

TRUSTCO
Incorporated in the Republic of Namibia
(Registration number 2003/058)
NSX share code: TUC
JSE share code: TTO
ISIN: NA000A0RF067
("the Company" or "the Group" or "Trustco")

Abridged Audited Group Results for the year ended 31 March 2013

Abridged Consolidated Statement of Financial Position
as at 31 March 2013

		31 March 2013		31 March 2012		Change
	Notes	NAD000		NAD000		%
ASSETS						
Non-current assets						
Property, plant and equipment	4	179	266	160 502	11.7	
Investment property	5	344	247	317 990	8.3	
Intangible assets	6	232	650	261 478	(11.0)	
Deferred income tax assets		78	183	73 136	6.9	
Mortgage loans	7	20	070	-	100	
Educational micro loans advanced	8	204	426	150 115	36.2	
Other loans		5	692	24 566	(76.8)	
Total non-current assets		1 064	534	987 787	7.8	
Current assets						
Short term portion of educational micro loans advanced	8	127 988		99 804	28.2	
Short term portion of other loans advanced		1 160		804	44.3	
Finance lease receivable		-		457	(100)	
Amounts due from related parties	15	8 482		-	100	
Short term portion of mortgage loan book	7	1 377		-	100	
Inventories		10 420		12 623	(17.5)	
Trade and other receivables	9	271 182		317 425	(14.6)	
Current income tax assets		860		189	355.0	
Cash and cash equivalents		46 924		101 000	(53.5)	
Total current assets		468 393		532 302	(12.0)	
Total assets		1 532 927		1 520 089	0.8	
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	10	169 545		162 645	4.2	
Share premium	10	24 600		-	100	
Deemed treasury shares	11	-		(3 840)	(100)	
Vendor shares	12	14 976		14 976	-	
Contingency reserve		4 610		2 970	55.2	
Put options		(52 832)		(52 832)	-	
Revaluation reserves		21 797		16 806	29.7	
Foreign currency translation reserve		1 869		-	100	
Distributable reserves		783 565		772 580	1.4	
Total capital and reserves		968 130		913 305	6.0	
Non-current liabilities						
Long term liabilities	13	288 717		211 931	36.2	
Other liabilities		1 590		257	518.7	
Deferred income tax liabilities		33 231		31 148	6.7	
Policyholders' liability under insurance contracts		16 587		10 684	55.3	
Total non-current liabilities		340 125		254 020	33.9	

Current liabilities					
Current portion of long-term liabilities	13	40 764	34	117	19.5
Current portion of other liabilities		4 516	2	622	72.2
Amounts due to related parties	15	-	1	413	(100)
Trade and other payables	14	129 154	256	323	(49.6)
Technical provisions		20 558	17	917	14.7
Current income tax liabilities		29 116	28	603	1.8
Bank overdraft		564	11	769	(95.2)
Total current liabilities		224 672	352	764	(36.3)
Total equity and liabilities		1 532 927	1 520	089	0.8

Abridged Consolidated
Statement of Comprehensive Income
for the year ended 31 March 2013

	Notes	For the year ended 31 Mar 2013 NAD000	For the year ended 31 Mar 2012 NAD000	Change %
Insurance premium revenue		150 710	126 302	19.3
Revenue		444 529	587 002	(24.3)
Total revenue		595 239	713 304	(16.6)
Cost of sales		(240 194)	(320 368)	(25.0)
Gross profit		355 045	392 936	(9.6)
Investment income		3 849	24 509	(84.3)
Fair value gains and losses	5	26 304	97 101	(72.9)
Other income	17	14 080	4 823	191.9
Insurance benefits and claims		(26 717)	(18 872)	41.6
Transfer to policyholder liabilities		(5 903)	(2 377)	148.3
Change in unearned premium provision		(981)	(492)	99.4
Administrative expenses	17	(294 167)	(202 743)	45.1
Finance costs		(27 814)	(30 092)	(7.6)
Profit before taxation		43 696	264 793	(83.5)
Taxation		(4 312)	(24 969)	(82.7)
Profit for the period		39 384	239 824	(83.6)
Other comprehensive income, net of tax		8 138	1 392	484 .6
Item that will not be subsequently reclassified to profit or loss				
Revaluation of property, plant and equipment		6 269	1 392	350.4
Items that may be subsequently reclassified to profit or loss				
Foreign currency translation adjustment		1 869	-	100
Total comprehensive income for the period		47 522	241 216	(80.3)
Earnings per shares:				
Basic earnings per share (cents)	3	5.41	35.08	(84.6)
Diluted earnings per share (cents)	3	5.38	34.84	(84.6)

