

# FINANCIAL RESULTS

## MARCH 2017

TRUSTCO GROUP HOLDINGS LIMITED  
REVIEWED PROVISIONAL CONSOLIDATED  
CONDENSED FINANCIAL RESULTS FOR THE  
YEAR ENDED 31 MARCH 2017



**TRUSTCO**  
*oshi li nawa | it's all good*



NET PROFIT AFTER TAX



26%

## NATURE OF THE BUSINESS

Trustco is a diversified listed financial services group that invests and operates in sustainable high growth assets in emerging markets.

## BUSINESS REVIEW

Trustco's operations continue to demonstrate resilience in performance coupled with stable growth in the face of adverse financial conditions in the region.

Namibian inflation was recorded at a 7% year-on-year increase at 31 March 2017. Namibia has experienced four consecutive quarters of negative growth in its GDP. The contraction in GDP was recorded at 2.7% in the first quarter of this calendar year.

The group delivered overall business operating profit before tax of NAD 581 million, an increase of NAD 132 million or 29%. Revenue increased by 8% to NAD 1 247 million. Real estate in the investments segment achieved a strong result whilst maintaining its focus on priority markets and extracting value from its core business. Investment income continued its positive momentum mainly from investment property capital gains and currency exchange gains.

Earnings per share increased to 69 cents from 55 cents, a 25% growth whilst headline earnings per share grew by 28% from 55 cents to 71 cents.



HEADLINE EARNINGS



28%

## SEGMENTAL PERFORMANCE

### Insurance

The insurance segment's net profit after tax decreased to NAD 40 million (FY2016: NAD 45 million) due to slow down attributed to the local economic climate.

### Banking and Finance

During the year in review the banking segment secured new funding of NAD 410 million from various funders. The funding was used for the consolidation of the advances book. Total advances increased by 54% to NAD 1 818 million (FY2016: NAD 1 184 million).

### Investments

The investments segment's net profit after tax grew by NAD 123 million representing a 39% increase to NAD 440 million (FY2016: NAD 317 million). Solid performance is attributed to the monetization of the real estate inventory held by the group and a strong demand within the local economy. The group disposed of 54.4 hectares during the year and at the same time property debtors worth NAD 71.9 million were realised. The property debtors cycle is approximately 24 months.

### Resources

The reporting year saw the establishment of a new segment; namely "Resources", through the acquisition of Meya mining. The acquisition of the mine represents a natural progression of the group strategy. The acquisition offers a best fit strategic opportunity to diversify the revenue stream of the group and at the same time earn foreign currency.

With positive drilling results, it is expected that this project will generate significant returns for shareholders in the future.

A large part of value creation will be realised via the diamond cutting and polishing factory that forms part of the Huso transaction. As a result, the payment terms of the aforementioned transaction was renegotiated to ensure optimal wealth creation for all shareholders.



REVENUE



8%

## ACQUISITIONS

On 11 November 2016 the group acquired 51% of the voting equity interest of Meya mining which resulted in the group obtaining control over Meya mining. Meya mining is incorporated in Mauritius and is the holder of Exploration License No. EL 07/2015 granted under the provision of the Mines and Minerals Act 2009, of the Republic of Sierra Leone. Meya mining commenced with a resource evaluation programme in November 2016, with the aim of verifying the geo-economic potential within the exploration license area. Based on the preliminary drilling results, the group estimates an economic resource of more than USD 2 billion.

## DIVIDENDS

During the year under review, the board recommended that no dividend be declared for the financial period ended 31 March 2017. The main reasons for the decision is that the board members believe that Trustco would significantly increase its value by reinvesting its earning and more specifically to capitalise the banking and finance segment and to invest in the resource segment. The company will also implement an aggressive share buy-back program for the next reporting period.



NET ASSET VALUE



14%

## **BASIS FOR PREPARATION AND PRESENTATION OF REVIEWED CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**

### ***Basis of Preparation***

The provisional condensed consolidated financial statements are prepared in thousands of Namibian Dollar (“NAD ’000”). The Group’s functional and presentation currency is Namibian Dollar. At 31 March 2017, NAD1 was equal to ZAR1.

The accounting policies applied in the preparation of these reviewed provisional condensed consolidated results (“results”), which are based on reasonable judgements and estimates, are in accordance with International Financial Reporting Standards (“IFRS”). The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2016.

