '000**
Non-interest bearing							
- Trade and other payables	**-**	**179 368**	**-**	**-**	**-**	**-**	**179 368**
Variable interest rate instruments							
- Bank loans	**9.75 - 15.25**	**11 225**	**11 225**	**11 225**	**11 264**	**11 225**	**56 164**
- Mortgage loans	**11.00 - 14.25**	**9 894**	**9 894**	**9 894**	**9 894**	**53 855**	**93 431**
- Liabilities under instalment sale agreements	**12.75 - 13.75**	**10 176**	**9 565**	**36 476**	**1 287**	**242**	**57 746**
- Finance leases	**12.25%**	**1 763**	**753**	**555**	**16**	**-**	**3 087**
- Bank overdraft	**13.75%**	**17 002**	**-**	**-**	**-**	**-**	**17 002**
Fixed interest rate instruments							
- Amounts due to related parties	**12.00%**	**-**	**19 802**	**-**	**-**	**-**	**19 802**
		229 428	**51 239**	**58 150**	**22 461**	**65 322**	**426 600**
2008							
Non-interest bearing							
- Amounts due to related parties	-	-	8 030	-	-	-	8 030
- Trade and other payables	-	159 353	-	-	-	-	159 353
Variable interest rate instruments							
- Bank loans	15.25%	5 571	6 685	6 685	6 685	7 800	33 426
- Mortgage loans	15.25%	11 396	11 397	11 397	11 397	64 923	110 510
- Liabilities under instalment sale agreements	15.25%	8 410	8 410	8 410	34 214	-	59 444
- Finance leases	13.00%	2 456	998	-	-	-	3 454
- Bank overdraft	15.25%	17 876	-	-	-	-	17 876
Fixed interest rate instruments							
- Amounts due to related parties	12.00%	-	31 133	-	-	-	31 133
		205 062	66 653	26 492	52 296	72 723	423 226

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2009

45 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							
2009							
Non-interest bearing							
- Amounts due by related parties	**-**	**-**	**3 002**	**-**	**-**	**-**	**3 002**
- Trade and other receivables	**-**	**31 018**	**-**	**-**	**-**	**-**	**31 018**
Variable interest rate instruments							
- Educational loans advanced	**26.75%**	**70 481**	**51 207**	**36 807**	**21 575**	**12 559**	**192 629**
- Other loans advanced	**10.00%**	**1 000**	**1 000**	**1 000**	**1 000**	**6 000**	**10 000**
- Amounts receivable under finance leases	**9.19%**	**500**	**500**	**500**	**500**	**-**	**2 000**
- Cash and cash equivalents	**3.00%**	**111 751**	**-**	**-**	**-**	**-**	**111 751**
Fixed interest rate instruments							
- Investments in balanced funds	**8.50%**	**10 888**	**-**	**-**	**-**	**-**	**10 888**
		225 638	**55 709**	**38 307**	**23 075**	**18 559**	**361 288**
2008							
Non-interest bearing							
- Trade and other receivables	-	33 358	-	-	-	-	33 358
Variable interest rate instruments							
- Educational loans advanced	27.75%	50 253	37 802	26 163	14 185	11 536	139 939
- Amounts receivable under finance leases	9.19%	500	500	500	500	500	2 500
- Cash and cash equivalents	8.00%	106 841	-	-	-	-	106 841
Fixed interest rate instruments							
- Investments in balanced funds	8.50%	6 826	-	-	-	-	6 826
		197 778	38 302	26 663	14 685	12 036	289 464
Company: Liabilities							
2009							
Non-interest bearing							
- Trade and other payables	**-**	**1 829**	**-**	**-**	**-**	**-**	**1 829**
- Amounts due to related parties	**-**	**10 180**	**-**	**-**	**-**	**-**	**10 180**
Variable interest rate instruments							
- Amounts due to related parties	**13.75%**	**-**	**58**	**-**	**-**	**-**	**58**
		12 009	**58**	**-**	**-**	**-**	**12 067**
2008							
Non-interest bearing							
- Trade and other payables	-	113	-	-	-	-	113
Variable interest rate instruments							
- Amounts due to related parties	15.25%	-	18	-	-	-	18
		113	18	-	-	-	131
Company: Assets							
2009							
Non-interest bearing							
- Amounts due by related parties	**-**	**94 314**	**-**	**-**	**-**	**-**	**94 314**
Variable interest rate instruments							
- Amounts due by related parties	**13.75%**	**-**	**152 808**	**-**	**-**	**-**	**152 808**
- Cash and cash equivalents	**3.00%**	**38**	**-**	**-**	**-**	**-**	**38**
Fixed interest rate instruments							**-**
		94 352	**152 808**	**-**	**-**	**-**	**247 160**
2008							
Variable interest rate instruments							
- Amounts due by related parties	15.25%	-	217 802	-	-	-	217 802
- Cash and cash equivalents	8.00%	58	-	-	-	-	58
		58	217 802	-	-	-	217 860

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2009

45 Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

Concentrations of insurance risk and policies mitigating the concentrations
Within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon the Group's resources. The Group monitors the concentration of risk by class of business. The Group is broadly represented across Namibia and exposures to risks are representative of the economic activity in the various regions. The Group has exposure to lines of insurance business as described in the previous paragraph.