Abridged Consolidated Statement of Changes in Equity
for the year ended 31 March 2013

Share	Share	Foreign currency translation	Deemed treasury	Put	Vendor Contingency Revaluation	Retained
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	capital NAD000	premium NAD000	reserve NAD000	shares NAD000	options NAD000	shares NAD000	reserve NAD000	reserve NAD000	earnings NAD000	Total NAD000
Balance at 1 April 2011	162 645	-	-	(18 731)	-	14 976	2 361	15 414	556 116	732 781
Transfer to contingency reserve	-	-	-	-	-	-	609	-	(609)	-
Sale of deemed treasury shares	-	-	-	14 891	-	-	-	-	3 076	17 967
Put option issued	-	-	-	-	(52 832)	-	-	-	-	(52 832)
Dividends for the period	-	-	-	-	-	-	-	-	(25 827)	(25 827)
Total comprehensive income for the period	-	-	-	-	-	-	-	1 392	239 824	241 216
Balance at 31 March 2012	162 645	-	-	(3 840)	(52 832)	14 976	2 970	16 806	772 580	913 305
Balance at 1 April 2012	162 645	-	-	(3 840)	(52 832)	14 976	2 970	16 806	772 580	913 305
Share issue	6 900	24 600	-	-	-	-	-	-	-	31 500
Transfer to contingency reserve	-	-	-	-	-	-	1 640	-	(1 640)	-
Sale of deemed treasury shares	-	-	-	3 840	-	-	-	-	1 879	5 719
Transfer between reserves	-	-	-	-	-	-	-	(1 278)	1 278	-
Dividends for the period	-	-	-	-	-	-	-	-	(29 916)	(29 916)
Total comprehensive income for the period	-	-	1 869	-	-	-	-	6 269	39 384	47 522
Balance at 31 March 2013	169 545	24 600	1 869	-	(52 832)	14 976	4 610	21 797	783 565	968 130

Abridged Consolidated Statement of Cash Flows
for the year ended 31 March 2013

	Year ended 31 March 2013 NAD000	Year ended 31 Mar 2012 NAD000	Change %
Cash flow from operating activities			
Cash generated by operations before working capital changes	96917	178 114	(45.6)
Changes in working capital	(76332)	(80 703)	(5.4)
Interest received	3849	24 509	(84.3)
Finance costs	(27814)	(30 092)	(7.6)
Finance lease assets	457	-	100.0
Other loans advanced	(346)	-	(100.0)
Educational loans advanced	(212 861)	(154 279)	38.0
Educational loans repaid	129 222	113 825	13.5
Mortgage loans advanced	(6 008)	-	(100.0)
Mortgage loans repaid	2 097	-	100.0
Taxation paid	(13 600)	(12 848)	5.9
Net cash flow from operating activities	(104 419)	38 526	(371.0)
Cash flow from investing activities			
Additions to property, plant and equipment	(23 250)	(12 095)	92.2
Additions to investment properties	(3 364)	(1 604)	109.7
Additions to intangible assets	(10 326)	(24 081)	(57.1)
Proceeds on sale of assets at fair value through profit and loss	-	32 300	(100.0)
Additions to assets at fair value through profit and loss	-	(4 223)	(100.0)
Proceeds on sale of investment property	1 600	17 400	(90.8)
Proceeds on sale of property, plant and equipment	6 917	1 160 496.3	
Net cash flow from investing activities	(28 423)	8 857 (420.9)	
Cash flow from financing activities			
Public issue of ordinary shares	31 500	- 100	
Sale of deemed treasury shares	5 719	17 967 (68.2)	
Proceeds from long-term liabilities	83 433	13 830 503.3	

