
PARTICULARS AND REPORT OF HISTORICAL FINANCIAL INFORMATION OF NNDC

The report of the historical financial information of Northern Namibia Development Company (Pty) Ltd ("NNDC") is incorporated into the Circular to Trustco shareholders dated on or about 9 September 2015 in paragraph 31.8 by way of reference as provided for in paragraph 11.61 of the Listings Requirements. The financial information in this report was extracted from the audited financial statements of NNDC for the year ended 31 March 2015 and was reported on by the auditors without qualification. Further particulars on NNDC as required in terms of the JSE Listings Requirements and the Reporting Accountants' Report on the report on historical financial information is set out in Annexure 7 and 8 of this Circular, respectively. The report on historical financial information is the responsibility of the directors of Trustco. The report on historical financial information was prepared in accordance with and applying the accounting policies of Trustco as set out in Annexure 4 of this Circular.

1. NAME, ADDRESS OF REGISTERED OFFICE AND DATE AND PLACE OF INCORPORATION

Northern Namibian Development Corporation (Proprietary) Limited

Address: Trustco House, 2 Keller Street, Windhoek, Namibia

Namibia Registration no. 99/055

Incorporated in WINDHOEK on the 20th of August 1990

2. DETAILS OF ITS MATERIAL LOANS

Refer to the financial statements of NNDC following below for detail of material loans.

3. DETAILS OF ANY PRELIMINARY EXPENSES IT OCCURRED IN 3 YEARS PRIOR TO TRANSACTION

There were no preliminary expenses incurred by NNDC during the preceding 3 years.

4. LITIGATION STATEMENT PERTAINING TO NNDC

The directors of Trustco are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), involving NNDC, which may have, or have had, a material effect on NNDC's financial position during the last 12 months preceding the date of this circular.

5. MATERIAL CHANGES IN THE FINANCIAL OR TRADING POSITION SINCE END OF THE FINANCIAL PERIOD

There were no material changes in the financial or trading position in NNDC since 31 March 2015.

6. LIST OF MATERIAL CONTRACTS ENTERED INTO BY NNDC

There have been no material contracts entered into, either verbally or in writing, by NNDC, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on by NNDC; and:

6.1 entered into within the two years prior to the date of this Circular; or

6.2 entered into at any time and containing an obligation or settlement that is material to the NNDC at the date of this Circular.

STATEMENT OF FINANCIAL POSITION OF NNDC

As at 31 March		2015 <i>Audited</i> N\$'000	2014 <i>Reviewed</i> N\$'000	2013 <i>Reviewed</i> N\$'000
	Notes			
ASSETS				
Property, plant and equipment	3	8 236	9 662	7 959
Exploration and evaluation assets	4	59 191	49 673	44 074
Non-current Assets		67 427	59 335	52 033
Trade and other receivables	5	2 201	1 963	863
Cash and cash equivalents	6	8	5	5
Current Assets		2 209	1 968	868
Total assets		69 636	61 303	52 901
EQUITY AND LIABILITIES				
EQUITY				
Share capital	7	0	0	0
Equity loan	8	65 676	60 576	52 020
Retained income		178	178	178
Total capital and reserves		65 854	60 754	52 198
Deferred tax	9	96	96	96
Non- Current Liabilities		96	96	96
Trade and other payables	10	2 748	99	452
Bank overdraft	6	939	353	155
Current liabilities		3 687	452	607
Total liabilities		3 783	548	703
Total equity and liabilities		69 636	61 303	52 901

STATEMENT OF CHANGES IN EQUITY OF NNDC

	Share capital N\$000	Equity loan N\$000	Retained income N\$000	Total equity N\$000
Balance at 1 April 2012	0	45 636	178	45 814
Movement in equity loan		6 384	-	6 384
Total changes	0	6 384	-	6 384
Balance at 31 March 2013	0	52 020	178	52 198
Movement in equity loan	-	8 556	-	8 556
Total changes		8 556	-	8 556
Balance at 31 March 2014	0	60 576	178	60 754
Movement in equity loan	-	5 100	-	5 100
Total changes	-	5 100	-	5 100
Balance at 31 March 2015	0	65 676	178	65 854
Note (s)	7			

STATEMENT OF CASH FLOWS OF NNDC

For the year ended 31 March		2015	2014	2013
	Notes	<i>Audited</i> N\$'000	<i>Reviewed</i> N\$'000	<i>Reviewed</i> N\$'000
<i>Cash flow from operating activities</i>				
Cash generated /(used) by operations	12	2 410	(1 453)	(743)
<i>Cash flows from investing activities</i>				
Purchase of property, plant and equipment	3	(1 297)	(4 914)	(4 522)
Additions to exploration and evaluation assets	4	(6 795)	(2 388)	(1 210)
Net cash from investing activities		(8 092)	(7 302)	(5 732)
<i>Cash flow from financing activities</i>				
Proceeds from equity loans		5 100	8 557	6 384
Total cash movement for the year		(582)	(198)	(91)
Cash and cash equivalents at the beginning of the year		(348)	(150)	(59)
Cash and cash equivalents at the end of the year	6	(931)	(348)	(150)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF NNDC

