TRUSTCO
oshi li nawa | it's all good

integrated annual report

and audited financial statements 2021

INVESTMENT **PROFILE**

TRUSTCO
oshi li nawa | it's all good

- MARKET CAPITALISATION NAD 2.7 BILLION
- NET ASSET VALUE NAD 2 BILLION

Trustco is a diversified, triple listed majority family owned and multiple award-winning investment group with a culture of creating long-term sustainable growth for all stakeholders. Decisions are biased towards long-term value creation and short- term hurdles are viewed as catalysts to drive success. The company primarily invests in high quality, world class assets in the financial services and resources industries.

· Return on equity over 10 years	**7.7%**
· Share price annual growth over 10 years	**5.5%**
· Growth in net asset value per share over 10 years	**1.3%**
· Average return on assets over 10 years	**4.6%**
· Average price earnings ratio over 10 years	**8.09**

FINANCIAL SERVICES

- NET ASSET VALUE NAD 0.8 BILLION

Trustco's Financial Services is a large-scale full spectrum financial services provider with primary operations in banking, lending and insurance with other investments being in real estate and education businesses. These investments are the traditional mainstay of the group with established commercial operations dating back to the founding of Trustco.

INSURANCE AND ITS INVESTMENTS

- NET ASSET VALUE NAD 1.2 BILLION

Insurance and its investments consist of the insurance division and its underlying investments, which includes Trustco Properties and the Institute for Open Learning. The insurance division offers a diversified range of financial and risk products to individuals and SMEs in Namibia and is the holder of short- and long-term insurance licences. The property division invests mostly in mixed-use land development, construction and the management thereof to contribute meaningfully to the high public demand for serviced land and housing for Namibians from all walks of life. The education division dedicates its resources, energy and passion to make education accessible to working students and students in the rural areas of Namibia.

BANKING AND FINANCE

- NET ASSET VALUE NAD 0 BILLION

Banking and finance comprise of a fully-fledged bank, Trustco Bank Namibia, with innovative banking products which promotes economic development and caters to the banking needs of individuals and businesses alike. Trustco Finance provides financial assistance for educational and training purposes ensuring an optimal structure where profits and social investment are aligned, whilst Trustco Capital provides long-term financing in the form of property advances.

RESOURCES

- NET ASSET VALUE NAD 1.2 BILLION

Trustco Resources was established in 2015 to pursue opportunities within the natural resources sector. Its focus during the last six years has been on the diamond industry and the establishment of a first class international diamond mining operation, which is now set to mature into extraordinary shareholder value.

INDUSTRY	OPERATIONS	SHAREHOLDING
LONG- AND SHORT-TERM INSURANCE	TRUSTCO life; TRUSTCO insurance	80%
REAL ESTATE	TRUSTCO properties	80%
EDUCATION	I·O·L Institute for Open Learning	100%
BANKING	TRUSTCO BANK NAMIBIA	100%
FINANCE	TRUSTCO Finance	100%
FINANCE	TRUSTCO CAPITAL	100%
RESOURCES	TRUSTCO RESOURCES	98.7%
RESOURCES	MORSE INVESTMENTS	100%
RESOURCES	HUSO INVESTMENTS	100%
DIAMOND MINING	MEYA mining	65%
DIAMOND MINING	Northern Namibia Development Company (Pty) Ltd.	100%

NAVIGATION **TOOLS**

ADDITIONAL INFORMATION

BANKING AND FINANCE

GO ONLINE

INCREASE

STAKEHOLDERS

CORPORATE GOVERNANCE

DECREASE

FINANCIAL PERFORMANCE

FINANCIAL SERVICES

INSURANCE AND ITS INVESTMENTS

RESOURCES

SAME

SHARED SERVICES

ABOUT THIS **REPORT**

SCOPE AND BOUNDARY

The 2021 integrated annual report addresses Trustco's stakeholders and presents the group's business performance, goals and strategy in a balanced and objective way, in line with international best practices. In addition, it conforms to other international and local statutory and reporting frameworks, including the Listings Requirements (LR) of the JSE Limited (JSE) and the Namibian Stock Exchange (NSX).

The group audited annual financial statements (presented elsewhere in this report) were prepared in terms of the International Financial Reporting Standards (IFRS) and comply with the South African Institute of Chartered Accountants (SAICA) financial reporting guides as issued by the Accounting Practices Committee, financial reporting pronouncements as issued by the Financial Reporting Standards Council and in the manner as required by the Companies Act of Namibia and the Companies Act of South Africa, as amended, as far as applicable. This report is available online on the group's website at **www.tgh.na** in portable document format (pdf).

MATERIALITY

Trustco defines materiality as both financial and non-financial information, which it considers to be of significant interest to current and prospective investors and any other stakeholders who wish to make an informed assessment of the ability of the group to generate value over the short-, medium- and long-term.

The report has been prepared for the 11 month period from 1 October 2020 to 31 August 2021. Any informative and material information after 31 August 2021 has been included and is identified in the report where applicable.

ASSURANCES AND APPROVAL

It is the responsibility of the group board of directors to ensure the integrity of the group integrated annual report. The board, assisted by the audit and risk committee, approved this report and has taken steps to ensure the integrity of its content. Combined assurance oversight and monitoring from internal assurance providers includes the board and the relevant board committees, executive and senior management as well as the internal audit function. In Sierra Leone, Baker Tilly is the appointed internal auditor.

External assurance providers include oversight from the external auditors and the sponsors of the JSE and NSX. The annual financial statements were audited and signed by the group JSE accredited external auditors, Nexia SAB&T South Africa. Apart from the group auditors, Moore Sierra Leone and Moore Mauritius provided external assurance to the board in respect of the Sierra Leone and Mauritius operations. The board acknowledges that save for the disclosures set out in the report and to the best of their knowledge the company is in compliance with the Companies Act and relevant laws of establishment specifically relating to its incorporation. The company operates in conformity with its memorandum.

STATEMENT OF THE BOARD OF DIRECTORS OF TRUSTCO GROUP HOLDINGS LIMITED

The board, supported by the relevant board committees, acknowledges its responsibility to ensure the integrity of the integrated annual report. The board has applied its collective mind to the integrated annual report and is of the opinion that the report addresses all material issues and matters and fairly presents the group's integrated performance. The board unanimously approved this report and authorised its release.

ADV RAYMOND HEATHCOTE SC
CHAIRMAN AND INDEPENDENT
NON-EXECUTIVE DIRECTOR

DR QUINTON VAN ROOYEN
GROUP MANAGING DIRECTOR
AND CEO

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DIRECTORATE

CHAIRMAN'S **LETTER**

DEAR SHAREHOLDERS,

The past two years could be described as among the most turbulent in not only Namibian, but also world history. With the global pandemic sending shockwaves that rippled through every facet of our lives – either through illness, the loss of loved ones, or a loss of income as its economic effects permeated – we saw our existing economic and social systems tested. Yet the efforts to contain the pandemic brought into sharp relief the strength of nations working as one, with scientific breakthroughs, unprecedented measures to society to protect the weak and vulnerable, and the courage of the medical community working on the front lines in the fight against COVID-19. They showed us that perseverance will always reveal a way forward. Currently, it seems it will come down to increased vaccine rollouts to diminish the effects of further waves and to ensure economies can fully open with productivity levels returning to normal.

The pace of global economic recovery is closely tethered to the speed and efficacy of the vaccination programmes. As Mr Ruchir Agarwal and Ms Gita Gopinath stated in an IMF report in May 2021, "Pandemic policy is also economic policy as there is no durable end to the economic crisis without an end to the health crisis." Until all of us are protected, the risk remains that we undo the tremendous gains made in developing and rolling out vaccines for all.

Although the world has changed, Trustco's place in it has not. Our vision and value proposition remain relevant, as creating wealth for all stakeholders becomes even more crucial as we as a nation and a world work towards recovering from the pandemic.

We have all been affected by the pandemic in different ways, but we're nevertheless still living together in the same world. Our shared experience will unify us as we take the first steps into a future where we recognise and appreciate the interdependency of our families, our nations and our economies.

A NEW WAY FORWARD

Trustco's board recognised this early and moved to ensure the group transitions from merely being resilient and withstanding shocks, to growing and improving in the wake of the pandemic. The board realised the need for understanding, empathy and relevant advice across all our stakeholder groups, to continue to work towards sustainable wealth creation for our stakeholders.

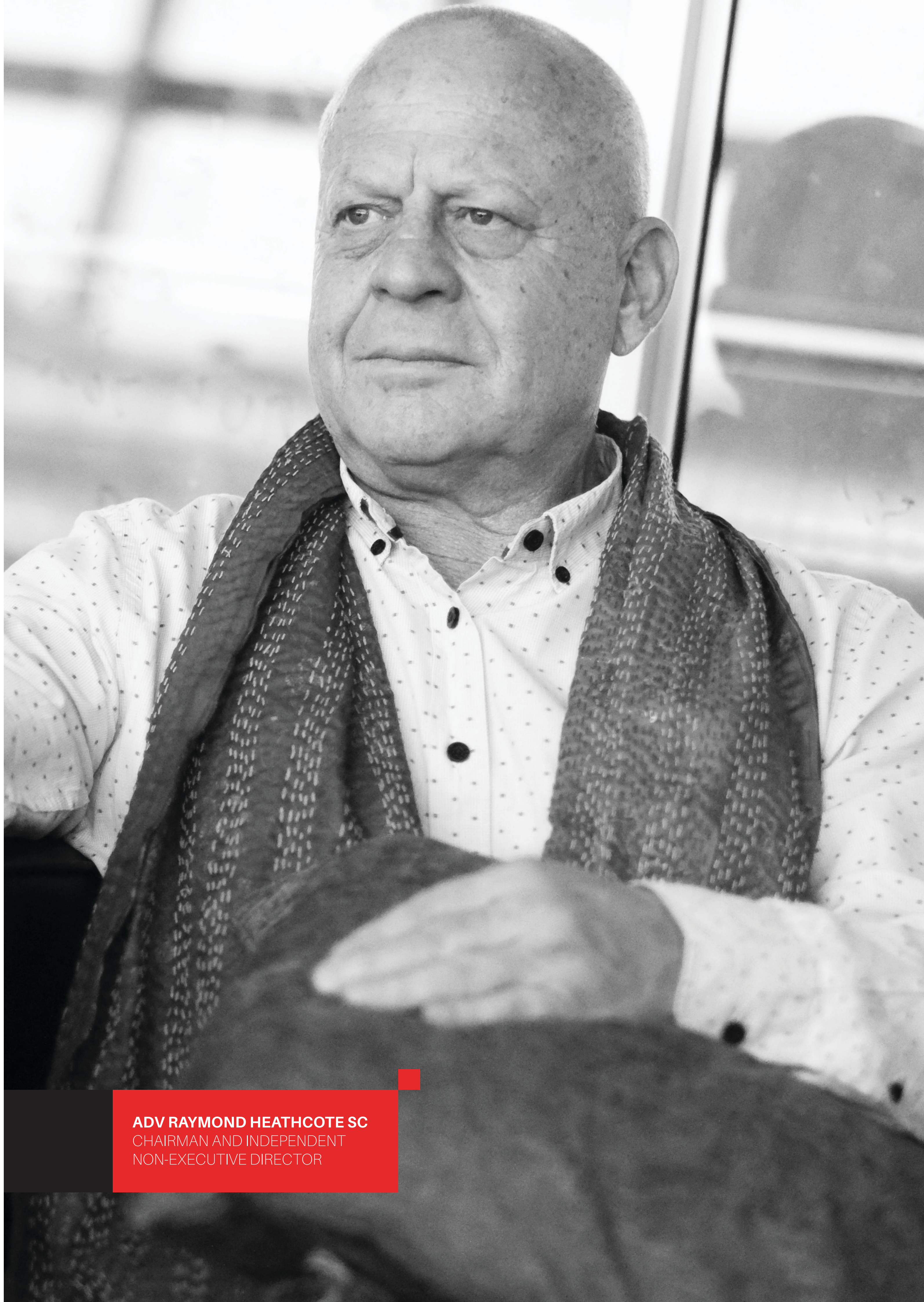
Focused on re-evaluating our priorities as individuals, a board and a group, we engaged in a rethink of how we live, work and engage with people. As a result, the board and management spent countless hours:

- Identifying and changing outdated patterns of thinking;
- Refocusing priorities;
- Realigning our corporate vision;
- Adapting to our changed environment;
- Refocusing on Environmental Social Governance (ESG) sustainability; and
- Ultimately embracing needed change.

We, the board, concentrated on the following:

1. Operational efficiency: Management worked tirelessly on streamlining processes, doing away with inefficiencies, making the hard decisions and doing the necessary to reduce costs.
2. Change as its constant: As a board, the choice between adopting and adapting to change, or stagnation, is a non-starter. The board owes it to its stakeholders to remain relevant to our clients by striving to stay ahead of imminent changes.
3. Seize opportunities: The board focused on opportunities for post-pandemic positioning, which comes with its share of challenges. Yet without risk, there can be no reward.
4. ESG: Trustco operates in a highly regulated environment and ESG has become more and more important. It has become a central element of the board's decision making process.

A trend globally is an increasingly onerous regulatory environment. Trustco will keep working with the relevant local and international regulators, as well as our consultants, to understand how we can best comply with the letter and the spirit of new regulations. We will continue to ensure our board sustains the skills and diversity that are essential for effective oversight of a large, global investment group and will not abdicate our responsibilities with regards to governance.



ADV RAYMOND HEATHCOTE SC
CHAIRMAN AND INDEPENDENT NON-EXECUTIVE DIRECTOR

CHAIRMAN'S **LETTER** (CONTINUED)

PROSPECTS

The operating environment in Namibia has been tough the last few years. With hardly any economic growth, we choose to remain focused on streamlining our investee companies to increase profitability while contributing to the economy and the country.

With the board's strategic clarity enhanced by management's focused execution, priorities were shifted, with a bold and concentrated weight placed on sustainability. During this financial period, process management has been improved, with emphasis on productivity. COVID-19 in particular has accelerated the group to move client service to digital platforms much faster, with management immersed with digital strategies that have served to improve the group's capabilities, enhanced efficiency and drove faster innovation to create value for all stakeholders.

Due to these actions, the board believes that, despite the numerous external challenges, its investee companies are suitably positioned to capitalise on any improvement in operating conditions. We have largely addressed these issues and look forward to a better contribution from the investee companies in the foreseeable future.

Although Trustco continues to trade at a sizeable discount to its intrinsic value, the board remains focused on creating wealth for stakeholders by growing its underlying investee companies and pursuing value-unlocking initiatives wherever possible. The world is changing and Trustco must change with it.

THANKS

A sincere thank you to Trustco's employees, management teams and the board for the way in which you adapted and rose to the challenges brought about by the COVID-19 pandemic. You are a testament to the Trustconian spirit we've seen develop over the past decade and an example for other corporates to follow.

To our clients and customers, thank you for your continued support. We will continue to improve our products and services to ensure you continue to receive the excellent service you've come to expect from us.

Lastly, we would like to thank our loyal shareholders. It was a challenging year and we hope to return to delivering exceptional returns for you in future.

What worked before will not necessarily work again, nor will it work forever. We are entering a new age, where change is the only constant. The board remains excited about Trustco's future, with scores of new opportunities on the horizon. I am proud to be the chairman of a board who embraces change and see obstacles as opportunities.

Sincerely,

RHeathcote

ADV RAYMOND HEATHCOTE SC
CHAIRMAN OF THE BOARD AND
INDEPENDENT NON-EXECUTIVE DIRECTOR

MANAGING DIRECTOR'S **LETTER**

DEAR SHAREHOLDERS,

This has been one of the most challenging years for our investee companies, specifically due to the COVID-19 pandemic, and the associated macroeconomic situation they found themselves in. We say this not in mitigation, but to record this fact into the historical record. Trustco turns thirty on 21 August 2022, and while this diversified, triple listed majority family owned investment group has and will always have a culture of creating long-term sustainable growth for all stakeholders, the group has already welcomed the second generation of our Trustconians' family into its ranks.

Children of Trustconians born during the group's ascent are now entering the workforce and Trustco stands ready to welcome them, as it too is in the midst of transforming itself for a new generation. Trustco has always embraced change. Change in Trustco is not only an unshakeable constant, but is the DNA of innovation, wealth creation and entrepreneurship, and a key representative element of the group's board, management and employees.

Since our first listing on the NSX in 2006, through our listing as first Namibian company on the JSE Africa Board in 2009, and continuing all the way to the present day, Trustco could not remain static. The entrepreneurial roots of the group not only encouraged, but also demanded changes – to the markets in which we operate, our funding mechanisms, even to the way our investee companies operate. Change is the lifeline and daily routine within Trustco.

In the last two years, the world changed as well. COVID-19 transformed our world – our markets, our stakeholders and the way business is done. Trustco's culture of change stood us well and accelerated our change from within. We rid ourselves of the old patterns of thinking and charted a new course for the group.

THE COVID-19 PANDEMIC

The COVID-19 pandemic initiated a series of lockdowns. This proved to be the catalyst of the initial changes that would reverberate throughout the group. Trustco had its first fully online-only board meetings, and management moved to online meetings immediately, proving that we had the capability to operate in a digital environment.

Our investee companies, similarly, had to adapt. While internal processes continued to function smoothly, the lockdowns demanded that we change the way we engage with our clients. All the financial services investee companies spearheaded digital initiatives to eliminate any in-person-only client interactions.

Online client onboarding procedures as well as online client services became of paramount importance, with several innovative solutions rolled out in the various investee companies, which resulted in knock-on effects that increased operational efficiency as well as reduced operational footprints without affecting continuing operations.

Yet, that was not the only effect the COVID-19 pandemic had – our employees were affected as well. Eighty-nine of our employees contracted COVID-19 since the start of the pandemic, with two deaths recorded, while the rest recovered. Trustco could not simply let the pandemic run roughshod amongst our employees, and the group implemented not only a comprehensive coronavirus policy, but also enforced a compulsory office lockdown on our employees during every COVID-19 wave as part of our protective measures.

We were thus quite heartened when the national vaccination drives were initiated in the several countries where our investee companies operate and resolved to encourage and enable our Trustconians to get vaccinated and protect not only themselves, but their colleagues and families as well. Trustco hosted a public vaccination site and was singled out by the First Lady of Namibia as a corporate example that should be emulated as the wealth and health of the nation matters most.

To date, the group as a whole has had 75% of employees receive at least a first dose of the vaccine, with 59% fully vaccinated. At Trustco's head office and Cape Town offices the numbers are even higher – 80% and 83% fully vaccinated. However, Namibia as a whole still suffers from low vaccination rates, with only 28.3% of the eligible population having had their first vaccination, and 24.2% fully vaccinated to date.

THE NAMIBIAN ECONOMIC SITUATION

Unfortunately, it was not only Trustco that was affected by the pandemic. The overall Namibian economy, already struggling with a recession for the past few years and an eight year continuous drought, closed out 2020 with a contraction of 8.5%. With the effect reverberating across the entire economy, Trustco could not escape the impact it had on our clients and other stakeholders. The effect of the pandemic carried over into the 2021 year, with a contraction of 2.5% posted in the first quarter, minimal growth of 1.6% reported in the second quarter of 2021, and growth of 2.4% in the third quarter.

The effect was felt differently across our investee companies. The education unit could capitalize on the drive towards online education and continue to provide the high standard of service its students expected as well as enrol new students. Consequently, student loans were provided by the banking business, in concert with funding provided from international funders.

The insurance unit managed to curb any significant reduction in policyholders, but saw notable increases in death claims during Namibia's third wave, while the real estate unit found an uptick in business at the tail end of the pandemic, as lockdowns were lifted, and more clients came to value affordable and quality housing in the aftermath of said lockdowns.

Across all our investee companies the intersection of the economy and Trustco's current structure presented itself in the same way – with well-performing, world-class assets recorded at below its intrinsic value.

TRUSTCO'S LISTED ENVIRONMENT

With Trustco listed on the Johannesburg Stock Exchange, the group could not escape the vagaries of the South African economy either. The JSE All Share Index saw a significant decline during the first month of the pandemic, and Trustco's share price dropped in concert with the market, without recovering afterwards.

The South African economy overall saw a contraction of 6.4% for the year 2020, with a contraction of 2.6% in the first quarter of 2021, and only saw an increase of 19.3% in the second quarter, which contrasts with the contraction of 16.8% the year before, then moderating to 3% in the third quarter. South Africa continued to see headwinds, both politically and economically. During July, the political situation came to a head as major metropolitan areas saw rioting and the destruction of property, while the national electricity supplier indicated a continuation of load shedding, halting the economy in its tracks.

It should therefore come as no surprise that the JSE saw an increase in companies delisting, with 19 occurring in 2020, and more than 21 by September 2021 already, with most citing the cost of compliance and quality of regulation. With market participants growing increasingly risk-averse, the majority of trading has moved into the top 50 companies of the exchange, leaving little room for mid-tier entities to grow – with the top 10 companies on the exchange making up almost 60% of the All Share Index by weight. Taking into account the above, the group has examined other international exchanges to list on, specifically looking towards regions where the group's current funding already originates from.

Trustco remains committed to operate in a listed environment, as the regulations of a listed environment provide protection for all shareholders. The open market enabled by such a listing provides additional benefits that include staff retention *via* share incentives, the ability to raise capital for smaller, select ventures, as well as providing an exit strategy for shareholders.

MANAGING DIRECTOR'S **LETTER** (CONTINUED)

RECORDS REACHED

This integrated report and financial statements of Trustco and its investee companies represent the efforts of scores of individuals working tirelessly to provide the users of this report and its statements with the most accurate data possible. Stakeholders are urged to peruse its contents. It is in the details provided here that the true strength of Trustco's investments, operations and assets are on display.

Trustco did manage to break a few records this year. For the first time, Trustco posted losses in two consecutive financial years, totalling NAD 1.3 billion. Since April 2019, Trustco's staff complement has reduced by two hundred and sixty nine (269) employees due to restructuring within the investee companies, another record. By the end of the reporting period, it had been five years since Trustco last made a major corporate acquisition, an indication of the economic environment surrounding us.

Due to the revaluation of our real estate portfolio, and the fluctuations in the exchange rate pertaining to our substantial mining assets, this also marks the first year that the value of the group's investments outside Namibia are greater than the value of its investments within Namibia's borders. It also marks the fifth year that Trustco had not raised any borrowings locally, with all funding coming from foreign sources. As a result, the group's Namibian borrowings dropped below 6% of total borrowings, the lowest it has been since the group's inception 29 years ago. Still, the group raised USD 20 million in foreign funds to deploy in Namibia *via* its student lending unit during the reporting period, despite the recession and the impact of the pandemic.

In the upcoming year, the group will reach even more records. For the first time, the group plans to monetise one of its major foreign investments, maintaining only a minority interest in its mining activities in Sierra Leone. The value of that transaction, amounting to USD 150 million, will be more than the group's current market capitalisation – another record!

CHANGE REQUIRES ACTION

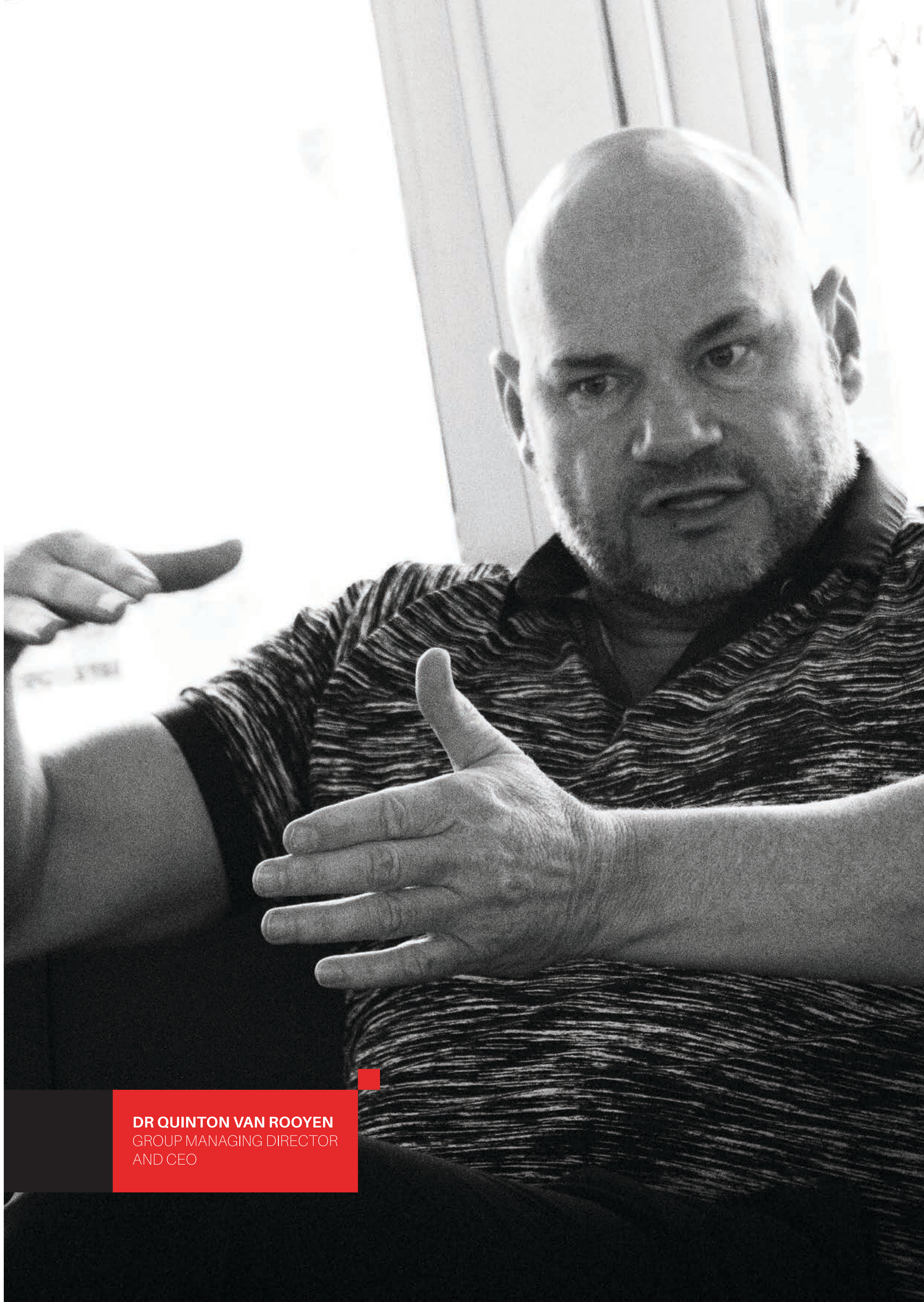
Talk without action, however, is merely a dream. Acting on plans, however, can change the world. Trustco, as we've said before, has always embraced change, as we'd like to thank the board and our management team for the change they've spearheaded throughout this year and the actions they've taken to ensure the group never becomes complacent. For 25 years of Trustco's 29 years of investing in high-growth assets in Africa, the group had recorded above-average returns.

With Trustco's complete combination of motivated staff, exceptional assets, substantial reserves and the experience of its management team to withstand the harshest of economic cycles, a return to growth is not only inevitable – it is expected! With only a little bit of optimism, in both our region and our country, and soon our many investors interest in Trustco and its investee companies will once again reflect its intrinsic value. To our stakeholders and employees – thank you as well! Your pain is our pain! Only with you supporting and vigorously enabling these changes can Trustco remain the beacon for sustainable wealth creation in Africa. The only thing that has ever changed the world, is a small group of thoughtful people taking action.

Let us, together, be those thoughtful people.

Sincerely,

DR QUINTON VAN ROOYEN
GROUP MANAGING DIRECTOR
AND CEO



DR QUINTON VAN ROOYEN
GROUP MANAGING DIRECTOR
AND CEO

BOARD OF **DIRECTORS**

ADV RAYMOND HEATHCOTE SC (58)

INDEPENDENT NON-EXECUTIVE DIRECTOR
Namibian Citizen

APPOINTED
29 September 2010

QUALIFICATIONS
BA
LLB

ROLE AT THE COMPANY
- Chairman of the board of directors of Trustco Group Holdings Ltd
- Chairman of the nomination committee of Trustco Group Holdings Ltd

EXPERTISE AND EXPERIENCE
Advocate Heathcote is an admitted advocate of the High Court of Namibia and was an acting judge of the High Court of Namibia in 2005, 2007, 2009 and 2011. He is also an admitted advocate in South Africa. Several of his judgments have been reported in both the Namibian and South African Law Reports. Adv Heathcote is a member of the Society of Advocates and was honoured by being appointed as senior counsel in 2009. Adv Heathcote previously served as the president of the Society of Advocates and president of the Law Society of Namibia.

WINTON JOHN GEYSER (61)

INDEPENDENT NON-EXECUTIVE DIRECTOR
Namibian Citizen

APPOINTED
29 September 2010

QUALIFICATIONS
BCompt
BCompt (Hons)
CA (SA)

ROLE AT THE COMPANY
- Member of the board of directors of Trustco Group Holdings Ltd
- Chairman of the audit and risk committee of Trustco Group Holdings Ltd
- Member of the remuneration and nomination committee of Trustco Group Holdings Ltd
- Chairman of the board of directors of Legal Shield Holdings Ltd
- Chairman of the board of directors of Trustco Life Ltd
- Chairman of the board of directors of Trustco Insurance Ltd
- Member of the audit and risk committee of Legal Shield Holdings Ltd
- Member of the remuneration and nomination committee of Legal Shield Holdings Ltd
- Member of the board of directors of Trustco Bank Namibia Ltd
- Chairman of the audit and risk committee of Trustco Bank Namibia Ltd
- Member of the remuneration and nomination committee of Trustco Bank Namibia Ltd

EXPERTISE AND EXPERIENCE
Mr Geyser is a member of the South African Institute of Chartered Accountants. He completed his articles with the audit firm Deloitte Haskins & Sells (now Deloitte) and later joined their financial management services division. Since then he has performed accounting, taxation and consultancy work and has held various senior positions, such as the general manager finance at Agra (Co-op) Ltd and the financial director of M Pupkewitz & Sons. Mr Geyser currently holds the position of group managing director of Epic Holdings (Pty) Ltd and various other directorships of Namibian companies.

RENIER JACOBUS TALJAARD (62)

INDEPENDENT NON-EXECUTIVE DIRECTOR
Namibian Citizen

APPOINTED
5 July 2012

QUALIFICATIONS
BEcon
FCII
FIISA

ROLE AT THE COMPANY
- Member of the board of directors of Trustco Group Holdings Ltd
- Member of the audit and risk committee of Trustco Group Holdings Ltd
- Chairman of the remuneration committee of Trustco Group Holdings Ltd
- Member of the nomination committee of Trustco Group Holdings Ltd
- Member of the social and ethics committee of Trustco Group Holdings Ltd
- Member of the board of directors of Legal Shield Holdings Ltd
- Member of the board of directors of Trustco Life Ltd
- Member of the board of directors of Trustco Insurance Ltd
- Member of the audit and risk committee of Legal Shield Holdings Ltd
- Chairman of the remuneration committee of Legal Shield Holdings Ltd
- Member of the nomination committee of Legal Shield Holdings Ltd
- Chairman of the board of directors of Trustco Finance (Pty) Ltd

EXPERTISE AND EXPERIENCE
Mr Taljaard has vast experience, of more than 32 years, in both the short- and long-term insurance industries. After completing his FCII studies, Mr Taljaard was admitted as a fellow member of the Insurance Institute of South Africa and Namibia. He held various senior positions within the industry including managing director at Swabou Insurance, Nasria, Harvest Reinsurance Company, Trustco Insurance Ltd and Trustco Life Ltd. He served on the board of Trustco Insurance Ltd from 2000 to 2006, was appointed to the board of Trustco Group Holdings Ltd in 2012 and to the board of Trustco Insurance Ltd and Trustco Life Ltd as an independent non-executive director in 2013. In 2018 he was appointed to the board of directors of Trustco Finance (Pty) Ltd.

RICHARD MARNEY (67)

INDEPENDENT NON-EXECUTIVE DIRECTOR
British Citizen

APPOINTED
25 March 2021

QUALIFICATIONS
BA (History and Economics)
Master of Arts

ROLE AT THE COMPANY
- Member of the board of directors of Trustco Group Holdings Ltd
- Member of the audit and risk committee of Trustco Group Holdings Ltd
- Member of the remuneration committee of Trustco Group Holdings Ltd
- Chairman of the social and ethics committee of Trustco Group Holdings Ltd

EXPERTISE AND EXPERIENCE
Mr Marney is a British citizen who has a broad and varied 45 year career in emerging markets banking, investing, economics and asset management. He has been involved in senior level business development, risk management, fundraising and operating roles in commercial and investment banking, micro-finance, impact investment asset management and private equity while working in globally recognised financial services organisations. Mr Marney has extensive experience on global company boards as well as investment and advisory committees across a broad range of sectors and regions. He has a strong track record in the design and execution of global financial strategies, broadening investor bases and enhancing liquidity. Mr Marney currently resides in Malaysia but serves on various boards globally, including the African Guarantee Fund (Mauritius) and the Mikro Kapital Group (Luxembourg), as well as acting as a Senior Advisor – Risk Management of ResponsAbility (Zurich) where he previously served as the Head of Risk Management.

BOARD OF **DIRECTORS** (CONTINUED)

JANENE VAN DEN HEEVER (50)

INDEPENDENT NON-EXECUTIVE DIRECTOR
Namibian Citizen

APPOINTED
1 November 2021

ROLE AT THE COMPANY
- Member of the board of directors of Trustco Group Holdings Ltd
- Member of the board of directors of Trustco Life Ltd
- Member of the board of directors of Trustco Insurance Ltd
- Member of the board of directors of Legal Shield Holdings Ltd
- Chairman of the audit and risk committee of Legal Shield Holdings Ltd
- Member of the remuneration and nomination committee of Legal Shield Holdings Ltd

EXPERTISE AND EXPERIENCE
Ms van den Heever, a Namibian citizen, is currently the managing member of a manufacturing business in Windhoek, Namibia. Ms van den Heever has more than 13 years' experience in the corporate business environment on both management and executive level. She was previously employed by Trustco until March 2013, where she served as executive director and also on the group executive committee. As head of the Namibian operations she was responsible to oversee the successful implementation of the group's strategy and thereby has notable insight on the practical objectives and operations of the group. She started a new business venture in 2013, which she has successfully managed to date. Ms van den Heever has demonstrated exceptional experience in business management, including formation, operations, finance and systems. In 2018, Ms van den Heever was appointed as independent non-executive director to the financial services entities of Trustco. She also serves as a director on the boards of various other companies in Namibia.

DR QUINTON VAN ROOYEN (56)

EXECUTIVE DIRECTOR AND GROUP MANAGING DIRECTOR/CEO
Namibian Citizen
Acquired Trustco in 1992

QUALIFICATIONS
BJuris
LLB
DBL (Honoris Causa)
Business Leadership and Entrepreneurship (IUM)

ROLE AT THE COMPANY
- Member of the board of directors of Trustco Group Holdings Ltd
- Member of the board of directors of various entities in the Trustco Group

EXPERTISE AND EXPERIENCE
Dr van Rooyen's business acumen, skill and leadership are the determining factors that have transformed the group into a successful triple listed entity. His creative approach to life makes the mundane extraordinary. He has a fearless attitude towards challenges that makes him an easy leader to follow. His talent and passion is to create products and services that are sustainable, socially responsible and that will yield extraordinary wealth for stakeholders by harnessing opportunities in Namibia and throughout Africa.

FLOORS JACOBUS ABRAHAMS (46)

EXECUTIVE DIRECTOR AND GROUP FINANCIAL DIRECTOR
Namibian Citizen

APPOINTED
22 August 2006

QUALIFICATIONS
BCom

ROLE AT THE COMPANY
- Member of the board of directors of Trustco Group Holdings Ltd
- Member of the board of directors of various entities in the Trustco Group

EXPERTISE AND EXPERIENCE
Mr Abrahams completed his articles in 1999. During this period, he accumulated experience in the financial sector and serviced various audit clients. Mr Abrahams was appointed as group financial manager of Trustco in 2000 and subsequently group financial director in 2006. Mr Abrahams assumed the role of group treasurer in 2013. He was re-appointed as group financial director on a full-time basis in 2017, a position he holds to date.

QUINTON ZANDRÉ VAN ROOYEN (35)

DEPUTY CEO AND ALTERNATE DIRECTOR TO THE GROUP MANAGING DIRECTOR
Namibian Citizen

APPOINTED
9 May 2016

QUALIFICATIONS
BCom (Law)
LLB

AWARDS
2014: Ranked the "Fittest Man in Africa" at the CrossFit Games held in South Africa
2014: Ranked 42nd in the international Reebok CrossFit Games "Fittest on Earth"
2014: Inducted into the prestigious Namibian Business Hall of Fame, under the auspices of Junior Achievement Namibia and the Namibian Chamber of Commerce and Industry

ROLE AT THE COMPANY
- Alternate director to the group managing director of Trustco Group Holdings Ltd
- Member of the board of directors of various entities in the Trustco Group

EXPERTISE AND EXPERIENCE
Mr van Rooyen joined Trustco in 2010 after the completion of his studies with the main purpose of gaining experience in the group. Showing a natural flair for business, he thereafter took up a position within the finance and education divisions in 2011 specialising in determination and execution of strategy, including focusing on and developing acquisitions within the division. Mr van Rooyen was appointed as head of the Namibian operations in 2013 and was subsequently appointed to serve on various boards of subsidiaries within Trustco. In November 2014 he took charge of the insurance and its investments segment and following his success therein was appointed as head of group business in October 2015. He currently holds the position of group head of the financial services entities in addition to his role as deputy CEO of the group and alternate director to the group managing director.

CHAPTER

two

INVESTMENT PROFILE

WHO **WE ARE**

Trustco is a diversified, triple listed majority family owned investment group with a culture of creating long-term sustainable growth for all stakeholders. Decisions are biased towards long-term value creation and short-term hurdles are viewed as catalysts to drive success. The company primarily invests in high quality, world class assets in the financial services and resources industries.

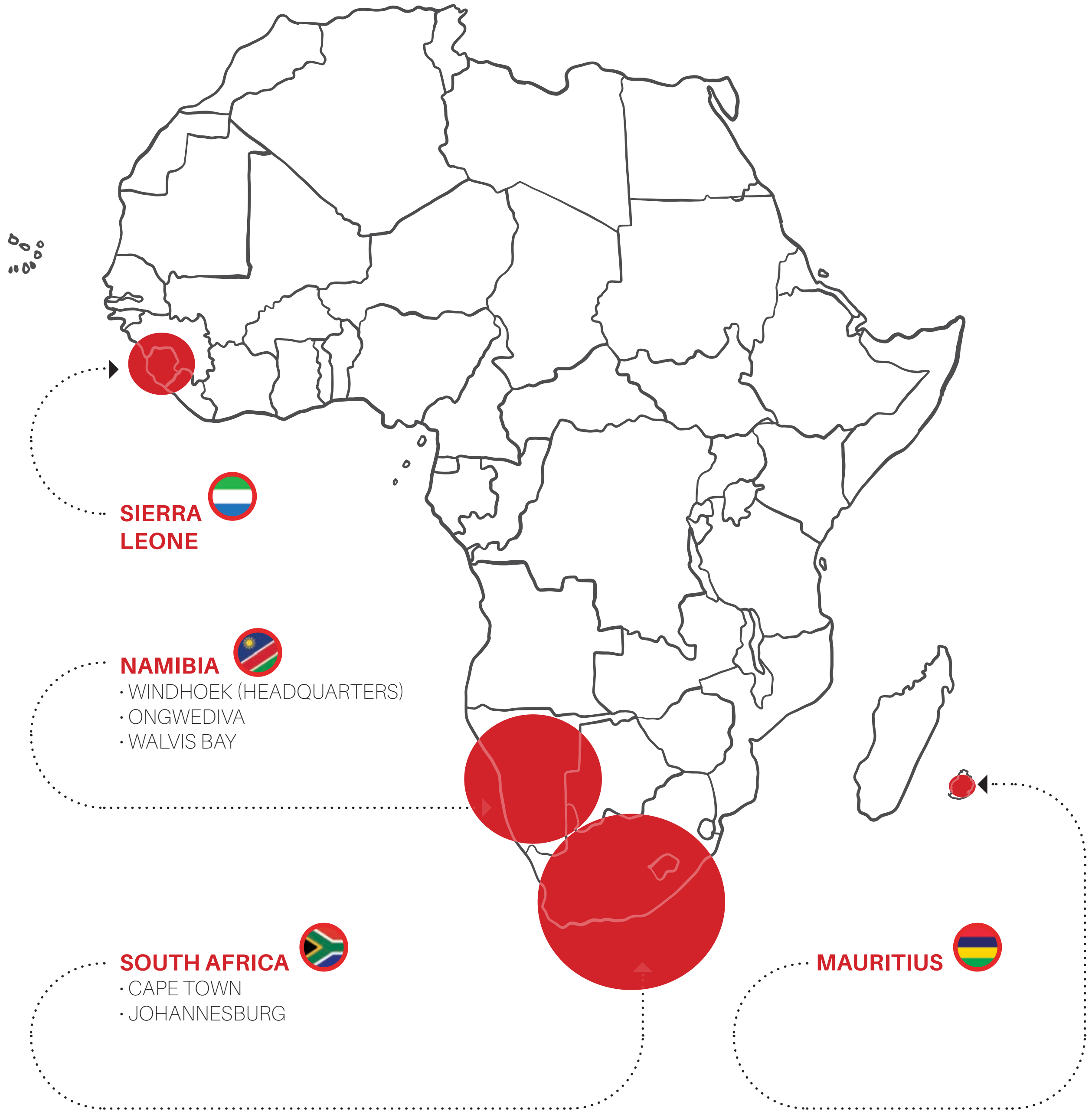
The business entities are supported by shared services.