These results, as set out in this report, have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides as issued by the accounting practices committee and financial pronouncement as issued by the Financial Reporting Standards council and must also as a minimum, contain the information requirements of IAS34 interim Financial Reporting, accordance with the SAICA Financial Reporting Guides as issued by the Financial Reporting Standards Council, the Namibian Companies Act, No 28 of 2004 (as amended) and the Listings Requirements of the JSE Limited and the NSX.

The Company’s auditors, BDO Namibia and BDO South Africa Inc., have reviewed the provisional condensed consolidated financial statements for the year ended 31 March 2017. The unqualified review report is available for inspection at the registered office of the Company.

The reviewed condensed consolidated annual financial statements was compiled under the supervision of the group financial director Floors Abrahams, BCom.

### ***Appreciation***

With all the success enjoyed by the Group during the year, the board extends its gratitude for the tremendous effort from all Group staff in order to achieve these results. The board would also like to express its thanks to the service providers and clients, without whom these results would not have been possible.

### ***By order of the board***

Adv. Raymond Heathcote  
(Chairman)

Mr Q van Rooyen  
(Managing Director)

Windhoek  
30 June 2017

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 March 2017 Reviewed NAD '000	31 March 2016 Audited NAD '000
	Note		
<b>ASSETS</b>			
Cash and cash equivalents		46 017	99 835
Advances	1	1 818 811	1 184 063
Trade and other receivables	2	762 225	765 949
Current income tax assets		7 534	7 496
Inventories		339 278	327 619
Property, plant and equipment	3	609 416	459 335
Investment property		1 010 812	816 180
Intangible assets		467 579	209 849
Deferred income tax assets		94 718	143 675
<b>Total assets</b>		<b>5 156 390</b>	<b>4 014 001</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
Bank overdraft		12 640	17 249
Borrowings	4	1 657 445	1 104 695
Trade and other payables		477 513	215 806
Current income tax liabilities		28 018	10 257
Other liabilities		85 287	72 406
Deferred income tax liabilities		308 687	329 159
Insurance provisions		94 350	75 365
<b>Total liabilities</b>		<b>2 663 940</b>	<b>1 824 937</b>
<b>Capital and reserves</b>			
Share capital		177 595	177 595
Share premium		46 300	46 300
Deemed treasury shares	5	(178 358)	-
Other reserves		47 875	87 282
Retained earnings		2 399 031	1 877 887
Non-controlling interest		7	-
<b>Total capital and reserves</b>		<b>2 492 450</b>	<b>2 189 064</b>
<b>Total equity and liabilities</b>		<b>5 156 390</b>	<b>4 014 001</b>

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended 31 March 2017 Reviewed NAD '000	For the year ended 31 March 2016 Audited NAD '000
	Note		
Revenue		1 246 762	1 150 286
Investment income		225 467	153 167
Income from operations		1 472 229	1 303 453
Insurance benefits and claims		(48 292)	(45 895)
Cost of sales		(208 896)	(272 818)
Operating expenses		(459 895)	(400 587)
Finance costs		(173 669)	(134 279)
Profit before taxation	7	581 477	449 874
Taxation		(51 525)	(30 076)
Profit for the year		529 952	419 798
<b>Other comprehensive income net of tax:</b>			
(Losses)/gains on revaluation of property plant and equipment		(23 904)	25 814
Exchange differences on translating foreign operations		8 780	(1 699)
<b>Total comprehensive income for the period</b>		<b>514 828</b>	<b>443 913</b>