N\$000

3. Property, plant and equipment

	2015			2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	134	-	134	83	-	83	83	-	83
Plant and machinery	20 304	(12 303)	8 001	19 127	(9 652)	9 475	14 236	(6 468)	7 768
Furniture and fixtures	76	(55)	21	76	(48)	28	64	(41)	23
Motor vehicles	396	(350)	46	396	(331)	66	396	(311)	84
IT equipment	65	(32)	33	24	(14)	10	13	(13)	-
Total	20 976	(12 740)	8 236	19 706	(10 044)	9 662	14 792	(6 833)	7 959

Reconciliation of property, plant and equipment for exploration - 2015

	Buildings	Plant and machinery	Furniture & fittings	Motor vehicles	IT equipment	Total
Opening balance						
Cost	83	19 127	76	396	24	19 706
Accumulated depreciation and impairment	-	(9 652)	(48)	(331)	(14)	(10 044)
Net book value at 1 April 2014	83	9 475	28	66	10	9 662
Additions	51	1 204	-	-	41	1 296
Disposals	-	-	-	-	-	-
Depreciation	-	(2 678)	(7)	(19)	(18)	(2 722)
Net book value at 31 March 2015	134	8 001	21	46	33	8 236
Made up as follows:						
Cost or revaluation	134	20 304	76	396	65	20 976
Accumulated depreciation and impairment	-	(12 303)	(55)	(350)	(32)	(12 740)
		8 001	21	46	33	8 236

Reconciliation of property, plant and equipment for exploration - 2014

	Buildings	Plant and machinery	Furniture & fittings	Motor vehicles	IT equipment	Total
Opening balance						
Cost	83	14 236	64	396	13	14 792
Accumulated depreciation and impairment	-	(6 468)	(41)	(311)	(13)	(6 833)
Net book value at 1 April 2013	83	7 768	23	85	-	7 959
Additions	-	4 891	11	-	11	4 913
Depreciation	-	(3 184)	(7)	(19)	(1)	(3 212)
Net book value at 31 March 2014	-	9 475	28	66	10	9 660
Made up as follows:						
Cost or revaluation	83	19 127	76	396	24	19 760
Accumulated depreciation and impairment	-	(9 652)	(48)	(330)	(14)	(10 044)
	83	9 475	28	66	10	9 662

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF NNDC

N\$000

Reconciliation of property, plant and equipment for exploration - 2013

	Buildings	Plant and machinery	Furniture & fittings	Motor vehicles	IT equipment	Total
Opening balance						
Cost	83	9 721	56	396	13	10 270
Accumulated depreciation and impairment	-	(4 587)	(36)	(292)	(12)	(4 927)
Net book value at 1 April 2012	83	5 134	20	104	1	5 343
Additions	-	4 514	8	-	-	4 522
Depreciation	-	(1 880)	(5)	(19)	(1)	(1 906)
Net book value at 31 March 2013	83	7 768	23	85	-	7 959
Made up as follows:						
Cost or revaluation	83	14 236	64	396	13	14 792
Accumulated depreciation and impairment	-	(6 468)	(41)	(311)	(13)	(6 833)
	83	7 768	23	85	-	

4. Exploration and evaluation assets

	2015			2014			2013		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Exploration assets	59 191	-	59 191	49 673	-	49 673	44 073	-	44 073

Reconciliation of exploration and evaluation assets

	Opening balance	Additions	Depreciation capitalised	Total
2015	49 673	6 795	2 723	59 191
2014	44 073	2 388	3 212	49 673
2013	40 958	1 209	1 906	44 073

Details of valuation

A competent person's report have been compiled by Mr. Willem H. Kotze (Pr.Sci.Nat MSAIMM) on the Kunene Mouth Diamond Project (EPL2633). The report indicated that the economic potential of the estimated resource at 31 March 2015 is valued at US\$ 59,231,910 (2014: US\$ 59,231,910).

5. Trade and other receivables

Trade receivables	0	364	-
Value added tax	2 201	1 599	863
	2 201	1 963	863

6. Cash and cash equivalents

Cash on hand	8	5	5
Bank overdraft	(939)	(353)	(155)
	(931)	(348)	(150)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF NNDC