VISION AND **MISSION**

VISION
With our roots firmly in Namibia and our reach extended into the rest of Africa and the emerging markets beyond, we seek to generate above average growth over time to create wealth for our shareholders, customers and employees while impacting positively on society and our planet.

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

GROUP **FOOTPRINT**



GROUP **STRUCTURE**

INVESTMENT CASE AND **VALUE CREATION**

Trustco group has always operated as a majority family owned investment group, creating a culture of generating long-term sustainable growth and value for all stakeholders. It holds three listings – the Johannesburg and Namibian stock exchanges as well as the OTCQX in New York. With a presence in four African countries and world-class national and continental investment assets, the group continues to be a strong creator of wealth, despite the setbacks caused by the COVID-19 pandemic.

THE TRUSTCO ADVANTAGE

The group's investments have operated in Namibia for over 29 years and developed a large home-grown customer base in both insurance as well as in student financing and the education sector. The Trustco brand has a footprint across the country, with a track record of creating sustainable value and outperforming its peers. Unlike other multinationals, Trustco vests its power of authority across its investments in Namibia, allowing each investment's fully Namibian top management team, with an average of over 10 years executive experience, to execute on opportunities immediately.

The financial services investee companies provide ample investment opportunities *via*:

PROVISION OF FINANCIAL AND RISK SOLUTIONS

The insurance business was started to protect the legal rights of Namibians from all walks of life and later diversified by also providing life insurance benefits and savings products to the mass market. The group provides affordable financial and risk solutions through innovative distribution channels. With more than 232 000 insured members, the core insurance business produces steady and predictable monthly cash flows at traditionally low loss ratios.

The student loan business has grown steadily since inception in 2005, with more than 17 000 active account holders and a loan portfolio now exceeding NAD 600 million.

DEVELOPMENT AND DELIVERY OF SERVICED LAND

Over many years the property division has unlocked economic value by acquiring virgin land and improving it to enable delivery to the public to meet housing demand, one of Namibia's pressing issues.

The real estate portfolio includes four large developments in residential estates and industrial parks spanning more than 4 500 hectares of the highest quality, strategically located Namibian real estate. It is ideally situated to cater for the present and future housing, commercial and industrial needs of the country and will provide a sustainable source of cash flow for the next 20 to 25 years.

INTERGROUP SYNERGIES

Being part of the Trustco group creates a competitive advantage as opportunities are always available to create value for other product ranges in different investees or to access new customers. Across the financial services investment, the banking, finance and education products lend themselves ideally to enhancement by the insurance product range while the real estate business and the bank also create an unmatched value proposition in Namibia.

INNOVATION

It is in the nature of the group to inspire the management of its various investees to be dynamic and to continuously innovate to create new value propositions for its customers. Innovation typically takes the form of product enhancements, greater utilisation of technology or optimisation of processes where a benefit is created that makes its products more appealing and valuable to its customers.

BUSINESS PARTNERSHIPS

Value is also created by combining forces with external business partners to create win-win scenarios between Trustco's investments and their business partners.

A LOOK TOWARDS THE FUTURE

Existing investments are set to increase their returns during the coming years. New funding for student lending has unlocked significant growth opportunities for the student loan book, education products and credit life insurance on student loans, while the insurance business is expanding into the general insurance market through new product offerings.

Financial services is also developing its own commercial bank, which is expected to have state of the art transactional capabilities, that will allow it to provide services to its existing large customer base as well as to target new market segments. However, it is in combination with the real estate businesses that the bank is expected to provide the greatest returns, as synergies between the banking and property business can accelerate the monetisation of the group's significant real estate assets.

THE RESOURCES BREAKTHROUGH

It is Trustco's fledgling investment into the resources sector that has the greatest long-term potential for extraordinary returns. Meya Mining's initial exploration programme in Sierra Leone indicates a resource of 7 million carats, which underpins a 15 year mine plan. The company expects to do at least 16 more phases of exploration. Apart from the exceptional economic potential, it should be noted that five of the largest stones discovered globally are from Meya's mining licence area. Meya's bulk sample results indicate that the mine not only contains high grade, but also very high average value per carat.

COVID-19 has impacted the diamond market, reducing demand, however, demand for high quality diamonds has recovered quickly and is holding steady. Meya is therefore well positioned as a large stone, high value producer in the diamond sector.

The transition from exploration to commercial production is being overseen by a strong technical team with a proven track record in Sierra Leone. The host communities around the area will benefit from the socio-economic impact of this project.

STRONG FUNDAMENTALS

Trustco is a diversified investment group that invests in sustainable high growth assets in emerging markets and has done so for years, seeing cyclical setbacks and constant changes in the operating environments as catalysts to drive success.

The group was not immune to the effect the COVID-19 pandemic has had on both the regional and local economies. While the group had to make provision for credit losses and reassessed its property assets during this time, its world class asset base remains sound and with low leverage is able to weather these storms.

The group's investments have been restructured for more effective and efficient operations to ensure these investments remain sound, financially viable and sustainable. As a result, Trustco remains one of the few groups in Namibia ready to return to rapid growth within a short timeframe.

ANNUAL RETURN ON EQUITY OVER 10 YEARS – 7.7%

SHARE PRICE ANNUAL GROWTH OVER 10 YEARS – 5.5%

GROWTH IN NET ASSET VALUE PER SHARE OVER 10 YEARS – 1.3%

AVERAGE RETURN ON ASSETS OVER 10 YEARS – 4.6%

AVERAGE PRICE EARNINGS RATIO OVER 10 YEARS – 8.09

KEY **STATISTICS**

FOR THE FINANCIAL PERIOD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FROM	**1 OCT 20**	**1 APR 19**	**1 APR 18**	**1 APR 17**	**1 APR 16**	**1 APR 15**	**1 APR 14**	**1 APR 13**	**1 APR 12**	**1 APR 11**	**1 APR 10**
TO	**31 AUG 21**	**30 SEP 20**	**31 MAR 19**	**31 MAR 18**	**31 MAR 17**	**31 MAR 16**	**31 MAR 15**	**31 MAR 14**	**31 MAR 13**	**31 MAR 12**	**31 MAR 11**
STOCK EXCHANGE PERFORMANCE											
SHARE PRICE											
HIGH (C)	420	1 135	1 600	1 000	417	540	380	120	125	135	104
LOW (C)	125	179	615	261	276	290	115	63	90	70	25
CLOSING (C)	165	315	1 047	875	404	310	300	119	118	114	97
VOLUME-WEIGHTED AVERAGE PRICE (C)	2.48	6.50	9.98	5.39	3.72	3.83	2.34	0.85	1.05	0.95	0.61
CLOSING P/E (HEPS)	(3.38)	(16.53)	16.31	32.17	5.71	5.61	7.58	6.33	25.11	5.62	4.47
CLOSING P/E (EPS)	(2.97)	(15.79)	16.06	36.92	5.85	5.60	6.88	3.54	21.85	3.25	3.11
VOLUME TRADED ('000)	4 783	10 749	28 305	93 491	59 856	259 452	100 845	115 074	114 232	114 504	118 137
VALUE TRADED ('000)	11 866	69 881	282 580	503 951	222 401	993 248	235 502	98 001	120 348	108 225	72 303
VOLUME TRADED / SHARES	0.3%	0.7%	2.9%	11.3%	7.8%	33.6%	13.1%	14.9%	14.8%	14.8%	15.3%
TRACK RECORD											
HEADLINE EARNINGS ('000)	(766 154)	(254 240)	550 134	204 848	542 517	419 432	275 744	141 552	33 863	138 540	146 916
HEPS (c)	(48.8)	(19.1)	64.2	27.2	70.8	55.3	39.6	18.8	4.7	20.3	21.7
EARNINGS ('000)	(871 962)	(266 102)	558 705	273 628	529 952	419 798	303 238	252 672	39 384	239 824	211 513
EPS (c)	(55.6)	(20.0)	65.2	23.7	69.1	55.4	43.6	33.6	5.4	35.1	31.2
SHAREHOLDERS EQUITY ('000)	2 027 107	2 731 222	3 046 082	3 586 623	2 492 443	2 189 064	1 550 166	1 224 355	1 224 355	913 305	732 781
NAV/SHARE (c)	129	205	387	504	323	284	201	162	133	134	113
TOTAL ASSETS ('000)	4 991 995	5 617 207	6 380 335	6 112 002	5 268 093	4 014 001	3 159 100	2 474 484	1 532 927	1 520 089	1 222 347
MARKET CAPITALISATION											
GROSS OF TREASURY SHARES ('000)	2 666 464	5 090 522	10 200 561	7 237 493	3 119 454	2 393 640	2 316 426	918 849	911 128	880 242	748 978
NET OF TREASURY SHARES ('000)	2 589 705	4 946 249	9 733 742	6 843 163	2 949 641	2 393 640	2 131 224	828 521	911 128	873 402	720 589
SHARES											
ISSUED ('000)	1 616 039	1 616 039	974 266	827 142	772 142	772 142	772 142	772 142	772 142	772 142	772 142
TREASURY SHARES ('000)	46 520	45 801	44 586	45 066	42 033	-	61 734	75 906	-	6 000	29 267
NET OF TREASURY SHARES ('000)	1 569 518	1 570 238	929 679	782 076	730 109	772 142	710 408	696 236	772 142	766 142	742 875
ROE (HEPS)	-37.8%	-9.3%	18.1%	5.7%	21.8%	19.2%	17.8%	11.6%	2.8%	15.2%	20.0%
ROE (EPS)	-43.0%	-9.7%	18.3%	7.6%	21.3%	19.2%	19.6%	20.6%	3.2%	26.3%	28.9%

REVIEW OF **INVESTEES**

BUSINESS REVIEW AND OUTLOOK

The 11 month financial period saw a continuation of worsening macroeconomic conditions, but with the approval and release of COVID-19 vaccines, Trustco remains optimistic about the prospect of a full economic recovery in the near future as vaccinations increase in the geographical areas in which its investees operate. The group will unfortunately not see the results of that during the current reporting period.

Trustco's home country of Namibia continued to experience its worst economic recession since independence. In the midst of the COVID-19 pandemic, with its associated effects on macroeconomic conditions, the country's economy contracted by 8% during 2020, together with a contraction in the first quarter of 2021 of 6.5%. The second quarter of the year saw only marginally improved growth of 1.6%, however the country experienced a third wave of COVID-19 infections during June and July 2021, resulting in further lockdowns.

Trustco and its investee companies thus continued to improve efficiency and restructured the operations in its investee entities to enable it to operate in a post-COVID-19 world. Its financial services investee continued to streamline operations and optimise the various businesses to operate digitally, while the resources investee continued to transition to commercial production. During this time, the group also changed its financial year-end to 31 August.

This period did not produce the usual exceptional results Trustco's stakeholders expect from the group, with recorded revenues down 46% from the previous period to NAD 331 million, with group losses up 181% to a NAD 963 million loss. With its investee operations now optimised, Trustco is positioned to take full advantage of the economic upswing expected in the wake of the COVID-19 vaccination rollout. The board remains positive that it has taken sufficient action to ensure a return to growth in future reporting periods.

TRUSTCO'S INVESTMENTS AS AT 31 AUGUST 2021

TRUSTCO FINANCIAL SERVICES

Trustco financial services is an integrated financial services provider which has successfully operated in Namibia for the last 21 years. Since inception, it has been the key driver of Trustco group's returns for its investors and business partners, but in the last year has had to weather the perfect storm of adverse economic conditions and its subsequent consequences.

Through bold, decisive and innovative action, financial services has remained resilient and positioned itself and its world class assets to execute the new opportunities that present themselves in the modern world. Financial services provide a full spectrum of modern and dynamic financial services to the growing middle class of Namibia. The businesses will continue to serve its customers across every stage of life, with a full bouquet of financial services products that can last a lifetime. By harnessing the existing client base and its high quality portfolio of assets, coupled with exceptional technological capabilities, it ensures sustainable value creation for all.

Financial services comprises of the following investments:

- insurance and its investments consisting of
  - insurance
  - real estate and
  - education
- banking and finance consisting of
  - commercial banking and
  - micro-finance.

REVIEW OF OPERATIONS

INSURANCE (80% SHAREHOLDING)

- Focused business model refined over many years.
- Market leader in Namibia in legal insurance.
- Large and established customer base in excess of 232 000 insured members.
- Strong solvency position.
- Key competitive advantages through intergroup synergies.
- High level of brand recognition and loyalty.

The insurance division holds both long- and short-term insurance licences. Through its diversified product offering and by continually adapting to changing market conditions, the insurance division continues to provide unparalleled service to its loyal client base.

The short-term insurer primarily provides its members with access to high quality legal cover for those who otherwise would not be able to afford legal services, thereby protecting their constitutional rights.

The long-term insurer provides life products, as well as policy benefits that not only encourage a savings culture and promotes the financial health of members, but also provides the average person access to private health facilities. Developing innovative products remain its primary trademark.

The insurance division embarked on a digital migration process to not only expand its reach, but also ensure future sustainability. Members can interact with the insurer from the comfort of their home *via* various online platforms.

During the reporting period, the insurance division generated gross premium income of NAD129 million with a claims ratio of 23%, maintained a solvency ratio of 26.8% and a CAR ratio of 3 335% respectively for the short- and long-term insurance companies.

More information about Trustco Insurance and Trustco Life is available at: www.legalshield.na and www.life.na

REAL ESTATE (80% SHAREHOLDING)

- High quality real estate portfolio strategically located in high growth zones.
- Low gearing on property assets.
- Significant returns to shareholders over many years.
- High growth potential due to national serviced land shortages.

The property division has proven its resilience and adaptability, maintaining its status as one of the largest private property development companies in Namibia. The company's flagship project, the Elisenheim Lifestyle Estate, is regarded as one of the most unique and successful privately developed lifestyle estates within Namibia.

The mismatch between the supply of developed land and the demand therefor remains the principal factor contributing to the acute shortage of serviced land in the country. The effects of a recessionary economy, to which the COVID-19 pandemic contributed, continued to negatively impact almost all sectors within Namibia, with property sales recording a slight decrease during the 11 month reporting period. The contraction in property sales was fuelled by the unavailability of property financing, lack of funding for prospective home owners as well as uncertainty in the economy which forced a change in consumer behaviour and purchasing power.

Even though the Namibian economy remains constrained due to the effects of the pandemic, the housing market has shown resilience and seems to be stabilising to pre-COVID-19 levels. With record low interest rates and a lack of supply of housing country-wide, the property market is expected to show strong growth in the near term.

REVIEW OF **INVESTEES** (CONTINUED)

At the reporting date:

- Trustco Properties owns an estimated 4 547 hectares of high quality real estate.
- The total land bank creates an opportunity for the provision of over 25 000 mixed-use erven.
- Trustco Properties had successfully serviced over 660 erven.
- Revenue generated during the reporting period amounted to over NAD 80 million.

More information about Trustco Properties is available at: www.trustcoproperties.na

COMMERCIAL BANKING (100% SHAREHOLDING)

- Strong competitive advantages in the local market due to intergroup synergies.
- Alternative low-cost business model which enables value creation across the Trustco group.
- Flexible technology solutions allowing modern and dynamic product development.
- Sustainable growth potential.
- Fully Namibian commercial bank.

Trustco Bank Namibia is one of only two Namibian owned banks in Namibia. The bank aims to build a bank fit for future generations – one that can easily adapt to rapidly changing social and economic environments.

The COVID-19 pandemic has had a detrimental effect globally on lost hours of work due to lockdowns and the health of the employed workforce. The bank however adapted its operations in order to continue to deliver a service to its clients and simultaneously safeguard the health of its employees and clients. Economically, the pandemic has resulted in demand shifting between different products and services, with the decrease in client disposable income affecting new advances.

The next phase of Trustco Bank's strategy aims to enhance its existing competitive strengths and create new capabilities. During the reporting period, Trustco Bank has successfully deployed its core banking system. The focus areas for the bank are now its digital migration strategy, expanding income streams, client-centric product development as well as strategic partnerships and synergies.

Using digital technology will broaden service offerings, enabling the bank to create a cost-effective route to market whilst growing the institution. The bank has recognised that the future of banking is driven by a cashless society that requires virtual channels through which clients can transact.

More information about Trustco Bank is available at: www.tbn.na

MICRO-FINANCE (100% SHAREHOLDING)

- Business model which perfectly complements the education business.
- Market leader in tailor-made educational lending, enabling personal growth and development.
- Solid and sustainable returns with high growth potential.
- Well-established brand with an exemplary track record over 16 years.
- High quality loan portfolio, with more than 17 000 active account holders.

Trustco Finance is a well-established educational lending business that provides 100% financing on all courses offered by the Institute for Open Learning (IOL). Incorporated in 2005, with the aim of better meeting the needs of lower income Namibian consumers, Trustco Finance has made education a viable option for all.

Trustco Finance funds innovative educational courses that are tailored to add value to the lives and financial well-being of its customers. These courses encompass a variety of academic, information and communication technology, as well as numerous skills enhancing short courses. With more than 16 years of microlending expertise and an initial loan portfolio of only NAD 5 million, Trustco Finance has grown from strength-to-strength to become the preferred student loan financier in Namibia with a total loan portfolio exceeding NAD 600 million.

Trustco Finance's key focus remains its customers and their needs and has invested in digital offerings and channels to improve customer satisfaction while retaining a personal touch with services offered.

The COVID-19 pandemic has severely disrupted the macroeconomic conditions globally and locally. Whilst Trustco Finance has been impacted by the pandemic due to the loss of income and/or employment of its customers as well as reduced interest rates, the rigorous application of strategies to prudently manage credit risk limited the effect on the quality of the student loan book. Trustco Finance secured USD 20 million of new funding for student lending from its existing international funders during the previous reporting period, which has enabled the business to continue providing significant financial support to Namibian students. The company will continue working with its international partners to ensure that financing opportunities remain available to Namibian students.

More information about Trustco Finance is available at: www.trustcofin.na

EDUCATION (100% SHAREHOLDING)

- Largest private distance learning institution in Namibia with more than 61 000 students since establishment.
- Accredited by the Namibia Qualifications Authority and registered with the National Council for Higher Education in Namibia.
- All qualifications registered on the National Qualifications Framework in Namibia.
- Innovative business model providing affordable education and facilitating funding for students who need it.
- State of the art academic administration systems and online platforms.
- Environmentally conscience with various implemented green initiatives.

The education investment through its distance learning model, the Institute for Open Learning (IOL), embraces its vision to commit to excellent, recognised educational programmes. Since the acquisition of IOL in 2005 with only 2 500 students, IOL has employed technology to radically improve its performance. The institution has over the years transformed and strategically repositioned itself to the largest fully-fledged online institution of higher learning, with over 61 000 students, in Namibia. The capital invested in systems development has allowed IOL to adapt to the evolving educational environment. IOL fits in perfectly with the new paradigm shift, that is, moving from a class and distance based educational model to an online-only environment.

IOL focuses on the most relevant environmental, social and governance (ESG) areas which are integrated into its strategic plans and initiatives based on the educational market circumstances, national educational priorities and the expectations of key stakeholders. Ongoing quality assurance, continuous assessment processes as well as the monitoring and improvement of the quality of the programmes remain the key areas of focus. The latter is succinctly illustrated by the institution's accreditation status with the Namibia Qualifications Authority, registration with the National Council for Higher Education as well as its engagement with the broader Namibian community. IOL firmly believes that the influence of good governance, world class practices and effective innovative solutions will boost its institutional effectiveness and strengthen its capacity for a transformed education sector.

IOL is in the process of adapting its quality assurance to differing regional standards *via* memorandums of understanding with regional quality assurance bodies, enabling it to reach students across the SADC. The institution intends to grow its income stream by adding new programmes and services to the current offerings, providing new innovative solutions to existing students, target new student markets and expand into new regions.

The disruption of COVID-19 has forced the institution to reschedule school- based studies, postpone examinations and adjust systems and processes to accommodate e-based classes and examinations. Amidst these unprecedented times, IOL employees, tutors and students remained resilient and achieved excellent results.

REVIEW OF **INVESTEES** (CONTINUED)

IOL implemented the following measures:
- Deployed online assignments submissions for the first time. The advanced in-house developed system manages the collection and re-distribution of assignments, examination papers for marking, moderating and distribution of results.
- Students wrote their first electronic offsite examinations.
- Rollout of services for communication and collaboration with students through digitalised channels such as the Microsoft 365 Suite and a Student Portal.

IOL strives not only for excellence in academics, but also to challenge its students to be extraordinary forces for change in the community.

More information about the Institute for Open Learning is available at: www.iol.na

RESOURCES
(98.7% SHAREHOLDING)

Trustco Resources was established in 2015 with the strategic intent to diversify Trustco's investment portfolio *via* the natural resources sector. By enabling the group to generate United States Dollar returns, an internalised hedge was created, to offset macroeconomic factors that might impact the group's traditional markets in Namibia and South Africa in the long run. Whilst the resources mandate is to build a diversified natural resources portfolio, its primary focus currently remains on unlocking and increasing value from its diamond assets.

There are three primary business entities within the resources segment, namely:
- Northern Namibia Development Company (Pty) Ltd – diamond mine in Namibia
- Morse Investments Mauritius – diamond trading globally and
- Meya Mining Ltd Sierra Leone – diamond mine in Sierra Leone.

REVIEW OF OPERATIONS
Since March 2020, the COVID-19 pandemic exacerbated the global economic setbacks from a financing as well as trading perspective. The pandemic weighed heavily on the diamond sector in 2020, resulting in production decreases at mines around the globe, with retail closures and fractured supply chains. Given the prevailing circumstances, market conditions and the probability that the global economy would deteriorate even further, management made the decision in April 2020 to suspend the Namibian diamond mining and beneficiation operations, namely Northern Namibia Development Company (Pty) Ltd in northern Namibia and Morse Investments (Pty) Ltd. Focus was shifted towards Meya Mining, a world-class diamond asset, which is well positioned and destined to become a noteworthy participant in the post COVID-19 diamond value chain.

MEYA MINING
(65% SHAREHOLDING)

- High grade, high value, primary diamond deposit in Sierra Leone.
- 25 year mining licence issued on 26 July 2019.
- Five of the world's largest stones were discovered from within the immediate surroundings of the licence area.
- Simple and focused business model:
  - underground mining method
  - bespoke processing plant and
  - mine configuration scalable/high margin.
- High barriers to entry:
  - scarcity of high quality primary diamond deposits
  - regulatory requirements and
  - capital intensive.
- High growth potential:
  - current resource only represents 5% of the geo-economic potential of the licence area and
  - current mine plan could be replicated across the licence area / increase depletion rate.

Meya Mining (Meya) is registered in the Republic of Mauritius and holds and operates a diamond mine within the eastern province of Sierra Leone, under a large-scale mining licence, ML 02/2019 (the Meya Project) covering an area of 129.38 km^2. Its primary focus is to implement Meya's underground mine plan in accordance with the 15 year mine design and schedule as reviewed by SRK Consulting (Canada). The underground development commenced in January 2021 with the Portal (underground access), which is scheduled to be concluded by Q2 2022.

A NOTEWORTHY PARTICIPANT
Key factors and trends shaping the diamond industry's future:
- sustainability, transparency and social welfare is an increasing priority for consumers and investors across the value chain
- transparent and digitally enabled reporting value chain
- desirability - medium and large stone accounting for 80% of global diamond revenue (25% by volume)
- widening of the global demand and supply gap
- provenance and socio economic impact from mine to market
- generation Z becoming both a growth engine and a change agent for the industry, with its evolving preferences, purchasing behaviours and sustainability focus
- prices for higher-quality polished diamonds continuing to outperform lower-quality diamonds and
- diamond producers forming partnerships with midstream players and high end brands to gain additional margins on polished diamond sales.

Due to the above factors, mining companies such as Meya, which hold high grade, high value, large stone primary (kimberlite) deposits are uniquely positioned to meet the needs of the future diamond market.

CHAPTER

three

CORPORATE GOVERNANCE REPORTS

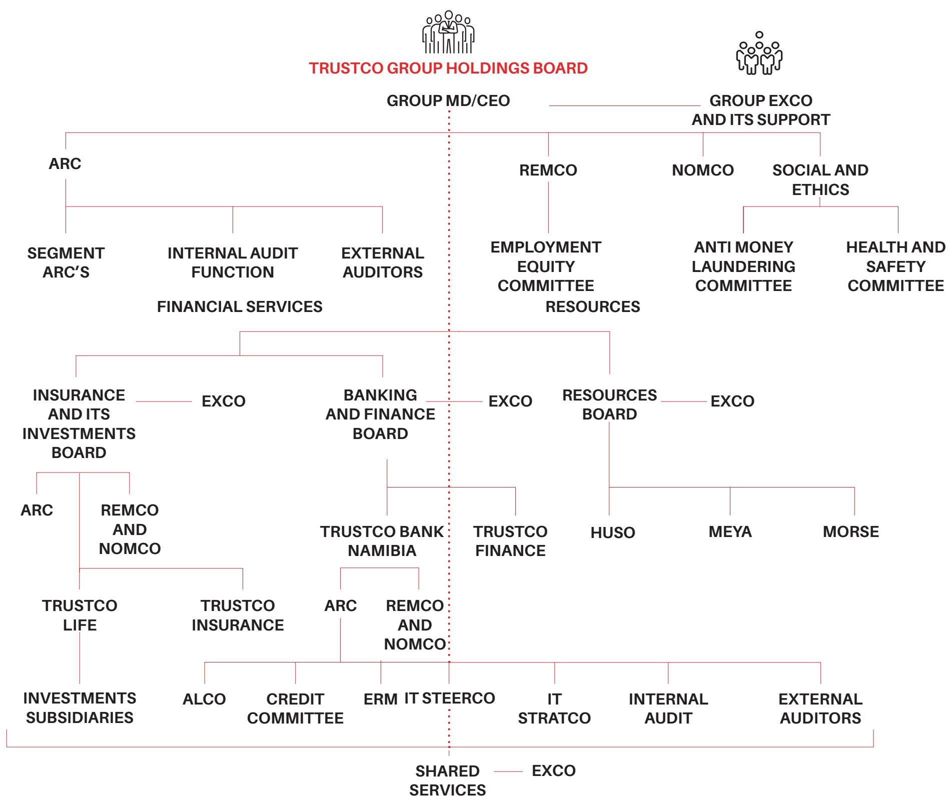
LEADERSHIP AND **ETHICS**

THE BOARD

The group's corporate governance is a dual process, the first is regulated by statute, which is imposed by law, whilst the second is developed by the board and implemented as well as maintained by the management of the company. Trustco operates in a highly regulated environment. The board plays a pivotal role in the group's corporate governance structure. The board considers the environmental, social and governance (ESG) impact for all stakeholders when making decisions. The board's deliberations and approach to corporate governance is that of intellectual honesty and transparency. The board's mandate is to act in the best interest of the company, considering the interest of all stakeholders. The role of the board is focused on exercising sound leadership and independent judgement to lead ethically beyond mere legal compliance. The board is committed to maintaining the highest standard of corporate governance and transparency as key components to achieving the vision and growth strategy of the group, as well as to ensure long-term sustainability whilst protecting stakeholder value.

The board also advocates adherence to sound governance principles by all entities within the group. The structure within the group is constantly revisited and optimised to ensure that all unlisted subsidiaries and associated companies endorse the principles of the King IV report or the NamCode (Corporate Governance Code of Namibia). Subsidiary entities must further comply with the regulations and requirements of the Namibia Financial Institutions Supervisory Authority (Namfisa) and Bank of Namibia (BON).

Effective corporate governance forms part of Trustco's investment assessment criteria and risk management which are further monitored on a continuous basis by non-executive and executive board representation on investee companies' boards. Trustco acts as an investment entity and accordingly all references to the group refer to the company and its subsidiaries. All subsidiaries are operated and managed as independent entities with independent boards. Trustco, together with some of its other subsidiaries render management and support services to its businesses and recovers its costs through benchmarked fees for services rendered.



ETHICAL TONE AT THE TOP

Setting an ethical tone from the top demands that the board and senior management in the group find ways to connect with stakeholders inside and outside the group.The board and senior management openly communicate their values on an ongoing and transparent basis, using different platforms and distribution systems. While the board establishes core values and principles, management leads by example and actions are guided by either positive or negative reinforcement.

Developing a sense of shared values – a set of beliefs against which all decisions can be measured and tested – is the basis on which long-term strategies and successful implementations are built. Failure to align ethics and values to business strategies and the execution of operating plans bears potential high risk. The board, management and employees of Trustco work together with common interests and shared values to achieve a common goal.

An objective of corporate governance remains to ensure that shareholders wealth is maximised and protected.

THE BOARD OF DIRECTORS

The board's primary governance role and responsibilities are to:

- set and steer strategic direction with regard to both the group's strategy and the way in which specific governance and regulatory areas are to be approached, addressed and conducted
- approve policies and plans that give effect to the strategy and set the direction
- ensure accountability for the group's performance through transparent detailed reporting and disclosures
- oversee and monitor implementation and execution by management and
- take independent and objective decisions.

An important role of the board is to define the purpose of the group – which is its strategic intent, investment considerations, investment decisions and objectives as a business enterprise – and its values, which constitute its organisational behaviours and the norms to achieve its purpose and create sustained value. Both the purpose and the values are considered clear and achievable.

The group's strategy is considered, evaluated and agreed upon. Implementation is monitored at the board and executive meetings. The board also ensures that procedures and practices are in place that protect the group's assets and reputation. The risk appetite of the group is determined and considered with every investment. Further responsibilities of the board include the establishment, review and monitoring of strategic objectives, approval of major acquisitions, disposals, operational and capital expenditure and overseeing the group's systems of internal control, governance and risk management.

The board assumes its responsibility for its composition by setting the direction and approving the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities.

The group maintains a robust corporate governance structure with established board committees supporting the board in the execution of its duties, however the board remains ultimately responsible and accountable to all its stakeholders. Certain authorities have been delegated with specific authority to each board committee to enable effective control, while preserving the accountability of the directors of the board. The board is sensitive to balancing the strong entrepreneurial spirit in the group with the interests of all other stakeholders. The Delegation of Authority Policy (DOA) and the board charter establish a clear balance of power and authority at all levels. The company applies the four eyes principle to ensure that no director has unfettered powers of decision making.

During the period under review the board:

- held strategic sessions
- reviewed and maintained the COVID-19 policy and response plan
- reviewed the remuneration of non-executive directors of the group
- approved a new management agreement subject to shareholders' approval
- approved the share repurchase programme and
- changed the financial year-end of the company.

BOARD ASSESSMENT

The board of directors conducted an evaluation of its own performance, the performance of its committees, the chairperson, the individual board members, the CEO, FD and company secretary. The evaluations were conducted informally and were not facilitated externally, but in accordance with a generally accepted methodology adopted by the board. The formal evaluation process of the board is still ongoing. The evaluation concluded that the board is effective and that value and participation were considered satisfactory and positive in all material and compliance aspects. No remedial actions were required. The board is satisfied that the evaluation process is improving its performance and effectiveness and will continue to identify areas for improvement.

DIRECTOR DEVELOPMENT

Ongoing training is provided to the board of directors of Trustco and its subsidiaries. The board and management engaged in an inclusive strategic session where the overall strategy of the group was debated, analysed and formalised. The combined expertise, advice, insight, knowledge and specialised skills of the individual directors, senior executives and invited specialist consultants shared during this strategic session and discussions on complex issues, serve as valuable ongoing training, skills transfer and development of all parties involved. The board members of Trustco and its subsidiaries together with senior management received formal board training during a session with Mr Tapiwa Njikizana from W Consulting, an independent JSE accredited, IFRS expert.

INDEPENDENT AND UNFETTERED ADVICE

The board of directors is encouraged to seek independent advice, at the company's cost, to assist with the execution of its fiduciary duties and responsibilities, if so required. During the period under review, the board members collectively sought independent advice. The board of directors also has direct access to the group's external auditors, the external legal advisor, external compliance advisor, the company secretary, the CAE and the CEO at all times.

The group makes use of the technical and expert opinion of W Consulting, an independent JSE accredited IFRS advisor, for all material transactions. The board has access to all expert reports and professional opinions obtained from independent experts.

BOARD OF DIRECTORS' INDEPENDENCE

If a director has served for a period of more than nine years, best practice requires the board to consider whether that director continues to be independent in executing his/her fiduciary duties.

As at the reporting date, three of the non-executive directors have served for longer than nine years. The board has considered whether the three directors continue to be independent in executing their fiduciary duties and is satisfied that they are and remain independent.

In light of the three non-executive directors who have been appointed for a period longer than nine years, Trustco deemed it prudent to restructure and redeploy directors throughout the group subsequent to the reporting period.

The board furthermore practices the review of director independence annually, conducted the assessment and has concluded that all non-executive directors are independent and meet the requirements for the test of independence.

The board considered the indicators set out in the King IV report holistically and on a substance over form basis when assessing the independence of each director for purposes of categorisation.

The majority of directors serving on the board are classified as independent non-executive directors.

The board has conducted an assessment and has concluded that the members exercise objective judgement and there is no interest, position, association or relationship that, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision making.

In accordance with the company's memorandum and articles of association and in terms of the Companies Act, at least one third of non-executive directors shall retire from the board and if available, may be re-elected by the shareholders at the AGM, provided that the board has confirmed and verified the eligibility of such directors.

BOARD COMPOSITION AND STRUCTURES

Directors are appointed through a formal process involving the whole board, with recommendations from the nomination committee. Appointments to the board are made based on the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities. This selection criteria ensures a diversified, competent and balanced board.

The board continually analyses and reviews whether its governance structures are relevant and appropriate. There is a clear division of responsibilities at board level. Independent non-executive board members are rotated, deployed and allocated in line with their specific expertise to the various subsidiaries and board committees, as certain functions require different focus, skills and experience for effective oversight. The aim is to promote effective collaboration among committees with minimal overlap and fragmentation of duties. The delegation of power and authority promotes independent judgement and assists with effective discharge of duties.

The structure of quarterly board meetings continues to be inclusive. The board members together with all subsidiary board members, the internal and external auditors, the group executive committee (exco) and its support committee, as well as senior management of the different businesses, all engaged in an inclusive workshop where each business presented its budget, discussed material transactions, projected cash flow requirements and determined the risk appetite as well as strategic vision. The board and management openly share issues, challenge conclusions and debate strategic decisions in a constructive manner. This approach is also embraced and encouraged throughout the organisation.

CHANGES TO THE BOARD

The following changes were made to the board:

- Mr Richard Marney was appointed as independent non-executive director on 25 March 2021.
- Ms Janene van der Heever was appointed as independent non-executive director on 1 November 2021.

SUCCESSION PLANNING

The group benefits from having a pool of executive directors with diverse experience and high levels of competence. Succession planning makes provision for the identification, mentorship and development of future members. The board is satisfied that it is able to identify suitable short-, medium- and long-term replacements from within the group structure.

THE GROUP MANAGING DIRECTOR (MD) AND CHIEF EXECUTIVE OFFICER (CEO)

The group MD, who is also the CEO of the group, is responsible for leading the implementation and execution of approved board strategies, policies, operational planning and for acting as the link between the board and management. The MD acts as the chair of the exco and its support committee.

The MD is remunerated in accordance with a management agreement with the group (see annual financial statements for more information). The MD has no other professional commitments or directorships of governing bodies outside that of the group other than what was disclosed in terms of the Declaration of Conflict Policy of the group. The succession planning is in place for the position. The functions of the chairman of the board and the MD are clearly separated in the board charter.

THE CHAIRMAN

The independence of the chairman was reviewed and evaluated. The chairman was found to be independent. The chairman of the board also serves as the chairman of the nomination committee.

THE FINANCIAL DIRECTOR

During the financial year under review, Mr Floors Abrahams continued to serve as the group financial director on a full-time basis. The audit and risk committee has assessed the expertise, experience and performance of Mr Abrahams and found his capabilities and performance satisfactory.

COMPANY SECRETARY

The company secretary is the gatekeeper and the provider of independent guidance on corporate governance to the board in the execution of its duties and responsibilities. Komada Holdings (Pty) Ltd serves as the company secretary. Komada is a subsidiary company of Trustco and provides secretarial services to the companies in the group. The board is satisfied that the company secretary maintained an arm's length relationship with the board and its directors during the period under review.

The company secretary is not a director of the board. The board assessed the competence of the company secretary in accordance with best practice performance and evaluation criteria and found its services, experience and competence to be satisfactory.

NON-EXECUTIVE AND EXECUTIVE DIRECTORS ATTENDING THE TRUSTCO ANNUAL GENERAL MEETING (AGM)

BOARD MEMBER	29 APR '21 AGM
RAYMOND HEATHCOTE (CHAIRMAN)	✓
RENIER TALJAARD	X
WINTON GEYSER	X
RICHARD MARNEY	✓
QUINTON VAN ROOYEN	✓
FLOORS ABRAHAMS	✓

No general meeting was held during the reporting period.

BOARD COMMITTEES

The board appointed an audit and risk committee, a remuneration and nomination committee as well as a social and ethics committee to whom certain functions were delegated. The chairpersons of the individual committees are non-executive independent directors of the board. The members of these standing committees are also non-executive independent directors of the board, except for the social and ethics committee.

THE AUDIT AND RISK COMMITTEE (ARC)

The ARC provides independent oversight on the effectiveness of the group's assurance function and services. The ARC focuses on combined assurance arrangements, including external assurance service providers, internal audit, the finance function, the integrity of the annual financial statements as well as other external reports issued by the group to the extent delegated by the board. The ARC also has the oversight function of risk governance. In light of the group's varied investments and various regulatory compliance requirements, the group has two additional ARCs. The ARC of insurance and its investments and Trustco Bank Namibia report to the group ARC of Trustco.

The ARC confirmed that appropriate financial reporting procedures exist, are applied, maintained and functioning effectively throughout the group.The ARC and the external auditors, Nexia SAB&T, executed their duties and responsibilities pursuant to paragraph 22.15 of the JSE LR.

The internal auditors, the external auditors, the CEO, chief financial officer, the CAE and senior management attend the ARC meetings.

The ARC is well informed of the responsibilities and duties of the external auditors and is satisfied that the external auditors are independent of the company. The ARC reviewed the consolidated financial statements of the company and is satisfied that the statements comply with IFRS, SAICA financial reporting guidelines as issued by the Accounting Practices Committee, financial reporting pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of Namibia and the South African Companies Act, as far as it is required.

The members of the ARC have the necessary financial literacy, skills and experience and have executed their functions satisfactorily.

Subsequent to the resignation of two independent non-executive directors, on 25 March 2020, Trustco engaged the JSE on the composition of the ARC, whereafter the JSE provided a ruling to confirm that the chairman of the board can act as a member of the ARC until such a time that additional directors can be appointed. The composition of the ARC was changed with the appointment of Mr Richard Marney.