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Deemed treasury shares	Other reserves	Non controlling interest	Distributable reserves	Total
	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000
Balance at 1 April 2015	177 595	46 300	(57 043)	63 373	-	1 319 941	1 550 166
Transfer between reserves	-	-	-	(206)	-	206	-
Deemed treasury shares sold	-	-	57 043	-	-	187 342	244 385
Total comprehensive income for the period	-	-	-	24 115	-	419 798	443 913
Dividends for the period	-	-	-	-	-	(49 400)	(49 400)
<b>Balance at 31 March 2016 Audited</b>	<b>177 595</b>	<b>46 300</b>	<b>-</b>	<b>87 282</b>	<b>-</b>	<b>1 877 887</b>	<b>2 189 064</b>
Balance at 1 April 2016	177 595	46 300	-	87 282	-	1 877 887	2 189 064
Transfer between reserves	-	-	-	(24 283)	-	24 283	-
Deemed treasury shares purchased	-	-	(178 358)	-	-	-	(178 358)
Total comprehensive income for the period	-	-	-	(15 124)	-	529 952	514 828
Minority interest	-	-	-	-	7	-	7
Dividends for the period	-	-	-	-	-	(33 091)	(33 091)
<b>Balance at 31 March 2017 Reviewed</b>	<b>177 595</b>	<b>46 300</b>	<b>(178 358)</b>	<b>47 875</b>	<b>7</b>	<b>2 399 031</b>	<b>2 492 450</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 March 2017 Reviewed NAD '000	For the year ended 31 March 2016 Audited NAD '000
<b>Cash flow from operating activities</b>		
Cash generated by operations	432 040	446 182
Interest received	432	3 717
Finance costs	(170 456)	(134 279)
Net loans advanced	(642 579)	(375 622)
Net funding from liabilities for student advances	308 810	76 252
Taxation paid	(861)	(7 810)
<b>Net cash flow from operating activities</b>	<b>(72 614)</b>	<b>4 723</b>
<b>Cash flow from investing activities</b>		
Net cash flow from investing activities	(51 996)	(140 733)
<b>Cash flow from financing activities</b>		
(Purchase)/sale of deemed treasury shares	(775)	244 384
Net movement of borrowings and related parties	109 267	(80 068)
Dividends paid	(33 091)	(49 400)
<b>Net cash flow from financing activities</b>	<b>75 401</b>	<b>114 916</b>
<b>Net change in cash and cash equivalents</b>	<b>(49 209)</b>	<b>(21 094)</b>
Cash and cash equivalents at beginning of year	82 586	103 680
<b>Cash and cash equivalents at end of year</b>	<b>33 377</b>	<b>82 586</b>

## HEADLINE EARNINGS RECONCILIATION

Profit attributable to ordinary shareholders	529 952	419 798
Adjustments:	12 565	(366)
Loss/(profit) on disposals of property, plant and equipment	18 393	(221)
Fair value adjustments on investment properties	80	(300)
Tax effect	(5 908)	155
<b>Headline earnings</b>	<b>542 517</b>	<b>419 432</b>

## Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share

Weighted average number of ordinary shares used for basic earnings per share ('000)	766 785	758 124
Adjusted for:		
Contingently issuable shares as a result of business combinations ('000)	4 922	4 922
<b>Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)</b>	<b>771 707</b>	<b>763 046</b>



## PER SHARE INFORMATION

	For the year ended 31 March 2017 Reviewed (cents)	For the year ended 31 March 2016 Audited (cents)
Earnings per share	69.11	55.37
Diluted earnings per share	68.67	55.02
Headline earnings per share	70.75	55.32
Diluted headline earnings per share	70.30	54.97
Dividends paid per share	5.00	7.40

## CONDENSED SEGMENTAL ANALYSIS

### Segmental revenue and results

	Total segment revenue	Inter-segment revenue	Revenue from external customers	Profit for the period	Depreciation and amortisation	Interest income	Interest expense	Impairment of receivables and loans	Taxation
<b>Reviewed 2017 (NAD '000)</b>									
Insurance	184 344	(24 658)	159 686	40 370	20 418	396	383	-	3 602
Banking and finance	226 676	(13 647)	213 029	60 593	878	636	68 690	7 408	31 426
Investments	1 035 789	(161 742)	874 047	440 131	33 195	(607)	101 383	-	16 497
Resources	-	-	-	(11 142)	1	4	3 213	-	-
<b>Total</b>	<b>1 446 809</b>	<b>(200 047)</b>	<b>1 246 762</b>	<b>529 952</b>	<b>54 492</b>	<b>429</b>	<b>173 669</b>	<b>7 408</b>	<b>51 525</b>

	Total segment revenue	Inter-segment revenue	Revenue from external customers	Profit for the period	Depreciation and amortisation	Interest income	Interest expense	Impairment of receivables and loans	Taxation
<b>Audited 2016 (NAD '000)</b>									
Insurance	203 866	(2 580)	201 286	45 033	18 064	1 540	81	-	4 192
Banking and finance	231 157	(9 664)	221 493	57 326	471	937	52 910	(8 921)	16 772
Investments	846 242	(118 735)	727 507	317 439	27 846	1 240	81 288	-	9 112
<b>Total</b>	<b>1 281 265</b>	<b>(130 979)</b>	<b>1 150 286</b>	<b>419 798</b>	<b>46 381</b>	<b>3 717</b>	<b>134 279</b>	<b>(8 921)</b>	<b>30 076</b>