N\$000	2015	2014	2013
Current assets	8	5	5
Current liabilities	(939)	(353)	(155)
	(931)	(348)	(150)
7. Share capital			
Authorised			
4,000 Ordinary shares of N\$1.00 each	4 000	4 000	4 000
Issued			
100 Ordinary shares of N\$1.00 each	100	100	100
8. Equity loan			
The equity loan is from Mr Quinton van Rooyen.			
The loan is interest free, unsecured and will be repaid at the option of the company.			
9. Deferred tax			
Deferred tax liability			
Accelerated capital allowances for tax purposes	(96)	(96)	(96)
Reconciliation of deferred tax liability			
At the beginning of the year	(96)	(96)	(96)
10. Trade and other payables			
Trade payables*	2 419	24	322
Accrued leave pay	133	75	128
Other accrued expenses	195	-	2
	2 748	99	452
*Included in trade payable are amounts owing to related parties refer to note 14 for details			
11. Taxation			
No provision has been made of the 2015 year of assessment. The exploration expenditure to the amount of N\$47.693 million (2014: N\$40.898 million) have been carried forward until the company commences mining, at which point the balance will be set-off against taxable income.			
12. Cash used in operations			
Profit before taxation	-	-	-
Changes in working capital			
Trade and other receivables	(2 38)	(1 100)	(341)
Trade and other payables	2 648	(353)	(401)
	2 410	(1 453)	(743)
13. Directors' emoluments			
No emoluments were paid to the director or any individuals holding a prescribed office during the year			

14. Related parties	2015	2014
	N\$	N\$
Relationships		
Holding company		
Huso Investments (Pty) Ltd		
Related through shareholding / common directorship		
Next Investments (Pty) Ltd		
Trustco Group International (Pty) Ltd		
Trustco Air Services (Pty) Ltd		
Trustco News (Pty) Ltd		
Trustco Fleet Management (Pty) Ltd		
Huso Investments (Pty) Ltd		
Foxtrot Properties (Pty) Ltd		
Portsmut Hunting Safaris (Pty) Ltd		
Namibia Medical Investments (Pty) Ltd		
Dolphin View 50 Langstrand (Pty) Ltd		
Othinge Investments (Pty) Ltd		
Morse Investments (Pty) Ltd		
Related through shareholding		
Golf Properties (Pty) Ltd		
Directors		
Q van Rooyen		
C van Rooyen		
Related party balances		
Amounts included in trade receivable (trade payable) regarding related parties		
Trustco Newspapers (Pty) Ltd	(2 671)	-
Trustco Air Services (Pty) Ltd	(395,773)	-
Trustco Fleet Management Services (Pty) Ltd	(221)	-
Portsmut Hunting Safaris (Pty) Ltd	(153,926)	-
Related party transactions capitalised to intangible assets		
Rent paid to related party		
Next Investments (Pty) Ltd	290,400	310,200
Trustco Fleet Management Services (Pty) Ltd	192	-
Charter fees paid to related party		
Trustco Air Services (Pty) Ltd	1,099,380	366,550
Advertising paid to related party		
Trustco Newspapers (Pty)	6,452	-
Expenses supported by related party		
Next Investment (Proprietary) Limited	8,590,330	8,473,067

15. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements. There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

As at 31 March 2015

Bank overdraft
Trade and other payables

Less than 1 year

938,869
2,747,685

At 31 March 2014

Bank overdraft
Trade and other payables

353,387
99,280

16. Financial assets by category

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

2015

	Loans and receivables	Total
Cash and cash equivalents	N\$ 8 000	N\$ 8 000

2014

Trade and other receivables
Cash and cash equivalents

N\$ 368 587
N\$ 5 000

N\$ 363 587
N\$ 5 000

Total

N\$ 368 587

N\$ 368 587

17. Financial liabilities by category

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

2015

Trade and other payables
Bank overdraft

Financial liabilities at amortised cost

Total

N\$ 2 747 685
N\$ 938 869

N\$ 2 747 685
N\$ 938 869

Total

N\$ 3 686 554

N\$ 3 686 554

2014

Trade and other payables
Bank overdraft

N\$ 99 280
N\$ 353 387

N\$ 99 280
N\$ 353 387

Total

N\$ 452 667

N\$ 452 667

18. First-time adoption of International Financial Reporting Standards

The company has applied IFRS 1, First-time adoption of International Financial Reporting Standards, to provide a starting point for the reporting under International Reporting and Accounting Standards. The date of transition was 1 April 2012. There were no material adjustments that were made, in adopting International Financial Reporting Standards for the first time, to the statement of financial position, statement of profit or loss and other comprehensive income and the statement of cash flows.

19. Going concern

The company is currently the holder of an Exclusive Prospective Licence under EPL 2633. The company's Licence application is currently still under consideration by the Ministry of Mines and Energy (Namibia). The Ministry confirmed in their letter dated 30 November 2010 that the company's mining rights under EPL 2633 will continue to exist as long as mining licence is pending.

The directors are confident that the application for the Mining Licence will be successful.

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

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and the company receives a mining licence.

20. Events after the reporting period

The 100% owner (Mr.Q van Rooyen) of the company's holding company, Huso Investments (Pty) Ltd, has signed a Sale of Shares Agreement on 14 July 2015, with Trustco Resources (Pty) Ltd (Ultimate Holding Company, Trustco Group Holdings Ltd), Listed on the JSE and NSX for N\$3,621 bil payable in equity of Trustco Group Holdings Ltd (TTO), 772.1 mil TTO shares at N\$4.69 per share. Per definition, the "Closing date" of the transaction will be the date upon which the Mining Licence had been issued to the company in terms of the Mineral Act.