Payments to related parties	(9 895)	(7 413)	33.5
Increase in policyholder under insurance contracts	5 903	2 377	148.3
Dividends paid	(29 916)	(25 827)	15.8
Proceeds/(repayment) of other liabilities	3 227	(582)	(654.5)
Net cash flow from financing activities	89 971	352	25459.9

Net change in cash and cash equivalents	(42 871)	47 735	(189.8)
Cash and cash equivalents at the beginning of the period	89 231	41 496	115.0
Cash and cash equivalents at the end of the period	46 360	89 231	(48)

Notes to the Abridged Audited Annual Financial Statements
for the year ended 31 March 2013

1 Basis of preparation

The abridged annual consolidated financial statements, which comprise the abridged consolidated statement of financial position as at 31 March 2013, and the abridged consolidated statement of comprehensive income, changes in equity, cash flow statement for the year ended 31 March 2013, and related notes are derived from the audited consolidated financial statements of Trustco Group Holdings Ltd for the year ended 31 March 2013 which have been audited by the group's independent auditors BDO. The auditor's unmodified report is available for inspection at Trustco's registered offices. The abridged consolidated financial information was compiled under the supervision of the group financial director, Ryan McDougall, CA (SA), CA (Namibia).

The group's audited financial statements and annual integrated report are available for inspection at the company's registered office. Electronic copies are available on the company's website (www.tgi.na).

The abridged group financial statements have been prepared in accordance with the framework concepts and measurement and recognition criteria of International Financial Reporting Standards (IFRS) and comply with IAS 34 Interim Financial Reporting and are in accordance with the SAICA Financial Reporting Guides

as issued by the Accounting Practice and Financial Pronouncements as issued by Financial Reporting Standards Council, and the Namibian Companies' Act, No 28 of 2004 (as amended) and Use Listings Requirements.

These abridged financial statements do not contain all the information and disclosures required by IFRS in the annual financial statements. Accounting policies used in the abridged group financial statements are the same as those used to prepare the group annual financial statements, and consistent with the prior year.

	31 Mar 2013 NAD000	31 Mar 2012 NAD000	Change %
2			
Headline earnings			
Profit attributable to ordinary shareholders	39 384	239 824	(83.6)
Adjustments net of taxation:	(5 521)	(101 284)	(94.5)
Loss/ (profit) on disposal of property, plant and equipment	774	(156)	(596.2)
Fair value adjustments on investment properties	(26 304)	(97 196)	(72.9)
Impairment of intangible assets	28 406	-	100.0
Impairment of property, plant and equipment	-	700	(100.0)
Profit on disposal of investment property	(180)	(4 447)	(96.0)
Tax effect	(8 217)	(185)	4 341.6
Headline earnings	33 863	138 540	(75.6)
	31 Mar 2013 (cents)	31 Mar 2012 (cents)	Change %
3			
Earnings, headline earnings and dividends per share			
Earnings per share	5.41	35.08	(84.6)
Diluted earnings per share	5.38	34.84	(84.6)
Headline earnings per share	4.65	20.27	(77.0)
Diluted headline earnings per share	4.62	20.12	(77.0)
Dividends declared per share (cents)	4.15	3.75	(10.7)
Dividends paid per share (cents)	4.15	3.75	(10.7)

4 Property, plant and equipment

During the year the group acquired property, plant and equipment (PPE) at a cost of NAD23.3m (2012: NAD12.1m). The closing net book value of PPE as at 31 March 2013 was NAD179.3m (31 March 2012: NAD160.5m). Disposals at carrying value of NAD7.7m were made (2012: NAD1.3m).