<b>2017</b>	Total assets	Total liabilities
<b>Reviewed (NAD '000)</b>		
Insurance	210 432	114 571
Banking and finance	1 908 870	605 912
Investments	2 554 628	1 651 152
Resources	482 460	292 305
<b>Total</b>	<b>5 156 390</b>	<b>2 663 940</b>

<b>2016</b>	Total assets	Total liabilities
<b>Audited (NAD '000)</b>		
Insurance	325 639	148 914
Banking and finance	1 507 636	561 563
Investments	2 180 726	1 114 460
<b>Total</b>	<b>4 014 001</b>	<b>1 824 937</b>

<b>Geographical information (NAD '000)</b>	Revenue by location of customer - 2017 (Reviewed)	Revenue by location of customer - 2016 (Audited)	Assets by location of assets - 2017 (Reviewed)	Assets by location of assets - 2016 (Audited)
Namibia	1 238 436	1 134 274	4 538 453	3 796 320
Rest of Africa	8 326	16 012	617 937	217 681
<b>Total</b>	<b>1 246 762</b>	<b>1 150 286</b>	<b>5 156 390</b>	<b>4 014 001</b>

## Revenue from major products and services

The following is analysis of the group's revenue from operations from its major products and services.

	<b>For the year ended 31 March 2017 Reviewed NAD '000</b>	For the year ended 31 March 2016 Audited NAD '000
Insurance premium revenue	153 726	192 841
Property sales	770 039	620 901
Tuition and other related fees	80 068	155 532
Interest earned on student advances	160 237	142 575
Interest earned on property advances	39 681	-
Other revenue	43 011	38 437
	<b>1 246 762</b>	<b>1 150 286</b>

## Information about major customers

Included in revenues arising from direct sales of property of NAD 770 million (2016: NAD 621 million) are revenues of approximately NAD618 million (2016: NAD 327 million) from the Investments segment which arose from sales to the groups' largest customer. No other single customer contributed 10% or more to the group's revenue for both 2017 and 2016.

## NOTES TO THE PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL RESULTS

	<b>For the year ended 31 March 2017 Reviewed NAD '000</b>	For the year ended 31 March 2016 Audited NAD '000
<b>1. Advances</b>		
Gross loans advanced	<b>1 859 635</b>	1 220 056
Provision for bad debts	<b>(40 824)</b>	(35 993)
Net advances	<b>1 818 811</b>	1 184 063
Short-term portion	<b>561 980</b>	199 102
Long-term portion	<b>1 256 831</b>	984 961
<b>2. Trade and other receivables</b>		
VAT receivables	<b>44 517</b>	29 076
Property sales receivables	<b>644 555</b>	690 785
Other receivables	<b>33 870</b>	46 088
Amounts due by related parties*	<b>39 283</b>	-
	<b>762 225</b>	765 949
<b>3. Property, plant and equipment</b>		
Property acquired	<b>275 041</b>	181 749
Disposals	<b>(61 122)</b>	(7 943)
<b>4. Borrowings</b>		
Term loans	<b>1 186 020</b>	484 927
Bonds issued	<b>159 057</b>	285 587
Mortgages and other borrowings	<b>312 368</b>	334 181
	<b>1 657 445</b>	1 104 695

\*The balance owing to Next Investments (Pty) Ltd is unsecured, bears interest at the Namibian prime lending rate of 10.75% pa (2016: 10.50% pa) and is repayable within the next 12 months. The balance includes mining equipment worth NAD39.5 million to be transferred to Northern Namibia Development Company (Pty) Ltd (subsidiary of Next Investments (Pty) Ltd) to property, plant and equipment on the perfection of the Huso transaction.

## 5. Deemed treasury shares

The carrying value of treasury shares as at 31 March 2017 is NAD 178 million (2016: nil). In September 2016, the company purchased 225,675 treasury shares at an average price of NAD3.43. Settlement consideration of NAD775,000 was paid in cash.

On 15 February 2017, the company acquired 41,806,778 treasury shares at price of NAD4.80. Settlement of purchase consideration of NAD200,672,534 was deferred to 31 January 2018. At year end the fair value of the unsettled amount was included in trade and other payables.