BOARD AND COMMITTEES MEETINGS AND ATTENDANCE

GROUP MAIN BOARD MEETINGS

MEMBER	19 OCT '20 EXTRAORDINARY MEETING	3 DEC '20	17 MAR '21	29 JUN '21	24 AUG '21 STRATEGIC SESSION
RAYMOND HEATHCOTE (CHAIRMAN)	✓	✓	✓	✓	✓
RENIER TALJAARD	✓	✓	✓	✓	✓
WINTON GEYSER	✓	✓	✓	✓	✓
RICHARD MARNEY (APPOINTED 25 MAR '21)	X	X	INVITEE	✓	✓
FLOORS ABRAHAMS	✓	✓	✓	✓	✓
QUINTON VAN ROOYEN	✓	✓	✓	✓	✓

ARC MANDATE

The duties of the ARC include those assigned to it by the board and which have been documented in its charter. The ARC has, in the period under review, fulfilled its mandate which includes:

- nominated a registered, independent external auditor for appointment and determined the fees to be paid as well as the terms of their engagement
- ensured that the appointment of the auditors complies with applicable statutory provisions relating to the appointment of the auditors
- determined, subject to applicable statutory and regulatory provisions, the nature and extent of any non-audit services to be provided, or services that the auditor must not provide to the group or a related party pre-approved any proposed agreement for the provision of non-audit services to the group
- prepared a report, addressing the items as prescribed in the applicable statutory and regulatory provisions
- made submissions to the board, where applicable, on any matter concerning the group's accounting policies, financial controls, records and reporting
- approved the annual internal audit plan
- maintained oversight over the internal audit function
- engaged the JSE on proactive monitoring
- considered the proactive monitoring issued by the JSE
- ensure that the auditor reports on its responsibilities pursuant to paragraph 22 of the LR
- ensure that the committee has access to all financial information of the company to allow it to effectively evaluate and report on annual financials and
- oversee effective financial reporting for the group and its subsidiaries.

GROUP ARC MEETINGS AND ATTENDANCE

MEMBER	3 DEC '20	17 MAR '21	29 JUN '21	24 AUG '21 STRATEGIC SESSION
WINTON GEYSER (CHAIRMAN)	✓	✓	✓	✓
RENIER TALJAARD	✓	✓	✓	✓
RICHARD MARNEY (APPOINTED 25 MAR '21)	X	INVITEE	✓	✓

The committee held four meetings during the reporting period. The committee fulfilled its mandate as prescribed and there were no instances of material non-compliance found.

THE GROUP REMUNERATION AND NOMINATION COMMITTEE (REMCO AND NOMCO)

The remco and nomco have dual responsibilities. The remco comprises of independent non-executive directors and assists the board to set and monitor the remuneration policies and makes recommendations to the board concerning succession planning and remuneration for all levels of employees within the group, including that of non-executive directors.

It ensures compliance with applicable laws and codes of conduct and reviews benefits and performance incentive schemes after considering the group strategy and objectives, which is to create stakeholder value whilst maintaining incentives and retaining essential skills. The remco is satisfied that incentives are based on stretched targets that are verifiable, measurable and relevant.

REMCO MANDATE

The duties of the remco include those assigned to it by the board and which have been documented in its charter. The remco has fulfilled its mandate which includes *inter alia*:

- to ensure the company remunerates fairly, equitably and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term
- assume responsibility for the governance of remuneration by setting the direction of how remuneration practices should be addressed throughout the group and
- approve policies that articulate and give effect to its direction on fair, equitable, responsible and transparent remuneration and consider, recommend and review remuneration policies for the group.

GROUP REMCO MEETINGS AND ATTENDANCE

MEMBER	3 DEC '20	29 JUN '21
RENIER TALJAARD (CHAIRMAN)	✓	✓
WINTON GEYSER	✓	✓
RICHARD MARNEY (APPOINTED 25 MAR '21)	X	✓

The committee held two meetings during the reporting period. The committee fulfilled its mandate as prescribed and there were no instances of material non-compliance found.

NOMCO MANDATE

The duties of the nomco include those assigned to it by the board and which have been documented in its charter. The nomco has fulfilled its mandate which includes inter alia:

- making recommendations to the board on the appointment of new executive and non-executive directors through a formal process
- monitoring the composition of the board, its structure, size and diversification and
- initiating and managing performance evaluations of the board.

GROUP NOMCO MEETINGS AND ATTENDANCE

MEMBER	3 DEC '20
RAYMOND HEATHCOTE (CHAIRMAN)	✓
WINTON GEYSER	✓
RENIER TALJAARD	✓

The committee held one meeting during the reporting period. The committee fulfilled its mandate as prescribed and there were no instances of material non-compliance found.

THE SOCIAL AND ETHICS COMMITTEE

The mandate of the social and ethics committee includes monitoring and oversight of the group's activities concerning:

- ethical leadership
- responsible corporate citizenship
- sustainable development
- stakeholder inclusivity and
- social and economic development.

GROUP SOCIAL AND ETHICS COMMITTEE MEETINGS AND ATTENDANCE

MEMBER	3 DEC '20
RENIER TALJAARD (CHAIRMAN)	✓
WINTON GEYSER	✓
ELMARIE JANSE VAN RENSBURG (EXECUTIVE)	✓

Subsequent to the appointment of Mr Richard Marney as director of the Trustco board, Mr Marney was appointed chairman of the social and ethics committee and Mr Winton Geyser was redeployed.

The committee held one meeting during the reporting period. The committee fulfilled its mandate as prescribed and there were no instances of material non-compliance found.

COMPLIANCE STATEMENTS

PRIMARY, SECONDARY AND OTCQX LISTINGS

The company's primary listing on the JSE means the company is subject to the JSE Listings Requirements (LR). The company's secondary listing on the Namibian Stock Exchange (NSX) means the company is further subject to the NSX LR.

Trustco established a sponsored Level 1 ADR program in the United States of America (USA) in 2014. The purpose of the ADR was to facilitate access to Trustco shares (TTO) in the USA and to enhance the international presence of the emerging markets vision of the group. Trustco upgraded its Level 1 ADR program to a real-time Level 2 ADR program. The Trustco share has commenced trading on the OTCQX Best Market under the symbol TSCHY. The company's listing on the OTCQX means the company is subject to the requirements of the OTCQX International and must comply with its US disclosure obligations under the Exchange Act Rule 12g3-2(b) and the OTCQX standard for international companies.

The board satisfied itself that the group has complied with all enforceable JSE and NSX LR as well as the OTCQX standard.

LEADERSHIP AND **ETHICS** (CONTINUED)

ANNUAL COMPLIANCE CERTIFICATE
The annual compliance certificate confirming the company's compliance with the JSE LR was completed and submitted to the JSE. The ARC considered the applicable report from the JSE and ensured that the company took the appropriate action.

KING IV REPORT AND REGISTER
The board accepted and embraced the implementation of the King IV report and has adopted the principles of the King IV report insofar as the application thereof is in the best interest of the group. Where it was not possible, the board explained why it did not and applied alternative principles or practices in line with the overarching governance principles of fairness, accountability, responsibility and transparency. A complete compliance list is available on the company's website at https://tinyurl.com/ylmu3v17

BROAD DIVERSITY POLICY
The board considered and applied the principles of the Broad Diversity Policy. Should replacement opportunities for directors arise, the balance of skills required to enable the board to properly perform its duties and meet its responsibilities will be taken into account. Although no voluntary targets have been set, the board will apply the Broad Diversity Policy with the envisaged new appointments of independent non-executive directors. In accordance with the JSE LR, the board approved policy on the promotion of broad diversity is available on the company's website at https://tinyurl.com/ylmu3v17

DEALING IN SECURITIES
Trustco is a highly regulated entity and operates within strict rules and guidelines. Trustco always adheres to the highest standards of corporate governance, transparency and ethical behaviour and has sufficient policies and procedures in place to ensure that any trading in securities is done in accordance with the rules and regulations. The company secretarial department authorises all trades in Trustco securities of directors.

DIRECTORS' DEALINGS AND CONFLICTS OF INTEREST
Policies and procedures are in place to recognise, respond to and manage any actual, potential or perceived conflicts of interest. Directors are required to disclose their personal financial interests and those of persons related to them, in contracts or other matters in which Trustco has a material interest or which are to be considered at a board meeting. All directors are required to assess any potential conflict of interest and report such instances to the attention of the chairperson of the board. Where a potential conflict of interest exists, directors are expected to recuse themselves from relevant discussions and decisions.

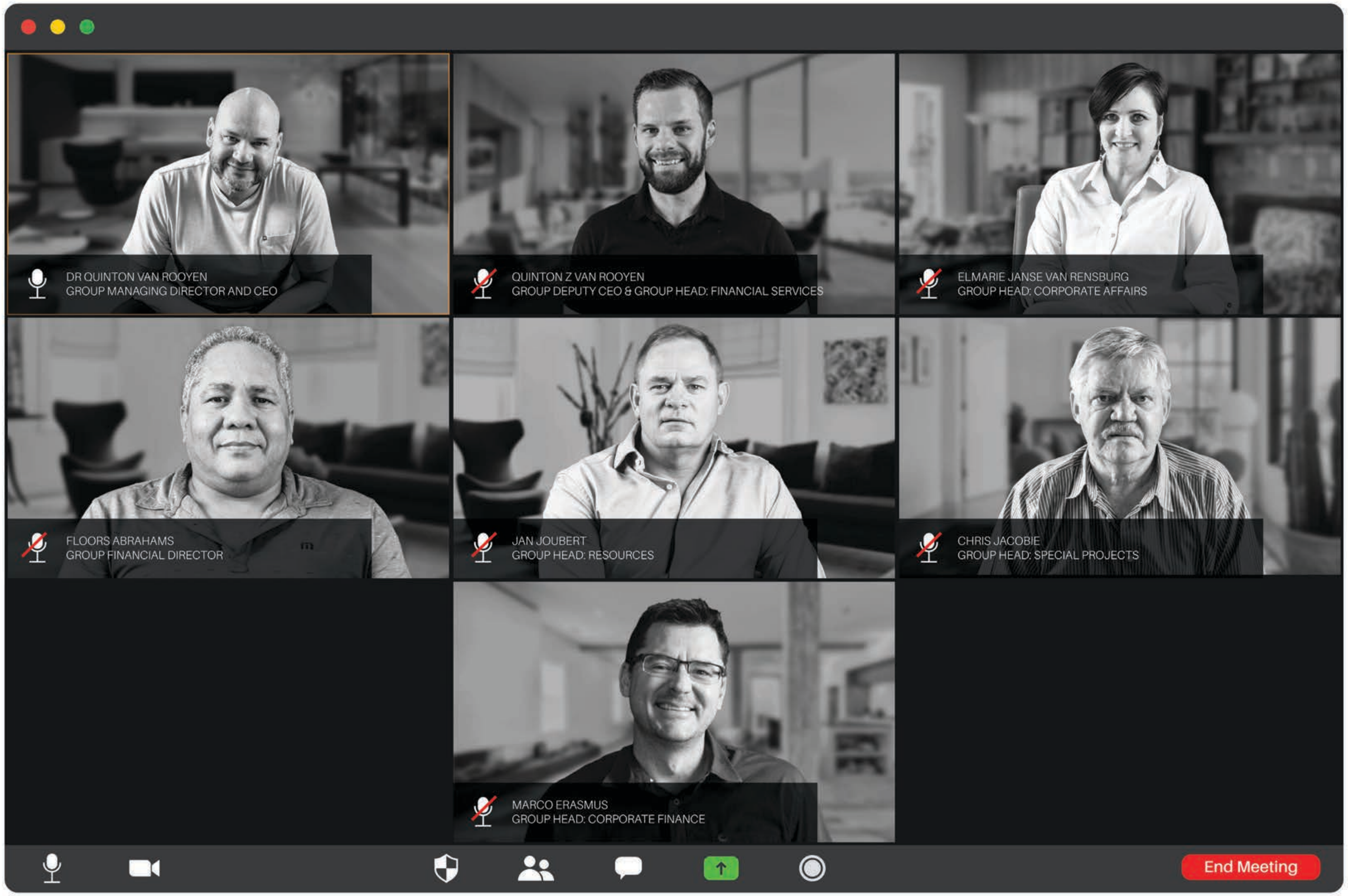
Declarations of interest and conflict of interest of directors are done annually as per the Declaration of Interest and Conflict of Interest Policy of the group. All information acquired by directors in the performance of their duties, which is not disclosed publicly, is treated as confidential. Directors may not use, or appear to use, such information for personal advantage or for the advantage of third parties. All directors of the company are required to comply with the relevant board policies of the group and the requirements of the JSE regarding insider information, dealings in securities and the disclosure of such dealings.

The activities and conduct of executive directors and senior management who act in an executive capacity on the boards of investee companies are governed by formal guidelines as approved by the board.

SPONSOR
Vunani Ltd through Vunani Corporate Finance remains the company's JSE equity sponsor. Merchantec (Pty) Ltd remains the company's debt sponsor. Simonis Storm Securities (Pty) Ltd remains the company's NSX sponsor for the reporting period. J P Galda remains the company's OTCQX sponsor.

WHISTLE BLOWING
The ARC is satisfied that adequate and appropriate provision is made for whistle blowing processes. No material instances requiring action were encountered during the financial period under review. Trustco has an established anonymous reporting facility for whistle blowing. This facility encourages employees and other stakeholders to report fraudulent, corrupt or unethical behaviour related to any of the group's activities without fear of victimisation and retribution. There were no cases of significant fraud or theft that were reported during the period under review.

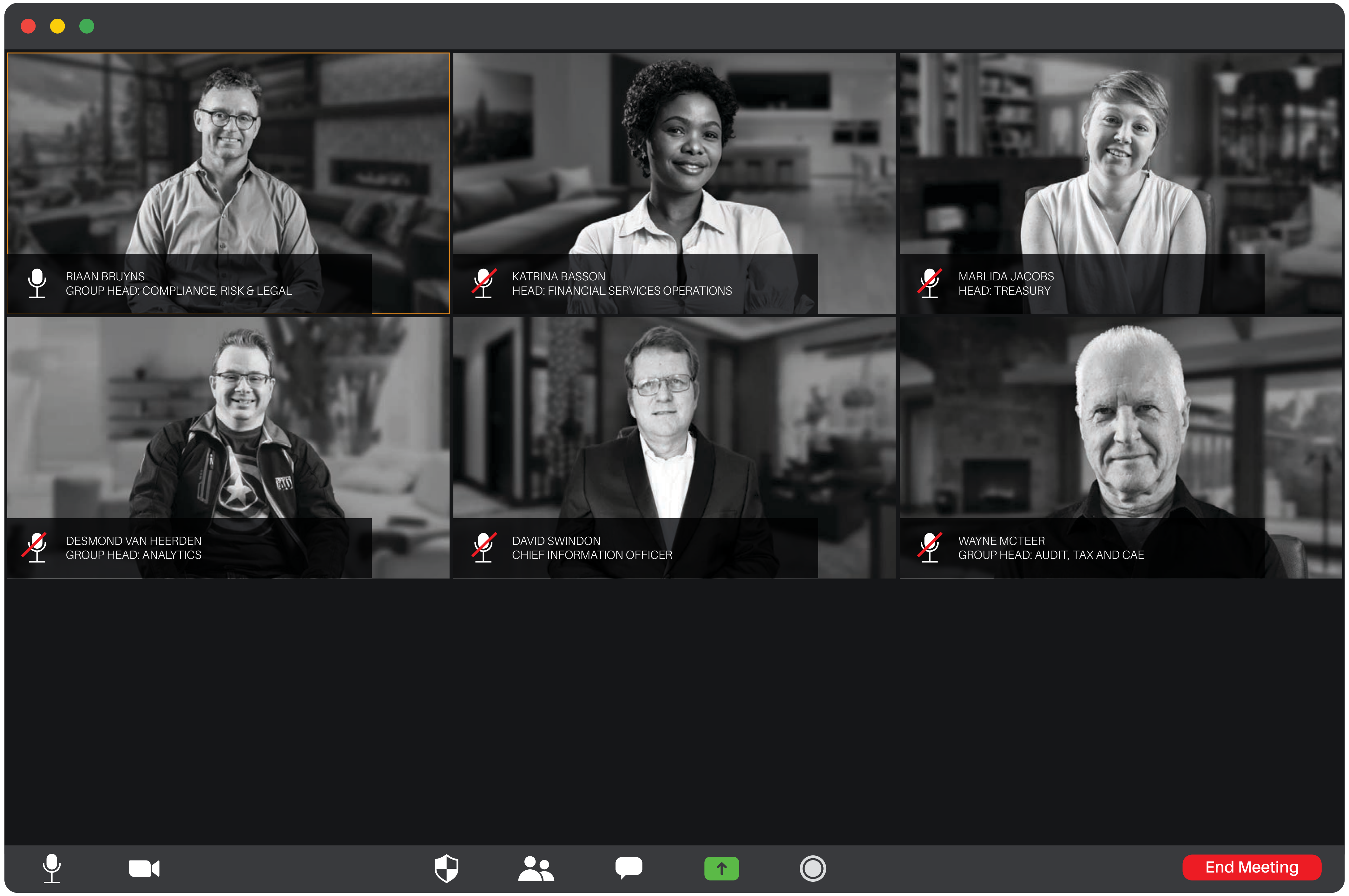
SUSTAINABILITY REPORTING
The ARC oversaw the integrity of the integrated annual report and is satisfied that the disclosure of information pertaining to sustainability issues is reliable and consistent with the financial results and other information within the knowledge of the members of the ARC.



GROUP EXECUTIVE COMMITTEE

The group executive committee (exco) is chaired by the group MD/CEO and is responsible for the implementation and execution of operations in accordance with strategy approved by the board. The exco with its support executives meet daily to monitor targets and progress to ensure that objectives and policies remain relevant as well as to discuss operational matters which are material to sustainable growth and ongoing risk management. New initiatives are continuously recommended to the board for consideration and approval. The exco comprises selected executives heading business investments and group functions.

LEADERSHIP AND **ETHICS** (CONTINUED)



GROUP EXCO SUPPORT EXECUTIVES

The exco support executives are carefully handpicked and offered special guidance, mentorship and support by the exco. These support executives are earmarked to join the exco and provide essential support and advice as well as enhance the skills pool of the exco.

RISK MANAGEMENT AND **INTERNAL CONTROL**

RISK MANAGEMENT

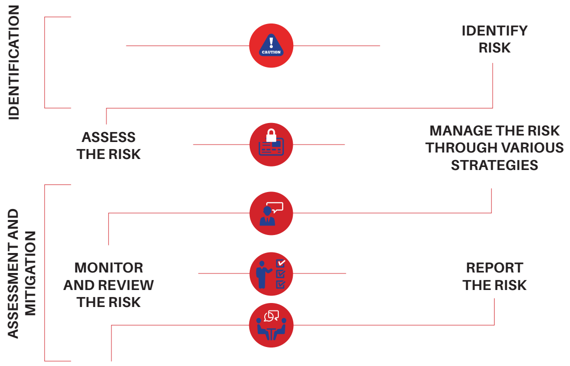
A robust and effective risk management system is crucial for the assessment, monitoring and mitigation of risk identified within the group. Ethical leadership and human capital are the cornerstone of Trustco's risk management as these ensure sound corporate reputation and effective governance. As an investment group, the risk management process takes cognisance of risks and opportunities throughout the group as well as the risks and opportunities inherent in its investment portfolio.

Some subsidiaries and investees in the group have specific risk policies, while others are covered by the group risk framework. The board evaluates the risk profile and appetite of the group for each material transaction prior to entering into it.

The board of directors is ultimately responsible and accountable for the management of risk within the group, the determination of risk appetite and risk tolerance as well as the implementation, oversight and monitoring through the ARCs. The board discharges its responsibilities for risk management through the group governance structure and more specifically the subsidiary ARCs. The ARC is responsible for the oversight of risk management, which includes forming its own opinion on the actual effectiveness of the risk management process and policies in the group's operations. This is escalated to the board which further ensures oversight of the framework, policies, opinions and maintenance of the systems of internal controls. Management is accountable to the board for the design, implementation, maintenance, monitoring and integration of the process of risk management in the day-to-day activities of the group. The following is in place to assist with risk management to ensure the group achieves its strategic and operational goals.

RISK REVIEW

The group maintains effective risk management through internal controls and an assurance framework based on adherence to King IV, the JSE and NSX LR, the Namibian and South African Companies Acts and the NamCode. The group aims to remain compliant with the applicable laws and regulations.



INTERNAL CONTROL SYSTEMS

The adherence to internal controls is governed by approved policies and procedures. These are reviewed on a regular basis by management, internal and external audit as well as management committees. Additional audit and risk committees operate throughout the group in the subsidiaries to ensure overall oversight of all risks before being escalated to the applicable boards.

INTERNAL AUDIT

Internal audit is responsible for assisting the board and management to maintain an effective internal control environment by evaluating and testing the controls continuously to determine whether they are effective and adequately designed as well as to recommend improvements. The internal audit department provides the audit and risk committee with assurance on the effectiveness of the internal control systems.

EXTERNAL AUDIT

The Auditors' Rotation Policy of the group ensures the independence of the external auditors. In terms of the JSE LR, the external auditor of the group must be accredited with the JSE. Nexia SAB&T continue in office as the JSE accredited auditor as well as the auditor of the South African operations. Moore remains the auditor for the Mauritian and Sierra Leone operations, with Grand Namibia and SML Namibia being the auditors for the Namibian operations. The independence of the external auditors is reviewed regularly by the ARC. The external auditor attends ARC meetings and has direct access to the chairman of the ARC.

EXTERNAL ASSURANCE

Various external parties are used to assess the adequacy and effectiveness of controls and in certain instances, to provide risk assurance and to ensure compliance, for example with environmental, ICT and safety audits. The ARC as well as the board has access to an independent JSE accredited IFRS advisor, external compliance advisor and external legal advisor at all times.

COMPLIANCE

The group faces complex challenges as it invests in diversified and various industries. Compliance with all requirements, on all levels, with the different regulatory bodies for the different companies in which the group has invested can only be achieved if a proper risk management system is in place and adhered to at all times. The compliance function identifies, assesses, advises, monitors and reports on the compliance risk of the group and its subsidiaries, as well as legal risk in terms of the potential impact of changes in laws and regulations. The company secretarial department, senior management with the assistance of the group CAE, internal audit and the legal department manage and ensure compliance with relevant laws and regulations. Any compliance matters or risks identified are monitored, mitigated and reported to the ARC.

ICT GOVERNANCE

Information and communication technology (ICT) is managed from group level and is designed to support Trustco's investments in achieving their strategic objectives. The group ICT Strategy and Steering Committee (ICT SSC) performs governance functions with its chairperson reporting to the group executive committee (exco). All ICT policies are continuously reviewed and approved by the ICT SSC. ICT is regarded as essential to the continued sustainable operations of the group's investments and the ICT SSC meets quarterly on a formal basis and informally on a continuous basis. The group maintains policies that guide ICT service delivery, incident management, physical security, change management, patch management, passwords and acceptable use. ICT risk management is included into the combined assurance process of the group and an ICT business continuity plan and disaster recovery plan are maintained, both of which are tested on an annual basis.

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The board acknowledges the importance of keeping shareholders and the investor community informed of developments in the business of the group. Communication with shareholders is based on the principles of timely, balanced, clear and transparent information. Both positive and negative aspects of financial and non-financial information are provided. Interactions with institutional investors take place on a continuous basis.

PRICE SENSITIVE INFORMATION

No director, officer, employee or associate of any of the aforementioned of the company or its subsidiaries, may deal either directly or indirectly in the company's securities based on unpublished price sensitive information which they may have in their possession nor may they trade in the company's securities during closed periods. The company also has formal policies on trading in company shares that have been maintained to ensure that the securities dealings by employees, senior management, directors and associates are conducted in compliance with the JSE LR, the Financial Markets Act (SA) and Financial Intelligence Act (Namibia).

PROHIBITED PERIODS

Closed periods are from the end of the interim and annual reporting periods up to the announcement of financial results for the respective periods and while the company is under a cautionary announcement.

ISSUING OF SHARES

Trustco did not issue any shares during the reporting period .

REPURCHASE OF SHARES

The group has a repurchase programme in place that allows the company or its subsidiaries to acquire securities during closed periods. The group will continue with its share repurchase programme for as long as the company and board resolve that the prevailing share price is below its intrinsic value.

The company has repurchased 719 491 of its securities during the reporting period.

AMENDMENT TO THE FINANCIAL YEAR

The group amended its financial year-end from 30 September to 31 August in accordance with the Companies Act. All regulatory approvals were obtained as required.

PRINCIPAL **RISKS**

COVID-19

The COVID-19 pandemic has had a detrimental effect globally on lost hours of work due to lockdowns and the health of the employed workforce. Economically, this has resulted in demand shifting between different products and services as well as loss of disposable income which affected supply chains.

Trustco group continued with its comprehensive Coronavirus policy and accordingly minimal working hours were lost. Over 75% of the employees have had their first vaccination and over 59% are fully vaccinated. The following principal risks have been identified both during the reporting period and since the onset of the pandemic in the investments of the group:

INSURANCE AND ITS INVESTMENTS

- Insurance – the main insurance product is legal cover under the Legal Shield brand. Due to the change in labour relations during the pandemic, this product has become more valuable to clients and was therefore maintained and accordingly, premium income has remained fairly stable. However, an increase in death claims has occurred during the reporting period due to the pandemic, with said claims covered by the long-term insurer.
- Real estate – while the Namibian residential property market has seen housing prices decline since 2015, Trustco's prices for serviced land have remained stable and the property division was not affected by the general residential housing price decrease, although sales volumes have declined. The lower interest rates throughout the period have resulted in the property market showing signs of recovery.
- Banking and finance – the injection of new funding together with an increased appetite for distance education financing resulted in growth for the student loan book. Banking and finance maintained its stringent credit vetting controls and procedures throughout the reporting period. Interest rates remained low during the reporting period with the prime rate at 7.5%, reducing the effective interest rate of the loan book. Collections on defaulted loans were slower during the reporting period with the restriction on movement causing a delay in the delivery of summonses to these customers.

RESOURCES

- Mining – the diamonds produced by Meya are of exceptionally high quality within the top tier, 2% of all natural diamonds, thus in high demand despite global market conditions having been under pressure as a result of the COVID-19 pandemic. Global supply chain challenges will most likely impact the mine in terms of delays with delivery of spares and equipment.

REGULATORY RISK

The principal regulatory risk is in the financial services sector, where the implementation of the Namibia National Reinsurance Corporation Act may result in a 20% reduction of profit in the insurance division. The Act is currently being contested by various Namibian insurers.

LIQUIDITY RISK

Due to the pandemic and continued recession, liquidity pressures on the overall economy have filtered down to the group's investments. Liquidity is monitored with continuous forward-looking cash flow forecasts and the management of funding facilities. A new facility for Meya was secured which assisted in bringing the mine to commercial production.Facilities secured in the previous reporting period for the loan book and property developments were drawn down during the period under review.

INTEREST RATE RISK

Interest rates have remained low during the period under review and resulted in reduced margins in the banking and finance division. Additional capital continues to be allocated to this division to ensure stable returns by offsetting the low interest rate margins with greater transactional volumes.

MARKET RISK

The pandemic resulted in a significant decline in stock market prices, with stocks in financial services most affected. The group was therefore not immune to its operating environment and saw a significant decline in its market capitalisation as a result. Since this was identified as a non-standard market event, the group expects prices to return to normal over time.

SUSTAINABLE **DEVELOPMENT REPORT**

BACKGROUND

The group and its investee companies subscribe to the implementation of Corporate Social Investment (CSI) initiatives, which seek to augment and enhance the group's strategy by aligning their CSI portfolios to international best practices and governance principles. Trustco expects all its underlying investees to act responsibly in respect to environmental, social and governance (ESG)matters and to that end, representatives on all subsidiary boards and committees ensure that best practices are adhered to.

The group aspires to remain an integral part of the broader societies in which it operates and at the forefront of corporate citizenry through investing in and impacting the societies in which it operates. The significance of the group's CSI is evidenced in its standing as an exceptionally good corporate citizen.

The initiatives engaged in during the financial period under review encompassed the advancement of education, empowerment, community development and sport. These initiatives constitute the cornerstone of the group's CSI philosophy and augment its strategy whilst, most imperatively, giving back to the societies in which it operates.

Trustco's key focus is also conducting operations in a responsible manner with a minimal impact on the natural environment. The group engages and participates in sustainable strategies to incorporate a broader agenda that is driven by the United Nations (UN) Sustainable Development Goals (SDGs). The SDGs are a set of global targets adopted unanimously by 193 UN member states including Namibia. Under the SDGs, targets and indicators are met through cross-cutting issues of environmental, social and economics to ensure that sustainable development is achieved. The SDGs serve as a macro umbrella to the entire group and guide its sustainability efforts.

The group has always been committed to a holistic approach to corporate growth – an approach that focuses on maintaining not only economic development, but also sustainable growth, social and environmental development and protection. To improve competence, key sustainability issues are addressed and evaluated by management. Policies governing environmental, social and economic issues form an integral component of the value creation process to ensure sustainability. In order to realise and maintain sustainable operations, SDG themes are implemented and maintained through ongoing initiatives in the group.

ENVIRONMENTAL, SOCIAL AND ECONOMIC MATTERS

ENVIRONMENT

The SDGs serve as principles for Trustco to emphasise effective, efficient and sustainable practices. This is accelerated by the existing Environmental and Social Management System (ESMS) and is supported by procedures and resources maintained by management to ensure that environmental and social risks are always taken into consideration. The ESMS is made up of interrelated parts to assess, control and continuously improve environmental and social performance. An integral part of the ESMS is the policy that advocates and ensures commitment from the board and senior management as well as effective communication of procedures internally and externally.

The group's ESMS guides environmental and social implementation with clear rules and objectives derived from the operations of investee companies. For effective ESMS implementation, employees are provided with career development and training, enabling them to yield positive results as they form an essential part of the group.

Part of the ESMS requires the monitoring of laws and regulations to promote compliance and accountability. Compliance measurements ensure that the group and service providers adhere to environmental and social regulations on a consistent basis. To ensure internal environmental and social compliance, Trustco is compliant with the following in relevant divisions supported by required licences: Environmental Impact Assessment (EIA), Environmental Management Plan (EMP) and Environmental and Social Due Diligence (ESDD).

SOCIAL

Social duties are managed across the group and the performance and impact are measured to ensure the incorporation of beneficiaries such as employees, communities and other stakeholders. Shareholder

SUSTAINABLE **DEVELOPMENT REPORT** (CONTINUED)

integration promotes and maintains good relations and transformation efforts, advance equality and human rights and prevent unfair discrimination. The group maintains a culture of participation in sustainable initiatives that create long-term value for the communities in which it operates. These initiatives are incorporated in the CSI initiatives of the group and include education, sports, charity and community development. Prospective beneficiaries are screened to identify meaningful projects where the community at large benefit. The group engages heads of investee companies to assist in identifying projects and to nominate worthwhile beneficiaries in the different sectors in which it operates. The decision to proceed with the final selected beneficiaries is based on the proposal's alignment with the group objectives.

ECONOMIC

Despite the economic climate in the country, the group is proactive and geared with expertise to ensure resilience during tough times. Diversification was identified as key to assist with the means to generate sustainable capital and income. Through diversification, Trustco has built strong fundamentals rooted in the important principles of service delivery.

ADDING VALUE

Trustco is committed to transforming capitals by evaluating Key Performance Indicators (KPIs) through risks and opportunities, strategies and performance to ensure activities are ongoing and sustainable. Evaluation of capital inputs ensure that value is created for shareholders during the outcome process.

ENVIRONMENTAL IMPACT AND GOVERNANCE

FINANCIAL SERVICES

INSURANCE AND ITS INVESTMENTS

REAL ESTATE

- No negative environmental impacts were recorded during any construction activities.
- Monitoring and analysis of the final effluent from the wastewater treatment plant is conducted by an external contractor to ensure that the effluent meets the set standards and guidelines. Maintenance and upgrading works were recently completed at the plant. No significant negative environmental impacts have been reported in this regard. Continued maintenance of the wastewater treatment plant ensures compliance to wastewater requirements as per the guidelines of the Water Resource Management Act.
- Recycling of unused grey water for irrigation purposes of open spaces, landscaping and sports fields.

EDUCATION

INSTITUTE FOR OPEN LEARNING

- Environmental sustainability and increased ease of studying with e-learning material on digital platforms achieve further cost saving and facilitate further comprehensive e-learning initiatives.
- Full digital migration reduces carbon footprint with little to zero printing of study materials and subsequent reduced travelling costs for clients to offices and examination centres.

RESOURCES

- Environmental Impact Assessments (EIA) and Environmental Management Plans (EMP) identify positive and negative impacts that the company may have on the surrounding environment and communities. Negative impacts are mitigated with the support input from the public and independent external and experienced consultants.
- All sites are awarded with Environmental Clearance Certificates (ECC) as proof of compliance with national, international and best practice regulations.
- Meya partnered with Welthungerhilfe, one of Germany's largest NGOs based in the Kono District, in Sierra Leone, on the Repurposing Reusable Waste Project whereby recyclable plastic waste is exchanged for rice, which is then donated to the project affected community.

SOCIAL IMPACT AND GOVERNANCE

TRUSTCO GROUP

- The Trustco Top 40 selected three orphanage homes to treat with a day of food and fun. A total of 570 children representing these orphanages benefitted from this annual initiative, during the reporting period.
- The annual Trustco NTA Juniors and Junior Masters are two major tennis tournaments the group sponsors annually that ensures that junior tennis grows and develops steadily in all regions throughout Namibia. Trustco group continuously finds innovative and creative elements on match days to ensure that both players and spectators view these tournaments as important and equally entertaining days on the Namibian social calendar.
- The community of Somerset-West in Cape Town, South Africa, benefits annually from the support to the Movember Cancer Awareness Drive by Trustco's IT software team based in Cape Town. The global Movember campaign is an annual event entailing the growing of moustaches during the month of November to raise awareness of men's health issues, such as prostate cancer, testicular cancer and male suicide.
- Informanté Radio strengthened its reach by acting as the media partner of the gruelling "Fittest in the Namib" competition. Made up of doubles teams, the competition is aimed at pushing participants to their physical limits with a total of six workouts. The importance of a healthy mind, body and soul equally forms a focus of the group by supporting initiatives that enhance overall health. This competition drew a large number of participants as well as supporters who flocked to the different venues across the coastal town of Swakopmund to witness the participants strutting their stuff. With a following of well over 800 000 viewers, the nation was kept well abreast of proceedings countrywide.
- Trustco group continued its annual support of the Trustco United Sports Club. This long-standing partnership ensures that Trustco United develops and maintains its facilities in top class quality. Proven to be a worthy investment over the years, Trustco United has attracted and developed some of the top performers in Namibia across different sporting codes nationally and international.
- The COVID-19 pandemic has wreaked havoc on all aspects of the Namibian society, as it did globally. The increase in deaths led to services such as the storage facility at the state mortuary being heavily affected. Heeding the call by the Namibian Police, Trustco assisted the state mortuary by sponsoring a reefer container to provide additional cooling and storage facilities at the mortuary. The dignity of Namibians in life and in death is of the utmost importance, hence the immediate support provided.

FINANCIAL SERVICES

INSURANCE AND ITS INVESTMENTS

INSURANCE

- People at grass roots level have access to legal representation through affordable legal insurance products.
- Various insurance product offerings provide financial support in times of need.
- Upskilling of employees for future roles in a digital world has been a key focus during this reporting period.
- Full digital migration was done during the reporting period to ensure continuous and effective service delivery during the pandemic and in future.
- Trustco Insurance, through its Legal Shield product, gave its support to two deserving University of Namibia Law students for the 2021 academic year. The students received financial support for studies and accommodation, as well as the opportunity to conduct their Work Integrated Learning at Trustco Insurance upon the completion of their studies. After undergoing a vigorous selection process, taking into consideration an array of selection criteria as well as personal attributes, Doreen Iyomba and Abigail Mayemo were selected to receive bursaries. This support will enable them to focus on their studies rather than the financial burden students encounter when pursuing a higher education qualification.

SUSTAINABLE **DEVELOPMENT REPORT** (CONTINUED)

- OnawaMed breathed oxygen into the career of an aspiring paramedic. Underwritten by Trustco Life, this new and innovative product that changes the lives of Namibians countrywide since its launch, extended its reach into propelling a young, energetic Namibian, Trifaine Vilho, into realising her dream of becoming a qualified paramedic. Trustco Life understands the importance of emergency management training and specialist services provided by paramedics, hence its support to enhance and enable the career of a deserving Namibian.

REAL ESTATE

- Social and economic benefits are provided to communities living within a secure lifestyle community with supplementary offerings in lifestyle amenities such as development of public open spaces and areas for social gatherings.

EDUCATION
INSTITUTE FOR OPEN LEARNING

- IOL plays an important role in assisting to maintain the reputation and integrity of Namibia's education system. Accreditation is an integral part of quality and quality is systematic as it influences the entire education system in Namibia.
- Knowledge and skills gained through education drive increased employability, sustained income growth, wellbeing, health and productivity and enable individuals to function effectively in their economic and social life.
- IOL being a distance higher educational institution that specialises in teaching qualifications, contributes to the long-term impact on the Namibian economy as its graduates plough back into society and the economy.
- Studying part time while continuing to work can assist students to apply their studies directly to their professional environment.

BANKING AND FINANCE
TRUSTCO BANK

- Trustco Bank joined hands with the banking industry in support of the Ministry of Health and Social Services' drive to provide improved services to patients in need of proper oncology services. As a member of the Bankers Association of Namibia (BAN), the bank prides itself in looking at means to compliment the Namibian government's efforts in addressing the challenges faced within its communities for the betterment of all Namibians. BAN embarked on a fundraising drive through its wellness committee to support this initiative. The children's cancer ward at the Windhoek Central Hospital was identified as the beneficiary through an application initiated by the Cancer Association of Namibia.

TRUSTCO FINANCE

- During the reporting period Trustco Finance introduced financial literacy initiatives through social media to educate all Namibians on the importance of budgeting, saving and personal financial management.

RESOURCES

- Access to quality basic education has been identified by the GoSL as well as the primary host communities (PHC) as a priority objective. Meya has been providing support to several primary schools and learning materials to 338 pupils within the PHC.
- Meya constructed two community centres within the Tankoro Chiefdom. Apart from community meetings, the centres serve as assembly points where affected people gather, outside the blast perimeter, during blasting.
- During the COVID-19 pandemic in 2020, Meya supported the Kono District Coronavirus Emergency Operations Centre (DICOVERC) by feeding community members who were quarantined at their homes.
- The company also provided fifty hand-washing stations. These were distributed to the district and city councils, who placed them at critical points around the municipality. In addition to donating the hand washing stations, the company also maintained these facilities in order to ensure they remained functional.

- The USD 100 000 annual surface rent that is payable to the land owners, in accordance with the Surface Lease Agreement (SLA) between the company and its host Chiefdoms in Sierra Leone provides significantly to the local community.
- A sponsorship was made to the Kono cycling team for the National Cycling Competition in Sierra Leone.
- Providing access to potable water in local communities in Sierra Leone remains a focus and another borehole was made available during the reporting period.
- Manpower and equipment support were provided to the Tankoro Resource Centre as well as to the Kono New Senbegun Local Council for the rehabilitation of a feeder road (Waiye Street) and bridge.

ECONOMIC IMPACT AND GOVERNANCE

FINANCIAL SERVICES
INSURANCE AND ITS INVESTMENTS
INSURANCE

- Affordable medical insurance providing access to private doctors.
- Financial assistance is provided to law students at local tertiary institutions as well as employment and training opportunities for bursary students.
- A savings and investment culture by clients and employees is encouraged which promotes financial planning, retirement planning and wealth management.
- All insurance investments are reinvested into Namibian projects and businesses.
- Through the legal insurance product, a continuous flow of funds into the legal fraternity for members' legal representation is made.

REAL ESTATE

- Affordability and increased value-addition to home-owners through the provision of housing options via a Key-360, a personal loan product catering specifically for clients of Trustco property developments.
- Serviced industrial erven contribute towards employment creation, economic growth and opportunities to the end-user.