5 Investment properties

During the year the group acquired investment property at a cost of NAD3.4m (2012: NAD1.6m) and recognised a revaluation gain of NAD26.3m (2012: NAD97.1m). The fair value of Investment properties as at 31 March 2013 was NAD344.2m (31 March 2012: NAD318.0m). Disposals at carrying values of NAD1.4m were made (2012: NAD13.0m).

6 Intangible assets

A loss on the impairment of intangible assets was recognised in the current financial period amounting to NAD28.4m (2012: NAD2.4m).

	31 Mar 2013 NAD'000	31 Mar 2012 NAD'000	Change %
7 Mortgage loans advanced			
Loans advanced (including transaction costs)	6 008	-	100.0
Reclassification from other loans	17 536	-	100.0
Payments received	(2 097)	-	(100.0)
Closing balance	21 447	-	100.0

The group has chosen to enter into mortgage loan agreements with certain purchasers of the Lafrenz development. These loans are issued to the borrowers on commercial market-related terms and are subject to credit approval processes by the group.

	31 Mar 2013 NAD'000	31 Mar 2012 NAD'000	Change %
8 Educational loans advanced			
Educational loans advanced at the end of the year	348 853	266 055	31.1
Impairment of loans at the end of the period	(16 439)	(16 136)	1.9
Closing balance	332 414	249 919	33.0
9 Trade and other receivables			
Property sales receivables	155 616	218 001	(28.6)
Other receivables	30 800	33 620	(8.4)
Prepayments	4 303	3 350	28.4
State: other taxes receivable	4 994	8 337	(40.1)
Trade receivables	75 469	54 117	39.5
Total	271 182	317 425	(14.6)

Included in other receivables is an amount of NAD42.1m that relates to royalties due by Econet in Zimbabwe. Trustco has instituted legal action to recover the royalties. Litigation is ongoing, but the directors are confident that the amount is fully recoverable.

	Number of shares 000	Share capital NAD'000	Share premium NAD'000	Total NAD'000
10 Share capital				
Authorised				
As at 31 March 2013: 2 500 000 000 ordinary par value shares of NAD0.23	2 500 000	575 000	-	575 000
As at 31 March 2012: 2 500 000 000 ordinary par value shares of NAD0.23	2 500 000	575 000	-	575 000
Issued and fully paid up				
As at 31 March 2013: 737 142 ordinary par value shares of NAD0.23	737 142	169 545	24 600	194 145
As at 31 March 2012: 707 142 ordinary par value shares of NAD0.23	707 142	162 645	-	162 645

During the year 30 000 000 new shares were issued at a premium of NAD0.82 (par value NAD0.23) (2012: nil).

11 Treasury shares

There were no treasury shares held by the company.

12 Vendor shares

The carrying value of vendor shares as at 31 March 2013 is NAD14.98m (31 Mar 2012: NAD14.98m). This amount is held as a contingent payment on settlement of purchase price to DEX. Total amount of shares to be issued upon settlement of the overdraft facility of NAD 19.4 million, is 4.789 million shares.

13 Borrowings & facilities

A new Domestic Medium Term Note Programme was listed on the JSE to the value of R1bn. The first tranche of bond has, as at 31 March 2013, not yet been issued. The first tranche of the bond will carry a floating rate linked to JIBAR. The value of other borrowings as at 31 March 2013 is NAD329.5m (2012: NAD246m).

	31 Mar 2013 NAD000	31 Mar 2012 NAD000	Change %
14 Trade and other payables			
Trade creditors	13 088	29 823	(56.1)
State: Other taxes due	23 049	30 325	(24.0)
Other payables	11 857	16 206	(26.8)
Put option liability	52 032	52 832	(1.5)
Insurance premiums, brokerage and administered claims payable	29 128	127 137	(77.1)
Total	129 154	256 323	(49.6)

Insurance premiums, brokerage and administered claims payable relate to amounts owing in terms of service contracts under Trustco Financial Services arrangements.