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

46 Comparative figures

Educational loans advanced
Educational and other loans advanced were aggregated into one line item on the face of the balance sheet in the previous year as loans and receivables. These two line items are split into two in the current year. The reason the line item has been split is to show the educational loan book on the face of the balance sheet as a separate line item since it is a significant portion of total assets.

Property, development and media segment
The Property, development and media segment is a combination of the Property holding and rental income and Development and Media segments as reported in the previous year. These two segments were combined because property holding and rental income does not justify a separate segment.

Earnings and Headline Earnings per share
Basic Earnings and Headline Earnings per share has been restated due to the restatement of the weighted number of ordinary shares as a result of the share split. Refer note 16 for details.

SHAREHOLDER'S DIARY

Financial year end	March
Reviewed results	May
Publication of annual report	August
Next annual general meeting	August
Interim report	November
Dividends	
- Declared	August
- Payable	September

DIRECTORATE & ADMINISTRATION

Directors

Executive
Q. van Rooyen *(Managing Director)*
J. Jones (*Alternate to Q. van Rooyen*)
F.J. Abrahams *(Financial Director)*
G.R.I. Walters (*New Business*)

Non-executive
Dr. D. Namwandi (*Chairman*)
M. Nashandi
V. de Klerk
A.H. Toivo ya Toivo

Company Secretary
Adv. P.J. Miller

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

Contact details

Registered office: Namibia
Trustco House
2 Keller Street
P O Box 11363
Windhoek
Namibia

Telephone: +264 61 275 4000
Facsimile: +264 61 275 4090

Registered office: South Africa
201 BP House
10 Junction Avenue
Parktown
2193, South Africa

Website: www.tgi.na
Email: info@tgi.na

Corporate partners

Transfer secretaries: Namibia
Transfer Secretaries (Pty) Ltd
Kaiserkrone Centre, Post Street Mall
PO Box 2401
Windhoek
Namibia

Transfer secretaries: South Africa
Computershare Investor Services (Pty) Ltd
Ground Floor
70 Marshall Street
Johannesburg
2001, South Africa

Sponsors: Namibia
IJG Securities (Pty) Ltd
100 Robert Mugabe Avenue
PO Box 186
Windhoek
Namibia

Sponsors: South Africa
Questco
The Campus
57 Sloane Street
1st Floor, Wrigley Field
Bryanston
20121, South Africa

Bankers: Namibia
Bank Windhoek Limited
First National Bank of Namibia Limited
Nedbank Namibia Limited
Standard Bank Namibia Limited

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

Auditors

Auditors: Namibia
BDO Spencer Steward (Namibia)
Registered Accountants and Auditors
Chartered Accountants (Namibia)
61 Bismarck Street
Windhoek
Namibia

Auditors: South Africa
BDO Spencer Steward
Registered Auditors
BDO Place 457
Rodericks Road
Lynnwood
0081, South Africa

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 27 August 2009 at 10h00 for the following business:

- to receive, consider and approve the annual financial statements for the year ended 31 March 2009;
- 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 2009.

2. **Ordinary resolution number 2**
   Approval of the remuneration of the directors as set out in note 36 to the annual financial statements for the year ended 31 March 2009.

3. **Ordinary resolution number 3**
   To ratify the appointment of the directors who were appointed during the course of the year and who retire in terms of the Company's Articles of Association and being eligible, offer themselves for re-election. The directors' profiles are on page 12.

   - M. Nashandi
   - V. de Klerk

4. **Ordinary resolution number 4**
   BDO Spencer Steward (Namibia) and BDO Spencer Steward in South Africa be re-appointed 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 61 of 1973, as amended), the Articles of Association of the Company and the Listing Requirements of the Namibian Stock Exchange and the JSE Securities Exchange, which provide inter alia that:

   - such issue of shares shall not in the aggregate exceed 15% of the Company's shares in 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 dividend as recommended at the directors meeting of 24 July 2009.

7. **Ordinary resolution number 7**
   Rescind the resolution passed at the Annual General Meeting held on 15 August 2008 for the Trustco Staff Share Incentive Scheme Trust to be dissolved.

8. **Ordinary resolution number 8**
   Approve the amendments to the Trust Deed of the Trustco Staff Share Incentive Scheme Trust.