EDUCATION
INSTITUTE FOR OPEN LEARNING

- Higher education plays a vital role in the creation of a democratic society, it makes society geopolitically stable while leading to economic prosperity in the global marketplace.
- The labour market is assured of employable graduates with the required skills at the appropriate NQF levels. Over 13 000 students have graduated through IOL to date.
- Distance learning students are able to provide for their families and afford them the opportunity to work while they are raising their families and pursuing their fulltime careers.

BANKING AND FINANCE
TRUSTCO FINANCE

- Financing for education promotes economic growth and financial inclusion and improves the quality of life of people living in rural areas, as 56% of the current client base is from the rural areas of Namibia.

RESOURCES

- Meya continuously rehabilitates feeder roads within the PHC, especially during the rainy season. These roads have visibly increased economic activities in the area.

STAKEHOLDER ENGAGEMENT

The group firmly believes that engaging its stakeholders is an integral part of its daily operations as opposed to a separate function. Stakeholder engagement is therefore key to achieving the triple context as it contributes to the decision making and accountability of the group in respect of economic, social and environmental matters.

Each key stakeholder group provides a form of capital that contributes to the successful execution of the group strategy, vision and mission.

As an active corporate citizen of Namibia, South Africa, Mauritius and Sierra Leone, the group aspires to be known as a nation builder at the forefront of economic growth in the countries in which it operates. The group realises the importance of open and transparent dialogue with its stakeholders and continuously focuses on improving stakeholder engagement.

SUSTAINABLE **DEVELOPMENT REPORT** (CONTINUED)

STRATEGIC OBJECTIVES AND PRINCIPLES

The overall objective is to improve ongoing engagement with the group's stakeholders and to ensure their needs are considered in decision making.

Strategic objectives:

- support sustainability of businesses in the long-term
- meet changing customer and community demands and expectations
- improve existing relationships with stakeholders and
- ensure best practice engagement and demonstrate leadership in the industries in which the group operates.

KEY PRINCIPLES THAT GUIDE ENGAGEMENT

Best practice — Follow regulatory and best practices guidelines and demonstrate leadership in the industries in which the group operates.

Inclusive — Be inclusive, inviting stakeholders' views where appropriate to improve engagement and to promote accessibility.

Informative — Inform stakeholders *via* open, transparent, relevant and timeous communication.

Transparency — Be transparent, clearly outlining what stakeholders can expect and how their feedback will be taken into consideration.

Listen — Listen to and seek to understand stakeholders' views and concerns.

Responsive — Consider and respond to concerns, providing prompt and clear feedback.

Consistent — A proactive, coordinated and consistent approach to engagement across the group.

Targeted — Ensure engagement is prioritised, proactive and tailored to specific issues and projects.

Measurable — Measure the success of engagement and apply outcomes in designing and developing future engagement.

The group is committed to working together with its stakeholders to understand their needs and to deliver services which address their needs.

SHAREHOLDERS, INVESTORS, FUNDERS AND ANALYSTS

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2020/21 KEY MATTERS
Current shareholders	Periodically, quarterly, bi-annually, annually	Transparent reporting maintained at all times with shareholders through the integrated annual report, SENS announcements, voluntary announcements, group website, social media, print media, circulars, GMs and AGMs.	· Overall strategic direction and updates · Virtual investor conferences · Governance, financial control and listed environmental matters · 2021 interim and annual audits and results
Investors, funders, potential shareholders and investment analysts	Periodically, quarterly, bi-annually, annually	Regular reporting to lenders and funders on covenants, general frequent updates and communication *via* telecons, face-to-face engagement and increased media coverage and exposure to offer additional confidence and security in the sustainability and governance of the group.	· Regular investors presentations and conference calls · Debt restructuring process · Raising new debt facilities · GCR credit rating review ongoing

DIRECTORS AND EMPLOYEES

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2020/21 KEY MATTERS
Board members	Periodically, quarterly, annually	Formal and informal meetings, regular communication, telecons, memoranda and correspondence between management and the board *via* the company secretary. Regular site, offsite and other informal visits to ensure a better understanding of operations, projects, progress and issues.	· Strategy sessions · Operational and financial performance updates · Corporate governance issues · Debt restructuring process · Raising new debt facilities · Strategic annual planning and budget session between the board and senior management
Employees	Daily, weekly, monthly, periodically, quarterly, bi-annually and annually	As an employer of choice employees are kept abreast of all company information, the latest content of the integrated annual reports as well as company policies on an e-policy system. Group communication and engagement with employees through various committees and forums including a company intranet, emails, SMS and WhatsApp groups. Employees were offered both formal, informal and in-house training and skills transfer to ensure they are able to successfully fulfil their roles. Open door policy with management, daily coffee table meetings and one-on-one meetings with management and HR. Quarterly self-assessments with management input and formal one-on-one annual performance evaluations. Active COVID-19 related communication, engagements and protocols, including educational programmes and awareness on vaccinations.	· Compulsory tests on the group's annual reports in order to qualify for annual salary increments and quarterly bonuses · Compulsory annual AML testing and fraud awareness refresher training · Uniform application of policies · Recession and COVID-19 pandemic resulted in restructuring in the group and impacted on job security · Consequence management, transparency and accountability · Upskill employees for future roles in a digital world · Hosted an onsite vaccination drive at Trustco's head office

SUSTAINABLE **DEVELOPMENT REPORT** (CONTINUED)

GOVERNMENT, REGULATORS, COMMUNITY, CUSTOMERS, SERVICE PROVIDERS AND MEDIA

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2020/21 KEY MATTERS
Government and regulatory bodies	Periodically, quarterly, bi-annually and annually	Highest standard of compliance with corporate governance principles, legislation and regulations across all entities and to various regulatory bodies. Open and transparent communication with all government agencies and regulators.	· Global COVID-19 pandemic created operational challenges as well as required reporting on compliance · Group engaged with relevant regulators at all times prior and during this reporting period
Community	Daily, weekly,monthly, periodically, quarterly, bi-annually and annually	Charitable donations, community outreach and upliftment programmes, sport development sponsorships.	· Refer to the CSI and ESG reports
Customers, service providers and media	Daily, weekly, monthly, periodically, quarterly, bi-annually and annually	Provision and maintenance of service excellence through constant improvement of products, research of customer expectations and needs, communication via call centres, electronic mail and SMS, social media, contact classes and phone calls. Active web and social media interaction to increase visibility (such as Facebook, Instagram, YouTube and Twitter), Informanté digital news, marketing community related topics and corporate activities, media briefings and information sessions. Continuous interaction and service level agreements with service providers.	· Full digital migration to ensure service delivery during the pandemic and thereafter · Dedicated customer service and call centres · Follow up on all issues and complaints · Active engagement on social media platforms · Maintaining customer complaints registers which include conclusion of all matters reported · Reporting material matters to the social and ethics committee · Information and contact sessions · Ongoing education of clientele regarding financial literacy and financial planning · Digital migration provided numerous alternative platforms for interactions with the company

SUSTAINABILITY

Trustco group remains convinced that a pure bottom-line growth focus cannot deliver the group's vision of long-term wealth creation. As such, it has instilled in its investee companies a holistic approach to growth, one focused not only on economic development, but also on social as well as environmental development.

These three pillars of sustainable development coalesce in different ways to create the six types of capital the group itself and its investee companies are focused on.

NATURAL CAPITAL-ENVIRONMENTAL-ECONOMIC CAPITAL

Natural capital is the underlying resource that all other capitals build upon. This not only includes those resources normally thought of as natural capital, such as water, land, minerals etc., but also broader resources, such as biodiversity and ecosystem health.

RESOURCES

It is critical that the capacity of the environment to provide ecological system integrity, biological diversity and productivity is protected. As such, Trustco's new projects and business expansions, especially under the resources entity that resort under the domain of Namibia's Environmental Management Act (Act 7 of 2007) as well as Sierra Leone's Mines and Minerals Act of 2009, are addressed with Environmental Impact Assessments (EIA) and Environmental Management Plans (EMP). The EIA and EMP identify positive and negative impacts that the group may have on the surrounding environment and communities. Negative impacts are mitigated with the support input from the public and independent external and experienced consultants. All sites of resources are awarded with Environmental Clearance Certificates (ECC) as proof of compliance with national, international and best practice regulations.

FINANCIAL SERVICES

Similar to resources, the real estate companies also comply with EIA and EMP and are awarded with ECC as proof of compliance with national, international and best practice regulations.

The other investee companies of the group have created cost competitiveness to deliver environmental gains through fuel cutting and increasing use of video and telephone conferencing to reduce travel costs. In addition, green technologies are utilised at its various operations, such as solar energy and energy efficiency bulbs to reduce the impact on the environment.

MANUFACTURED CAPITAL-ECONOMIC-ENVIRONMENTAL CAPITAL

Manufactured capital is generally distinguished from natural capital in that this form of capital is produced to enable a business to operate – to produce goods and provide services. This not only encompasses the capital as recorded on the balance sheets, but also the available infrastructure provided by others in the economy which the group can use to create value for stakeholders.

RESOURCES

As noted above, the resources entity creates and maintains infrastructure in its primary host communities, as it strives to upgrade its own operations to commercial production by improving and extending its mining infrastructure.

FINANCIAL SERVICES

Through its real estate companies, financial services has a continuous development programme that includes roads as well as other essential services to its various property developments.

The other investee companies of the group focus on maintaining and expanding their ICT infrastructure to enable business operations to be conducted smoothly.

HUMAN CAPITAL

Human capital is embodied in the individuals employed by the group. It comprises of their collective and individual capabilities, knowledge and skills – from rank-and-file employee up to board level. The group aims for employees in all its investee companies to have a high standard of health and personal wellbeing through human resources-led wellness initiatives. Through the CSI programmes in every investee, Trustco remains active in social participation. Employees have high standards of personal development and the group accommodates them by providing varied opportunities through work, creative outlets and, on occasion, recreational activities.

Trustco has received six consecutive Deloitte "Best Company To Work For" awards and has been participating in the survey for the same period. The group has consistently placed in the top three best companies to work for in Namibia. This proves a culture of consistent performance and demonstrates the company's commitment to its people, enabling Trustco to market itself as an employer of choice in the job market.

SUSTAINABLE **DEVELOPMENT REPORT** (CONTINUED)

The second junior board programme, a mentorship and leadership initiative to empower and promote the development and transfer of skills to the youth, continued during the reporting period. Trustco recognises that there is a limited pool of skilled persons available in the country and in addition to this external programme, also runs an internal programme with the focus to develop and retain talent. The Trustco Top 40 employees are identified and elected by their colleagues. These professionals are committed, motivated and have the ability to lead, collaborate and create new business ideas in order to achieve company objectives.

SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital is the level of trust that Trustco has accumulated over the years from stakeholders and emphasises the common values between the group and the society that it operates in that allows it to conduct its business.

RESOURCES

Resources focused on community development programs that were aligned with the development needs of their primary host communities (PHC), being the Tankoro, Nimikoro, Gbense and Kamara Chiefdoms in the Kono district in eastern Sierra Leone.

FINANCIAL SERVICES

Financial services has through its investee companies provided substantially towards social capital, specifically with regards to 'social justice' and in such a way as to ensure trusted and accessible justice and governance can be secured by its clients.

The group's media operations, besides supporting the business entities, also operate the Informanté newspaper and Informanté Live, sharing news related to the community, focusing on relevant topics and corporate activities and ensuring communities and society at large share the key positive values of the group and unite with a sense of purpose.

To remain viable and relevant, the group and its investee companies work together with their stakeholders to find value-adding solutions within their operating industries. Long-term management of relationships is one of the group's goals to foster relationships with key suppliers and customers.

Communication with customers is also vital for improving efficiency and creating savings and remain a key part to providing a safe, supportive working and living environment for everyone in the community in which the group operates.

INTELLECTUAL CAPITAL

Intellectual capital is formed by the interrelation of other intangible capitals and does not only comprise of what is termed 'intellectual property', such as patents, copyrights and licences but encompass much more – the knowledge held by Trustco, its systems, procedures and protocols that provide it with a competitive advantage against its peers. Perhaps the most important fact about intellectual capital development is that its value cannot be developed solely by the group – without its development in the wider socio-economic sphere, intellectual capital withers.

Internally, Trustco encourages and facilitates an environment that thrives on innovation and change, embraces the ability to adapt quickly as well as proactively for an ever-changing environment. Trustco encourages employees to think of solutions for current and future issues, including its brand and reputation.

RESOURCES

The intellectual capital within resources consists of the two mining licences and respective environmental licences which ensure that the operations comply with relevant regulations and further facilitates sustainable development.

FINANCIAL SERVICES

Similarly, the real estate companies have significant intellectual capital invested in EIA, as well as local municipality regulations and zoning approvals. However, most of the intellectual capital invested in financial services concerns its bespoke software systems and the policies and procedures that ensure that these investee companies can continue to service their clients with the speed and efficiency that they've become accustomed to.

FINANCIAL CAPITAL

Financial capital aims to accurately represent the value of natural, human, social and manufactured capital and is the ultimate output of the economic growth machine – the measure of wealth creation. In the end, this capital cannot be developed merely by hoarding it – it is the application of financial capital that paves the way for sustainable development.

As such, the group provides assurance to stakeholders by managing its portfolio efficiently and announcing financial information through SENS. The group also continuously examines its capital allocation to ensure that sustainable, long-term wealth generation takes places at every investee company. By measuring the financial capital generated by the group, a measure of Trustco's success in wealth creation can be established.

RESOURCES

Resources is in the process of sourcing the financial capital, required to transition into commercial production.

FINANCIAL SERVICES

Additional financial capital has been secured during the period under review, which is earmarked for use in developing social and relationship capital, as it will be applied to student loans.

REMUNERATION **REPORT**

Trustco Group Holdings as an investment holding company and its unlisted investee companies, all have their own remuneration committees. The focus of the holding company is to ensure the growth of its investments to secure sustainable long-term value creation for all shareholders.

The group remuneration committee (remco) oversees and strives to ensure that the reward practices of the group and its investee companies are sustainable and aligned with shareholders' interests while recognising the lasting contribution of employees to the overall growth of the group. The group remco also provides guidance to the remuneration committees of unlisted investee companies of the larger Trustco group.

The group promotes entrepreneurship and strives to optimise employee performance by providing a working environment conducive to extraordinary performance, characterised by passion and energy that results in a positive contribution to the success of the group and ultimately the economy it operates in.

The individuals the group aims to attract and employ are characterised by intellect, innovation, integrity and initiative, which impart the ability to adapt to an ever changing work environment and a unique and ethical culture, all of which are crucial to the group's pursuit of excellence.

REMUNERATION PHILOSOPHY

The group remuneration philosophy is to ensure that employees are fairly, equitably and responsibly rewarded for their individual value, merit, performance and contribution over a meaningful period to the overall operational and financial success of the group.

The group is committed to a balanced remuneration philosophy that consists of the following components:

- individual performance related remuneration which positively influences and supports the creation of an exceedingly high performing organisation
- rewarding of sustained performance and exceeded performance expectations through extraordinary increases, bonuses, incentives, additional benefits and company shares
- rewards and recognition in the form of promotions and added responsibility
- providing a balanced mix of remuneration, including above industry average salaries, innovative benefits, short-term cash incentives and long-term retention rewards
- creating a competitive total remuneration opportunity which aids in competing for the best talent locally and abroad among companies with global operations and global consumers
- prudent application of incentive schemes to safeguard and promote shareholder interests and create a direct and recognisable alignment between remuneration and risk exposure
- remuneration practices that are transparent, aligned with strategy and managed to ensure responsible, equal and fair pay
- employee growth and development through measured performance management that is cemented in simplicity, transparency and structured to operate effectively and
- unparalleled working environment where performance is rewarded, linked to achieving demanding performance conditions, where employees can fulfil their potential.

The group recognises that lasting growth is what ultimately builds shareholder value and accordingly the remuneration philosophy is used as a management tool that, when aligned with an effective communication plan, is designed to support, reinforce and align values, business strategy, operational and financial needs with a goal of growth, profitability and ultimately the creation of wealth for all stakeholders.

GOVERNANCE OF REMUNERATION

Remuneration is governed by the remuneration committee. The remuneration report provides an overview and understanding of Trustco's remuneration principles, policies and practices. The information in this report has been approved by the board on recommendation from the remuneration committee. Detailed information on the roles and responsibilities of the committee can be found in the governance report. Executives attend the meetings by invitation only and in the interest of governance. The executives recuse themselves when the board discusses matters specifically relating to them. The remuneration committee confirms that it has discharged the functions and complied with its terms of reference for the financial period ended August 2021.

SHAREHOLDER ENGAGEMENT AND VOTING

As required by the Companies Act, King IV and the JSE Listings Requirements, the resolutions that will be tabled for shareholder approval at the AGM can be found in the notice of the AGM of this report.

SHAREHOLDERS' VOTING RESULTS

	2020	2019	2018
REMUNERATION POLICY	99.61%	99.49%	98.87%
IMPLEMENTATION REPORT	99.61%	99.49%	98.98%
NON-EXECUTIVE DIRECTORS REMUNERATION	100%	99.49%	99.98%

The voting results clearly indicate support for the remuneration policy and the implementation thereof. No changes were made to the policy.

There were no formal engagement with shareholders on the remuneration policy or implementation report

REMUNERATION IMPLEMENTATION REPORT

The group remuneration committee continues to apply the King IV principles to its remuneration practices and disclosures and engages actively with senior executives for advice on local and global remuneration trends. The committee remains confident that the remuneration philosophy of the group as well as its policies are aligned with shareholder values, market best practice and are subject to robust review each year.

REMUNERATION STRUCTURE

The group rewards and provides a level of compensation that not only attracts and incentivises employees, but also retains and motivates existing employees to reach their full potential.

Remuneration packages are designed and administered to balance and align directors' and employees' interests in relation to those of all stakeholders. Overall rewards are considered and determined within an effective risk management environment in line with short-, medium- and long-term successes, strategies and goals of the group. The group is confident that including equity in performance and retention schemes for employees is the best way to align their interests with the long-term success and strategy of the group, thus creating optimal shareholder value.

The group participates in and makes use of several industry related salary surveys to substantiate its remuneration data and to position itself competitively against comparable peers. Individual salaries are benchmarked and reviewed internally and externally to ensure fairness and competitiveness.

Benefits and awards are granted on the basis that they aid employee retention and/or provide a resourceful work environment for the employee. The company regularly reviews these benefits for affordability, flexibility and perceived value to employees. All deferred awards are restricted and subject to specific long-term approved periods and continued employment.

The basic salary of each employee is reviewed annually on an individual basis. Annual increases are inflation linked based on personal key performance indicators, achieving set individual goals, quarterly employee self-assessments, increased skills or qualifications and market related benchmarking.

REMUNERATION **REPORT** (CONTINUED)

FIXED REMUNERATION

Participation: Executive directors, prescribed officers, management and employees.
Purpose: Competitive base salaries to attract and retain top talent.
Performance conditions: Annual inflation linked adjustments based on individual performance and key performance indicators aligned with group values and strategic focus areas.
Performance period: Ongoing and reviewed on an annual basis.

Salary	• Guaranteed base salary determined by role, experience, qualifications, responsibilities, skills and industry rates. • The group has a minimum monthly salary of NAD 3 500 per month for a 40-hour work week across all employee levels in Namibia and South Africa which is above industry average minimum wages.
Commission	Commission on sales performance for monthly sales targets.
Lifestyle benefits	Staff social scheme including life cover, dread disease cover and disability cover, hospital plan, employee fund, housing allowance, company cell phone or allowance, pool car, extended lunch hours for purposes of physical exercise, transport allowance, staff transport, free parking, free lunch, Friday Afternoons Off Policy, long service appreciation bonuses, corporate wellness programme, shares gift, Top 40 benefits awarded to elected Top 40 members, in-house training and mentoring, external training, recruitment gift, paternity leave, "babbalas" (hangover) leave, paid maternity leave, sabbatical leave, birthday leave, additional sick leave, team building events and flexi time. Certain benefits are applicable to certain job levels and countries only.

VARIABLE REMUNERATION AND REWARDS

Participation: Executive directors, prescribed officers, management and employees.
Purpose: Short-term incentives encourage and reward the achievement of business targets in the financial year. Long-term incentives retain and align interests of employees with shareholders.
Performance conditions: Quarterly and annual allocations based on financial performance targets.
Performance period: Ongoing and reviewed annually and on a quarterly basis.

Short-term incentives	• Short-term cash incentives for quarterly extraordinary sales targets. • Quarterly short-term cash incentives, in terms of the approved Group Performance and Retention Incentive Scheme for all segments, with measured and set board approved financial, budget and other operational targets. • Annual increases.
Long-term incentives	• Quarterly long-term equity incentives, in terms of the approved Group Performance and Retention Incentive Scheme for all segments, with set board approved financial, budget and other operational targets. • Long service appreciation awards at five year intervals. • Company equity gift to the value of NAD 50 000 for employees with one year of service purchased on behalf of the employee, subject to a five year trading restriction. • A shares-based recruitment gift bought upfront for a new employee on appointment. • Dividend payments on company shares purchased on behalf of employees.
Trustco performance and retention incentive scheme	• The group currently has a 50:50 based incentive and retention scheme. 50% of this incentive is allocated in cash and paid directly to the employee and the remaining 50% is used to purchase Trustco shares for the employee. This incentive scheme aims to retain key skills and to motivate executives over the long-term which is essential for sustainable business.

ANNUAL SALARY INCREASES

Employees, management and executive directors whose performance is satisfactory and who achieve the minimum requirements as set out in the guidelines for the specific remco approved performance evaluation system that are in force at the time of the increase, receive an annual basic Cost Of Living Adjustment (COLA). The COLA is calculated as the average inflation rate of the preceding 12 months in which an employee is appraised. If it is established that the expected performance of the employee is more than satisfactory and the employee achieves and exceeds the minimum requirements as stipulated in the performance guidelines, standards and procedures that are in force at the time of the increase, an employee may be entitled to receive an above basic COLA increase but limited to a maximum of COLA plus 2%.

The average COLA over the current reporting period ending August 2021 was 2.47% in Namibia.

During the previous reporting period, due to the protracted adverse economic climate and recession in Namibia combined with the COVID-19 pandemic, market conditions and probability that the global economy would deteriorate even further, the annual salary increases of all employees from supervisor level upwards, (Supervisor, Manager, COO, Head, Exco Support and Exco) including the Top 40 were suspended and salary increases on employee level however continued but fixed on an annual basic COLA percentage only. The annual salary increases of all employees, including supervisor level and upwards, were reinstated on 1 June 2021 and will be effective 12 months from the reinstatement date. However, an employee's annual salary increase date will be determined based on the date they received their COVID-19 vaccination or the date the employee is certified unfit to be vaccinated by a medical doctor. Employees who have tested positive for COVID-19 have 3 (three) months from date of testing positive to either be vaccinated or be certified unfit to be vaccinated by a medical doctor in order to have a continuous period on which the new salary increment date can be determined.

WORKFORCE STATISTICS (AS AT 31 AUGUST 2021)

NAMIBIA
352

SIERRA LEONE
292

SOUTH AFRICA
19

GRAND TOTAL
663

WORKFORCE ACCORDING TO OCCUPATIONAL LEVEL

TOP MANAGEMENT
23/4%

SKILLED
142/21%

SENIOR MANAGEMENT
24/4%

SEMI-SKILLED
193/29%

MIDDLE MANAGEMENT
139/21%

UNSKILLED
142/21%

TOTAL
663/100%

TOP THREE SALARY EARNERS (AS AT 31 AUGUST 2021)

	NAD 2021	NAD 2020	% CHANGE
EMPLOYEE (MONTHLY EARNINGS)			
EMPLOYEE 1	300 000	300 000	0%
EMPLOYEE 2	242 958	260 266	-7%
EMPLOYEE 3	209 260	209 260	0%

The remuneration committee of the group reviews and ensures that the remuneration policies are enforced in a way that compensates employees fairly, transparently and reasonably to achieve the objectives of the group and to promote positive outcomes for all stakeholders.

The committee also strives to continue ensuring equitable and responsible remuneration processes are implemented and maintained for lasting and maximum shareholder value.

REMUNERATION IN CONTEXT

The table below reflects the total spend on employee remuneration and benefits in 2019, 2020 and 2021.

GROUP REMUNERATION COMPARATIVES FOR THE PAST THREE YEARS

		2021	2020	2019
EMPLOYEE COSTS	NAD	123.3M	243.7M	199.8M
	% CHANGE	-49%	21%	11%
EMPLOYEE TAX PAID	NAD	30.2M	60.4M	41.9M
	% CHANGE	-50%	44%	11%
EMPLOYEE NUMBERS	COUNT	663	715	1015
	% CHANGE	-7%	-29%	12%

EMPLOYEE WELLNESS

The group remains committed to the continuous investment in the wellbeing of its valued employees and also supports the holistic health and happiness of employees.

STAFF SOCIAL SCHEME

The company offers a staff social scheme with equal employer and employee contributions that provides the following cover and additional benefits:

- hospital cover
- disability benefit
- dread disease cover
- life cover
- various types of additional leave i.e. paternity leave, sabbatical leave, birthday leave, afternoons off, additional sick leave and "babbalas" (hangover) leave
- a corporate wellness programme with additional benefits, including free daily staff lunches, physical exercise programmes, flu prevention injections and various health and social awareness campaigns throughout the year and
- an employee fund with the same purpose as a savings fund or pension fund to empower employees by assisting to provide for future financial security and to foster and encourage a culture of saving.

The corporate wellness programme is offered by the company to the employees and is a combination of educational, organisational, nutritional, social and environmental awareness programmes. It also includes physical fitness programmes, life coaching, health coaching, general support, the importance of financial management, medical treatments, vaccinations and activities designed to support, enhance and promote behaviour conducive to maintaining good physical, social and mental health.

The group recognises that a regular and sound fitness regime is vital to maintain the health and well-being of its employees. With greater stress comes an increased likelihood of developing ailments. As part of the wellness programme the group provides exercise programmes with external service providers. The group also engages service providers that give employees access to health screenings, counselling and nurse consultations. In addition, the group has a policy that allows middle to senior management to have extended lunch or break time for the purposes of physical fitness exercises.

The corporate wellness programme is a proven success and extremely effective to motivate, educate and improve the overall health, emotional, physical and spiritual well-being of each valued employee. The programme is well established, maintained and ongoing.

HEALTH AND SAFETY

The group values, provides support and protects the health and safety of its employees.

The occupational health and safety management programme and system across the group and its investee companies is aligned with, operated and maintained according to the local regulatory and legislative requirements of each country in which it operates. Dedicated occupational health and safety officers manage employee health and safety daily on an ongoing basis.

A comprehensive Coronavirus Policy with health and safety procedures, which were implemented during the previous reporting period, was maintained and updated regularly in accordance with regulations and COVID-19 restriction levels as implemented by the government. The policy ensures that the required effective measures are maintained to ensure a safe and healthy working place for employees as well as visiting stakeholders.

Awareness campaigns, information sharing, videos, COVID-19 awareness voice clips in staff transport busses, informative talks, meetings, posters, training on protective behaviour and how to use protective clothing and equipment in the workplace, as well as general education on the virus on the company intranet concerning its transmission and possible preventative measures were implemented, communicated and maintained at all Trustco offices. Regular office emails and WhatsApp messages with relevant information are communicated to employees throughout the year.

In collaboration with the Ministry of Health and Social Services in Namibia, Trustco hosted a mobile COVID-19 vaccination clinic at its head office in Windhoek. To date more than 75% of the employees in the group have had their first vaccination and over 59% are fully vaccinated.

Health and safety officers, who are also members of the health and safety committees of the group, are stationed on the different floors in each office building to provide assistance and information to employees at any given time. In addition to the officers, a registered nurse is available at head office for consultations and advice when required. The nurse also conducts awareness and information sessions for employees in addition to continuous safety campaigns in the company and its intranet.

Policies providing for business continuity and contingency plans were implemented during March 2020 in all departments which assist in and during an event of full, partial, departmental, company or countrywide COVID-19 lockdown and isolation. This ensured proactive determination and mitigation of risk to ensure ongoing and smooth operations. During the reporting period and in the wake of the third coronavirus wave in Namibia, the group exco decided that all Trustco's Namibian and South African offices had to lock down for a second period, with the first lockdown period being in the previous reporting period. Employees were granted a special Corona Leave on full remuneration for both periods. A total of 22 122 Corona Leave days were granted in total since the onset of the pandemic.

COMMUNICATION AND CONSULTATION

The group is committed to and strives to ensure that all employees are heard and maintains an open communication channel environment where employees feel free to raise issues, air concerns and ask any questions. A key focus area of the group is to maintain consultation and communication capabilities from the top structure down to employee level. This approach ensures all communication and engagement focuses on driving the behaviours necessary to deliver on strategic business objectives.

DIVERSITY AND INCLUSION

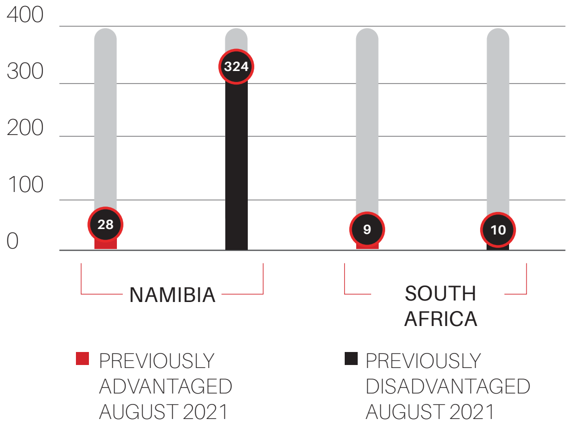
The group promotes and values diversity at all levels and strives to eliminate any employment barriers or any other practices and processes which may result in unfair discrimination in any form. Trustco does not discriminate based on race or gender, therefore there is no pay differentiation.

EMPLOYMENT EQUITY

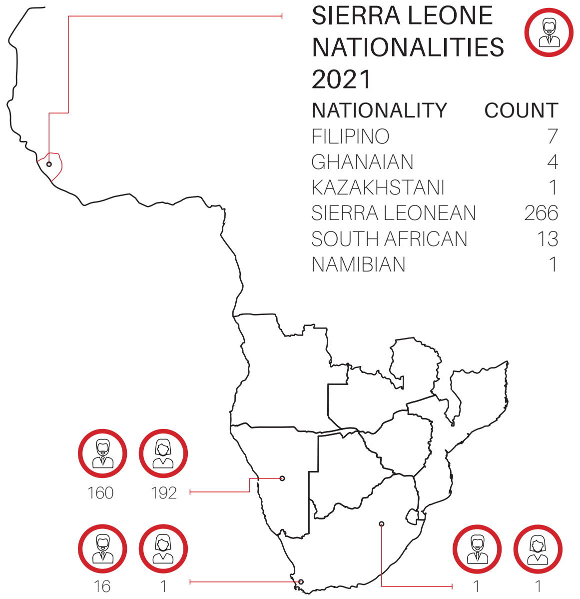
Employment equity is viewed by the group as an integral component of its overall group strategy, from board to employee level, to ensure diversity in the company workforce.

The group is committed to maintaining a workforce that reflects country demographics in respect of race and gender. The group values its employees and recognises their intellectual value and commitment as an important component to the success of the group. The group has a goal to create and sustain an environment of diversity as its competitive advantage for the future. During the financial period under review the group was issued its compliance certificate from the Employment Equity Commission in Namibia.

EMPLOYMENT EQUITY WORKFORCE PROFILE



WORKFORCE STATISTICS ACCORDING TO GENDER AND/OR NATIONALITIES (AS AT AUGUST 2021)



SIERRA LEONE NATIONALITIES 2021

NATIONALITY	COUNT
FILIPINO	7
GHANAIAN	4
KAZAKHSTANI	1
SIERRA LEONEAN	266
SOUTH AFRICAN	13
NAMIBIAN	1

WORKFORCE RESTRUCTURING

As a result of the global COVID-19 pandemic and the economic downturn in Namibia and the region as a whole, the financial services portfolio in which the group invests re-evaluated its way of doing business, focusing on a digitalised business model. In this regard, the boards of Trustco Bank Namibia Trustco Insurance, the Institute for Open Learning (IOL), Trustco Properties and Trustco Finance decided to close several regional offices in Namibia namely; Rundu, Katima Mulilo, Keetmanshoop, Mariental, Gobabis and Trustco Bank Oshakati. The restructuring also resulted in a subsequent reduction of the workforce at the remaining branches at Windhoek, Walvis Bay and Ongwediva.

A total of two hundred and sixty nine (269) employees were retrenched since April 2019, of which twenty eight (28) were done during the reporting period and an additional forty eight (48) were initiated during the reporting period and finalised in September 2021. The majority of the retrenched employees are from the aforementioned investees, but the total number also includes employees from the shared services division. The employees that were affected by the restructuring were treated in accordance with the applicable labour legislation and directives and more beneficial terms than required by the labour act were negotiated, mutually agreed to and executed.

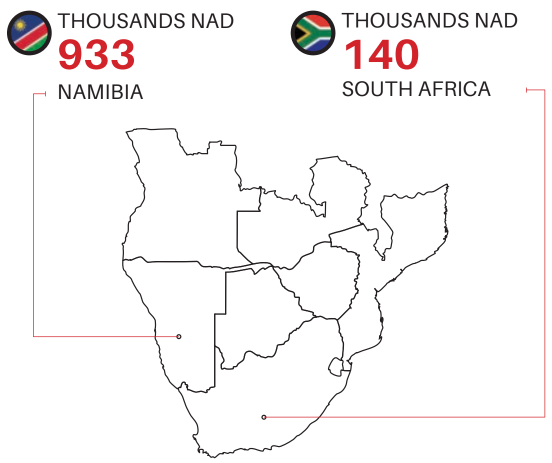
TRAINING AND DEVELOPMENT

The internal culture of the group enforces a strong emphasis on leadership, skills development and training. Ongoing and targeted training needs analysis and performance management measures are in place and maintained to ensure and manage sustainable performance of staff. Training needs of employees are identified in consultation with the human resources department and management. All employees can explore skills and career development opportunities through the established performance management process.

In-house training offered to new employees includes the opportunity to unlimited consultation, training, mentoring and advice with any of the senior employees of the group to ensure that the employee will be able to perform at an optimal standard.

In both Namibia and South Africa training levies are regulated by the respective government institutions based on a percentage of payroll cost. These levies are designed to subsidise and provide skills training and to expand knowledge and competencies to provide a more skilled and productive workforce in each respective country.

TRAINING LEVIES CONTRIBUTIONS



As an employer of choice, the company strives to develop its employees to be well trained, mentored and continuously upskilled. To achieve this objective, the group offers comprehensive services, internal training, mentoring and development on a continuous basis to all current and new employees commencing their employment at the group.

The group is also committed to ensuring that a sound balance remains between experience, which is crucial to the operations of the group and opportunities for younger employees. The company takes into consideration that the average life expectancy of individuals is increasing locally and globally and the policy of the group is that the compulsory retirement age for all employees is 60 years, but may be extended beyond the age of 60 up to a maximum age of 70 years.

LEADERSHIP DEVELOPMENT AND SUCCESSION PLANNING

The group recognises the important role that leaders developing high potential employees will play in future leadership roles in the group. The development of these leaders is and will remain a key focus. The Trustco exco support group, Top 40 and junior board mentorship programmes are focused on identifying and developing the future leaders of the group.

EXCO SUPPORT GROUP

The exco support executives are employees displaying high potential who are carefully selected and offered special guidance, mentorship and support by the group exco. These support executives are earmarked to join the group exco and provide essential support and advice as well as enhance the skills pool of the exco.

In addition, selected senior employees from investee companies are invited to join the exco support executives group from time to time for a fixed period, ranging from three to six months or up to a year as decided, depending on mentoring needs. This affords them the opportunity to gain experience at top executive level by attending daily and monthly group exco meetings, coffee tables as well as liaising and working under the daily mentorship of group exco members for the designated period. This mentorship programme serves to ensure that essential boardroom, business and management skills as well as experience are gained by senior management employees of investee companies.

TRUSTCO GROUP TOP 40

The Trustco Top 40 initiative was implemented in 2015 and maintained in the subsequent reporting periods. It provides a platform within the group to retain and foster talent development. The aim of the initiative is to identify and reward employees that rise to and exceed the set high performance expectations of the group. The group aspires to motivate employees to grow, excel and be driven to perform at all times. The main objectives of the policy in appointing the Trustco Top 40 is to give recognition to key employees on any level regardless of position, as well as to motivate and inspire all employees to attain the same level of performance. The Top 40 is announced after an extensive review, nomination and election process by all employees in the group. The Trustco Top 40 members are authentic brand ambassadors and true Trustconians that understand, represent and drive the culture of the group.

TOTAL EMPLOYEES TRAINED GENERAL TRAINING

23	0	23
PREVIOUSLY DISADVANTAGED EMPLOYEES TRAINED	PREVIOUSLY ADVANTAGED EMPLOYEES TRAINED	TOTAL EMPLOYEES TRAINED

AML TRAINING

139	21	160
PREVIOUSLY DISADVANTAGED EMPLOYEES TRAINED	PREVIOUSLY ADVANTAGED EMPLOYEES TRAINED	TOTAL EMPLOYEES TRAINED

JUNIOR BOARD MENTORSHIP PROGRAMME

The group continued with the junior board mentorship programme which was implemented during 2019 to empower young individuals with potential. The mentorship programme was initiated to educate and empower young successful Namibian individuals who showed strong leadership qualities, who have impressive *curriculum vitae et al*, but who lack essential boardroom experience. The scope of the programme was subsequently broadened to also include identified employees with the same potential within the group. The junior board members receive amongst others training, guidance and mentorship on all aspects of good corporate governance and ethical leadership.

The leadership and talent review processes and programmes of the group are continuously reviewed to evolve to more accurately identify high potential employees and potential successors for key positions. The importance of coaching and mentoring is also emphasised as an important capability in any leader and accordingly, managerial employees and senior executives are required to identify successors and transfer skills on an ongoing basis.

SUSTAINABILITY

The group will:

- maintain objectives set for talent development, succession planning and organisational development to ensure sustainable growth as well as to remain an employer of choice
- continue to identify opportunities to improve people management as well as optimise best practices to ensure employee productivity with optimum employee morale
- continue to focus on paying remuneration packages that are competitive to attract, motivate and retain top performers who deliver sustainable results
- strengthen its succession plan and broaden the diversity of its potential successors' list and
- continue to enhance HR systems and procedural effectiveness to leverage HR analytics to enhance employee productivity and engagement.

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors' fees are reviewed annually by the remco with the assistance of executive management and after review recommended to the board for endorsement. The fees are proposed at the AGM for shareholder approval. Market benchmarks among companies of similar size and complexity are researched and considered. In addition, non-executive directors are reimbursed for travel expenses on official business. Non-executive directors do not participate in the company's variable pay plans in order to maintain independence. The non-executive directors do not have employment agreements with the company as their appointments are made in terms of the company memorandum of incorporation and were confirmed initially at the first AGM of the group, following their appointment and thereafter on rotation.

EXECUTIVE DIRECTORS' REMUNERATION

Executive directors and prescribed officers have permanent employment contracts with the group. The contracts prescribe notice periods in terms of applicable labour legislation and include restraint of trade clauses. Performance measures are in place and any awards or incentives are subject and conditional to stretch performance targets for the company. The conditions are measured over three-year or five-year periods and commensurate with the financial years of the group. Base salary adjustments are done annually based on inflation and linked to individual performance. Senior executives and directors' performance conditions and awards are reviewed by the group remco and recommended to the board for ratification.

The executive directors annual salary increases, which were suspended with effect 1 April 2020, were reinstated during June 2021. However, an executive director's annual salary increase date will be determined based on the date they received their COVID-19 vaccination or on the date the executive director is certified unfit to be vaccinated by a medical doctor. Executive directors who have tested positive for COVID-19 have 3 (three) months from date of testing positive to either be vaccinated or be certified unfit to be vaccinated by a medical doctor in order to have a continuous period on which the new salary increase date can be calculated.

ALLOCATION OF ONCE-OFF RESTRICTED SHARES

The executive directors and senior executives are regarded as key employees to ensure that the group delivers sustainable returns for shareholders. These executives hold pivotal roles in the group structure and the group considered it important to retain these crucial individuals for the continuity and delivery of long-term strategy.