	31 Mar 2013 NAD'000	31 Mar 2012 NAD'000	Change %
15 Amounts due by / (due to) related parties			
Loan due by/ (due to) Next Investments (Pty) Ltd	8 482	(1 413)	(700.3)

The sole shareholder of Next Investments (Pty) Ltd ("Next") is Quinton Van Rooyen, the Group CEO and majority shareholder (53.25%) of Trustco Group Holdings Ltd. The loan to Next is unsecured, bears interest at 9.25% and is repayable in 12 months.

16 Transactions with related parties

Next Investments (Pty) Ltd	(17 075)	(3 318)	414.6
Charter income received	369	69	434.8
Rent received	247	640	(61.4)
Advertising income received	4	-	100.0
Facility fee paid	(4 598)	(3 108)	47.9
Interest paid	-	(919)	(100.0)
Management fees paid	(13 097)	-	100.0

Northern Namibia Development Company (Pty) Ltd ("NNDC")	408	292	39.7
Charter income received	406	282	44.0
Advertising income received	2	10	(80.0)

The sole shareholder of NNDC is Quinton van Rooyen, the Group MD and majority shareholder of Trustco Group Holdings Ltd. Quinton van Rooyen is not directly remunerated by the Group. Dividends received by virtue of his shareholding as well as his interest in Next and NNDC have been fully disclosed to the remuneration committee. Quinton Z van Rooyen (Jnr) is an employee of Next.

In terms of a management agreement with Next Investments, the following is payable annually to Next by Trustco after completion of the financial statement audit:

- 0.5% of Turnover;
- 1% of the headline earnings; and
- 1% of the basic earnings of the company.

If the annual growth of any of the above categories excess inflation by more than 5% then the payment is doubled. The above calculation is halved if this target is not met. Next may elect to waive any or all of its management fees due at the discretion of its management.

17 Profit before tax

This is arrived at after taking into account the following:

Profit on foreign exchange differences	4 078	-	100.0
Audit fees	(3 300)	(1 488)	(121.8)
(Loss)/profit on disposal of property, plant and equipment	(774)	156	(596.2)
Depreciation, amortization and impairment			
- Property, plant and equipment	(8 142)	(6 295)	(29.3)
- Intangible assets	(39 154)	(4 761)	(722.4)
Bad debts written off and provision for doubtful debts	(2 402)	1 726	(239.2)

18 Directorate

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

Name	Position	Appointment	Resignation
J Mahlangu	Director	04 Feb 2013	
R Taljaard	Director	05 Jul 2012	
R McDougall	Director	31 Mar 2013	
A L Bock	Director		31 Mar 2013
M A Gebhardt	Company secretary		30 Nov 2012
D J Steyn	Company secretary	03 Dec 2012	

19 Dividends

The Board of Directors recommended on 2 November 2012 that an interim dividend of 1.90 cents per share be declared for the six months ended 30 September 2012. The dividend was paid on 14 December 2012.

The board of directors recommended that no final dividend for the year ended 31 March 2013 would be declared.

20 Litigation settlements & contingent liabilities

The contract with Econet in Zimbabwe expired during February 2012. The Group has recognised revenue as per the limited data provided by Econet while the legal process to recover damages and outstanding royalties continues. No liability was raised in respect of the insurance premiums for the period 1 June 2011 to 17 February 2012 as the group believes that they do not have a constructive obligation. In addition, no asset was raised as a result of the loss of income for the remainder of the contract period, subsequent to 30 September 2011.

Litigation continues on the above matter and during the 2013 financial year various legal opinions were sought on the recoverability of the claims as well as the merits of a possible obligation arising to Econet. Based on these opinions, the group has not chosen to impair the related financial asset or quantify any possible obligation.