## 6. Financial instruments and fair value hierarchy

Land and buildings, aircraft and investment property which are fair valued or revalued are valued either by independent experts or by reference to quoted similar assets. The techniques and inputs used have not changed since the year end. Technical provisions and policyholder liabilities under insurance contracts remain calculated on a forecast modelling and/or pre-identified factor.

	<b>For the year ended 31 March 2017 Reviewed NAD '000</b>	For the year ended 31 March 2016 Audited NAD '000
<b>Level 2</b>		
<b>Non-financial assets</b>		
Land and buildings	-	128 642
Aircraft	-	247 091
Investment property	-	816 180
	-	1 191 913
<b>Level 3</b>		
<b>Non-financial assets</b>		
Investment property	1 010 812	-
Land and buildings	133 981	-
Aircraft	217 707	-

Non-financial assets were moved out of level 2 into level 3 in 2017 financial year as variables used to determine their fair values are not observable by the public. Management's policy for recognising transfers between levels is to recognise the transfer at the end of reporting period.

## Financial instruments by category

### Level 3

	<b>For the year ended 31 March 2017 Reviewed NAD '000</b>	For the year ended 31 March 2016 Audited NAD '000
<b>Financial Assets (Loans and receivables)</b>		
Cash and cash equivalents	46 017	99 835
Advances	1 818 811	1 184 063
Trade and other receivables	678 425	765 949
Related party balances	39 283	-
<b>Financial liabilities (Amortised cost)</b>		
Bank overdraft	(12 640)	(17 249)
Related party balances	(2 678)	(30 368)
Borrowings	(1 657 445)	(1 104 695)
Trade and other payables	(472 602)	(215 806)
Insurance contract liabilities	(94 350)	(75 365)
Other liabilities	(82 609)	(42 038)

## 7. Net profit before tax

	<b>For the year ended 31 March 2017 Reviewed NAD '000</b>	For the year ended 31 March 2016 Audited NAD '000
Depreciation and amortisation	54 492	46 381
Employee costs	151 130	145 672
Profit on foreign exchange differences	25 179	6 978
Fair value gains on investment property	194 420	131 305
Loss/(Profit) on disposal of property, plant and equipment	18 393	(221)
Impairment and provision of receivables	7 831	(1 476)

## 8. Business combinations

### Business combinations occurring during the current year (Meya Mining Ltd)

On 11 November, 2016 the group acquired 51% of the voting equity interest of Meya Mining Ltd which resulted in the group obtaining control over Meya Mining Ltd. Meya Mining Ltd is incorporated in Mauritius and is the holder of Exploration Licence No. EL 07/2015 granted under the Provision of the Mines and Minerals Act 2009, of the Republic of Sierra Leone. This acquisition represents a natural progression of the group's expansion strategy. The acquisition offers a best fit strategic opportunity to diversify the revenue stream of the group.

The numbers used for business combinations are provisional. Goodwill of NAD206 million arising from the acquisition is attributable largely to the intangible asset (Exploration and evaluation resource). Goodwill is not deductible for income tax purposes.

### Fair value of assets acquired and liabilities assumed

Other asset	14
Total identifiable net assets	14
Non-controlling interest	(7)
Goodwill	205 630
	205 637

### Acquisition date fair value of consideration paid

Cash	(14 146)
Contingent consideration arrangement	(191 491)
	(205 637)

### Contingent consideration arrangements

Upon completion of a 18 months exploration program from the date of purchase if the result is either of the following conditions:

:- resource statement of at least 3 million carats; or

:- resource statement valued at least USD1 billion (at international market price).

The group will pay an additional USD25 million to the sellers provided that a mining licence has been issued. The fair value is based on significant inputs that are not observable in the market, key assumptions are a discount rate of 6.86% and a assumed probability ratio of 60%. The contingent consideration is included in trade and other payables. The estimate is accounted for as provisional and might change after the resource evaluation program is completed by December 2017.