During the reporting period, the members of the exco were awarded 100 000 Trustco shares and 80 000 Trustco shares were awarded to each of the members of the exco support group, to retain key and critical talent. These executives are not incentivised by and do not participate in the Performance and Incentive Retention Scheme of the group. The shares are restricted and vesting is conditional on the achievement of stringent and agreed performance targets over a five year period. The proposal for shares allocation was submitted to the remco for review in August 2021 and was ratified as such. The vesting of these shares is subject to:

- meeting key group performance measures and targets
- malus/clawback provisions and
- remaining in the employment of the group.

GROUP MD AND DEPUTY CEO

Dr Q van Rooyen, the group CEO and MD, is remunerated in terms of a management agreement between Trustco and Next Capital Ltd (Next), of which Dr van Rooyen is the sole shareholder. Mr QZ van Rooyen, the deputy CEO of the group, and Mr L van Rooyen are also remunerated by Next.

Next previously had a management agreement with Trustco which expired on 31 March 2021. In terms of this management agreement, Next was remunerated on the following basis:

- 0.5% of the turnover of the group
- 1% of the headline earnings of the group and
- 1% of the basic earnings of the group.

If these targets were not met, the management fee would be halved, while if growth exceeds the average inflation rate of Namibia plus 5%, the management fees were doubled. Inflation in Namibia was recorded at 2.3% for the period to 31 March 2021 (30 September 2021: 2.8%)

REMUNERATION **REPORT** (CONTINUED)

Next has subsequently entered into a new management agreement with Trustco in terms of which a management fee will be earned on annual performance of the group on the following measurements:

CORPORATE PERFORMANCE METRICS

MEASURE	GROWTH TARGET	COMPENSATION
TOTAL INCOME PER SHARE	> NAMIBIAN CPIX + 5%	1% OF TOTAL INCOME
ADJUSTED EARNINGS PER SHARE	> NAMIBIAN CPIX + 5%	2% OF ADJUSTED EARNINGS
CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	> NAMIBIAN CPIX + 5%	2% OF CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES
NET ASSET VALUE PER SHARE	> NAMIBIAN CPIX + 5%	2% PER ANNUM OF NET ASSET VALUE AFTER REACHING A FLOOR OF NAD 2 731 222 000

• CPIX in Namibia was recorded at 2.43% for the period 31 August 2021.
⁎ Adjusted earnings means the simple average of headline earnings and basic earnings of the group excluding management fees.

SHAREHOLDER RETURN BASED METRICS

If the share price of a Trustco share remains at the agreed levels set out below for a period of at least 90 days on a Volume Weighted Average Price (VWAP) basis and subject to high water mark principles, a once off payment in Trustco shares will be effected per category of share price target reached as set out below.

SHARE PRICE	EQUIVALENT MARKET CAPITALISATION	COMPENSATION (ONCE OFF SHARE PAYMENT PER CATEGORY REACHED)
NAD 9.75	15.7 BILLION	4 040 096 TRUSTCO SHARES
NAD 15.00	24.24 BILLION	5 656 135 TRUSTCO SHARES
NAD 19.00	30.7 BILLION	7 272 174 TRUSTCO SHARES
NAD 25.00	40 BILLION	8 888 212 TRUSTCO SHARES
NAD 30.00	50 BILLION	10 504 251 TRUSTCO SHARES
FOR EACH +25% SHARE PRICE INCREASE ABOVE NAD 30.00	VARIOUS	+25% FROM PREVIOUSLY ISSUED NUMBER OF SHARES

PLEDGE OF ASSETS, SURETIES AND GUARANTEES PROVIDED

1.5% per annum of the value of assets pledged during the Measurement Period; 1.5% per annum of value of sureties and guarantees provided as well as subordination of loans, during the Measurement Period.

This agreement is subject to shareholders approval.

Management and surety fees up to 31 March 2021 were NAD 1.6 million (18 months ended 30 September 2020: NAD 54.7 million). Refer to notes 23 and 32 for more information.

The effective date of the new management agreement is 1 April 2021 irrespective of the closing date and will continue for a fixed period of 10 years as from the effective date.

Equivalent market capitalisation is based on the current number of issued shares of 1 616 038 581.

BOARD REMUNERATION

The tables below present the detail of the remuneration and fee structure of executive directors, non-executive directors and prescribed officers in 2020 and 2021.

BOARD REMUNERATION 2020
FOR THE 18 MONTH PERIOD (TO 30 SEPTEMBER 2020)
(NAD)

		FEES	BASIC	BONUS	SHARES	BENEFITS	TOTAL
HOLDING COMPANY DIRECTORS							
NON-EXECUTIVE DIRECTORS							
R HEATHCOTE		895 114	-	-	-	-	895 114
R TALJAARD		500 146	-	-	-	-	500 146
W GEYSER		448 780	-	-	-	-	448 780
K VAN NIEKERK	RESIGNED 25 MARCH 2020	403 694	-	-	-	-	403 694
L WELDON	RESIGNED 25 MARCH 2020	302 560	-	-	-	-	302 560
TOTAL		**2 550 294**	**-**	**-**	**-**	**-**	**2 550 294**
EXECUTIVE DIRECTORS							
Q VAN ROOYEN ⁎		-	-	-	-	-	-
FJ ABRAHAMS		-	3 609 800	-	-	192 762	3 802 562
QZ VAN ROOYEN ⁎		-	-	-	-	-	-
TOTAL		**-**	**3 609 800**	**-**	**-**	**192 762**	**3 802 562**
SUBSIDIARY COMPANY DIRECTORS							
NON-EXECUTIVE DIRECTORS							
B SIMILO		221 010	-	-	-	-	221 010
J VAN DEN HEEVER		540 895	-	-	-	-	540 895
K VAN NIEKERK	RESIGNED 25 MARCH 2020	500 389	-	-	-	-	500 389
L WELDON	RESIGNED 25 MARCH 2020	626 980	-	-	-	-	626 980
R CHETWODE		548 006	-	-	-	-	548 006
R TALJAARD		1 377 725	-	-	-	-	1 377 725
T NEWTON		651 935	-	-	-	-	651 935
W GEYSER		2 245 945	-	-	-	-	2 245 945
TOTAL		**6 712 885**	**-**	**-**	**-**	**-**	**6 712 885**
EXECUTIVE DIRECTORS							
A BRAND		-	1 498 209	-	-	240 743	1 738 952
A LAMBERT		-	1 415 513		-	84 008	1 499 521
E JANSE VAN RENSBURG		-	2 690 028	-	-	158 709	2 848 737
I CALITZ		-	1 521 051	-	-	291 376	1 812 427
IS KAMARA			4 684 806	-	-	-	4 684 806
J JACOBS	RESIGNED 30 APRIL 2020	-	3 733 606	-	-	220 532	3 954 138
J JOUBERT		5 400 000	-	-	-	-	5 400 000
M ERASMUS	APPOINTED 20 MARCH 2020	-	1 012 953	-	-	67 547	1 080 500
T SLABBERT		-	2 286 374	-	-	65 281	2 351 655
TOTAL		**5 400 000**	**18 842 540**	**-**	**-**	**1 128 196**	**25 370 736**
GRAND TOTAL		**14 663 179**	**22 452 340**	**-**	**-**	**1 320 958**	**38 436 477**

⁎ Dr Q van Rooyen is remunerated in terms of a management agreement between Trustco and Next, of which Dr Q van Rooyen, is the sole shareholder. Mr QZ van Rooyen, the deputy CEO, is also remunerated by Next.

REMUNERATION **REPORT** (CONTINUED)

BOARD REMUNERATION 2021
FOR THE 11 MONTH PERIOD (TO 31 AUGUST 2021)
(NAD)

		FEES	BASIC	BONUS	SHARES	BENEFITS	TOTAL
HOLDING COMPANY DIRECTORS							
NON-EXECUTIVE DIRECTORS							
ADV R HEATHCOTE		525 823	-	-	-	-	525 823
R TALJAARD		281 163	-	-	-	-	281 163
W GEYSER		282 966	-	-	-	-	282 966
R MARNEY	APPOINTED 25 MARCH 2021	75 698					75 698
TOTAL		**1 165 650**	**-**	**-**	**-**	**-**	**1 165 650**
EXECUTIVE DIRECTORS							
DR Q VAN ROOYEN *			-	-	-	-	-
FJ ABRAHAMS			2 157 488	-	-	509 869	2 667 357
Q Z VAN ROOYEN *			-	-	-	-	-
TOTAL		**-**	**2 157 488**	**-**	**-**	**509 869**	**2 667 357**
SUBSIDIARY COMPANY DIRECTORS							
NON-EXECUTIVE DIRECTORS							
B SIMILO		155 451	-	-	-	-	155 451
J VAN DEN HEEVER		331 330	-	-	-	-	331 330
R CHETWODE		300 692	-	-	-	-	300 692
R TALJAARD		706 216	-	-	-	-	706 216
T NEWTON		378 133	-	-	-	-	378 133
W GEYSER		1 181 251	-	-	-	-	1 181 251
TOTAL		**3 053 073**	**-**	**-**	**-**	**-**	**3 053 073**
EXECUTIVE DIRECTORS							
A BRAND		-	970 106	-	-	55 279	1 025 385
A LAMBERT		-	835 554		-	52 652	888 206
E JANSE VAN RENSBURG		-	1 610 124	-	-	97 130	1 707 254
I CALITZ		-	887 432	-	-	65 944	953 376
IS KAMARA			2 672 541	-	-	-	2 672 541
J JOUBERT		3 300 000	-	-	-	-	3 300 000
M ERASMUS		-	1 550 487	-	-	106 145	1 656 632
T SLABBERT	RESIGNED 31 DECEMBER 2020	-	373 093	-	-	7 253	380 346
TOTAL		**3 300 000**	**8 899 337**	**-**	**-**	**384 403**	**12 583 740**
GRAND TOTAL		**7 518 723**	**11 056 825**	**-**	**-**	**894 272**	**19 469 820**

* *Dr Q van Rooyen is remunerated in terms of a management agreement between Trustco and Next, of which Dr Q van Rooyen, is the sole shareholder. Mr QZ van Rooyen, the deputy CEO, is also remunerated by Next.*

CHAPTER

four

FINANCIAL PERFORMANCE

CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE 11 MONTH PERIOD ENDED 31 AUGUST 2021

THE REPORTS AND STATEMENTS SET OUT BELOW COMPRISE THE FINANCIAL STATEMENTS PRESENTED TO THE SHAREHOLDERS

GROUP FINANCIAL DIRECTOR'S **REPORT**

PERFORMANCE OVERVIEW

During the period under review, the COVID-19 pandemic continued to exacerbate the adverse economic environment Trustco operates in. The Delta variant wave in particular hit Trustco's core market in Namibia hard, but the roll-out of vaccination programmes in the operating countries of the group promise to negate the effect of the pandemic somewhat, albeit with sub-optimal vaccination numbers in the populace currently.

Due to the aforementioned, revenue for the group decreased from NAD 618 million to NAD 313 million, down by 49%. Loss attributable to the owners of the parent similarly increased by 228% to a loss of NAD 872 million from a loss of NAD 266 million in the previous year.

A significant portion of this loss, NAD 282 million, was due to property revaluations as a result of above mentioned adverse market conditions, with a forex loss of NAD 253 million also forming part of the loss. Headline loss per share of 19.06 cents in the previous year thus decreased to a loss of 48.81 cents per share in the current period.

Nexia SAB&T, the group's JSE accredited external auditors, continued in office for the reporting period. The group changed its financial year-end from September to August, allowing it to align the release of its full year results to the operating schedule of group's capital and funding base in the northern hemisphere.

The group continued operating under the restructured debt agreement with its international funders, with interest payments, capital holidays as well as term extensions of up to seven years having been negotiated.

INVESTMENTS OVERVIEW

FINANCIAL SERVICES

INSURANCE AND ITS INVESTMENTS

Revenue from insurance premiums for the previous reporting period of eighteen months was from NAD 168 million, down to NAD 113 million, a decrease of 32%.

Insurance continued with the diversification of revenue streams with innovative products, restructuring and expanding existing products on a digital platform, but experienced increased claims due to the COVID-19 pandemic, especially in the life business.

Revenue from tuition fees in the distance learning business increased from NAD 42 million in the prior period to NAD 59 million, an increase of 41%. This was driven by funding received that was used to fund student loans.

Property sales revenue decreased from NAD 130 million to NAD 41 million, a decrease of 69%.

The shopping mall at Elisenheim Lifestyle Estate, which was completed during the previous period, continued to add value to the development, as well as enhanced the living environment of residents during the reporting period. Further commercial developments are anticipated in the future.

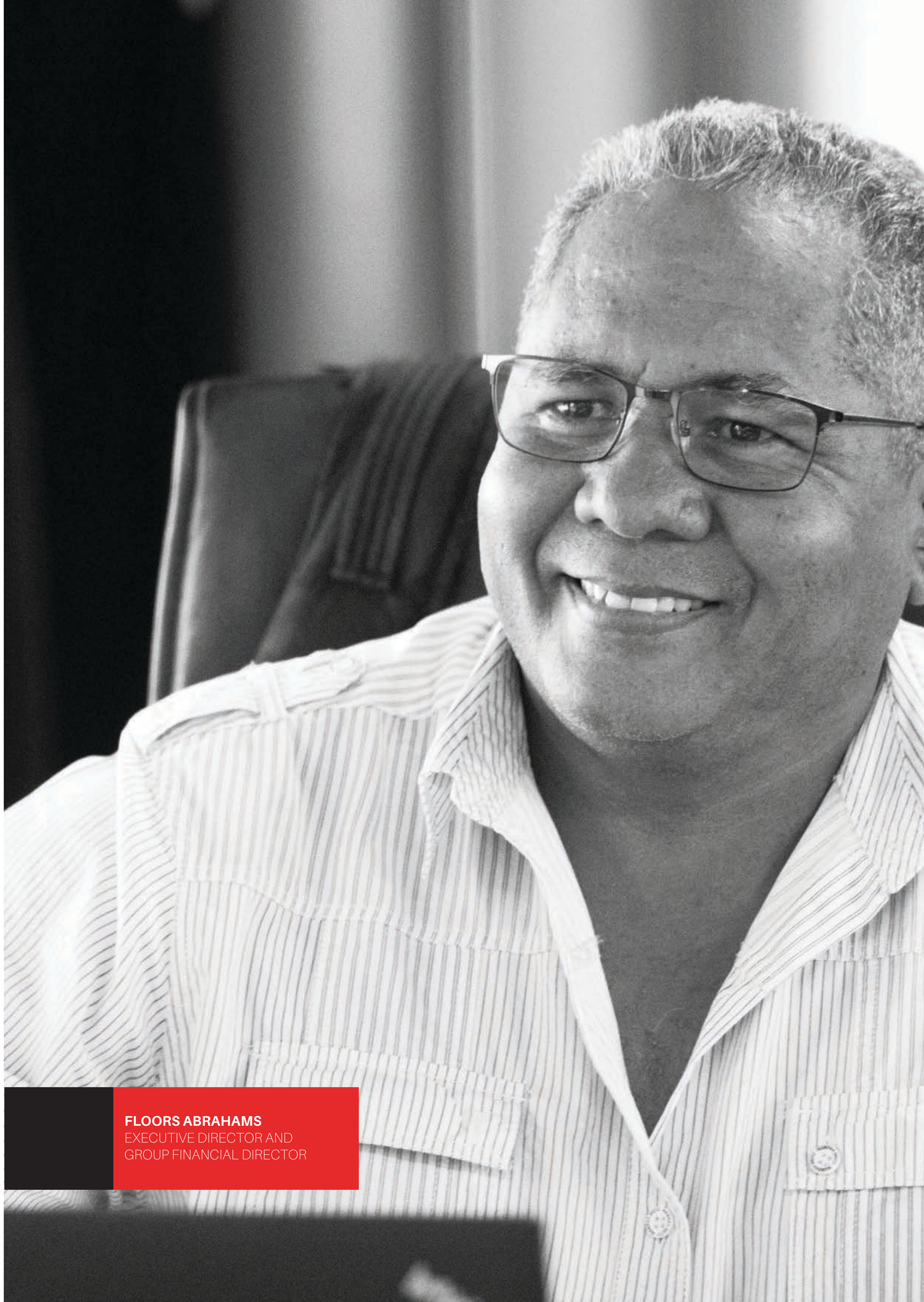
BANKING AND FINANCE

The banking division revenue decreased to NAD 80 million from NAD 276 million, a decrease of 71%, but reduced their recorded loss after tax from NAD 462 million compared to a loss of NAD 62 million in the reporting period. The reduction in revenue was mainly driven by the decline in interest rates that occurred during the prior period.

While COVID-19 has affected customers through loss of employment and income, both Trustco Finance and Trustco Bank Namibia have applied concerted strategies to manage credit vetting to ensure that the quality of their loan books are not compromised, thereby limiting any further impact of the pandemic on the ECLs.

RESOURCES

Resources reported an after tax loss of NAD 332 million, compared to a NAD 1 142 million profit in the previous year, as this period saw concerted effort to bring the Meya Mine into commercial production.



FLOORS ABRAHAMS
EXECUTIVE DIRECTOR AND
GROUP FINANCIAL DIRECTOR

GROUP FINANCIAL DIRECTOR'S **REPORT**

(CONTINUED)

MEYA MINING

Meya Mining, a world class Kimberlite deposit, is situated in Sierra Leone. Meya Mining was granted a twenty five year large-scale mining licence on 26 July 2019 which will enable Meya to exploit the current estimated three million carats valued at approximately NAD 14 billion as determined by the internal preliminary exploration conducted and reported on by independent international mining experts.

During the financial period, Meya Mining was capitalised sufficiently to produce at least 10 000 carats per month, being circa 120 000 carats per annum, after development is completed during the first half of 2022, whereafter production is set to increase up to 30 000 carats per month, being 360 000 carats per annum by the last quarter of 2023.

After the end of the financial period, a term sheet was signed between Meya Mining and a first tier global diamond producer to acquire a 55% equity stake, as well as provide a USD 150 million debt facility. This will enable the mine to scale production to 1 million carats per annum over the next three years. It is expected that this agreement will be finalised by the end of March 2022, after a technical and geological due diligence has been completed.

DIVIDENDS

During the period under review, no dividend declaration for the financial period ended 31 August 2021 was made by the board.

COVID-19 IMPACT

Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services, have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. However, the vaccination program in Trustco, Namibia and worldwide is showing positive results. The forward-looking impact of COVID-19 has been incorporated into the expected credit loss model and impairment assessments.

PROACTIVE MONITORING PROCESS

The Johannesburg Stock Exchange Limited (JSE) selected Trustco as part of their proactive monitoring review process wherein they reviewed Trustco's financial statements for the twelve months ended 31 March 2019 and its unaudited interim results for the six months ended 30 September 2019.

Following the conclusion of the proactive monitoring process, the JSE informed Trustco that Trustco's financial statements for the 12 months ended March 2019 and unaudited interim results for the six months ended September 2019, as referred to above, were not fully compliant with IFRS with respect to the three matters as listed below, and consequently instructed Trustco to effect certain restatements to the 31 March 2019 and 30 September 2019 results.

These three matters were:

1. Treatment of reclassification of inventory to investment property;
2. Recognition of revenue from the sale of unserviced erven (real estate inventory); and
3. Treatment of loan waivers.

These matters were correctly identified by Trustco at inception thereof as complex and non-routine in nature and as such the company sought expert IFRS advice on these matters from its JSE accredited expert IFRS advisors to determine the appropriate accounting treatment thereof.

The transactions were considered quantitatively and qualitatively material and noted as significant matters by the current and previous auditors and were therefore the subject of detailed technical assessment.

Following reconsideration, including consultation with the current auditors, Trustco agreed to effect a restatement to the 2018 and 2019 financial years with regards to matter 2 as disclosed in note 44 of the September 2020 financial results.

Trustco disagreed with the JSE with respect to matters 1 and 3 hence no adjustments have been made to the August 2021, September 2020, September 2019 and March 2019 financial statements regarding these matters. Trustco is pursuing the relevant channels available to obtain a confirmation of the appropriateness of its accounting treatment and a rescission of the decisions of the JSE.

Trustco lodged an objection to the JSE's findings concerning matters 1 and 3 with the Financial Services Tribunal during January 2021, and its decision to direct Trustco to apply particular accounting as allowed for in terms of Section 230 of the Financial Sector Regulations Act, 2017.

On 2 November 2021 the Financial Services Tribunal heard virtual representation from both Trustco and the JSE's legal representatives to consider the instruction issued by the JSE to restate the historic results related to matters 1 and 3.

On 22 November 2021 the Financial Services Tribunal dismissed the application for reconsideration sought by Trustco.

The board, who ultimately remains responsible and accountable to stakeholders for the preparation of the financial statements and their compliance with IFRS, together with their legal representatives and IFRS advisors, reviewed the Financial Services Tribunal ruling, and once again are not in agreement with the judgement.

Responding to the ruling of the Financial Services Tribunal, Trustco is in the process of bringing an application in the High Court in South Africa, in terms of the Promotion of Administrative Justice Act No.3 of 2000, to set aside the ruling of the Financial Services Tribunal as Trustco believes the ruling did not consider pertinent representation by affected parties related to the substance of the various transactions at the time they were entered into and recorded.

The following summary provides further information relating to the qualitative factors pertaining to matters 1 and 3, insofar as it supports the relevant accounting application adopted by Trustco, and the issues raised by the JSE.

TREATMENT OF RECLASSIFICATION OF INVENTORY TO INVESTMENT PROPERTY

In accordance with IAS 2, Trustco initially classified the Elisenheim property as inventory as it was intended for immediate development and sale in the ordinary course of business. Over the years Trustco has developed and sold portions of the land. When the property market slowed down and Trustco was unable to fully exploit this development opportunity, the board of directors resolved to cease developments of a portion of the remaining extent of the property for the foreseeable future. Management gave effect to this decision by implementing; a cessation of development activity including a decommissioning of the development plans; ceased to seek regulatory approvals for further development, a sale of equipment earmarked for in the development, and staff retrenchments. The actions were consistent with the changed intention to hold the property for long term capital appreciation which is consistent with the definition of investment property. These actions were consistent with the changed use to hold the property for long-term capital appreciation which is consistent with the definition of investment property.

The JSE opposes the reclassification of property previously held inventory to investment property, as they are of the opinion that Trustco had only demonstrated a change in its intentions with respect to the property but did not demonstrate any actions as evidence of a change in the use of the land as required by IAS 40. Trustco strongly disagrees with the JSE given the facts stated above.

Following Trustco's change in use as indicated above, the property was reclassified from inventory (NAD 291 million) to investment property (NAD 984 million), in accordance with IAS 40.63, which specifies the treatment for a transfer from inventories to investment property that will be carried at fair value, and that any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss. This was done by recognising the fair value of the transferred property as revenue, and its previous carrying amount (at cost) as cost of sales, in accordance with the requirements of IAS 40.64 which states that such transfers be treated in a manner consistent with the sale of inventory.

TREATMENT OF LOAN WAIVERS – HUSO LOAN

During 2015, Trustco engaged in a transaction to acquire Huso from Dr. Q Van Rooyen. The terms of the Huso Transaction were recorded in a sale of shares agreement (which did not include the sale of loan interests held by Dr Q Van Rooyen in these entities). The shareholders of Trustco (excluding Dr Q Van Rooyen who did not vote) approved the Huso Transaction and voted in favour thereof at a meeting held on 5 October 2015. Due to a delay in fulfilment of the Huso Transaction suspensive conditions, a change in the structure of the Huso Transaction was proposed. These changes were approved by Trustco Group's shareholders on 13 June 2017.

GROUP FINANCIAL DIRECTOR'S **REPORT**

(CONTINUED)

The shareholder of Huso Investments (Pty) Ltd (Huso), being Dr Q Van Rooyen, had over the years advanced NAD 546 million to the Huso group of companies. The repayment of these loans was at the sole discretion of the Huso group companies and were therefore classified as equity by these entities.

During March 2018, the terms of the loans were amended by a resolution of directors of Huso and Northern Namibian Development Company (Pty) Ltd (NNDC). The amendment meant that the loan repayment was no longer at the discretion of Huso but would now be due within a stipulated period. As a result of this change, which imposed an unavoidable obligation to repay the loans, the loans became classified as financial liabilities. Before and after this amendment these loans remained in the beneficial interest of Dr Q Van Rooyen and did not in any way affect the sale of shares agreement between the parties as these loan interests had always been excluded from the Huso Transaction from the onset.

The Huso Transaction subsequently became effective and Dr Q van Rooyen's shares in Huso were acquired by Trustco Resources. Subsequent to the finalisation of the Huso Transaction Dr Q Van Rooyen elected to waive repayment of the Huso Loan from the Huso group companies (which had by this time become a part of the Trustco group). The loans, as financial liabilities falling within the scope of IFRS 9, were therefore derecognised upon the waiver in accordance with the requirements of that standard with the resulting effect being recognised in profit or loss.

The JSE contends that the Huso Transaction (a common control business combination) and the subsequent waiver of the Huso group company loans by Dr Q Van Rooyen in his capacity as a lender to those businesses, be treated as a single transaction. On this understanding the loans due to Dr Q Van Rooyen would not have been recognised as financial liabilities and the waiver would not have had an impact to be recognised in profit or loss. Trustco disagrees with the JSE's understanding of the Huso transaction, specifically that the loan waiver forms part of an indivisible single transaction.

TREATMENT OF LOAN WAIVERS – RELATED PARTY LOAN

On 8 October 2018, Dr Q Van Rooyen, through Next Capital Ltd (Next), concluded an agreement to loan up to NAD 1 billion to Trustco Group for the purpose of funding the acquisition of a 51% shareholding interest in Meya Mining from Germinate Sierra Leone Limited. The loan terms were explicit with respect to imposing an obligation of repayment and was therefore classified as a financial liability by Trustco.

On 1 October 2019, repayment of the Related Party Loan was waived by Dr Q Van Rooyen at his sole discretion. The loan was derecognised in a manner consistent with the application described above with respect to the Huso loans and as a consequence impacted profit or loss.

The JSE contends that whilst the loan terms would have met the requirements of IAS 32 to be classified as a financial liability at initial recognition, the subsequent waiver in substance was equity in nature, following a similar approach as in the Huso loan noted above, and should thus have been initially recognised directly in equity, with the subsequent waiver thereof being recognised directly in equity, and not through profit and loss.Trustco disagrees with the opinion of the JSE regarding the Related Party Loan, specifically in that the loan should be accounted for in equity due to it being waived in the following financial period.

For more information the Review Application filed on 31 January 2022 can be found on https://www.tgh.na/downloads/

FLOORS ABRAHAMS
EXECUTIVE DIRECTOR AND
GROUP FINANCIAL DIRECTOR

DIRECTORS' RESPONSIBILITIES **AND APPROVAL**

The directors are required in terms of the Companies Act of Namibia and South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group as at the end of the reporting period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standard (IFRS). The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with all applicable IFRS as issued by the International Accounting Standards Board (IASB), interpretations as issued by the IFRS Interpretations Committee (IFRIC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Listings Requirements (LR) of JSE Limited (JSE) and Namibia Stock Exchange (NSX) and in the manner, as required by the Companies Act of Namibia and South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The consolidated financial statements incorporate full and responsible disclosure in line with the group's philosophy on corporate governance.

The directors acknowledge that they are ultimately responsible for the system of internal financial control as established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board has set 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 as well as adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to mitigate and 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 consolidated 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 group's cash flow forecast for the 12 month period ended 31 August 2022 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the consolidated financial statements. The group's external auditors have examined the consolidated financial statements and their report is presented on pages 82 to 97.

The consolidated financial statements are set out on pages 106 to 195, which have been prepared on the going concern basis, were approved by the board and were signed on their behalf by.

ADV RAYMOND HEATHCOTE SC
CHAIRMAN OF THE BOARD
WINDHOEK
31 JANUARY 2022

DR QUINTON VAN ROOYEN
GROUP MANAGING DIRECTOR AND CEO
WINDHOEK
31 JANUARY 2022

AUDIT AND RISK COMMITTEE'S **CERTIFICATION**

In fulfilling their duties and responsibilities as required, the audit and risk committee (ARC) performed and fulfilled its responsibilities and duties during the reporting period and has provided the following statement:

- The independence of the external auditors: Nexia SAB&T and Grand Namibia (appointed 10 June 2021)
  - The ARC considered and is satisfied that the external audit firms are independent of Trustco.
  - For any non-audit services to be performed by the external auditors, the nature and extent thereof are submitted to the ARC before commencement of any non-audit services for consideration and approval.
  - Trustco has an auditor rotation policy in place and the tenure of the external audit firm and the rotation of the designated external audit partner were considered. The current external auditors of Trustco and the designated external audit partners are currently in their first and second year.
  - There have been no significant changes to the management of Trustco during the external audit firms' tenure which may mitigate the attendant risk of familiarity between the external auditor and management.
- The ARC considered and addressed the significant matters in relation to the annual financial statements, specifically relating to the proactive monitoring of the JSE and going concern as per notes 36 and 39 of the consolidated annual financial statements.
- The ARC considered and was satisfied with the quality of the external audit, with reference to the audit quality indicators and inspection reports issued by the external audit regulators.
- The ARC considered and was satisfied with the effectiveness of the chief audit executive and the internal audit function. The ARC approved the internal audit plan for the reporting period.
- The ARC considered and reviewed the effectiveness of the design and implementation of internal financial controls. The ARC, on the recommendation of the internal audit department, identified any significant weaknesses in the design, implementation or execution of internal financial controls and implemented mitigating policies and procedures. There were no cases of material financial loss, fraud, corruption or errors.
- The ARC considered the effectiveness of the group financial director and the group's finance function and found it sufficient.
- The ARC viewed and considered the combined assurance of the various external auditors through various jurisdictions and found it effective.
- All significant and material transactions were analysed with senior financial management and ARC engaged with experts on the subject matters.
- The ARC considered all interpretations and interrogations of IFRS in relation to complex non-routine transactions and obtained advice from JSE accredited IFRS advisors.
- The ARC reviewed the financial statements and the integrated annual report.
- The ARC considered and discussed the assumptions and principles used in fair value determinations.
- The ARC executed its responsibilities pursuant to paragraph 22.15 (h) of the JSE LR during the reporting period.

WINTON GEYSER
CHAIRMAN OF THE AUDIT AND RISK COMMITTEE AND INDEPENDENT NON-EXECUTIVE DIRECTOR
31 JANUARY 2022

COMPANY SECRETARY'S **CERTIFICATION**

Declaration by the company secretary.

Komada Holdings (Pty) Ltd, being the company secretary of Trustco Group Holdings Ltd and its subsidiaries, certify that the company has in conjunction with Business and Intellectual Property Authority of Namibia (BIPA) engaged in a voluntary audit process to ensure all company files and annual returns of Trustco and its subsidiaries are up to date. This process is still ongoing.

KOMADA HOLDINGS (PTY) LTD
COMPANY SECRETARY
31 JANUARY 2022

CHIEF EXECUTIVE OFFICER AND FINANCIAL DIRECTOR'S RESPONSIBILITY STATEMENT

The directors, whose names are stated in this report, hereby confirm that:

- The annual financial statements, set out on pages 106 to 195, fairly present in all material respects the financial position, financial performance and cash flows of the company in terms of IFRS
- No facts have been omitted or untrue statements made that would make the annual financial statements false or misleading
- Internal financial controls have been put in place to ensure that material information relating to the company and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of the group
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King IV Report and
- Where we were not satisfied, we have disclosed to the audit and risk committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors and have taken the necessary remedial action. No disclosure or remedial action was required.

DR QUINTON VAN ROOYEN
GROUP MANAGING DIRECTOR AND CEO
WINDHOEK
31 JANUARY 2022

FLOORS ABRAHAMS
EXECUTIVE DIRECTOR AND GROUP FINANCIAL DIRECTOR
WINDHOEK
31 JANUARY 2022

INDEPENDENT AUDITOR'S **REPORT**

To the shareholders of Trustco Group Holdings Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Trustco Group Holdings Limited and its subsidiaries (the Group) set out on pages 106 to 195, which comprise the consolidated statement of financial position as at 31 August 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 11 month period then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 August 2021, and its consolidated financial performance and consolidated cash flows for the 11 month period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 36 in the consolidated financial statements, which indicates that the group incurred a loss of NAD 988 million for the 11 month period ended 31 August 2021 (18 month period ended 30 September 2020: NAD 343 million) and, as of that date, the group's current liabilities exceeded its current assets by NAD 664 million with total assets exceeding total liabilities by NAD 2.3 billion. As stated in note 36, these events or conditions, along with other matters as set forth in note 36, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. We have considered the adequacy of the disclosures made in note 36 to the consolidated financial statements concerning the group's ability to continue as a going concern and we assessed the solvency and liquidity of existing assets. Our opinion is not modified in respect of this matter.

EMPHASIS OF MATTER

JSE LIMITED PROACTIVE MONITORING PROCESS

We draw attention to note 39 of the consolidated financial statements, which describes the conditions associated with the proactive monitoring and the instruction issued by the JSE Limited to restate the annual financial statements for comparative financial periods, as well as management's response thereto.

HELIOS ORYX LIMITED LITIGATION

We draw attention to note 37 of the consolidated financial statements, which describes the ongoing litigation with Helios Oryx Limited relating to the facility agreement entered into between the parties amounting to NAD 332 million as at 31 August 2021, as well as the security provided against the facility.

Our opinion is not modified in respect of these matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
IMPAIRMENT ASSESSMENT OF ADVANCES	
As at 31 August 2021, the group recognised advances carried at amortised cost amounting to NAD 490 million (2020: NAD 922 million), net of expected credit losses determined in accordance with IFRS 9 of NAD 235 million (2020: NAD 853 million). As described in the accounting policy notes to the consolidated financial statements the impairment loss is determined in accordance with IFRS 9 - *Financial Instruments*. The application of IFRS 9's requirements related to credit loss allowances is subject to a significant degree of judgement required in assessing the impairment of financial instruments. Those judgements include amongst others, the classification of the financial instrument on initial recognition, defining the default period, determining the stage of impairment the financial instrument falls within and estimating the recoverable amount of the underlying security. Accordingly, the expected credit loss assessment of these assets is considered to be a key audit matter.	Our procedures focused on testing the assumptions and judgements applied in the ECL model of advances. Our audit procedures included amongst others: · We obtained an understanding of the group's process for estimating the credit loss allowance; · We tested the design, implementation and operating effectiveness of key financial controls over identification of significant increase in credit risk, measurement of expected credit losses and evaluation of the consistency of methodologies and appropriateness of the assumptions used by management; · We evaluated the source of data used by management in their assessment to ensure there is no data discrepancies between the financial systems and accounting systems; · We assessed the competencies, capabilities, objectivity, experience and professional certification of management's staff that performed the assessments; · We assessed the appropriateness of the valuation methodology, inputs and assumptions used by management in determining expected credit losses including assessing whether the inputs incorporate prior information, current information and forward-looking information and to ascertain whether the method/model and assumptions used are comparable with industry benchmarks and incorporated a further risk premium for the impact of COVID-19 a part of the testing; · We assessed the stages 1 – 3 categorisation and probability of default determination to confirm it is accurate; · We recalculated the expected credit losses that result from all possible default events over the life of the financial instrument as calculated by management and followed up on any material differences identified; · We assessed the adequacy of the present value of securities held against loans advanced; and · We assessed whether disclosures made in the consolidated financial statements relating to the credit loss allowance of the trade receivables and advanced met the requirements of IFRS 9 - *Financial Instruments*.

FAIR VALUE ADJUSTMENT ON INVESTMENT PROPERTY

As at 31 August 2021, the group recognised investment property carried at fair value of NAD 2.25 billion (2021: NAD 1.78 billion).

Investment property makes up a significant portion of the total assets of the group. Furthermore, the fair value adjustment on the investment property included in investment and other income, is considered to be significant.

The valuations of the properties are based on a combination of both observable and unobservable inputs as disclosed in note 8. These judgements and assumptions significantly impact the valuations as can be seen by the sensitivity analysis disclosures in note 8.

Valuation of investment property was considered a matter of most significance in our audit due to the degree of judgements applied and assumptions made by management during the valuation of investment property.

We evaluated the key assumptions made by the directors in the determining the fair value of the investment property.

Our procedures included amongst others:

- We engaged with management to obtain a detailed understanding of their property valuation systems and processes;
- We assessed whether the valuation techniques and methodologies applied by management are consistent with generally accepted property valuation techniques in the real estate market;
- We have tested the assumptions and data used by management, to derive at the fair values of the investment properties, by independently verifying the reasonability of these assumptions and data to third parties and other market data;
- We evaluated the competence and experience of management's staff with reference to their qualifications and industry experience;
- We held discussions with management to establish if the valuations complied with the requirements of IFRS 13 Fair Value Measurement; and
- We critically assessed the measurement basis and disclosures for the valuation in accordance with International Financial Reporting Standards.

IMPAIRMENT OF GOODWILL, EVALUATION AND EXPLORATION ASSETS AND MINING PROPERTIES

The group recognised goodwill, evaluation and exploration assets and mining properties in the amount of NAD 258 million (2020: NAD 258 million), NAD 415 million (2020: NAD 474 million) and NAD 670 million (2020: NAD 608 million), respectively, related to its mining and exploration operations.

The directors are required to perform an annual impairment test on the recoverability of goodwill, evaluation and exploration assets and mining properties. The directors performed their assessment using discounted cash flow models to determine the value in use for each appropriate cash generating unit.

There are several key assumptions and judgements applied in the valuation models, which include amongst others: resource and reserve estimations; revenue growth; operating margins and discount rates applied to the projected cash flows, as well as consideration of the continuing impact of COVID-19 on the assessment.

The impairment test of goodwill, evaluation and exploration assets and mining properties is a key audit matter due to the significant judgement and estimations involved in determining the recoverable amount of the cash generating unit.

We evaluated the key assumptions made by the directors in assessing the goodwill, evaluation and exploration assets and mining properties for impairment.

Some of our procedures included:

- Enquiry from management in order to obtain an understanding of the impairment process followed by management, which includes the methodology, models and identification of the smallest cash generating units (CGUs);
- We evaluated the design, implementation and operating effectiveness of internal controls over the review of the impairment, life of mine and resource base models, the budgeting and forecasting processes and appropriateness of key assumptions (including the determination of the reserves and resources used within the valuations of the CGUs), discount rates applied, sales growth assumptions and annual revenue forecasts based on available saleable product;
- We evaluated management's discounted cash flow models for the CGUs against life of mine plans and our understanding of the operations, and tested the key estimates and assumptions used by management in each discounted cash flow model by performing the following procedures:
  - evaluating the methodologies applied by management by comparing them to generally accepted business valuation techniques;
  - recalculating the results of management's discounted cash flow models;
  - agreeing forecast sales prices to actual historic sales from existing resources extracted;
  - assessing the reasonability of the cut-off grade, production processes, capital expenditure and operational expenditure requirements.
- We recalculated a discount rate for each cash generating unit using independently sourced data and incorporated, where necessary, a further risk premium for the impact of COVID-19 as part of our testing;
- We assessed management's sensitivity assessments for reasonableness and performed our own sensitivity calculations in respect of expected sales prices, operational costs, exchange rates and cut-off grades;
- We reviewed the resources and reserve reports with regard to each of the underlying cash generating units to confirm the resource quantity, grade and quality used in models by management.

INDEPENDENT AUDITOR'S **REPORT**

(CONTINUED)

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Trustco Group Holdings Limited Integrated Annual Report and Audited Financial Statements 2021" which includes the Directors Report, the Audit Committee's Report and the Company Secretary Certificate as required by the Companies Act of South Africa and the Directors Certification as required by the JSE Limited Listing Requirements, which we obtained prior to the date of this report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of Trustco Group Holdings Limited for 2 years.

Nexia SAB&T

NEXIA SAB&T
DIRECTOR: J ENGELBRECHT
REGISTERED AUDITOR

31 JANUARY 2022

119 WITCH-HAZEL AVENUE, HIGHVELD
TECHNOPARK, CENTURION

DIRECTOR'S **REPORT**

The directors have the pleasure of submitting their report on the consolidated financial statements of Trustco Group Holdings Ltd (Trustco) for the period ended 31 August 2021.