21 Business combinations

On the 3rd June 2013, the group acquired the rights to various leased premises, accompanying staff and PPE from Real People (Pty) Ltd. In terms of IFRS 3: Business Combinations, the acquisition meets the definition of a business combination. The business which forms a set of integrated branch outlets and skilled workforce across South Africa was acquired to increase the presence of the group in South Africa and facilitate sales of Trustco products through direct outlets.

The Group will settle the transaction with 2 equal payments for R4.1m and a third and final payment to be determined based on the actual transfer date value of all the agreed assets and obligations less the difference between R9m and the actual monthly operating expenses of the entity for the months of June and July 2013, the value of such final payment is expected to be similar to the first two payments. All consideration is by way of a cash settlement.

Condensed Segmental Analysis

for the year ended 31 March 2013

	Micro insurance (Namibia) NAD '000	Micro Finance NAD '000	Property NAD '000	Zimbabwe NAD '000	South Africa NAD '000	Group NAD '000	
2013							
Segment revenue	-	141 642	236 010	499	175 717	553	868
Inter segment revenue	-	-	(109 339)			(109)	339)
	-	141 642	126 671	499	175 717	444	529
Insurance income	150 013	-	-	-	697	150	710
External revenue	150 013	141 642	126 671	499	176 414	595	239
Segment result	49 374	18 401	62 008	(1 169)	(55 614)	73	000
Inter segment	17 624	9 377	(43 317)	-	(17 299)	(33)	615)
Profit for the year	66 998	27 778	18 691	(1 169)	(72 913)	39	385
Segment assets	170 559	455 649	675 102	49 889	181 728	1 532	927
Segment liabilities	106 809	307 898	137 178	-	12 912	564	797
Capital expenditure	4 969	5 797	21 202	-	4 761	36	729
Depreciation	1 923	2 244	2 299	-	1 676	8	142

Impairment losses	-	-	-	-	28	406	28	406
Amortisation of intangible assets	1 238	1 892	1 444	3 199	2	975	10	748
2012								
Segment revenue	-	114 566	211 514	29 076	309 654	664	810	
Inter segment revenue	-	-	(77 808)	-	-	(77	808)	
	-	114 566	133 706	29 076	309 654	587	002	
Insurance income	126 302	-	-	-	-	126	302	
External revenue	126 302	114 566	133 706	29 076	309 654	713	304	
Segment result	77 814	39 870	161 693	22 819	7 033	309	229	
Inter segment	(17 932)	(14 428)	(38 441)	-	1 396	(69	405)	
Profit for the year	59 882	25 442	123 252	22 819	8 429	239	824	
Segment assets	153 547	346 943	723 444	32 449	263 706	1 520	089	
Segment liabilities	110 238	217 334	154 442	-	124 770	606	784	
Capital expenditure	11 550	15 475	46 475	-	-	73	500	
Depreciation	1 517	1 811	1 875	-	1 092	6	295	
Amortisation of intangible assets	2 203	1 274	984	-	300	4	761	

22. Notice of AGM

The full integrated report including a notice of annual general meeting will be uploaded on the Company's website tomorrow, 27 June 2013 and posted to shareholders of the Company who were recorded as such in the Company's securities register on Friday, 21 June 2013.

Notice is hereby given to shareholders 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 Wednesday, 25 September 2013 at 12:00 to deal with such business as may lawfully be dealt with at the meeting in the manner required by the Companies Act, 28 of 2004 (as amended), as read with the Listings Requirements of JSE Limited ("JSE Listings Requirements"), which meeting is to be participated in and voted at by shareholders recorded in the company's securities register on the record date of Friday, 13 September 2013. Shareholders are advised of the following applicable dates, last date for lodging forms of proxy for South African shareholders is Friday 20 September 2013 at 17H00 and Monday 23 September 2013 at 12H00 for all other shareholders. The last date to trade to be eligible to vote is Friday 6 September 2013.

By order of the board

DJ Steyn
Company Secretary

26 June 2013

JSE Sponsor
Sasfin Capital
(a division of Sasfin Bank Limited)

NSX Sponsor
IJG (Pty) Limited

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