Meya Mining Ltd commenced a resource evaluation program in November 2016, with the aim of verifying the intrinsic geo economic potential within the exploration licence area, EL 07/2015. The evaluation programme is scheduled into several phases and multiple zones across the licence area, Dyke Zone B was prioritised for the 2017/2018 periods. The phases include; diamond drilling, bulk sampling, geological modelling, micro diamond analysis and diamond valuation. A total of 9,559m was drilled along the 11,500m strike of Dyke Zone B for the year ended 31 March 2017. All the holes, with the exception of two, intersected kimberlite along the strike, which confirms continuation of Dyke Zone B. The intersections range from 120m to 370m vertical depths, thus proving the depth of kimberlite extensions.

Based on the drilling results and assumptions derived from historical information from previous experience of the management team regarding diamond grade, rock density and diamond values from this specific ore body, a preliminary high level estimation indicates that the potential in situ diamond resource of Dyke Zone B alone (down to 500m) is 6.6 million carats contained in 11 million tonnes of kimberlite, thus an in situ value of more than US\$2 billion. Processing of the bulk samples extracted from EL 07/2015 will start during July 2017.

### Acquisition related costs

Acquisition-related costs of NAD250 000 have been charged to administrative expenses in the consolidated income statement for the period ended 31 March 2017.

### Group revenue and profit or loss for full year

Had the business combinations taken place at the beginning of the reporting year, the revenue for the group would have been NAD nil (2016: NAD nil) and the net loss would have been NAD nil (2016: NAD nil loss).

### Non-controlling interest

Non-controlling interest, which is a present ownership interest, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets. There are no other components of non-controlling interests.

## 9. Liquidity tables

2017 - Reviewed	Effective interest rate %	Due in less than one year	Due in one to two years	Due in two to three years	Due in three to four years	Due after four years	Total
		NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000
<b>Liabilities</b>							
<b>Maturity analysis</b>							
<b>Other financial liabilities</b>							
<b>Non-interest bearing</b>							
- Trade and other payables		281 111	191 491	-	-	-	472 602
<b>Variable interest rate</b>		<b>531 860</b>	<b>458 905</b>	<b>516 385</b>	<b>359 636</b>	<b>469 859</b>	<b>2 336 645</b>
- Term loans	9.96 - 15.50	267 574	294 998	433 846	313 086	259 624	1 569 128
- Listed bonds	8.98 - 11.58	135 877	26 600	14 000	-	-	176 477
- Mortgage loans	8.50 - 10.75	8 894	8 894	8 894	8 464	61 003	96 149
- Instalment sale agreement	7.43 - 10.75	31 726	83 770	49 095	27 536	109 138	301 265
- Amounts due to related parties	10.50	2 866	-	-	-	-	2 866
- Finance lease obligations	8.25 - 12.75	49 677	34 093	-	-	-	83 770
- Bank overdraft	10.50	12 640	-	-	-	-	12 640
- Insurance contract liabilities	10.50	22 606	10 550	10 550	10 550	40 094	94 350
		<b>812 971</b>	<b>650 396</b>	<b>516 385</b>	<b>359 636</b>	<b>469 859</b>	<b>2 809 247</b>
<b>2016 - Audited</b>							
	Effective interest rate %	Due in less than one year	Due in one to two years	Due in two to three years	Due in three to four years	Due after four years	Total
		NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000
<b>Liabilities</b>							
<b>Maturity analysis</b>							
<b>Other financial liabilities</b>							
<b>Non-interest bearing</b>							
- Trade and other payables		215 806	-	-	-	-	215 806
<b>Variable interest rate</b>		<b>672 168</b>	<b>472 896</b>	<b>391 098</b>	<b>206 851</b>	<b>323 041</b>	<b>2 066 054</b>
- Term loans	6.75 - 12.65	274 251	292 807	206 602	157 492	176 831	1 107 983
- Listed bonds	8.98 - 11.83	153 883	145 402	29 003	13 300	-	341 588
- Mortgage loans	6.50 - 10.50	91 316	7 761	7 761	7 761	18 057	132 656
- Instalment sale agreement	8.00 - 10.50	53 869	7 957	128 509	7 957	89 571	287 863
- Amounts due to related parties	9.25	30 368	-	-	-	-	30 368
- Finance lease obligations	8.00 - 10.50	11 252	6 687	4 989	4 612	3 821	31 361
- Vendors for acquisition	10.50	15 000	-	-	-	-	15 000
- Bank overdraft	10.50	17 249	-	-	-	-	17 249
- Insurance contract liabilities	10.50	24 980	12 282	14 234	15 729	34 761	101 986
		<b>887 974</b>	<b>472 896</b>	<b>391 098</b>	<b>206 851</b>	<b>323 041</b>	<b>2 281 860</b>