1. FINANCIAL RESULTS

The financial results of the group for the reporting period are reflected in the consolidated financial statements set out on pages 102 to 191.

Loss after tax for the group for the 11 months ended 31 August 2021 was NAD 963 million (18 months ended 30 September 2020: NAD 343 million).

2. SHAREHOLDERS' VALUE

Based on these results, the shareholders' value for 2021 is NAD 2.1 billion (30 September 2020: NAD 2.7 billion). The directors are confident that this value will show growth for the foreseeable future and beyond.

3. DIVIDENDS

No dividends were declared by Trustco during the reporting period, nor were any dividends declared during the previous 18 months ended 30 September 2020. The directors will reassess the dividend declaration at the time of the half year 2022 results publication. The cash reserves of the group will be applied to the capitalisation of the group.

4. BORROWINGS

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

5. DIRECTORATE AND APPRECIATION

The group 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 period under review. We thank each individual and team for their contributions this year. The directors are:

- Adv R Heathcote SC
- W J Geyser
- R J Taljaard
- R Marney
- Dr Q van Rooyen
- F J Abrahams
- J van der Heever
- Q Z van Rooyen (alternate director to Dr Q van Rooyen).

R Marney and J van der Heever were appointed as independent non-executive members of the Trustco Group Holdings Ltd board of directors on 26 March 2021 and 1 November 2021 respectively.

6. AUDITORS

Nexia SAB&T continued in office as JSE accredited auditors for the group for 2021.

7. SECRETARY

The company secretary is Komada Holdings (Pty) Ltd.

8. SHARE CAPITAL

Refer to note 17 of the consolidated annual financial statements for detail of the movement in authorised and issued share capital.

9. GOING CONCERN

The financial results have been prepared on the going concern basis which considers the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business. The board of directors, as part of their responsibilities, annually assesses the going concern of the group. As part of their assessment, the board of directors considered working capital requirements, availability of resources and reserves either from existing operational activities or further borrowings, available information about the future, financial impact of ongoing litigation, the possible outcomes of planned events and the responses to such events and conditions that would be available to the board.

The board of directors has, inter alia, considered the following specific factors in determining whether the group is a going concern for the foreseeable future:

- Loss for the eleven months ended 31 August 2021 of NAD 988 million (eighteen months ended 30 September 2020: NAD 343 million);
- Current liabilities of the Group exceed current asset as at 31 August 2021 by NAD 664 million , while total assets exceed total liabilities by NAD 2.3 billion;
- Cash generated from operating activities for the eleven months ended 31 August 2021, which includes proceeds from borrowings for advances, together with future cash generating capabilities;
- Whether the group has sufficient cash resources from operations or through further borrowings which is readily available, in order to settle its creditors and maturing liabilities as and when they fall due in the foreseeable future, whilst continuing to maintain its operating abilities for the foreseeable financial period;
- Whether there is any significant pending litigation that will threaten the going concern status of the group;
- Assessment of the existing economic conditions related to the various operating segments and whether the possibility exists to sufficiently scale said operations in the foreseeable future to provide additional cash resources; and
- Assessment of the solvency and liquidity position of the group in accordance with the Companies Act.

Following the above assessment, the board of directors believe that the above factors, coupled with prevailing economic conditions and forecast economic outlook presents some challenges for the foreseeable future. In response to the above factors, to address future cash flow requirements, detailed liquidity improvement initiatives have been developed and are being pursued, with the implementation thereof regularly monitored.

These conditions are considered to indicate that a material uncertainty exists which may cast significant doubt on the ability of the group to continue as a going concern in the foreseeable future.

This is largely attributable to the short-term liquidity position of the group.

Therefore, the ability of the group to continue as a going concern is dependent on the successful implementation or conclusion of the below noted matters in order to address the liquidity risk the group faces on an ongoing basis:

- completion of the underground development of Meya Mine to 10 000 carats per month (forecasted for 3rd quarter of 2022)
- completion of technical and geological due diligences related to Meya Mine following which a first tier global diamond producer will advance up to USD 150 million as a debt facility to scale production at Meya Mine and acquire a proposed equity stake of up to 55% in Meya Mining at a nominal value, which will provide further cash flows for the group's operations in the foreseeable future;
- recovery of USD 50 million from its investments to assist with the short-term liquidity requirements of the group;
- implementation of various collection strategies relating to the recovery of long outstanding advances owed to the group to increase available cash resources;
- continuous financial support from its international lenders; and
- successful resolution of various ongoing legal matters in order to mitigate the potential liquidity impact thereof.

The board of directors have evaluated the group's liquidity requirements to confirm whether the group has access to sufficient resources to continue as a going concern in the foreseeable future, considering the above factors and consequently prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, concluding that the group would be able to continue its operations as a going concern.

The directors are not aware of any other matters that may impact the group.

The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group. Following the above assessment, the board of directors continue to adopt the going concern basis of accounting in preparing the financial statements.

10. REMUNERATION OF GROUP MANAGING DIRECTOR

Dr Q van Rooyen, the group managing director, is the sole shareholder of Next Capital Ltd (Next). Dr Q van Rooyen, Mr Q Z van Rooyen (the deputy group CEO) and Mr L van Rooyen are remunerated by Next. Next previously had a management agreement with Trustco which expired on 31 March 2021. In terms of this management agreement Next was remunerated on the following basis:

- 0.5% of the turnover of the group
- 1% of the headline earnings of the group and
- 1% of the basic earnings of the group.

If these targets were not met, the management fee would be halved, while if growth exceeded the average inflation rate of Namibia plus 5%, the management fees were doubled. Inflation in Namibia was recorded at 2.3% for the period to 31 March 2021 (30 September 2020: 2.8%).

DIRECTOR'S **REPORT** (CONTINUED)

Next has subsequently entered into a revised management agreement with Trustco, subject to shareholders approval, in terms of which a fee would be earned on annual performance metrics of the group on the following basis:

CORPORATE PERFORMANCE METRICS

MEASURE	GROWTH TARGET	COMPENSATION
TOTAL INCOME PER SHARE	>NAMIBIAN CPIX + 5%	1% OF TOTAL INCOME
ADJUSTED EARNINGS PER SHARE	>NAMIBIAN CPIX + 5%	2% OF ADJUSTED EARNINGS*
CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	>NAMIBIAN CPIX + 5%	2% OF CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES
NET ASSET VALUE PER SHARE	>NAMIBIAN CPIX + 5%	2% PER ANNUM OF NET ASSET VALUE AFTER REACHING A FLOOR OF NAD 2,731,222,000

· CPIX in Namibia was recorded at 3.1% for the period 31 August 2021.
** Adjusted earnings means the simple average of headline earnings and basic earnings of the group excluding management fees.*

SHAREHOLDER RETURN BASED METRICS

If the share price of a Trustco share remains at the agreed levels set out below for a period of at least 90 days on a Volume Weighted Average Price (VWAP) basis and subject to high water mark principles, a once off payment in Trustco shares will be effected per category of share price target reached as set out below.

SHARE PRICE	EQUIVALENT MARKET CAPITAL	COMPENSATION (ONCE OFF SHARE PAYMENT PER CATEGORY REACHED)
NAD 9.75	15.7 BILLION	4 040 096 TRUSTCO SHARES
NAD 15.00	24.24 BILLION	5 656 135 TRUSTCO SHARES
NAD 19.00	30.7 BILLION	7 272 174 TRUSTCO SHARES
NAD 25.00	40 BILLION	8 888 212 TRUSTCO SHARES
NAD 30.00	50 BILLION	10 504 251 TRUSTCO SHARES
FOR EACH +25% SHARE PRICE INCREASE ABOVE NAD 30.00	VARIOUS	+25% FROM PREVIOUSLY ISSUED NUMBER OF SHARES

PLEDGE OF ASSETS, SURETIES AND GUARANTEES PROVIDED

- 1.5% per annum of the value of assets pledged during the Measurement Period; and
- 1.5% per annum of value of sureties and guarantees provided as well as subordination of loans, during the Measurement Period.

11. SPECIAL RESOLUTION

At the Annual General Meeting, held on 29 April 2021 two special resolutions were approved and registered:

- the remuneration of the non-executive directors; and
- general authority to repurchase shares.

12. DIRECTORS INTEREST IN SHARES

Details of beneficial direct and indirect interest of directors in the shares of the company are set out below:

DIRECTORS' INTEREST (AS AT 31 AUGUST 2021)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
EXECUTIVE DIRECTORS - HOLDING COMPANY				
VAN ROOYEN, QUINTON	307 137 454	696 862 606	1 004 000,060	63.97
ABRAHAMS, FLOORS JACOBUS	2 451 518		2 451 518	0.16
EXECUTIVE DIRECTORS - SUBSIDIARIES				
BRAND, ANNETTE	60 476		60 476	0.00
CALITZ, ILANA	165 462		165 462	0.01
ERASMUS, MARCO	1 225 926		1 225 926	0.08
JANSE VAN RENSBURG, ELMARIE	1 852 546		1 852 546	0.12
JOUBERT, JAN SEBASTIAN CILLIERS	1 915 602		1 915 602	0.12
KAMARA, IBRAHIM SORIE	-	85 416 666	85 416 666	5.44
LAMBERT, ADRIANA	164 771		164 771	0.01
SLABBERT, THOMAS JOHAN (RESIGNED)	22 759		22 759	0.00
INDEPENDENT NON-EXECUTIVE DIRECTORS (HOLDING AND SUBSIDIARIES)				
TALJAARD, RENIER JACOBUS	50 151		50 151	0.00
VAN DEN HEEVER, JANENE	76 515		76 515	0.00
WELDON, LANA (RESIGNED)	-	25 400	25 400	0.00
GEYSER, WINTON JOHN	124 415		124 415	0.01
HEATHCOTE, RAYMOND	1 354 802		1 354 802	0.09
GRAND TOTAL	**316 602 397**	**782 304 672**	**1 098 907 069**	**70.01**

Total issued shares as at 31 August 2021 - 1 616 038 581
Treasury shares as at 31 August 2021 - 46 520 138
Shares calculated net of treasury shares as at 31 August 2021 - 1 569 518 443

DIRECTORS' INTEREST (AS AT 30 SEPTEMBER 2020)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
EXECUTIVE DIRECTORS - HOLDING COMPANY				
VAN ROOYEN, QUINTON	307 137 454	696 862 606	1 004 000 060	63.94
ABRAHAMS, FLOORS JACOBUS	2 451 518	-	2 451 518	0.16
EXECUTIVE DIRECTORS - SUBSIDIARIES				
BRAND, ANNETTE	60 476	-	60 476	0.00
CALITZ, ILANA	165 202	-	165 202	0.01
ERASMUS, MARCO	1 225 926	-	1 225 926	0.08
JANSE VAN RENSBURG, ELMARIE	1 851 111	-	1 851 111	0.12
JOUBERT, JAN SEBASTIAN CILLIERS	1 915 602	-	1 915 602	0.12
KAMARA, IBRAHIM SORIE	-	85 416 666	85 416 666	5.44
LAMBERT, ADRIANA	194 873	-	194 873	0.01
SLABBERT, THOMAS JOHAN (RESIGNED)	396 301	-	396 301	0.03
INDEPENDENT NON-EXECUTIVE DIRECTORS (HOLDING AND SUBSIDIARIES)				
TALJAARD, RENIER JACOBUS	37 501	-	37 501	0.00
VAN DEN HEEVER, JANENE	7 085	-	7 085	0.00
WELDON, LANA (RESIGNED)	-	25 400	25 400	0.00
GEYSER, WINTON JOHN	116 088	-	116 088	0.01
HEATHCOTE, RAYMOND	1 354 802	-	1 354 802	0.09
GRAND TOTAL	**316 913 939**	**782 304 672**	**1 099 218 611**	**70.01**

Total issued shares as at 30 September 2020 - 1 616 038 581
Treasury shares as at 30 September 2020 - 45 800 647
Shares calculated net of treasury shares as at 30 September 2020 - 1 570 237 934

13. TREASURY SHARES

As of the reporting date, the market value of treasury shares was NAD 77 million (30 September 20: NAD 144 million).

14. EVENTS AFTER THE REPORTING DATE

1. DIRECTORS APPOINTMENT

J van der Heever was appointed as an independent non-executive member of the Trustco Group Holdings Ltd board of directors with effect from 1 November 2021.

2. PURCHASE OF SHARES

Trustco Capital (Pty) Ltd (subsidiary) purchased 51 769 633 Trustco Group Holdings Ltd (TTO) shares from Constantia Risk and Insurance Holdings Ltd for NAD 93.7 million on 2 September 2021.

3. MANAGEMENT AGREEMENT WITH NEXT CAPITAL LTD

As noted in note 10 of the directors' report, the group and Next entered into a management agreement. The management agreement was classified as a category 1 Related Party Transaction in terms of the Listings Requirements of the Johannesburg Stock Exchange Limited (JSE). The group is in the process of preparing a circular containing full details of the management contract.

4. MEYA MINING TRANSACTION

After the end of the financial period, a term sheet was signed between Meya Mining and a first tier global diamond producer to acquire a 55% equity stake in Meya Mining, as well as provide a USD 150 million debt facility. This will enable the mine to scale production to 1 million carats per annum over the next three years. It is expected that this agreement will be finalized by the end of March 2022, after a technical and geological due diligence has been completed.

15. PROACTIVE MONITORING PROCESS

The Johannesburg Stock Exchange Limited (JSE) selected Trustco as part of their proactive monitoring review process wherein they reviewed Trustco's financial statements for the twelve months ended 31 March 2019 and its unaudited interim results for the six months ended 30 September 2019.

Following the conclusion of the proactive monitoring process, the JSE informed Trustco that Trustco's financial statements for the 12 months ended March 2019 and unaudited interim results for the six months ended September 2019, as referred to above, were not fully compliant with IFRS with respect to the three matters as listed below, and consequently instructed Trustco to effect certain restatements to the 31 March 2019 and 30 September 2019 results.

These three matters were:

1. Treatment of reclassification of inventory to investment property;
2. Recognition of revenue from the sale of unserviced erven (real estate inventory); and
3. Treatment of loan waivers.

These matters were correctly identified by Trustco at inception thereof as complex and non-routine in nature and as such the company sought expert IFRS advice on these matters from its JSE accredited expert IFRS advisors to determine the appropriate accounting treatment thereof.

The transactions were considered quantitatively and qualitatively material and noted as significant matters by the current and previous auditors and were therefore the subject of detailed technical assessment.

Following reconsideration, including consultation with the current auditors, Trustco agreed to effect a restatement to the 2018 and 2019 financial years with regards to matter 2 as disclosed in note 44 of the September 2020 financial results.

Trustco disagreed with the JSE with respect to matters 1 and 3 hence no adjustments have been made to the August 2021, September 2020, September 2019 and March 2019 financial statements regarding these matters. Trustco is pursuing the relevant channels available to obtain a confirmation of the appropriateness of its accounting treatment and a rescission of the decisions of the JSE.

Trustco lodged an objection to the JSE's findings concerning matters 1 and 3 with the Financial Services Tribunal during January 2021, and its decision to direct Trustco to apply particular accounting as allowed for in terms of Section 230 of the Financial Sector Regulations Act, 2017.

On 2 November 2021 the Financial Services Tribunal heard virtual representation from both Trustco and the JSE's legal representatives to consider the instruction issued by the JSE to restate the historic results related to matters 1 and 3.

On 22 November 2021 the Financial Services Tribunal dismissed the application for reconsideration sought by Trustco.

The board, who ultimately remains responsible and accountable to stakeholders for the preparation of the financial statements and their compliance with IFRS, together with their legal representatives and IFRS advisors, reviewed the Financial Services Tribunal ruling, and once again are not in agreement with the judgement.

Responding to the ruling of the Financial Services Tribunal, Trustco is in the process of bringing an application in the High Court in South Africa, in terms of the Promotion of Administrative Justice Act No.3 of 2000, to set aside the ruling of the Financial Services Tribunal as Trustco believes the ruling did not consider pertinent representation by affected parties related to the substance of the various transactions at the time they were entered into and recorded.

The following summary provides further information relating to the qualitative factors pertaining to matters 1 and 3, insofar as it supports the relevant accounting application adopted by Trustco, and the issues raised by the JSE.

TREATMENT OF RECLASSIFICATION OF INVENTORY TO INVESTMENT PROPERTY

In accordance with IAS 2, Trustco initially classified the Elisenheim property as inventory as it was intended for immediate development and sale in the ordinary course of business. Over the years Trustco has developed and sold portions of the land. When the property market slowed down and Trustco was unable to fully exploit this development opportunity, the board of directors resolved to cease developments of a portion of the remaining extent of the property for the foreseeable future. Management gave effect to this decision by implementing; a cessation of development activity including a decommissioning of the development plans; ceased to seek regulatory approvals for further development, a sale of equipment earmarked for in the development, and staff retrenchments. The actions were consistent with the changed intention to hold the property for long term capital appreciation which is consistent with the definition of investment property. These actions were consistent with the changed use to hold the property for long-term capital appreciation which is consistent with the definition of investment property.

The JSE opposes the reclassification of property previously held inventory to investment property, as they are of the opinion that Trustco had only demonstrated a change in its intentions with respect to the property but did not demonstrate any actions as evidence of a change in the use of the land as required by IAS 40. Trustco strongly disagrees with the JSE given the facts stated above.

Following Trustco's change in use as indicated above, the property was reclassified from inventory (NAD 291 million) to investment property (NAD 984 million), in accordance with IAS 40.63, which specifies the treatment for a transfer from inventories to investment property that will be carried at fair value, and that any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss. This was done by recognising the fair value of the transferred property as revenue, and its previous carrying amount (at cost) as cost of sales, in accordance with the requirements of IAS 40.64 which states that such transfers be treated in a manner consistent with the sale of inventory.

TREATMENT OF LOAN WAIVERS – HUSO LOAN

During 2015, Trustco engaged in a transaction to acquire Huso from Dr. Q Van Rooyen. The terms of the Huso Transaction were recorded in a sale of shares agreement (which did not include the sale of loan interests held by Dr Q Van Rooyen in these entities). The shareholders of Trustco (excluding Dr Q Van Rooyen who did not vote) approved the Huso Transaction and voted in favour thereof at a meeting held on 5 October 2015. Due to a delay in fulfilment of the Huso Transaction suspensive conditions, a change in the structure of the Huso Transaction was proposed. These changes were approved by Trustco Group's shareholders on 13 June 2017.

The shareholder of Huso Investments (Pty) Ltd (Huso), being Dr Q Van Rooyen, had over the years advanced NAD 546 million to the Huso group of companies. The repayment of these loans was at the sole discretion of the Huso group companies and were therefore classified as equity by these entities.

During March 2018, the terms of the loans were amended by a resolution of directors of Huso and Northern Namibian Development Company (Pty) Ltd (NNDC). The amendment meant that the loan repayment was no longer at the discretion of Huso but would now be due within a stipulated period. As a result of this change, which imposed an unavoidable obligation to repay the loans, the loans became classified as financial liabilities. Before and after this amendment these loans remained in the beneficial interest of Dr Q Van Rooyen and did not in any way affect the sale of shares agreement between the parties as these loan interests had always been excluded from the Huso Transaction from the onset.

The Huso Transaction subsequently became effective and Dr Q van Rooyen's shares in Huso were acquired by Trustco Resources. Subsequent to the finalisation of the Huso Transaction Dr Q Van Rooyen elected to waive repayment of the Huso Loan from the Huso group companies (which had by this time become a part of the Trustco group). The loans, as financial liabilities falling within the scope of IFRS 9, were therefore derecognised upon the waiver in accordance with the requirements of that standard with the resulting effect being recognised in profit or loss.

The JSE contends that the Huso Transaction (a common control business combination) and the subsequent waiver of the Huso group company loans by Dr Q Van Rooyen in his capacity as a lender to those businesses, be treated as a single transaction. On this understanding the loans due to Dr Q Van Rooyen would not have been recognised as financial liabilities and the waiver would not have had an impact to be recognised in profit or loss. Trustco disagrees with the JSE's understanding of the Huso transaction, specifically that the loan waiver forms part of an indivisible single transaction.

TREATMENT OF LOAN WAIVERS – RELATED PARTY LOAN

On 8 October 2018, Dr Q Van Rooyen, through Next Capital Ltd (Next), concluded an agreement to loan up to NAD 1 billion to Trustco Group for the purpose of funding the acquisition of a 51% shareholding interest in Meya Mining from Germinate Sierra Leone Limited. The loan terms were explicit with respect to imposing an obligation of repayment and was therefore classified as a financial liability by Trustco.

On 1 October 2019, repayment of the Related Party Loan was waived by Dr Q Van Rooyen at his sole discretion. The loan was derecognised in a manner consistent with the application described above with respect to the Huso loans and as a consequence impacted profit or loss.

The JSE contends that whilst the loan terms would have met the requirements of IAS 32 to be classified as a financial liability at initial recognition, the subsequent waiver in substance was equity in nature, following a similar approach as in the Huso loan noted above, and should thus have been initially recognised directly in equity, with the subsequent waiver thereof being recognised directly in equity, and not through profit and loss.Trustco disagrees with the opinion of the JSE regarding the Related Party Loan, specifically in that the loan should be accounted for in equity due to it being waived in the following financial period.

For more information the Review Application filed on 31 January 2022 can be found on https://www.tgh.na/downloads/

16. ACKNOWLEDGEMENTS

Thanks and appreciation are extended to all of shareholders, staff, suppliers and consumers for their continued support of the group.

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

AS AT

FIGURES IN NAMIBIA DOLLAR THOUSAND	NOTES	31 AUGUST 2021	30 SEPTEMBER 2020
ASSETS			
CASH AND CASH EQUIVALENTS		23 460	144 020
ADVANCES	2	489 470	921 859
TRADE AND OTHER RECEIVABLES	3	162 889	276 070
CURRENT TAX ASSETS		2 473	2 473
ASSETS HELD FOR SALE	4	-	343 636
INVENTORIES	6	237 103	129 917
PROPERTY, PLANT AND EQUIPMENT	7	314 783	392 644
INVESTMENT PROPERTY	8	2 246 470	1 780 167
INTANGIBLE ASSETS	9	362 326	419 110
EVALUATION AND EXPLORATION ASSETS	10	415 567	474 211
MINE PROPERTIES	11	670 924	607 699
DEFERRED TAX ASSETS	12	66 490	125 401
TOTAL ASSETS		**4 991 955**	**5 617 207**
EQUITY AND LIABILITIES			
LIABILITIES			
BANK OVERDRAFT		7 595	-
BORROWINGS	13	1 657 910	1 413 600
TRADE AND OTHER PAYABLES	14	672 354	645 004
CURRENT TAX LIABILITIES		26 168	24 829
LIABILITIES OF ASSETS HELD FOR SALE	4	-	1 161
INSURANCE CONTRACT LIABILITIES	15	50 618	51 551
AMOUNTS DUE TO RELATED PARTIES	5	163 262	206 094
LEASE LIABILITIES	16	57 608	78 308
DEFERRED TAX LIABILITIES	12	29 287	41 783
TOTAL LIABILITIES		**2 664 802**	**2 462 330**
CAPITAL AND RESERVES			
SHARE CAPITAL	17	371 691	371 691
SHARE PREMIUM	17	3 094 401	3 094 401
TREASURY SHARES	18	(231 343)	(228 680)
OTHER RESERVES	19	(3 104 698)	(3 275 208)
RETAINED EARNINGS		1 897 058	2 769 018
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT		**2 027 109**	**2 731 222**
NON-CONTROLLING INTERESTS		300 044	423 655
TOTAL CAPITAL AND RESERVES		**2 327 153**	**3 154 877**
TOTAL EQUITY AND LIABILITIES		**4 991 955**	**5 617 207**

CONSOLIDATED STATEMENT OF **PROFIT OR LOSS**

AND OTHER COMPREHENSIVE INCOME

FIGURES IN NAMIBIA DOLLAR THOUSAND	NOTES	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
REVENUE	21	312 777	617 652
COST OF SALES		(53 773)	(183 077)
GROSS PROFIT		**259 004**	**434 575**
INVESTMENT AND OTHER (EXPENSE)/ INCOME	24	(162 598)	984 882
OPERATING EXPENSES	22	(828 927)	(1 303 793)
INSURANCE BENEFITS AND CLAIMS		(25 967)	(42 921)
FINANCE COSTS	25	(181 872)	(378 185)
LOSS BEFORE TAX	**22**	**(940 360)**	**(305 442)**
INCOME TAX EXPENSE	26	(47 664)	(37 800)
LOSS FOR THE PERIOD		**(988 024)**	**(343 242)**
OTHER COMPREHENSIVE INCOME/(LOSS):			
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:			
EXCHANGE DIFFERENCES ON TRANSLATING FOREIGN OPERATION NET OF TAX		162 963	(123 651)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(825 061)**	**(466 893)**
LOSS ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(871 960)	(266 102)
NON-CONTROLLING INTERESTS		(116 064)	(77 140)
		(988 024)	**(343 242)**
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(701 450)	(386 577)
NON-CONTROLLING INTERESTS		(123 611)	(80 316)
		(825 061)	**(466 893)**
LOSS PER SHARE			
BASIC LOSS PER SHARE (CENTS)	27	(55.55)	(19.95)
DILUTED LOSS PER SHARE (CENTS)	27	(55.38)	(19.87)

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FIGURES IN NAMIBIA DOLLAR THOUSAND	SHARE CAPITAL	SHARE PREMIUM	OTHER RESERVES	TREASURY SHARES	RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AT 1 APRIL 2019	**224 084**	**921 719**	**(869 002)**	**(197 959)**	**2 967 240**	**3 046 082**	**489 931**	**3 536 013**
LOSS FOR THE PERIOD	-	-	-	-	(266 102)	(266 102)	(77 140)	(343 242)
OTHER COMPREHENSIVE LOSS	-	-	(120 475)	-	-	(120 475)	(3 176)	(123 651)
TOTAL COMPREHENSIVE LOSS	**-**	**-**	**(120 475)**	**-**	**(266 102)**	**(386 577)**	**(80 316)**	**(466 893)**
ISSUE OF SHARES								
·SETTLEMENT OF VENDOR SHARES	144 624	2 140 575	(2 285 199)	-	-	-	-	-
·ISSUE OF STAFF SCHEME BONUS SHARES	2 981	32 019	-	(26 540)	-	8 460	-	8 460
·ISSUE OF SHARES PER WARRANTY AGREEMENT	2	88	-	-	-	90	-	90
TRANSFER BETWEEN RESERVES	-	-	(532)	-	532	-	-	-
TRANSACTION WITH NON-CONTROLLING INTERESTS (NOTE 20.1)	-	-	-	-	67 348	67 348	14 040	81 388
TREASURY SHARES ACQUIRED	-	-	-	(4 181)	-	(4 181)	-	(4 181)
BALANCE AT 30 SEPTEMBER 2020	**371 691**	**3 094 401**	**(3 275 208)**	**(228 680)**	**2 769 018**	**2 731 222**	**423 655**	**3 154 877**
BALANCE AT 1 OCTOBER 2020	**371 691**	**3 094 401**	**(3 275 208)**	**(228 680)**	**2 769 018**	**2 731 222**	**423 655**	**3 154 877**
LOSS FOR THE PERIOD	-	-	-	-	(871 960)	(871 960)	(116 064)	(988 024)
OTHER COMPREHENSIVE INCOME/(LOSS)	-	-	170 510	-	-	170 510	(7 547)	162 963
TOTAL COMPREHENSIVE INCOME/(LOSS)	**-**	**-**	**170 510**	**-**	**(871 960)**	**(701 450)**	**(123 611)**	**(825 061)**
TREASURY SHARES ACQUIRED	-	-	-	(2 663)	-	(2 663)	-	(2 663)
BALANCE AT 31 AUGUST 2021	**371 691**	**3 094 401**	**(3 104 698)**	**(231 343)**	**1 897 058**	**2 027 109**	**300 044**	**2 327 153**
NOTE	17	17	19	18				

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FIGURES IN NAMIBIA DOLLAR THOUSAND	NOTES	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH (USED IN)/ GENERATED FROM OPERATIONS	28	(63 596)	148 722
FINANCE INCOME		849	927
FINANCE COSTS		(26 753)	(118 786)
GROSS ADVANCES DISBURSED		(117 618)	(105 992)
RECEIPTS FROM REPAYMENT OF ADVANCES		32 947	113 567
REPAYMENTS OF BORROWINGS FOR ADVANCES		(3 000)	-
PROCEEDS FROM BORROWINGS FOR ADVANCES		176 240	136 240
TAX RECEIVED		90	562
NET CASH FROM OPERATING ACTIVITIES		**(841)**	**175 240**
CASH FLOWS FROM INVESTING ACTIVITIES			
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT	7	(8 006)	(10 814)
PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	7	5 805	74 388
ADDITIONS TO INVESTMENT PROPERTY	8	-	(3 349)
ADDITIONS TO INTANGIBLE ASSETS	9	(17 061)	(23 680)
PROCEEDS FROM DISPOSAL OF INTANGIBLE ASSETS	9	-	61
NET CASH OUTFLOW ON DISPOSAL OF AVIATION BUSINESS		-	(712)
ADDITIONS TO MINING PROPERTIES	11	(94 148)	(13 597)
ADDITIONS TO EVALUATION AND EXPLORATION ASSETS	10	-	(199 638)
NET CASH USED IN INVESTING ACTIVITIES		**(113 410)**	**(177 341)**
CASH FLOWS FROM FINANCING ACTIVITIES			
PROCEEDS FROM SHARES ISSUED		-	90
PROCEEDS FROM BORROWINGS	30	69 331	-
REPAYMENT OF BORROWINGS	30	(8 170)	(101 835)
REPAYMENT OF LEASE LIABILITIES	30	(13 492)	(29 603)
ACQUISITION OF TREASURY SHARES		(2 663)	(4 181)
PROCEEDS FROM RELATED PARTIES BALANCES	30	-	49 271
REPAYMENT OF RELATED PARTIES BALANCES	30	(58 910)	(21 800)
TRANSACTION WITH NON-CONTROLLING INTERESTS		-	81 388
NET CASH USED IN FINANCING ACTIVITIES		**(13 904)**	**(26 670)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		(128 155)	(28 771)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		144 020	172 791
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**15 865**	**144 020**
CASH AND CASH EQUIVALENTS COMPRISES OF:			
BANK		23 460	144 020
BANK OVERDRAFT		(7 595)	-
		15 865	**144 020**

ACCOUNTING **POLICIES**

**FOR THE 11 MONTHS ENDED
31 AUGUST 2021**

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The consolidated financial statements (financial statements) have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the IFRS Interpretations Committee (IFRIC), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Listings Requirements of the JSE and the Namibian Stock Exchange and in the manner as required by the Companies Act of Namibia and the Companies Act of South Africa and are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The financial statements have been prepared on the historical cost basis, except for the measurement of certain property, plant and equipment and investment properties at fair value and incorporate the principal accounting policies set out below. The accounting policies are consistent with those of financial statements for the previous period, except for the implementation of the amended business combinations policy discussed in accounting policy note 1.2(A).

The group presents its statement of financial position in order of liquidity following from the key considerations related to liquidity based on the group being a financial services group.

The financial statements are presented in Namibia Dollar, which is the group's functional and presentation currency and amounts are rounded to the nearest thousand.

1.1 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources, which may affect the amounts presented in the financial statements and the related disclosures thereto. The use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Changes to the key estimates and judgements applied in determining the value of selected assets and liabilities could significantly affect the group's valuation evaluations and results.

The nature of the accounting estimates and judgements are detailed below.

1.1.1 ESTIMATES

Management makes use of estimates and assumptions in applying accounting policies that can have a material impact on the group's reported operating results, financial position and changes therein, as well as on the comparability of reported information over different reporting periods. The estimates used by the group include:

(A) FAIR VALUE DETERMINATION - LAND AND BUILDINGS AND INVESTMENT PROPERTY

The group measures and recognises land and buildings and investment property initially at cost and subsequently at fair value. The fair value estimate is determined using directors' valuations with independent external valuations obtained every three years. Fair value is determined as follows:

- land and buildings - valued using the income capitalisation method
- completed developments – completed developments valued using the discounted cash flow of future rental income adjusted by the value of the straight-lining lease debtor and
- developments under construction – an adjustment to the present value of the difference between the estimated fair value of the investment property at completion and the total estimated development cost.

Under current market conditions, the above adjustments are made to reflect the fair value at which the asset could be exchanged between market participants at the reporting date.

There is significant judgement involved in determining the fair value of land and buildings and investment property. The significant unobservable inputs into the valuations of land and buildings and investment property are capitalisation rates, discount rates, inflationary increases in rental and cost, development cost and market rental assumptions. Refer to notes 7 and 8 for detail relating to the unobservable inputs and the sensitivity thereof to changes therein.

(B) IMPAIRMENT OF FINANCIAL ASSETS

The credit loss allowance for financial assets is based on assumptions relating to the risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs in the impairment calculation, based on the historic experience, existing market conditions as well as forward-looking estimates at the reporting date. Refer to notes 2, 3 and 35 for detail relating to the unobservable inputs used in the credit loss allowance assessment and the sensitivity thereof to changes therein.

(C) IMPAIRMENT ASSESSMENT OF NON FINANCIAL ASSETS

Management undertakes an annual impairment test for goodwill, intangible assets with an indefinite useful life as well as mining and exploration assets. For assets with finite useful lives, impairment testing is performed if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying amounts of assets can be supported by the higher of their fair value less costs of disposal and value in use.

Value in use is calculated as the net present value of future cash flows derived from assets using cash flow projections that have been discounted at appropriate discount rates.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of unobservable inputs, including management's expectations of:

- growth in turnover of a cash-generating unit given the continued economic downturn and impact of COVID-19
- increase/decrease in expenses allocated to each cash-generating unit
- the selection of appropriate discount rates to reflect the risks involved
- available resources and reserves relating to mining assets
- capital requirements specific to commissioning new operations or expanding existing operations
- commodity prices and
- exchange rates.

Refer to note 9 for the details relating to the unobservable inputs and the sensitivity thereof to changes therein.

(D) INSURANCE LIABILITIES

One of the purposes of insurance is to enable policyholders to protect themselves against uncertain future events. Insurance companies accept the transfer of uncertainty from policyholders and seek to add value through the aggregation and management of these risks. The uncertainty inherent in insurance is inevitably reflected in the insurance company's financial statements, principally in respect of the company's insurance liabilities. Insurance liabilities include liabilities for unearned premiums, claims incurred and incurred but not reported (IBNR) claims.

The establishment of insurance liabilities is an inherently uncertain process and as a consequence of this uncertainty, the eventual cost of settlement of outstanding claims can vary substantially from the initial estimates. The group seeks to provide appropriate levels of claims provisions taking the known facts and experience into account. Refer to note 15 for the details relating to the significant unobservable inputs.

(E) TAX
Judgement is required in determining the accrual for income taxes due to the complexity of the legislation. The group 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 initially recognised amounts, such differences will impact the income tax and deferred tax provisions.

The group recognises the net future tax benefit related to deferred tax assets to the extent that the temporary deductible differences will temporarily reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the group 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 to realise the net deferred tax assets recognised at each reporting date could be impacted.

The group carries significant deferred tax assets and has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The group expects to generate a taxable income from 2022 financial period onwards. The losses can be carried forward indefinitely and have no expiry date. Refer to note 12 for detail surrounding the estimate.

(F) EXPLORATION AND EVALUATION ASSETS
A mineral reserve estimate is an estimate of the amount of mineral that can be economically and legally extracted from the group's mining assets. In order to calculate the mineral reserve, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the mineral reserve's quantity and/or grade requires the size, shape and depth of ore bodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

Because the economic assumptions used to estimate changes in the mineral reserve from period to period, estimates of the mineral reserve may change from period to period. Changes in the reported mineral reserve may affect the group's financial results and financial position in a number of ways, including the following:

- asset carrying amounts may be affected due to changes in estimated future cash flows and
- the carrying amount of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

(G) MINING ASSETS AND DEVELOPMENT EXPENDITURE
Development activities commence after project sanctioning by the appropriate management level, following from receipt of a mining licence of the mineral reserve. Management applies judgement in determining when a project has reached a stage at which economically recoverable reserves exist such that development may be sanctioned. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described in the accounting policy for exploration and evaluation assets. Any such estimates and assumptions may change as new information becomes available. If a judgement is made after starting the development activity that a development asset is impaired, the appropriate amount will be written off in profit or loss. Refer to note 11 for detail of the estimate.

1.1.2 CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Judgements made in the application of the financial reporting requirements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are discussed on the following page:

(A) WAIVER OF DEBT
Judgement is required in determining whether a waiver of shareholder's debt is considered a capital contribution or extinguishing of debt. Where the shareholder's debt is initially recognised and subsequently measured in accordance with the requirements as prescribed by IFRS 9, the subsequent waiver thereof is also considered in accordance with IFRS 9, taking into account the requirements of IFRIC 19. Debt waiver in the previous reporting period was a release of financial liability in accordance with IFRS 9 and was recognised as other income in profit or loss. Refer to note 24 for detail surrounding the treatment of waiver of debt.

(B) CLASSIFICATION OF REPAYMENT OF/ RECEIPTS FROM BORROWINGS AS PART CASH FLOW FROM OPERATING ACTIVITIES
The group operates a lending business as part of its financial services operating activities. In determining the appropriate classification of certain cash inflows and outflows it has taken into consideration its business model and the nature of the business activities as required by IAS 7. The cash flows associated with its lending activities have accordingly been classified as operating cash flows.

1.2 BASIS OF CONSOLIDATION

(A) BUSINESS COMBINATIONS
The group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the group. In determining whether a particular set of activities and assets is a business, the group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

(B) SUBSIDIARIES
Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the debt on which control ceases.

(C) INTERCOMPANY TRANSACTIONS
Intercompany 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.

(D) CHANGE IN OWNERSHIP INTEREST IN SUBSIDIARIES WITHOUT CHANGE OF CONTROL
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between the fair value of any consideration paid/received and the relevant share acquired/disposed of at the carrying amount of the subsidiary's net assets is recognised in equity.

(E) NON-CONTROLLING INTERESTS
Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amount of the acquiree's identifiable net assets.

(F) COMMON CONTROL TRANSACTIONS
Transactions in which combining entities are controlled by the same party or parties before and after the transaction and where that control is not transitory are referred to as common control transactions. The group's accounting policy for the acquiring entity is to account for the transaction at book values as reflected in the financial statements of the selling entity. The group accounts for the transaction prospectively, thus the acquired entity's results are included in the acquirer's financial statements from the date of the common control transaction. There is no restatement of comparative information. For common control transactions, the group determines the purchase consideration as the transaction cost adjusted for the time value of money where applicable. The excess of the purchase consideration over the acquirer's proportionate share of the net asset value acquired in common control transactions is recognised in the common control reserve in equity.

(G) DISPOSAL OF SUBSIDIARIES
When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

1.3 FOREIGN CURRENCY

(A) FOREIGN CURRENCY TRANSACTIONS
Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognised in profit or loss

(B) FOREIGN OPERATIONS
The financial statements of all group entities that have a functional currency different from the group's presentation currency are translated into the presentation currency at the reporting date. Assets and liabilities of each foreign operation are translated at the closing rate. Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of, such that control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative amount is reattributed to non-controlling interests.

(B) FOREIGN EXCHANGE GAINS OR LOSSES IN INTERGROUP LOANS
Intergroup monetary assets and liabilities, which arose as a result of the USD denominated loan between two group entities, are not eliminated upon consolidation without reflecting the results of currency fluctuations. The monetary asset and liability represents a commitment to convert one currency into another, thereby exposing the reporting entity to currency fluctuations. The resultant exchange differences are recognised in profit or loss.

1.4 INVENTORIES

Real estate inventory is valued at the lower of cost (including development and preparation expenses) and net realisable value.

The cost of inventories comprises all purchase costs, conversion costs 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 are assigned using specific identification of the individual costs. Costs incurred in installing roads and infrastructure, arising from progress billings from contracts, are initially recognised in work-in-progress until the assets are available to use, as evidenced by engineering approval certificates.