   The proposed amendments are as follows:

- The Group Executive Committee of the Company shall, subject to the provisions of this Deed determine annually the allocation of Scheme Shares to Employees and the terms and conditions of any allocation. The determination shall be tabled before the Remuneration Committee. The determination shall be effected if the determination is approved by the Directors upon the recommendation of the Remuneration Committee (paragraph 3.2).
- Further amendments are of a technical nature which became necessary to comply with the listing requirements of the JSE pertaining to Staff Share Incentive Schemes. The directors are awaiting approval from the JSE and the NSX for the amended Trust Deed of the Trustco Staff Share Incentive Scheme Trust.

A copy of the Trust Deed in its amended form is available for inspection at the Company’s registered office and will be made available by the Company Secretary upon request.

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 188 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. 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 25 August 2009.

By order of the Board.

Adv. P.J. Miller
Secretary

Windhoek
6 August 2009

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 27 August 2009, or any adjournment thereof.

Signed at …………………………………….....on this…………day of…………………….2009.

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 members' 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 their 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 25 August 2009.

	I/We desire to vote as follows: ***Ordinary resolution***	**Vote FOR**	**Vote AGAINST**	**ABSTAIN**
1.	To receive, consider and adopt the annual financial statements for the year ended 31 March 2009.			
2.	To approve the remuneration of the non-executive directors.			
3.	Re-appointment of M. Nashandi as director.			
3.	Re-appointment of V. de Klerk as director.			
4.	Re-elect BDO Spencer Steward (Namibia) and BDO Spencer Steward in South Africa as external auditors.			
4.	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 dividend as recommended on the directors meeting of 24 July 2009.			
7.	To approve the rescinding of the resolution passed at the Annual General Meeting held on 15 August 2008 for the Trustco Staff Share Incentive Scheme Trust to be dissolved.			
8.	To approve the amendments to the Trust Deed of the Trustco Staff Share Incentive Scheme Trust.			

Summary of principal terms of the Staff Share Incentive Scheme

Paragraph 2: The Scheme is intended as an incentive to employ, incentivise and reward employees and to promote the continued growth of the Company by giving them an opportunity to become entitled to benefits therefrom. Equity securities held by a share trust or scheme will not have their votes at general/annual general meetings taken into account for the purposes of resolutions proposed in terms of the Listings Requirements. Such equity securities will also not be allowed to be taken into account for purposes of determining categorisations as detailed in the Listings Requirements.

Paragraph 14.1: All employees, including executive directors and excluding non-executive directors, of the Company shall be eligible as Beneficiaries in accordance with these rules.

Paragraph 14.2: The number of equity securities shall not exceed 119 512 992 of the total issued share capital of the Company and may not be exceeded unless the approval by ordinary resolution (requiring a majority of 75% of votes cast in favour of the Resolution by all equity securities holders present or represented by proxy at a General Meeting to approve such Resolution).

Paragraph 14.3: No participant shall be entitled to hold more than 11 951 299 of the Scheme Shares.

Paragraph 14.4: The price shall be the par value of the shares and shall be paid upon the transfer of the equity securities to the participant. The price shall be the same for all beneficiaries and par value shall be determined by the board of Directors.

Paragraph 14.5.1: In the event of a subdivision or consolidation of securities for an adjustment to the number of equity securities that may be utilized in terms of clause 14.2 above and the amount payable in clause 14.4 above, such adjustment should give a participant entitlement to the same proportion of the equity capital as that to which he was previously entitled. The Company’s Auditors or other independent advisors acceptable to the NSX and the JSE must confirm in writing that such adjustment is in accordance with the Scheme and must be provided at the time the adjustment is finalized.

Paragraph 14.5.2: For purposes hereof the issue of securities as consideration for an acquisition or the issue of securities for cash and the issue of equity securities as a vendor consideration placing will not be regarded as a circumstance requiring adjustment.

Paragraph 14.5.3: Any adjustment made in terms hereof must be reported on in the Company’s Annual Financial Statements for the year in which the adjustment was made.

Paragraph 14.5.4: Allocated equity securities which are not subsequently issued to the identified participant shall revert back to the Scheme.

Paragraph 14.6: If the company is liquidated, the voting rights, dividends and other rights of the beneficiaries shall be the same as those of other equity holders in the company.

Paragraph 14.7: In the event of merges or takeovers the company shall ensure that the rights of the beneficiaries will remain unaltered.

Paragraph 14.8: If a beneficiary resigns all vested rights in options will be paid to the employee. Rights and options which have not vested will be forfeited.

Paragraph 14.9: If a beneficiary retires or dies all rights whether vested or not will be paid.

Paragraph 14.10: In the event of a capitalisation issue, a special dividend, a rights issue or a deduction of capital an adjustment shall be made to give a beneficiary entitlement to the same proportion of equity capital as that to which he was previously entitled.