## 10. Transactions with related parties

	For the year ended 31 March 2017 Reviewed NAD '000	For the year ended 31 March 2016 Audited NAD '000
<b>Next Investments (Pty) Ltd</b>		
Management fees paid	(14 407)	(28 287)
Surety fees paid	(21 694)	(18 641)
Charter income received	1 367	498
<b>Northern Namibia Development Company (Pty) Ltd</b>		
Charter income received	738	842
Advertising income received	24	-
Equipment rent received	1 239	-
<b>Portsmut Hunting Safaris (Pty) Ltd</b>		
Charter income received	467	-
<b>Morse Investments (Pty) Ltd</b>		
Advertising income received	5	3

## 11. Accounting judgements

In preparing the reviewed provisional consolidated condensed financial statements, management applied judgement on the following areas:

- Business combinations; and
- Revenue recognition.

## 12. Subsequent events

The parties of the Huso transaction entered into an agreement in terms whereof the payment terms of the Huso transaction be amended. The payment terms were amended to reflect an EBITDAASA (earnings before interest, tax, depreciation, amortisation after stock adjustments) payment instead of resource driven payment. The shareholders approved the amendment to the Huso transaction on the 13th of June 2017. The amendment will be effective upon conclusion of the Huso transaction when the mining licence is issued to NNDC and the Huso transaction becomes effective.

Other than the event noted above, no other material events requires disclosure.

## 13. Changes to the board

R. McDougall, the financial director resigned on 31 December 2016. On 1 January 2017, M. van Niekerk was appointed financial director and resigned on 5 April 2017. F. Abrahams, currently appointed as an executive director and Group Head: Treasury, was appointed as the group financial director with effect from 5 April 2017.

# DIRECTORATE AND ADMINISTRATION

## Executive

F Abrahams  
Dr Q Van Rooyen

## Non-Executive

W Geysler  
R Taljaard  
J Mahlangu (South African)  
Adv R Heathcote Sc

## Company Secretary

Ms A Bruyns

## Company Registration Number: 2003/058

NSX Share code: TUC

JSE Share code: TTO

## Auditors: Namibia

BDO (Namibia)  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
61 Bismark Street  
Windhoek Namibia

## Transfer secretaries: South Africa

Computershare Investor Services  
(Pty) Limited  
(Registration number 2004/003647/07)  
Rosebank towers, 15 Biermann avenue,  
Rosebank 2196  
PO Box 61051, Marshalltown, 2107  
Tel: +27 11 370 5000

## Bankers: Namibia

Bank Windhoek Ltd  
First National Bank of Namibia Ltd  
Standard Bank Namibia Ltd

## JSE Sponsor

Sasfin Capital, a division of Sasfin Bank Ltd  
(Registration Number 1951/002280/06)  
29 Scott street, Waverly, 2090  
(PO Box 9510, Grant Park, 2051)

## Registered office: Namibia

Trustco House  
2 Keller Street  
P.O Box 11363  
Windhoek  
www.tgh.na

## Registered office: South Africa

Tuscany Office Park  
First Floor, Block 9  
6 Coombe Place  
Rivonia 2128  
www.yambu.co.za

## Auditors: South Africa

BDO South Africa Incorporated  
22 Wellington Road  
Parktown  
Johannesburg 2193  
South Africa

## Transfer secretaries: Namibia

Transfer Secretaries (Pty) Limited  
(Registration number 93/713)  
4 Robert Mugabe Avenue  
Burg Street entrance opposite Chateau  
Street Windhoek Namibia  
PO Box 2401, Windhoek, Namibia  
Tel: +264 61 227 647

## Bankers: South Africa

ABSA  
First National Bank South Africa Ltd  
Standard Bank South Africa Ltd

## NSX Sponsor

Simonis Storm Securities (Pty) Ltd  
(Registration number 96/421)  
4 Koch Street, Klein Windhoek, Namibia  
(PO Box 3970 Windhoek, Namibia)

## Principal business

Trustco is a diversified dual listed financial services group that invests and operates in sustainable high growth assets in emerging markets. Trustco operates from four business segments being:

- Investments (properties, education, air services and strategic media);
- Banking and finance;
- Mining (resources); and
- Insurance.