1.5 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially measured at cost. Cost comprises expenditure that is directly attributable to the acquisition of the asset. Day-to-day repairs and maintenance are recognised as expenses in profit or loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Land and buildings are measured at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Increases in the carrying amounts of land and buildings arising on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve. Decreases that offset previous increases of the same assets and all other decreases are recognised in other comprehensive income and presented in equity. Each period the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings. The attributable revaluation surplus remaining in the property's revaluation reserve is transferred directly to retained earnings on the subsequent sale or retirement of a revalued asset.

Subsequently, all other categories of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

Leased assets are depreciated over their expected useful lives on the same basis as owned assets, however, when there is no reasonable certainty that ownership will be obtained by the end of their lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful life of items of property, plant and equipment for current and comparative periods are as follows:

ITEM	USEFUL LIFE
LAND	INDEFINITE
BUILDINGS*	30-50 YEARS
MACHINERY AND EQUIPMENT	6 - 15 YEARS
MOTOR VEHICLES	6 - 8YEARS
OFFICE EQUIPMENT AND FURNITURE	6 - 8 YEARS
COMPUTER EQUIPMENT	3 - 5 YEARS
EXPLORATION ASSETS	
· MOTOR VEHICLES AND EQUIPMENT	5 YEARS
· BUILDINGS	10 YEARS
· MINING PLANT	5 YEARS

* Including right-of-use assets

The residual value, useful life and depreciation method of each asset are reviewed at each reporting date.

The depreciation charge for each year 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 amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amount.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

1.6 INVESTMENT PROPERTY

Investment property is recognised at cost, including transaction costs. Costs include costs incurred initially and subsequently incurred to add to, or to replace a part of, or service a property. Maintenance and repairs are recognised in profit or loss.

Subsequent to initial measurement, investment properties are measured and recognised at fair value. Investment property is revalued annually, or sooner if there has been a significant change in the conditions of the property and adjusted to fair value at the respective reporting dates with reference to either an independent external valuation or directors valuation.

A gain or loss arising from a change in fair value is included in profit or loss for the period in which it arises.

1.7 EXPLORATION AND EVALUATION ASSETS

Pre-licence costs relate to costs incurred before the group has obtained legal rights to explore a specific area. Such costs may include the acquisition of exploration data and the associated costs of analysing that data. These costs are recognised in profit or loss in the period in which they are incurred.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and assessing the commercial viability of an identified resource.

Exploration and evaluation activity includes:

- researching and analysing historical exploration data
- gathering exploration data through geophysical studies
- exploratory drilling and sampling
- determining and examining the volume and grade of the resource
- surveying transportation and infrastructure requirements and
- conducting market and finance studies.

The depreciation on items of plant and equipment used in the activities described above (for example, drilling and sampling) also represents exploration and evaluation expenditure. Any such depreciation is treated consistently with the group's other exploration and evaluation expenditure and is recognised as part of the cost of the asset.

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised as intangible assets and amortised over the term of the permit.

All other costs directly related to exploration and evaluation activities in the area of interest are capitalised as exploration and evaluation assets which is an intangible asset in nature. General and administrative costs are allocated to an exploration and evaluation intangible asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest. Capitalised exploration and evaluation expenditure is written off when the group concludes that a future economic benefit is more likely than not to be realised. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Revenue realised from the sale of mineral resources during the exploration phase is recognised in profit or loss by the group.

1.8 MINE PROPERTIES

Expenditure is transferred from exploration and evaluation assets to mine properties, once the exploration and evaluation results support the future development of mining property and such development receives appropriate approvals.

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised. Any costs incurred in testing the assets to determine if they are functioning as intended are capitalised.

When the group commences production, the capitalisation of certain mine development costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation/amortisation commences.

1.9 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost.

(A) INTANGIBLE ASSETS WITH FINITE USEFUL LIVES

The carrying amounts of these intangible assets are assessed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible assets with finite useful lives are measured at cost less accumulated amortisation and any impairment losses. Amortisation is determined to write down the intangible assets, on a straight-line basis, to their residual values, where relevant, as follows:

ITEM	USEFUL LIFE
COMPUTER SOFTWARE	2 - 10 YEARS
TRADEMARKS, LICENCES AND PATENTS	10 - 25 YEARS

The amortisation period, the residual value and the amortisation method for intangible assets are reviewed at each reporting date.

An intangible asset arising from development (or from the development phase of an internal project) is recognised as an asset when it has met the recognition criteria for internally generated intangible assets.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss.

(B) GOODWILL

Goodwill arising on an acquisition of a business is measured at cost less accumulated impairment losses, if any.

For impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the goodwill may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets on a unit pro rata, based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed.

1.10 FINANCIAL INSTRUMENTS

(A) INITIAL RECOGNITION AND MEASUREMENT

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instruments. Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

(B) FINANCIAL ASSETS AT AMORTISED COST

The group classifies its financial assets as those measured at amortised cost. Financial assets classified as measured at amortised cost include cash and cash equivalents, advances and trade and other receivables.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. These assets are held for collection of contractual cash flows where those cash flows represent principal payments on specified dates and interest solely.

(C) MEASUREMENT
Subsequently, the group measures cash and cash equivalents, advances and trade receivables at amortised cost and these assets are subject to impairment. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising from derecognition is recognised directly in profit or loss. Refer to note 35 for details of risk exposure and management thereof.

(D) DEFAULT
The definition of default, which triggers the credit-impaired classification (stage 3), is based on the group's internal credit risk management approach and definitions. Whilst the specific determination of default varies according to the nature of the product, it is generally determined as occurring at the earlier of:

- Where, in the group's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security; or
- When the counterparty is past due for more than 90 days.

The group has not rebutted IFRS 9's 90 days past due rebuttable presumption.

(E) MEASUREMENT AND RECOGNITION OF EXPECTED CREDIT LOSS ON RECEIVABLES
The group assesses on a forward-looking basis the expected credit losses (ECLs) associated with its cash and cash equivalents, advances and trade receivables measured at amortised cost. Lifetime ECLs are recognised when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECLs should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Lifetime ECLs represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The group recognises a loss allowance for ECLs on a financial asset that is measured at amortised cost. The group uses a 'three-stage' approach ('general approach') for impairment based on changes in credit quality since initial recognition:

Loss given default is an estimate of the loss arising on default. It is based on the difference between contractual cash flows due and those that they group expects to receive, taking into account cash flows from collateral and integral credit enhancements.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Expected credit losses are included in profit or loss.

(F) THE STAGES DEFINED
Stage 1 includes financial instruments that do not have a significant increase in credit risk (SICR) since initial recognition. On initial recognition the group recognises 12 month ECLs on its advances. For these assets, 12 month ECLs are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for the loss allowance).

Stage 2 includes financial instruments that have had a SICR since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECLs are recognised, but interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECLs are recognised and interest revenue is calculated on the gross carrying amount and derecognised immediately to loss allowances.

(G) CURING
Continuous assessment is required to determine if the conditions that led to a financial asset being considered to be credit-impaired (i.e. Stage 3) still exist. Financial assets that no longer qualify as credit-impaired remain within stage 3 for a minimum period of six months (i.e. six full consecutive monthly payments per the terms and conditions). After considering qualitative factors, including compliance with existing financial asset terms and conditions, the asset is moved to stage 2.

Where it has been determined that a financial asset no longer meets the criteria for SICR, the financial asset will be moved from stage 2 (lifetime ECL model) back to stage 1 (12 month ECL model) prospectively.

(H) WRITE OFF POLICY
The group writes off financial assets, in whole or in part, when it has exhausted all practicable recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the group's recovery method is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation of recovering in full.

(I) SIGNIFICANT INCREASE IN CREDIT RISK (SICR)
In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

The group determines the increase in credit risk for advances based on missed loan payments. Advances are determined as credit-impaired and in default if the arrears are greater than 90 days. Loss allowances are measured as follows for each of the following:

- 12 month ECLs for loans with no missed repayments.
- lifetime ECLs for loans with missed repayments but less than 90 days in arrears.
- credit-impaired for loans in arrears for more than 90 days.

Financial assets with objective evidence of impairment, considering the rebuttable presumption that default does not occur later than when a financial asset is 90 days past due, are assessed as being in default unless the group has reasonable and supportable information that demonstrates otherwise.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

(J) DERECOGNITION - FINANCIAL ASSETS
The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains all the risks and rewards of ownership substantially and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(K) FINANCIAL LIABILITIES AT AMORTISED COST
The group classifies its financial liabilities as those measured at amortised cost. Financial liabilities measured at amortised cost include bank overdraft, borrowings, trade and other payables and amounts due to related parties.

(L) DERECOGNITION - FINANCIAL LIABILITIES

The group derecognises financial liabilities when and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.11 TAX

(A) 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 or 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 end of the reporting period.

Tax assets and liabilities are offset at the taxpayer level if in the same jurisdiction as the law allows net settlement. The different balances are presented accordingly either as assets or liabilities in the statement of financial position.

(B) DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax liability is recognised for all temporary taxable differences.

Deferred tax assets are recognised for all deductible temporary differences, including the carry forward of unused tax losses, to the extent that taxable profit will probably 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, it affects neither accounting profit (loss) nor taxable profit (tax loss).

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 end of the reporting period.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale and the group has not rebutted this presumption.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets and liabilities are offset at the taxpayer level if in the same jurisdiction and the law allows net settlement. The different balances are shown accordingly, either as assets or liabilities on the statement of financial position.

(C) TAX EXPENSE

Current and deferred taxes are recognised 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, in other comprehensive income or
- a business combination.

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

1.12 LEASES

(A) THE GROUP AS A LESSEE

At inception of a contract, the group considers whether a contract is or contains a lease. A lease is defined as a contract or part of a contract that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

(B) MEASUREMENT AND RECOGNITION OF LEASES AS A LESSEE

At lease commencement date, the group recognises a right-of-use asset and a lease liability. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the group and any lease payments made in advance of the lease commencement date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the group's incremental borrowing rate.

To determine the increment of borrowing rate, the group:

- where possible it uses recent third party financing received by the individual lease as a starting point, adjusted to reflect changes in financing conditions since third party financing was received and
- uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held, which does not have a recent third party financing.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

In the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been presented separately.

1.13 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.14 REVENUE

The group recognises revenue from the following major sources:

- property sales
- insurance contracts (refer to accounting policy note 1.15 for further information)
- tuition fees
- diamonds sales and
- interest received on financial assets.

(A) PROPERTY SALES

The group sells serviced and unserviced land to customers. The sale of serviced land involves the following performance obligations:

- sale of land
- provision of bulk services

The transaction prices for sale of serviced land is allocated to the performance obligations based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Revenue is recognised when control of the serviced land is transferred to the customer on the date upon which the purchaser has the ability to unilaterally affect changes to the asset. The date at which control transfers is when the earliest of the following occurs:

- the necessary bulk services have been installed and are available and ready for use and
- the purchaser has accepted the asset and has right-of-use and control over the property.

Where the sale relates to serviced land, these indicators are present for both the sale of the land and the services when the installation of services is complete. Therefore the installation of bulk services gives rise to point in the revenue recognition.

(B) TUITION AND OTHER RELATED FEES

Revenue from the sale of educational courses is recognised over time. Progress is measured as the amount of hours completed, as a percentage of the agreed hours required for the work to be done. This measure of progress faithfully depicts the transfer of the delivery of service to the customer.

Revenue is recognised at a point in time when a customer purchases course material. Payment of the transaction price is due immediately at the point the customer purchases the course material.

(C) DIAMOND SALES
Revenue is recognised at a point in time when control of the diamond is transferred to the customer being at the point the customer purchases the diamond at the diamond auction. Payment of the transaction price is due immediately at the point the customer purchases the diamond.

(D) INTEREST RECEIVED ON FINANCIAL ASSETS
Interest income on financial assets that are classified as debt instruments at amortised cost is determined using the effective interest method. The application of the effective interest method to calculate interest income on an advance or receivable is dependent on the credit risk of the advance or receivable. The effective interest rate is applied to the gross carrying amount of the advance or receivable, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance. When a loan or receivable is classified as being credit impaired stage 3 financial asset, the interest income is limited to the net carrying amount.

1.15 INSURANCE CONTRACTS

(A) CLASSIFICATION OF CONTRACTS
An insurance contract is a contract under which the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. All policyholder contracts that transfer significant insurance risk are classified as insurance contracts. Such contracts may also transfer financial risk. Trustco defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that is significantly more than the benefits payable if the insured event did not occur.

Financial risk is the risk of a possible future change in the value of an asset or financial instrument due to a change in the interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other measurable variables.

The following typical types of contracts issued by the group are classified as insurance contracts:

- policies that provide legal cover in the event of litigation against or in favour of policyholders
- policies providing lump-sum benefits and cost recoveries for death
- policies that provide salary cover
- policies that provide short-term cover relating to property, accident and personal accident
- policies that provide medical insurance cover and
- policies that provide all or a combination of the above covers.

(I) LONG-TERM INSURANCE OPERATIONS
These contracts are valued in terms of the financial soundness valuation (FSV) basis contained in NSAP 104 (a mandatory guidance note issued by the Namibian Society of Actuaries that gives guidance on IFRS making specific reference to the Namibian environment). The statutory actuary reviews the calculation of the liabilities under long-term insurance contracts and investment contracts annually at the reporting date in accordance with prevailing legislation, Generally Accepted Actuarial Standards in Namibia and IFRS as appropriate. The transfers to or from insurance liabilities are accounted for in profit or loss and represent the increase or decrease in contract liabilities, including all necessary provisions and reserves.

The liabilities for insurance contracts are set equal to the accumulated fair value of the underlying assets plus a non-unit reserve calculated in accordance with NSAP 104. Any deficiency is immediately recognised in profit or loss and a provision is recognised for losses from the liability adequacy tests.

Investment contracts are initially and thereafter recognised at fair value, with changes in fair value being recognised in profit or loss. The premiums, benefit payments and investment earnings relating to these investment contracts have been excluded from profit or loss and accounted for directly as movements in the liability.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant, although this generally does not occur with the current investment contracts being written.

(II) SHORT-TERM INSURANCE OPERATIONS
Contracts under which the short-term insurance operations accept significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiaries if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiaries, are classified as insurance contracts.

(B) INSURANCE RESULTS
The underwriting results are determined after recognising liabilities for unearned premiums, claims incurred, incurred but not reported claims and such additional provisions as are considered necessary. The methods used to determine these liabilities are as follows:

(I) PREMIUMS
Premiums are earned from the date the risk attaches, over the indemnity period, based on the pattern of the risk underwritten. Unearned premiums, which represent the proportion of premiums written in the current period which relate to risks that have not expired by reporting date, are calculated on the 365th basis for even risk business and other bases that best represent the unearned risk profile for uneven risk business.

(II) CLAIMS
Claims incurred consist of claims and claims handling expenses paid during the reporting period together with the movement in the claims incurred liability. Claims outstanding comprise an obligation for the estimate of the ultimate cost of settling all claims incurred but unpaid at reporting date whether reported or not and an appropriate risk margin.

Adjustments to the amounts of claims obligations established in prior periods, as a result of changes in estimates, are reflected in the period in which the adjustments are made and disclosed separately if material.

(III) LIABILITY ADEQUACY TEST
At each reporting date, liability adequacy tests are required to ensure the adequacy of the insurance contract liabilities. In performing these tests, current best estimates of future premiums, claims and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Since the insurance policy liabilities are calculated in terms of the FSV basis as described in NSAP 104, which meets the minimum requirements of the liability adequacy test, it is not necessary to perform an additional liability adequacy test.

(IV) INCURRED BUT NOT REPORTED CLAIMS (SHORT-TERM BUSINESS) (IBNR)
IBNR reflects the total amount owed by the insurer to all valid claimants who have a covered loss but not yet reported this to the insurer. Claims are calculated as a percentage of claims. Different percentages are applied by class of business.

(V) POLICYHOLDERS' LIABILITY UNDER INSURANCE CONTRACT (LONG-TERM BUSINESS)
The liabilities under life insurance contracts are valued in terms of the FSV basis containing a discounted cash flow valuation based on best estimates of future cash flows plus margins for adverse deviation as prescribed by NSAP 104. The operating surpluses or losses arising from life insurance contracts are determined by the annual valuation and are included in 'insurance liabilities'. These surpluses or losses are determined after taking into account the movement within the policyholder liabilities.

(VI) UNEARNED PREMIUM RESERVE
A provision in respect of premiums written in the current period relating to future periods is determined for all business on actual monies received in advance. This is calculated by multiplying the premium by the ratio of the outstanding term to the original term of the policies in force.

(C) REVENUE RECOGNITION

(I) LONG-TERM INSURANCE OPERATIONS

Premiums and annuity considerations on insurance contracts are recognised when due in terms of the contract, other than group schemes. Premiums receivable in respect of group schemes that are due after the reporting date are ignored. However, where the operating ratios exceed 100%, a deficiency reserve is established to offset any expected losses up until the next renewal date.

Premiums are shown before deduction of commission. Premium income received in advance is included in insurance contract liabilities. Amounts received under investment contracts are recognised as deposits to investment contract liabilities.

(II) SHORT-TERM INSURANCE OPERATIONS

Gross written premiums comprise the premiums on insurance contracts entered into during the period, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude value-added tax. Premiums written include adjustments to premiums written in the prior reporting periods. The earned portion of the premium received is recognised as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten.

(D) 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 Namibian Short-term Insurance Act of 1998.

1.16 SHARE CAPITAL

(A) ORDINARY SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(B) TREASURY SHARES

The consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve. On disposal, the average cost of shares is adjusted against the treasury shares reserve. Any excess of the consideration received on the sale of treasury shares over the average cost of the shares sold is recognised in a retained earnings.

1.17 EARNINGS PER SHARE

(A) BASIC EARNINGS PER SHARE

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the net profit attributable to ordinary shareholders. To calculate earnings per share, treasury shares are deducted from the number of ordinary shares in issue.

(B) DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to ordinary shareholders, adjusted for the after-tax dilutive effect.

(C) HEADLINE EARNINGS PER SHARE

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 01/2021 issued by the South African Institute of Chartered Accountants (SAICA).

(D) DILUTED HEADLINE EARNINGS PER SHARE

Diluted headline earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2021 issued by the South African Institute of Chartered Accountants (SAICA).

1.18 FINANCE COSTS

Finance costs comprise interest payable on borrowings, calculated using the effective interest method, interest receivable on funds invested and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost.

1.19 NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

1.20 SHARE-BASED PAYMENT TRANSACTIONS - EQUITY SETTLED

The grant date fair value of share-based payment instruments granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of instruments for which the related service and non-market conditions are met, such that the amount ultimately recognised as an expense is based on the number of instruments that meet the related service and non-market performance conditions at the vesting date.

1.21 NEW STANDARDS AND INTERPRETATIONS

1.21.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT PERIOD

The following amended standards became applicable for the current reporting period.

(A) STANDARD THAT DID NOT HAVE A MATERIAL EFFECT ON THE GROUP'S FINANCIAL STATEMENTS

- IAS 1 Presentation of Financial Statements - Definition of Material
  The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material.
  The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(B) STANDARD THAT HAD AN EFFECT ON THE GROUP'S FINANCIAL STATEMENTS

- IFRS 3 Business Combinations - Definition of Business
  1. confirm that a business must include inputs and a process and clarify that:
     a. the process must be substantive; and
     b. the inputs and process must together significantly contribute to creating outputs.
  2. narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
  3. add a test that makes it easier to conclude that a company has acquired a group of assets rather than a business if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

ACCOUNTING **POLICIES** (CONTINUED)

The details of changes in the accounting policy of the group are set out in note 1.2

1.21.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The group has chosen not to early adopt the following standards which has been published and is mandatory for the group's accounting periods beginning on or after 31 August 2021:

(A) STANDARDS THAT THE GROUP HAS ASSESSED

- IFRS 3 Business Combinations - Reference to the Conceptual Framework (effective for annual periods beginning on or after 1 January 2022)
  The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- IFRS 9 Financial Instruments - Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022). The amendment clarifies which fees an entity includes when it applies the "10 per cent test" in assessing whether to derecognise a financial liability. *(This amendment clarifies that – for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.)*

- IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current: (effective for annual periods beginning on or after 1 January 2023).
  Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

- IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023)
  The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023)
  Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

- IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023).
  The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

- IAS 16 Property, Plant and Equipment - Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022). The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items and the cost of producing those items, in profit or loss.

Management has assessed the impact of these new and revised standards on the group and concluded that they have no material effect on the group.

(B) STANDARDS FOR WHICH THE GROUP IS STILL ASSESSING THE IMPACT

- IFRS 9 Financial Instruments - Interest Rate Benchmark Reform Phase 2 (effective for annual periods beginning on or after 1 January 2021)
  The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.
  a. The amendments to IFRS 9 enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform.
  b. The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring companies to amend their hedging relationships to reflect:
     - designating an alternative benchmark rate as the hedged risk; or
     - changing the description of the hedged item, including the designated portion, or of the hedging instrument.

- IFRS 17 Insurance contracts (effective for annual periods beginning on or after 1 January 2023). IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS.
  a. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts.
  b. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims.
  c. Insurance contracts are required to be measured based only on the obligations created by the contracts.
  d. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums.
  e. This standard replaces IFRS 4 – Insurance Contracts.

The impact is currently being assessed.

NOTES TO THE **FINANCIAL STATEMENTS**

2. ADVANCES

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
PROPERTY ADVANCES	34 916	464 090
STUDENT ADVANCES	430 720	425 086
OTHER LOANS ADVANCED	23 834	32 683
	489 470	**921 859**
CURRENT ASSETS	144 900	615 757
NON-CURRENT ASSETS	344 570	306 102
	489 470	**921 859**
RECONCILIATION OF ADVANCES		
ADVANCES AT BEGINNING OF THE PERIOD	921 859	1 387 091
LOANS ADVANCED (INCLUDING TRANSACTION COSTS)	117 618	105 992
PAYMENTS RECEIVED	(32 947)	(113 567)
PROPERTY ACQUIRED IN LIEU OF SETTLEMENT OF DEBT (A)	(464 214)	-
INCREASE IN LOSS ALLOWANCE	(71 017)	(497 466)
INTEREST CAPITALISED	18 786	39 809
IMPAIRED ADVANCES WRITTEN OFF	(615)	-
	489 470	**921 859**
CONSISTING OF		
GROSS ADVANCES	724 827	1 774 877
LOSS ALLOWANCE	(235 357)	(853 018))
	489 470	**921 859**
RECONCILIATION OF LOSS ALLOWANCE		
OPENING BALANCE	853 018	355 552
SUBSEQUENT CHANGES IN LOSS ALLOWANCE	24 438	492 255
DERECOGNITION OF LOSS ALLOWANCE ON DEBT SETTLED (A)	(688 678)	-
LOSS ALLOWANCE ON NEW EXPOSURES RAISED	27 793	5 211
SUBSEQUENT CHANGES IN LOSS ALLOWANCE FOR FINANCIAL	18 786	-
CLOSING BALANCE	**235 357**	**853 018**

PROPERTY ADVANCES

The advances are split as follows:

(A) COMMERCIAL FINANCE

On 16 December 2020, the group purchased 100% shareholding in two investment entities; Cumbrae Island Investments (Pty) Ltd (Cumbrae) and Elisenheim Estate Property Number One Hundred And One (Pty) Ltd (EEP 101). EEP 101 and Cumbrae's sole assets were investment property (NAD 398 million) and real estate inventory (NAD 66 million). At the time of purchase, Cumbrae and EEP 101 owed the group NAD 432 million. The amount due to the group was equivalent to the fair value of the underlying assets of Cumbrae and EEP 101. As a result of the transaction, the group now controls Cumbrae and EEP 101 and the property loans advanced became intergroup receivables which were eliminated on consolidation.The transaction was not treated as a business combination and the concentration test was not applied because the transaction did not constitute the purchase of a business as the entities acquired were not operational. The group accounted for the transaction as a purchase of assets.

(B) MORTGAGE LOANS

Mortgage loans with a carrying amount of NAD 12.2 million (30 September 2020: 20.19 million) bear interest at rates ranging between 8.25% pa to 10% pa (30 September 2020: 8.25% pa to 12.50% pa), the average mortgage type contracts are repayable over an average of 220 (30 September 2020: 220) monthly instalments of NAD 0.120 million (30 September 2020: NAD 0.137 million). Mortgage loans are secured by mortgage bonds over immovable property.

(C) OTHER PROPERTY ADVANCES

Other advances with a carrying amount of NAD 23.8 million (30 September 2020: NAD 14.896 million) bear interest at rates ranging between 7.5% pa to 12.5% pa (30 September 2020: 10.50% pa to 15.50% pa), the average mortgage-type contracts are repayable over an average of 36 (30 September 2020: 36) monthly instalments of NAD 0.628 million (30 September 2020: NAD 0.709 million). Personal sureties or cessions of shares in property holding companies are also obtained from buyers where deemed necessary. Loans are secured by security over motor vehicles purchased by the dealers. Personal sureties are obtained where deemed necessary.

STUDENT ADVANCES

The net carrying amount balance of student advances with a carrying amount of NAD 430 million (30 September 2020: NAD 425 million) bears interest ranging between 7.5% - 15.0% pa (30 September 2020: 7.5% - 15.0% pa), are unsecured and repayable over periods between 12 and 60 months. The student advances serve as security for the borrowing facilities, as disclosed in note 13.

Refer to note 35 for details of financial risk management.

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

RECONCILIATION OF LOSS ALLOWANCE FOR ADVANCES

	STAGE 1	STAGE 2	STAGE 3	TOTAL
OPENING BALANCE AT 1 OCTOBER 2020	49 534	4 405	799 079	853 018
TRANSFERS FROM STAGE 1	(8 841)	1 696	7 145	-
TRANSFERS FROM STAGE 2	2 654	(3 206)	552	-
TRANSFERS FROM STAGE 3	15 196	4 969	(20 165)	-
SUBSEQUENT CHANGES IN LOSS ALLOWANCE	(20 394)	(596)	45 587	24 597
LOSS ALLOWANCE RECOGNISED ON NEW EXPOSURES	27 356	170	19 053	46 579
IMPAIRED ACCOUNTS WRITTEN OFF	-	-	(159)	(159)
DERECOGNITION OF LOSS ALLOWANCE ON DEBT SETTLED (A)	-	-	(688 678)	(688 678)
CARRYING AMOUNT AT 31 AUGUST 2021	**65 505**	**7 438**	**162 414**	**235 357**

	STAGE 1	STAGE 2	STAGE 3	TOTAL
OPENING BALANCE AT 1 APRIL 2019	32 530	1 436	321 586	355 552
TRANSFERS FROM STAGE 1	(862)	229	633	-
TRANSFERS FROM STAGE 2	674	(2 059)	1 385	-
TRANSFERS FROM STAGE 3	1 562	25 389	(26 951)	-
SUBSEQUENT CHANGES IN LOSS ALLOWANCE	10 419	(20 590)	502 426	492 255
LOSS ALLOWANCE RECOGNISED ON NEW EXPOSURES	5 211	-	-	5 211
CARRYING AMOUNT AT 30 SEPTEMBER 2020	**49 534**	**4 405**	**799 079**	**853 018**

RECONCILIATION OF LOSS ALLOWANCE FOR ADVANCES

	OPENING ECL 1 OCTOBER 2020	TOTAL TRANSFERS BETWEEN STAGES	ECL ON NEW EXPOSURES RAISED	IMPAIRED ACCOUNTS WRITTEN OFF	DERECOGNITION OF ECL ON DEBT SETTLED	SUBSEQUENT CHANGES IN ECL	CLOSING ECL 31 AUGUST 2021
OTHER LOANS ADVANCED							
STAGE 1	336	(385)	49	-	-	532	532
STAGE 2	6	370	-	-	-	46	422
STAGE 3	1 060	15	-	(159)	-	(46)	870
STUDENT ADVANCES							
STAGE 1	49 199	9 394	27 307	-	-	(20 927)	64 973
STAGE 2	4 398	3 089	170	-	-	(643)	7 016
STAGE 3	128 127	(12 483)	267	-	-	45 633	161 544
PROPERTY ADVANCES							
STAGE 1	-	-	-	-	-	-	-
STAGE 2	-	-	-	-	-	-	-
STAGE 3	669 892	-	18 786	-	(688 678)	-	-
	853 018	**-**	**46 579**	**(159)**	**(688 678)**	**24 597**	**235 357**

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

RECONCILIATION OF LOSS ALLOWANCE FOR ADVANCES

	OPENING ECL 1 APRIL 2019	TOTAL TRANSFERS BETWEEN STAGES	ECL ON NEW EXPOSURES RAISED	IMPAIRED ACCOUNTS WRITTEN OFF	SUBSEQUENT CHANGES IN ECL	CLOSING ECL 30 SEPTEMBER 2020
OTHER LOANS ADVANCED						
STAGE 1	568	(4)	18	-	(246)	336
STAGE 2	30	(20)	-	-	(4)	6
STAGE 3	-	24	-	-	1 036	1 060
STUDENT ADVANCES						
STAGE 1	31 962	(29 767)	5 124	-	41 880	49 199
STAGE 2	1 406	3 019	33	-	(59)	4 399
STAGE 3	66 406	26 748	36	-	34 937	128 127
PROPERTY ADVANCES						
STAGE 1	-	-	-	-	-	-
STAGE 2	-	-	-	-	-	-
STAGE 3	255 180	-	-	-	414 711	669 891
	355 552	**-**	**5 211**	**-**	**492 255**	**853 018**

The loss allowance for advances to customers recognised in the period is impacted by a variety of factors.
The main movements in the above tables are described below:

a) Transfers between Stage 1, 2 and 3 due to balances experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period and the consequent "step up" (or "step down") between 12-month and lifetime ECL.
b) Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period.
c) Impact on the measurement of ECLs due to changes to model assumptions (including changes in the probability of default, exposure at default and loss given default) arising from the update of inputs to ECLs models.
d) Unwinding of discount due to the passage of time because ECLs is measured on a present value basis.
e) Increase in ECLs for property advances was due to the deterioration of property values. The underlying assets for property advances are immovable properties.

RECONCILIATION OF GROSS CARRYING AMOUNT

	STAGE 1	STAGE 2	STAGE 3	TOTAL
OPENING BALANCE AT 1 OCTOBER 2020	410 607	5 959	1 358 311	1 774 877
TRANSFERS FROM STAGE 1	(26 322)	7 077	19 245	-
TRANSFERS FROM STAGE 2	12 831	(16 111)	3 280	-
TRANSFERS FROM STAGE 3	49 672	15 168	(64 840)	-
RECEIPTS	(292 947)	13 509	246 491	(32 947)
NEW LOANS	109 507	561	26 336	136 404
ACCOUNTS WRITTEN OFF	-	-	(615)	(615)
INVESTMENT PROPERTY ACQUIRED IN LIEU OF SETTLEMENT OF DEBT (A)	(31 960)	-	(1 120 932)	(1 152 892)
CARRYING AMOUNT AT 31 AUGUST 2021	**231 388**	**26 163**	**467 276**	**724 827**

	STAGE 1	STAGE 2	STAGE 3	TOTAL
OPENING BALANCE AT 1 APRIL 2019	458 795	6 732	1 277 116	1 742 643
TRANSFERS FROM STAGE 1	(9 023)	870	8 153	-
TRANSFERS FROM STAGE 2	897	(1 670)	773	-
TRANSFERS FROM STAGE 3	4 956	1 082	(6 038)	-
(RECEIPTS)/TRANSFERS TO	(95 034)	(1 184)	(17 349)	(113 567)
NEW LOANS	50 016	129	95 656	145 801
CARRYING AMOUNT AT 30 SEPTEMBER 2020	410 607	5 959	1 358 311	1 774 877

	GROSS CARRYING AMOUNT 1 OCTOBER 2020	TOTAL TRANSFERS BETWEEN STAGES	NEW LOANS	IMPAIRED ACCOUNTS WRITTEN OFF	INVESTMENT PROPERTY ACQUIRED IN LIEU OF DEBT SETTLEMENT	RECEIPTS	GROSS CARRYING AMOUNT 31 AUGUST 2021
OTHER LOANS ADVANCE							
STAGE 1	33 293	(4 459)	1 734	-	-	(10 181)	20 387
STAGE 2	101	2 623	-	-	-	370	3 094
STAGE 3	1 695	1 835	-	(615)	-	266	3 181
STUDENT ADVANCES							
STAGE 1	366 140	40 640	101 364	-	-	(297 144)	211 000
STAGE 2	5 858	3 511	561	-	-	13 139	23 069
STAGE 3	213 467	(44 150)	267	-		260 603	430 187
PROPERTY ADVANCES							
STAGE 1	25 551	-	6 410	-	(31 961)	-	-
STAGE 2	-	-	-	-	-	-	-
STAGE 3	1 128 772	-	26 069	-	(1 120 932)	-	33 909
	1 774 877	**-**	**136 405**	**(615)**	**(1 152 893)**	**(32 947)**	**724 827**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

RECONCILIATION OF GROSS CARRYING AMOUNT

	GROSS CARRYING AMOUNT 1 APRIL 2019	TOTAL TRANSFERS BETWEEN STAGES	NEW LOANS	IMPAIRED ACCOUNTS WRITTEN OFF	RECEIPTS	GROSS CARRYING AMOUNT 30 SEPTEMBER 2020
OTHER LOANS ADVANCED						
STAGE 1	50 531	(1 098)	3 937	-	(20 077)	33 293
STAGE 2	659	(507)	-	-	(51)	101
STAGE 3	-	1 605	-	-	90	1 695
STUDENT ADVANCES						
STAGE 1	408 933	(2 030)	46 353	-	(87 116)	366 140
STAGE 2	6 074	789	129	-	(1 134)	5 858
STAGE 3	214 198	1 241	3 307	-	(5 279)	213 467
PROPERTY ADVANCES						
STAGE 1	14 377	-	11 174	-	-	25 551
STAGE 2	-	-	-	-	-	-
STAGE 3	1 047 871	-	80 901	-	-	1 128 772
	1 742 643	**-**	**145 801**	**-**	**(113 567)**	**1 774 877**

No modifications were made to financial assets in the current and prior financial periods that resulted in derecognition.

	31 AUGUST 2021			30 SEPTEMBER 2020		
	GROSS LOANS	LOSS ALLOWANCE	CARRYING AMOUNT	GROSS LOANS	LOSS ALLOWANCE	CARRYING AMOUNT
OTHER LOANS ADVANCED						
STAGE 1	20 387	(532)	19 855	33 293	(336)	32 957
STAGE 2	3 094	(422)	2 672	101	(6)	95
STAGE 3	3 181	(870)	2 311	1 695	(1 060)	635
STUDENT ADVANCES						
STAGE 1	211 000	(64 973)	146 027	366 140	(49 199)	316 941
STAGE 2	23 069	(7 016)	16 053	5 858	(4 399)	1 459
STAGE 3	430 187	(161 544)	268 643	213 467	(128 127)	85 340
PROPERTY ADVANCES						
STAGE 1	-	-	-	25 551	-	25 551
STAGE 2	-	-	-	-	-	-
STAGE 3	33 909	-	33 909	1 128 772	(669 891)	458 880
	724 825	**(235 357)**	**489 470**	**1 774 877**	**(853 018)**	**921 859**

During the period under review the significant movement under property loans was as a result of the group acquiring investment property in lieu of settlement of property advances.

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

COLLATERAL AND OTHER CREDIT ENHANCEMENTS

31 AUGUST 2021	MAXIMUM EXPOSURE TO CREDIT RISK	COLLATERAL	NET EXPOSURE
OTHER LOANS ADVANCED	26 662	(25 922)	740
STUDENT ADVANCES	664 255	-	664 255
PROPERTY ADVANCES	33 909	-	33 909
	724 827	(25 922)	698 904

30 SEPTEMBER 2020	MAXIMUM EXPOSURE TO CREDIT RISK	COLLATERAL	NET EXPOSURE
OTHER LOANS ADVANCED	35 089	(33 472)	1 617
STUDENT ADVANCES	585 464	-	585 464
PROPERTY ADVANCES	1 154 324	(459 890)	694 433
	1 774 877	**(493 362)**	**1 281 514**

- Other loans advanced are secured by mortgage bonds over immovable property or personal surety is obtained from buyers where deemed necessary and security over motor vehicles purchased by the dealer.
- Property advances are secured by immovable properties sold. Personal sureties are obtained from buyers where deemed necessary.

There has been no significant changes in the quality of collateral.

ASSUMPTIONS

The group also includes all forward-looking information, which is reasonable and available without undue cost or effort. The information will typically include expected macroeconomic conditions and factors that are expected to impact portfolios or individual counterparty exposure. A sample of exposures was selected and assessed incorporating forward-looking information into their assigned credit risk rating. The group obtained an understanding of the forward-looking information such as the potential impact of COVID-19 which was taken into account for the exposure and evaluating it for reasonability against management's expectations. The group increased probability of default (PDs) for all portfolios of advances with the potential impact of COVID-19 and the result was an increase in ECLs recognised at the reporting date. COVID-19 has had a pervasive effect on the global economy.

PROPERTY ADVANCES

The underlying assets for property advances are serviced and unserviced properties, the terms of which are directly linked to the sale of the properties after bulk services are installed. Due to the lack of adequate historical data to determine the probability of default reliably ECLs for property advances is determined using the independent valuation of the underlying assets at the reporting date. Loss allowances are calculated as the difference between the property value and the gross carrying amount of the property advances at the reporting date.

The group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the group compares the risk of a default occurring on the asset at the reporting date with the risk of default at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (Bank of Namibia's BID 2 guidelines and Moody's Global default rates)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making a contractual payment.

The group uses three categories for advances that reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to Moody's external credit ratings. A summary of the assumptions underpinning the group's expected credit loss model is as follows

CATEGORY	GROUP DEFINITION OF THE CATEGORY	THE BASIS FOR RECOGNITION OF EXPECTED CREDIT LOSS PROVISION
PERFORMING	LOANS WHOSE CREDIT RISK IS IN LINE WITH ORIGINAL EXPECTATIONS	12 MONTH EXPECTED LOSSES. WHERE THE EXPECTED LIFETIME OF AN ASSET IS LESS THAN 12 MONTHS, EXPECTED LOSSES ARE MEASURED AT ITS EXPECTED LIFETIME (STAGE 1)
UNDERPERFORMING	LOANS FOR WHICH A SIGNIFICANT INCREASE IN CREDIT RISK HAS OCCURRED COMPARED TO ORIGINAL EXPECTATIONS; A SIGNIFICANT INCREASE IN CREDIT RISK IS PRESUMED IF INTEREST AND/OR PRINCIPAL REPAYMENTS ARE 30 DAYS PAST DUE (SEE ABOVE IN MORE DETAIL)	LIFETIME EXPECTED LOSSES (STAGE 2)
NON-PERFORMING (CREDIT-IMPAIRED)	INTEREST AND/OR PRINCIPAL REPAYMENTS ARE 91 DAYS PAST DUE, OR IT BECOMES PROBABLE A CUSTOMER WILL ENTER BANKRUPTCY	LIFETIME EXPECTED LOSSES (STAGE 3)
WRITE-OFF	A) AMOUNTS DUE TO TRUSTCO BANK LTD THAT ARE 365 DAYS PAST DUE and THERE IS NO REASONABLE EXPECTATION OF RECOVERY FOR THE AMOUNTS ARE WRITTEN OFF IN LINE WITH BANK OF NAMIBIA'S REGULATIONS. B) OTHER FINANCIAL ASSETS ARE WRITTEN OFF WHEN ALL CREDIT ENHANCEMENT PROCEDURES ARE FULLY EXHAUSTED.	THE ASSET IS WRITTEN OFF

The following table shows the PDs applicable for the various stages.

STAGE	31 AUGUST 2021 PROBABILITY OF DEFAULT (AVERAGE)	31 AUGUST 2021 LOSS GIVEN DEFAULT (AVERAGE)	30 SEPTEMBER 2020 PROBABILITY OF DEFAULT (AVERAGE)	30 SEPTEMBER 2020 LOSS GIVEN DEFAULT (AVERAGE)
STAGE 1	40.10%	31.05%	17.5%	26.7%
STAGE 2	73.20%	31.05%	58.85%	26.7%
STAGE 3	100.00%	31.05%	100.00%	26.7%

CREDIT RATING

31 AUGUST 2021	ECLs RATE	STAGE 1	STAGE 2	STAGE 3	TOTAL
STANDARD (0-30 DAYS)	42.10%	231 388	-	-	231 388
SUBSTANDARD (31-60 DAYS)	63.10%	-	3 094	-	3 094
SPECIAL MONITORING (61-90 DAYS)	73.20%	-	23 069	-	23 069
DEFAULT (90+ DAYS)	100.00%	-	-	467 276	467 276
GROSS CARRYING AMOUNT		231 388	26 163	467 276	724 827

30 SEPTEMBER 2020	ECLs RATE	STAGE 1	STAGE 2	STAGE 3	TOTAL
STANDARD (0-30 DAYS)	24.80%	243 120	-	-	243 120
SUBSTANDARD (31-60 DAYS)	34.20%	-	12 882	-	12 882
SPECIAL MONITORING (61-90 DAYS)	50.60%	-	6 221	-	6 221
DEFAULT (90+ DAYS)	100.00%	-	-	1 512 654	1 512 654
GROSS CARRYING AMOUNT		**243 120**	**19 103**	**1 512 654**	**1 774 877**

3. TRADE AND OTHER RECEIVABLES

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
TRADE RECEIVABLES	43 067	35 422
PROPERTY SALES RECEIVABLES	48 960	179 208
OTHER RECEIVABLES	42 578	25 836
VAT	28 284	35 604
	162 889	**276 070**
FINANCIAL INSTRUMENTS	134 605	240 466
NON-FINANCIAL INSTRUMENTS	28 284	35 604
	162 889	**276 070**
RECONCILIATION OF LOSS ALLOWANCE		
OPENING BALANCE	24 238	1 287
SUBSEQUENT CHANGES IN LOSS ALLOWANCE	579	22 951
	24 817	**24 238**

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

The group holds collateral (in the form of immovable property sold) to cover its credit risks associated with property receivables. The carrying amount of property receivables amounts to NAD 49 million (2020: NAD 179 million) and the fair value of the immovable property exceeds the carrying amount of property receivables. If the group repossesses the immovable property, the group expects to sell the property within twelve months. The group does not sell or repledge the collateral in the absence of default by the debtor. There have not been any significant changes in the quality of the collateral held for property receivables. Therefore, no loss allowance was recognised as the expected credit loss is immaterial. The group has not recognised a loss allowance for the property receivables because of these collaterals.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. No trade receivables and other receivables have been pledged as collateral for liabilities or contingent liabilities.

The carrying amount approximates fair value due to the short-term nature thereof.

4. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
ASSETS CLASSIFIED AS HELD FOR SALE		
TRANSFER FROM INVESTMENT PROPERTY (NOTE 8)	-	343 580
TRADE AND OTHER RECEIVABLES	-	56
	-	**343 636**
LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		
TRADE AND OTHER PAYABLES	-	(1 070)
CURRENT TAX PAYABLE	-	(91)
		(1 161)
NET TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**-**	**342 475**

At 30 September 2020, the group resolved to dispose Herboths Property Development (Pty) Ltd (indirect subsidiary) and a sales agreement was signed with an external party.

During the 2021 financial period the negotiations were terminated, therefore the Herboths transaction will not proceed.

On termination of the transaction, no impairment loss was recognised.

5. AMOUNTS DUE TO RELATED PARTIES

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
GERMINATE SL LTD	(75 155)	(82 332)
NEXT CAPITAL LTD	(88 107)	(123 762)
	(163 262)	**(206 094)**
CURRENT LIABILITIES	(75 155)	(64 255)
NON-CURRENT LIABILITIES	(88 107)	(141 839)
	(163 262)	**(206 094)**

The amount due to Next Capital Ltd bears interest at 12.08% per annum and is not repayable in the next 12 months. No management fees were accrued in terms of the new management agreement as announced, as regulatory and shareholder approval for the agreement has not yet been obtained.

The amount due to Germinate SL Ltd bears interest at LIBOR plus 4%, is repayable on demand and is unsecured.

The carrying amount approximates fair values owing to variable rates that reprice as interest rates change and due to the short-term nature thereof.

6. INVENTORIES

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
WORK IN PROGRESS	193 929	80 418
FINISHED GOODS	43 174	49 499
	237 103	**129 917**

Work in progress relates to land under development. This land under development has been mortgaged as security for the borrowings as described in note 13.

The cost of inventories recognised as an expense and included in the cost of sales amounted to NAD 36 million (30 September 2020: NAD 99 million).

No inventories were written down to net realisable value during the reporting periods.

7. PROPERTY, PLANT AND EQUIPMENT

FIGURES IN NAMIBIA DOLLAR THOUSAND	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	MOTOR VEHICLES	OFFICE EQUIPMENT AND FURNITURE	COMPUTER EQUIPMENT	AIRCRAFT	EXPLORATION	TOTAL ASSETS
31 AUGUST 2021								
COST OR FAIR VALUE	164 449	96 591	77 240	12 197	41 934	-	256 226	648 637
ACCUMULATED DEPRECIATION AND IMPAIRMENT	(13 775)	(87 445)	(37 290)	(4 592)	(41 318)	-	(149 434)	(333 854)
	150 674	**9 146**	**39 950**	**7 605**	**616**	**-**	**106 792**	**314 783**
OPENING BALANCE	150 170	19 422	58 158	7 899	4 390	-	152 605	392 644
ADDITIONS	-	-	-	8	373	-	7 625	8 006
DISPOSALS	(125)	(7 874)	(10 107)	(485)	-	-	-	(18 591)
DEPRECIATION	629	(2 402)	(8 101)	183	(4 147)	-	(34 968)	(48 806)
EXCHANGE RATE MOVEMENT	-	-	-	-	-	-	(18 470)	(18 470)
CLOSING BALANCE	**150 674**	**9 146**	**39 950**	**7 605**	**616**	**-**	**106 792**	**314 783**
30 SEPTEMBER 2020								
COST OR FAIR VALUE	164 669	103 812	98 133	12 462	41 671	-	283 857	704 604
ACCUMULATED DEPRECIATION AND IMPAIRMENT	(14 499)	(84 390)	(39 975)	(4 563)	(37 281)	-	(131 252)	(311 960)
	150 170	**19 422**	**58 158**	**7 899**	**4 390**	**-**	**152 605**	**392 644**
OPENING BALANCE	158 361	46 035	76 267	8 808	12 043	183 637	185 105	670 256
ADDITIONS	-	-	9 655	528	379	-	-	10 562
DISPOSALS	(358)	(48)	(9 680)	-	(678)	(177 604)	-	(188 368)
DEPRECIATION	(7 833)	(26 565)	(18 084)	(1 437)	(7 354)	(6 033)	(64 291)	(131 597)
EXCHANGE RATE MOVEMENT	-	-	-	-	-	-	31 791	31 791
CLOSING BALANCE	**150 170**	**19 422**	**58 158**	**7 899**	**4 390**	**-**	**152 605**	**392 644**

LEASES

a) Amounts recognised in statement of financial position
The following right-of-use assets are included in property, plant and equipment in the relevant classes:

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
LAND AND BUILDINGS	29 901	29 901
MOTOR VEHICLES	25 488	31 766
RIGHT-OF-USE ASSETS CARRYING AMOUNT	**55 389**	**61 667**

b) Lease liabilities, refer to note 16

c) Amounts recognised in statement of profit and loss.
(i) Depreciation of right-of-use assets
(ii)Interest paid on lease liabilities, refer to note 25.

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
LAND AND BUILDINGS	-	7 001
MOTOR VEHICLES	6 826	8 267
	6 826	**15 268**

d) Cash out flows from lease liabilities, refer to note 30.

e) The group leasing activities:

i) Motor vehicles

The group leases vehicles. The average effective borrowing rate was 7.4% (30 September 2020: 7.4%) and an annual repayment was NAD 2.1 million (30 September 2020: NAD 2.1 million) and the lease liabilities are secured by motor vehicles. The average lease period for motor vehicle leases is 72 months.

ii) Land

The group leases land. The average lease period for land is 72 months. The average borrowing rate was 7.85% (30 September 2020: 7.85%) and an annual repayment of NAD 5.4 million (30 September 2020 NAD 7.6 million). The lease does not impose any covenants other than the security interest in the lease assets that are held by the lessor.

PROPERTY, PLANT AND EQUIPMENT ENCUMBERED AS SECURITY

Refer to note 13 for details of property, plant and equipment encumbered as security for borrowings.

REVALUATION OF LAND AND BUILDINGS

Directors perform a valuation of the group's land and buildings to determine the fair value of these assets.

VALUATION TECHNIQUES USED TO DETERMINE FAIR VALUES (LAND AND BUILDINGS)

Land and buildings were valued by using the income capitalisation method. This method involves the determination of the net income of the property that is capitalised at a rate sought by prudent investors to determine the revalued amount of the subject property. The expected income of the property is determined by the comparison of the market rentals of similar properties.

The valuations are based on the assessment by management. Properties are measured using the fair value model in terms of IFRS 13: Fair Value Measurement.

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

The carrying amount of revalued assets under historical cost is:

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
LAND AND BUILDINGS	97 673	97 169
TOTAL HISTORICAL COST CARRYING AMOUNT	**97 673**	**97 169**

Land and buildings are classified in level 3 of the fair value hierarchy.

COMMITMENTS

Refer to note 39 for capital commitments authorised.

8. INVESTMENT PROPERTY

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
RECONCILIATION FOR THE PERIOD ENDED		
OPENING BALANCE	1 780 167	2 399 618
ADDITIONS RESULTING FROM ACQUISITIONS	6 000	-
ADDITIONS	-	3 349
FAIR VALUE ADJUSTMENTS	(281 818)	(279 220)
TRANSFER FROM/(TO) ASSETS CLASSIFIED AS HELD FOR SALE	343 580	(343 580)
ACQUISITION THROUGH DERECOGNITION OF PROPERTY LOANS (NOTE 2)	398 541	-
CARRYING AMOUNT	**2 246 470**	**1 780 167**
VALUATION OF INVESTMENT PROPERTY		
LAFRENZ DEVELOPMENT	696 811	696 870
ELISENHEIM	1 132 772	1 015 990
ONDANGWA DEVELOPMENT	18 957	18 957
FARM HERBOTHS	343 580	-
DEVELOPED RENTAL PROPERTIES	23 250	23 250
REMAINDER OF FARM HERBOTHS	25 100	25 100
KUISEB COUNTRY ESTATE	6 000	-
CARRYING AMOUNT	**2 246 470**	**1 780 167**

INVESTMENT PROPERTY TRANSFERRED FROM /(TO) ASSETS HELD FOR SALE

Refer to note 4 for further information.

Certain investment properties as described above have been mortgaged as security for liabilities described in note 13.

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

VALUATION TECHNIQUES USED TO DETERMINE FAIR VALUES

The valuations are based on the assessment by management. Investment property is measured using the fair value model in terms of IFRS13: Fair Value Measurement. The group carries investment property at fair value, which was previously determined with reference to a combination of comparable sales values and the residual land valuation techniques, depending on the property's condition, which is dependent upon several inputs and underlying assumptions.

Investment properties are classified in level 3 of the fair value hierarchy.

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

KEY VARIABLES

Key variables which will affect the value of investment properties are as follows:

	ELISENHEIM LIFESTYLE ESTATE	ELISENHEIM NATURE ESTATE	LAFRENZ INDUSTRIAL PARK	FARM HERBOTHS
ESTIMATED SELLABLE LAND (SQUARE METRES)	**2 680 753**	**1 810 500**	**1 592 358**	**15 175 104**
RESIDENTIAL ERVEN	1 779 623	1 810 500	-	10 782 004
GENERAL RESIDENTIAL	538 834	-	-	-
BUSINESS ERVEN	55 443	-	-	312 800
OFFICE	-	-	-	-
INSTITUTIONAL	300 269	-	-	-
INDUSTRIAL - SERVICED	6 584	-	1 592 358	-
PLOTS	-	-	-	4 080 300
SELLABLE LAND RATE PER SQUARE METRE (NAD)				
RESIDENTIAL ERVEN	1 650	1 100	-	1 300
GENERAL RESIDENTIAL	1 650	-	-	-
BUSINESS ERVEN	1 800	-	-	1 500
OFFICE	-	-	-	-
INSTITUTIONAL	350	-	-	-
INDUSTRIAL - SERVICED	1 800	-	1 800	-
PLOTS	-	-	-	40
CONSTRUCTION COSTS PER SQUARE METRE(NAD)	450	430	480	600
DEVELOPMENT PERIOD TO START (YEARS)				
RESIDENTIAL ERVEN	2	9	-	5
GENERAL RESIDENTIAL	2	-	-	-
BUSINESS ERVEN	2	-	-	5
OFFICE	-	-	-	-
INSTITUTIONAL	2	-	-	-
INDUSTRIAL - SERVICED	2	-	3	-
PLOTS	-	-	-	5

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	ELISENHEIM LIFESTYLE ESTATE	ELISENHEIM NATURE ESTATE	LAFRENZ INDUSTRIAL PARK	FARM HERBOTHS
DEVELOPMENT PERIOD TO END (YEARS)				
RESIDENTIAL ERVEN	18	24	-	29
GENERAL RESIDENTIAL	18	-	-	-
BUSINESS ERVEN	5	-	-	14
OFFICE	-	-	-	-
INSTITUTIONAL	6	-	-	-
INDUSTRIAL - SERVICED	4	-	-	-
INDUSTRIAL	-	-	18	-
PLOTS	-	-	-	19
SALES PERIOD START (YEARS)				
RESIDENTIAL ERVEN	3	10	-	6
GENERAL RESIDENTIAL	3	-	-	-
BUSINESS ERVEN	3	-	-	6
OFFICE	-	-	-	-
INSTITUTIONAL	3	-	-	-
INDUSTRIAL - SERVICED	3	-	-	-
INDUSTRIAL	-	-	4	-
PLOTS	-	-	-	6
SALES PERIOD END (YEARS)				
RESIDENTIAL ERVEN	19	25	-	30
GENERAL RESIDENTIAL	19	-	-	-
BUSINESS ERVEN	7	-	-	15
OFFICE	-	-	-	-
INSTITUTIONAL	9	-	-	-
INDUSTRIAL - SERVICED	9	-	-	-
INDUSTRIAL	-	-	19	-
PLOTS	-	-	-	20
RATES				
FINANCING COST ON PROJECT FUNDING REQUIREMENT	8.5%	8.5%	8.5%	8.5%
MARKETING & LEGAL FEES RATE ON GROSS DEVELOPMENT VALUE	2.0%	2.0%	2.0%	2.0%
AGENT COMMISSION ON GROSS DEVELOPMENT VALUE	2.0%	2.0%	2.0%	2.0%
DEVELOPER'S PROFIT ON GROSS DEVELOPMENT VALUE	10.0%	10.0%	10.0%	10.0%
SELLING PRICE INFLATION RATE	4.5%	4.5%	4.5%	4.5%
COST PRICE INFLATION RATE	4.5%	4.5%	4.5%	4.5%
DISCOUNT RATE	13.0%	13.0%	13.0%	13.0%

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

SENSITIVITY ANALYSIS

A change in key unobservable variables will affect the value of investment properties as follows:

FIGURES IN NAMIBIA DOLLAR THOUSAND	ELISENHEIM LIFESTYLE ESTATE	ELISENHEIM NATURE ESTATE	LAFRENZ INDUSTRIAL PARK	FARM HERBOTHS
1 YEAR PROJECT ACCELERATION	(28 350)	(13 640)	(25 810)	(19 120)
1 YEAR PROJECT DELAY	30 660	20 580	27 920	20 830
5% REDUCTION IN SELLING PRICE	(54 190)	(19 440)	(50 520)	175 950
5% INCREASE IN SELLING PRICE	54 130	25 051	50 570	(175 970)
5% REDUCTION IN DEVELOPMENT COST	31 160	13 940	17 310	(159 590)
5% INCREASE IN DEVELOPMENT COST	(31 180)	(8 310)	(17 300)	159 600
1% REDUCTION IN FINANCING COST	80 560	33 960	58 840	(2 210)
1% INCREASE IN FINANCING COSTS	(90 080)	(34 070)	(66 290)	2 230
1% REDUCTION IN MARKETING & LEGAL FEES RATE	(18 050)	7 980	11 910	(830)
1% INCREASE IN MARKETING & LEGAL FEES RATE	18 060	(2 370)	(11 900)	810
1% REDUCTION IN AGENT COMMISSION RATE	(18 050)	7 980	11 910	(830)
1% INCREASE IN AGENT COMMISSION RATE	18 060	(2 370)	(11 900)	810
1% REDUCTION IN DEVELOPER'S PROFIT	(18 050)	7 980	11 910	(4 110)
1% INCREASE IN DEVELOPER'S PROFIT	18 060	(2 370)	(11 900)	4 090
1% REDUCTION IN INFLATION RATE	2 290	2 270	1 600	4 290
1% INCREASE IN INFLATION RATE	(2 290)	(2 270)	(1 550)	(4 300)
1% REDUCTION IN DISCOUNT RATE	76 380	33 540	52 260	(12 210)
1% INCREASE IN DISCOUNT RATE	(85 650)	(33 570)	(64 250)	11 860

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

9. INTANGIBLE ASSETS

FIGURES IN NAMIBIA DOLLAR THOUSAND	TRADEMARKS, LICENCES AND PATENTS	COMPUTER SOFTWARE	GOODWILL	TOTAL
31 AUGUST 2021				
COST	68 465	283 909	268 018	620 392
ACCUMULATED AMORTISATION AND IMPAIRMENT	(36 529)	(212 040)	(9 497)	(258 066)
CARRYING AMOUNT	**31 936**	**71 869**	**258 521**	**362 326**
OPENING BALANCE	48 326	112 263	258 521	419 110
ADDITIONS	713	16 348	-	17 061
AMORTISATION	(8 251)	(36 973)	-	(45 224)
IMPAIRMENT LOSS	(8 852)	(19 769)	-	(28 621)
CARRYING AMOUNT	**31 936**	**71 869**	**258 521**	**362 326**
30 SEPTEMBER 2020				
COST	73 416	268 517	268 018	609 951
ACCUMULATED AMORTISATION AND IMPAIRMENT	(25 090)	(156 254)	(9 497)	(190 841)
CARRYING AMOUNT	**48 326**	**112 263**	**258 521**	**419 110**
OPENING BALANCE	54 378	139 622	258 521	452 521
ADDITIONS	481	23 199	-	23 680
DISPOSAL	(61)	-	-	(61)
OTHER CHARGES	(497)	-	-	(497)
AMORTISATION	(5 975)	(45 696)	-	(51 671)
IMPAIRMENT LOSS	-	(4 862)	-	(4 862)
CARRYING AMOUNT	**48 326**	**112 263**	**258 521**	**419 110**

Computer software includes internally generated computer software and purchased software deployed in systems across the group. Trademarks, licences and patents relate to educational course content, mobile technology and insurance patents and proprietary trademarks acquired.

ASSESSMENT OF IMPAIRMENT OF GOODWILL, MINING ASSETS AND EXPLORATION ASSETS

MINING OPERATIONS - MEYA MINING LTD

Goodwill of NAD 258.5 million (30 September 2020: NAD 258.5 million) arose from the acquisition of Meya and is largely attributable to the exploration and evaluation resource and prospecting right. The recoverable amount of this unit is determined based on value-in-use calculations, which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the directors based on the life of a mine plan with the following assumptions:

- revenue growth of 12.6% (30 September 2020: 12.6%)
- discount rate of 10% (30 September 2020: 10%)
- value per carat of USD 380 (30 September 2020: USD 380)
- expected life of mine – 15 years (30 September 2020: 15 years)
- operating expenditure growth of 5.71% (30 September 2020: 5.71%) and
- an average annual capital outlay of USD 20.5 million (30 September 2020: USD 20.5 million).

Projections during the budget period are based on the same expected gross margins and raw materials with price inflation throughout the budget period. The directors believe that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the unit. The mine will commence production in the next financial period.

SENSITIVITY ANALYSIS

The effect of a 1% change in the value of a carat with all other variables held constant will result in the value of the mine for the period ended 31 August 2021 decrease/increase by USD 7.9 million (30 September 2020 decrease/increase by USD 8.3 million). The effect of a 1% change in the discount rate with all other variables held constant will result in the value of the mine for the period ended 31 August 2021 increasing by USD 39.3 million and decreasing by 35.6 million (30 September 2020 increasing by USD 33.7 million and decreasing by USD 37.3 million). A 1% change identified above would not result in an impairment of goodwill.

IMPAIRMENT OF EDUCATIONAL COURSES AND COMPUTER SOFTWARE

The downturn in the Namibian economy resulted in the revision of recoverable amounts for computer software and educational courses developed by the group. The group recognised impairment loss of NAD 28.6 million which was determined by reference to market values of the affected intangibles. The impairment loss is included in the operating expenses in the statement of profit or loss. The impairment loss is recorded in the insurance and its investments segment.

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

10. EVALUATION AND EXPLORATION ASSETS

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
COST	415 567	474 211
ACCUMULATED AMORTISATION	-	-
CARRYING AMOUNT	**415 567**	**474 211**

RECONCILIATION OF EVALUATION AND EXPLORATION ASSETS

OPENING BALANCE	474 211	530 275
ADDITIONS	-	305 237
EXCHANGE RATE MOVEMENT	-	10 441
TRANSFER TO MINE PROPERTIES	(58 644)	(371 742)
CARRYING AMOUNT	**415 567**	**474 211**

In the previous period, a 25 year large scale mining licence was granted to Meya Mining Ltd.

The mine is in the process of transitioning from the exploration and evaluation stage to commercial production, NAD nil (30 September 2020: NAD 372 million) was transferred from evaluation and exploration assets to mine. During the current period the group focused on development of the mine properties as opposed to further evaluation and exploration activities.

11. MINE PROPERTIES

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
COST	739 658	607 699
ACCUMULATED AMORTISATION AND IMPAIRMENT	(68 734)	-
CARRYING AMOUNT	**670 924**	**607 699**
RECONCILIATION OF MINE PROPERTIES		
OPENING BALANCE	607 699	164 875
ADDITIONS	185 275	32 756
TRANSFER FROM EVALUATION AND EXPLORATION ASSETS	-	371 742
EXCHANGE RATE MOVEMENT	(53 316)	38 326
IMPAIRMENT LOSS	(68 734)	-
CARRYING AMOUNT	**670 924**	**607 699**
VALUE OF MINE PROPERTIES		
MEYA MINE	530 484	409 334
NORTHERN NAMIBIA DEVELOPMENT MINE (NNDC)	140 440	198 365
CARRYING AMOUNT	**670 924**	**607 699**

ASSESSMENT OF IMPAIRMENT

(A) IMPAIRMENT TEST OF MEYA MINE

Refer to note 9 for impairment assessment of the Meya Mining Ltd.

(B) IMPAIRMENT TEST OF NNDC MINE

NNDC has been placed under care and maintenance.

The mining operations have not commenced (extraction of the resources) and the continued development of the mine with the prospects of extraction has been postponed, which is why the mine properties have not been depreciated.

The group recognised an impairment loss of NAD 69 million in the Resources segment. Impairment loss was as a result of unfavourable business environment due to downturn in the Namibian economy. Impairment loss is included in operating expenses in the statement of profit or loss.

The recoverable amount of this unit is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the directors based on the life of a mine plan with the following assumptions:

- Average forecast annual revenue of USD 9.6 million (30 September 2020: USD 9.1 million)
- Average forecast annual operating expenditure USD 4.2 million (30 September 2020: USD 4.2 million)
- Discount rate of 12.55% (30 September 2020: 10%).
- Value per carat of USD 160 (30 September 2020: USD 160)
- USD to NAD conversion rate of 15.00
- 3 year horizon to production windfall
- Expected life of mine of 15 years (30 September 2020: 15 years) and
- Initial and an average annual capital outlay of USD 7.2 million and USD 0.6 million dollars (30 September 2020: USD 7.2 million and USD 0.5 million).

Projections during the budget period are based on the same expected gross margins and raw materials with a price inflation throughout the budget period.

(C) SENSITIVITY ANALYSIS OF THE NNDC MINE

The effect of a 1% change in the value of carat with all other variables held constant will result in a further impairment of the mine for the period ended 31 August 2021: changing by USD 5.1 million (30 September 2020: changing by USD 4.1 million).

The effect of a 1% change in the discount rate with all other variables held constant will result in the value of the mine for the period ended 31 August 2021 increase by USD 9.6 million (30 September 2020 increase by USD 1.2 million and decrease by USD 1.1 million).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. DEFERRED TAX ASSETS AND (LIABILITIES)

FIGURES IN NAMIBIA DOLLAR THOUSAND	OPENING BALANCE	31 AUGUST 2021 MOVEMENT	CLOSING BALANCE	OPENING BALANCE	30 SEPTEMBER 2020 MOVEMENT	CLOSING BALANCE
PROPERTY, PLANT AND EQUIPMENT	(19 057)	(3 627)	(22 684)	(75 901)	56 844	(19 057)
INVENTORY	(15 183)	10 688	(4 495)	(15 183)	-	(15 183)
INVESTMENT PROPERTY	(20 916)	(1 430)	(22 346)	(20 088)	(828)	(20 916)
INTANGIBLE ASSETS	(2 339)	2 311	(28)	(8 117)	5 778	(2 339)
LEASE LIABILITIES	5 741	11 401	17 142	6 693	(952)	5 741
PROPERTY RECEIVABLES	(58 363)	30 079	(28 284)	(62 090)	3 727	(58 363)
LOSS ALLOWANCE	38 491	8 425	46 916	3 618	34 873	38 491
ACCRUALS FOR LEAVE PAY AND BONUSES	2 371	52	2 423	2 032	339	2 371
INCOME RECEIVED IN ADVANCE	9 480	(8 597)	883	-	9 480	9 480
FOREIGN CURRENCY TRANSLATION	-	-	-	6 790	(6 790)	-
DEFERRED INCOME	-	8 535	8 535			
ASSESSED LOSSES	143 393	(104 252)	39 141	242 902	(99 509)	143 393
TOTAL	**83 618**	**(46 415)**	**37 203**	**80 656**	**2 962**	**83 618**

RECONCILIATION OF DEFERRED TAX ASSET	2021	2020
OPENING BALANCE	83 618	80 656
RECOGNISED IN PROFIT OR LOSS (NOTE 26)	(46 415)	(21 754)
RECOGNISED IN OTHER COMPREHENSIVE INCOME (NOTE 26)	-	8 903
DISPOSAL OF AVIATION BUSINESS	-	15 813
	37 203	**83 618**
DEFERRED TAX ASSETS	66 490	125 401
DEFERRED TAX LIABILITIES	(29 287)	(41 783)
	37 203	**83 618**

The group believes that assessed losses will be utilised through the generation of future taxable income. The entities in an assessed loss position are expected to fully utilise these tax benefits through tax planning opportunities in the near future.

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

13. BORROWINGS

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
TERM LOANS	1 653 936	1 403 270
ASSET-BACKED FINANCING ARRANGEMENTS	-	5 160
MORTGAGE BONDS	3 974	5 170
CARRYING AMOUNT	**1 657 910**	**1 413 600**
NON-CURRENT LIABILITIES	1 237 752	377 662
CURRENT LIABILITIES	420 158	1 035 938
CARRYING AMOUNT	**1 657 910**	**1 413 600**

Refer to note 30 for further information concerning cashflow movements in borrowings.

There were no covenants breached at the reporting date.

Refer to note 37.2 for balance dispute of NAD 332 million (30 September 2020 NAD 350 million) due to Helios Oryx Ltd for further information.

		LOAN VALUE		INSTALMENT		INTEREST RATE	
PERIOD OF LOAN MATURITY		**AUGUST 2021**	**SEPTEMBER 2020**	**AUGUST 2021**	**SEPTEMBER 2020**	**AUGUST 2021 %**	**SEPTEMBER 2020 %**
TERM LOANS	2017 - 2029	1 653 936	1 403 270	219 515	298 109	9.83	9.83
ASSET-BACKED FINANCING ARRANGEMENTS	2017 - 2023	-	5 160	-	5 140	-	9.73
MORTGAGE BONDS	2017 - 2026	3 974	5 170	561	1 011	9.87	9.73
TOTAL		**1 657 910**	**1 413 600**	**220 076**	**304 260**		

SECURITIES IN PLACE FOR BORROWINGS

The following securities are in place for borrowings:

- Unlimited surety by Dr Q van Rooyen and C van Rooyen in favour of Bank Windhoek Ltd.
- A guarantee by Dr Q van Rooyen in favour of an international lender.
- Share pledge granted by Trustco Group Holdings Ltd and TBN Holdings Ltd as part of the Security Sharing Agreement.
- A guarantee in favour of an international lender by Trustco Group Holdings Ltd.
- Unlimited suretyship by Trustco Group Holdings Ltd in favour of Bank Windhoek Ltd.
- Guarantee by Trustco Group Holdings Ltd in favour of Pinnacle Micro Namibia (Pty) Ltd for NAD 25 million.
- Trustco Group Holdings Ltd guarantee in favour of Apple Bank/Air Finance.
- Limited suretyship by Trustco Group International (Pty) Ltd, Institute for Open Learning (Pty) Ltd and TBN Holdings Ltd each for an amount of R 45 million in favour of Trustco Finance (Pty) Ltd as part of the Security Sharing Agreement.
- Guarantees in favour of an international lender by Trustco Finance (Pty) Ltd, Trustco Capital (Pty) Ltd, Trustco Intermediary Solutions (Pty) Ltd and Trustco Group International (Pty) Ltd.
- Mortgage bond in favour of Bank Windhoek Ltd over Portion 130 (Portion of Portion A) of Farm Nubuamis No. 37, Lafrenz, Windhoek, Namibia.
- Various bonds registered in favour of Absa over residential properties.
- Cession over Loan Book debts granted by Trustco Finance (Pty) Ltd as part of the Security Sharing Agreement.
- First demand guarantee by Trustco Finance (Pty) Ltd in favour of an international lender.
- Cession of policy numbers 8028338, 624645014 and 642757873 with Mutual and Federal for various bonds and asset financing.
- Unlimited surety by Trustco Property Holdings (Pty) Ltd in favour of Bank Windhoek Ltd.
- Various bonds over Elisenheim property in favour of Bank Windhoek Ltd, as well as unlimited suretyship by EPDC.
- A bond on Portion 5 (a Portion of Portion 4) of the Farm Elisenheim No. 68 and limited up to USD 47 million in favour of Helios.
- Bonds in favour of Norsad Finance over remaining extent of Portion 133 (a Portion of Portion A) and Portion 81 (a Portion of Portion 13) of the Farm Nubuamis No. 37 for a sum up to USD 19.4 million as well as various guarantees.
- A lien over equipment and the Large-Scale Mining Licence of Meya Mining.
- Asset-backed financing arrangements with Wesbank are secured over equipment and a guarantee by Trustco Group Holdings Ltd.
- Various bonds in favour of Bank Windhoek registered on commercial and residential properties and
- A bond registered in favour of an international lender over Erf 8874, Windhoek.
- A bond over Portion 133 (a Portion of Portion A) of the farm Nubuamis No. 37 in favour of Development Bank of Namibia.
- Guarantee by Trustco Group Holdings in favour of Inselberg Trust.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SUMMARY OF ASSETS PROVIDED AS SECURITY FOR THE GROUP

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
PROPERTY, PLANT AND EQUIPMENT	133 190	119 811
INVESTMENT PROPERTIES	225 410	225 410
ADVANCES	483 411	372 395
INVENTORY	95 283	47 447
	937 294	**765 063**

The total value of security pledged by the managing director for which the group reimburses him for the suretyship in accordance with the management fee agreement amounted to NAD 658 million (30 September 2020: NAD 584 million).

UNUTILISED COMMITTED BORROWINGS

As at 31 August 2021, there were USD 5.5 million borrowing facilities not yet fully utilised (30 September 2020: none).

14. TRADE AND OTHER PAYABLES

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
TRADE PAYABLES	486 514	492 866
OTHER PAYABLES	72 593	84 090
EMPLOYEE FUND	48 115	41 087
VAT	65 134	26 961
	672 356	**645 004**
FINANCIAL INSTRUMENTS	607 222	618 043
NON-FINANCIAL INSTRUMENTS	65 134	26 961
	672 356	**645 004**

The carrying amount approximates the fair values due to the short-term in nature thereof.

15. INSURANCE CONTRACT LIABILITIES

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
LONG-TERM INSURANCE CONTRACTS	36 706	38 035
SHORT-TERM INSURANCE CONTRACTS	13 912	13 516
	50 618	**51 551**

A) LONG-TERM INSURANCE CONTRACTS

CLAIMS INCURRED	316	87
UNEARNED PREMIUM RESERVE	1 993	2 442
POLICYHOLDERS' LIABILITY UNDER INSURANCE CONTRACTS	34 397	35 506
	36 706	**38 035**

RECONCILIATION OF LONG-TERM INSURANCE CONTRACT LIABILITIES - 2021

	OPENING BALANCE	MOVEMENT	CLOSING BALANCE
CLAIMS INCURRED	87	229	316
UNEARNED PREMIUM RESERVE	2 442	(449)	1 993
POLICYHOLDERS' LIABILITY UNDER INSURANCE CONTRACTS	35 506	(1 109)	34 397
	38 035	**(1 329)**	**36 706**

RECONCILIATION OF LONG-TERM INSURANCE CONTRACT LIABILITIES - 2020

	OPENING BALANCE	MOVEMENT	CLOSING BALANCE
CLAIMS INCURRED	151	(64)	87
UNEARNED PREMIUM RESERVE	2 764	(322)	2442
POLICYHOLDERS' LIABILITY UNDER INSURANCE CONTRACTS	30 111	5395	35 506
	33 026	**5 009**	**38 035**

B) SHORT-TERM INSURANCE CONTRACTS

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
IBNR	1 832	1 821
CLAIMS INCURRED	6 746	5 908
UNEARNED PREMIUM RESERVE	5 334	5 787
	13 912	**13 516**

RECONCILIATION OF SHORT-TERM INSURANCE CONTRACT LIABILITIES - 2021

	OPENING BALANCE	MOVEMENT	CLOSING BALANCE
IBNR	1 821	11	1 832
CLAIMS INCURRED	5 908	838	6 746
UNEARNED PREMIUM RESERVE	5 787	(453)	5 334
	13 516	**396**	**13 912**

RECONCILIATION OF SHORT-TERM INSURANCE CONTRACT LIABILITIES - 2020

	OPENING BALANCE	MOVEMENT	CLOSING BALANCE
IBNR	2 034	(213)	1 821
CLAIMS INCURRED	3 994	1 914	5 908
UNEARNED PREMIUM RESERVE	6 339	(552)	5 787
	12 367	**1 149**	**13 516**

SOLVENCY MARGIN

	31 AUGUST 2021	30 SEPTEMBER 2020
SOLVENCY MARGIN OF TRUSTCO INSURANCE LTD	19.58%	27.5%

The solvency margin represents shareholders' interest of NAD 8.3 million (30 September 2020: NAD 12.4 million) expressed as a percentage of net premium income of NAD 45.1 million (30 September 2020: NAD 45.2 million).

ASSUMPTIONS AND ESTIMATES (SHORT-TERM INSURANCE)
CLAIMS INCURRED
Full provision is made for the estimated cost of claims that have occurred and were submitted by the reporting date that have not yet been finally settled and processed to completion. Each notified claim is assessed on a case-by-case basis taking into account information available from the insured and past experience with similar claims

IBNR
IBNR is calculated as 4% of premium income.

UNEARNED PREMIUM RESERVE
The group raises provisions for unearned premiums based on actual advance payments received at the reporting date, to reflect the underlying risk profile of the specific insurance contracts. An unearned premium provision is created at the moment the advance payment is received and is released either on cancellation or lapsing of the contract upon which the customer is refunded.

ASSUMPTIONS AND ESTIMATES (LONG-TERM INSURANCE)
THE PROCESS USED TO DECIDE ON LONG-TERM INSURANCE ASSUMPTIONS
The business was divided up into homogeneous groupings and then each grouping was analysed. Best estimate assumptions were then determined based on the experience gained from investigations. Where data was limited, industry information was used. Recent trends evident in the data were allowed for.

The value of insurance liabilities is based on best estimate assumptions of future experience plus compulsory margins as required in terms of NSAP 104, plus additional discretionary margins determined by the statutory actuary. The compulsory margins are summarised as follows:

ASSUMPTION	ADDITIONAL VARIABLE	COMPULSORY MARGIN
INVESTMENT EARNINGS	2.7% PER ANNUM (30 SEPTEMBER 2020: 3.9%)	INVESTMENT EARNINGS ASSUMPTION WAS INCREASED OR DECREASED BY 0.25% DEPENDING ON WHICH GIVES THE HIGHER LIABILITY
EXPECTED INFLATION	EXPECTED INFLATION 4.6% (30 SEPTEMBER 2020: 5.9%)	10% LOADING ON THE EXPECTED INFLATION ASSUMPTION
MORTALITY	ASSUMPTIONS FOR HIV RELATED MORTALITY AND NON-HIV RELATED MORTALITY WERE UNCHANGED	ASSUMPTIONS WERE UNCHANGED
LAPSES	AS PER ACTUAL INCIDENTS	LAPSE RATE ASSUMPTIONS WERE INCREASED OR DECREASED BY 25% DEPENDING ON WHICH GIVES THE HIGHER LIABILITY
SURRENDERS	AS PER ACTUAL INCIDENTS	SURRENDER RATE ASSUMPTIONS WERE INCREASED OR DECREASED BY 10% DEPENDING ON WHICH GIVES THE HIGHER LIABILITY
EXPENSES	ALLOWANCE FOR EXPENSES WAS 34.4% (30 SEPTEMBER 2020 31.3%) OF THE PREMIUM	PLUS 10% COMPULSORY MARGIN

Overall these changes in the current reporting period resulted in a reduction in the actuarial liabilities of NAD 7 million (30 September 2020: NAD 2.7 million).

Negative reserves were eliminated on a policy-by-policy basis for all policies that had three or more premiums in arrears.

The assumptions used for insurance contracts are as follows:
All the assumptions below are based on the most recent experience gained from investigations in each country modified for expected trends. Generally, investigations are carried out for all assumptions every reporting period.

(I) MORTALITY
Adjusted standard assured lives and annuity tables were used to reflect the group's recent claims experience.

(II) MORBIDITY
Disability and dread disease rates are based on standard morbidity tables and critical illness tables and, where appropriate, adjusted to reflect the group's recent claims experience.

(III) MEDICAL AND RETRENCHMENT
The incidence of medical and retrenchment claims is derived from the risk premium rates determined from annual investigations. The adjusted rates are intended to reflect the future expected experience.

(IV) WITHDRAWAL
The withdrawal assumptions are based on the most recent withdrawal investigations taking into account past and expected future trends. The withdrawal rates are calculated every period for each company/country by class and policy duration. Typically the rates are higher at early durations.

(V) RENEWAL EXPENSES AND INFLATION
A detailed expense investigation for each company/country was undertaken and the expenses were split by the line of business and between new business and maintenance expenses. The maintenance expenses were adjusted for expected inflation in the future and spread over the anticipated volumes of business over the next reporting period to derive a per policy expense for each class. The expenses allocated to new business are expected to be covered by future new business written.

(VI) TAX
The interest and expense assumptions are net of any tax payable based on the tax environment for each country and the company's tax position.

POLICYHOLDERS' LIABILITY UNDER INSURANCE CONTRACTS
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).

CAPITAL ADEQUACY FOR LIFE BUSINESS
The solvency position determined in accordance with the Namibian Long-term Insurance Act, 1998, is summarised below: Actuarial calculation for the life business only:

	31 AUGUST 2021 NAD '000	31 MARCH 2020 NAD '000
EXCESS OF ASSETS OVER LIABILITIES	1 052 360	1 028 419
MINIMUM STATUTORY REQUIREMENT	4 000	4 000
SAN CAPITAL ADEQUACY BENCHMARK*	31 548	21 022
CAR RATIO	3 335%	4 892%

*Note that the Namibian Society of Actuaries (SAN) CAR is not a requirement of the Act, it is based on SAN's NSAP 104.

INSURANCE RISK
LONG-TERM INSURANCE OPERATIONS
Insurance risk occurs due to the uncertainty of the timing and amount of future cash flows arising under insurance contracts. This could also occur because of the frequency or severity of claims and benefits being greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from period to period from the estimate using statistical techniques. The long-term insurance operations use appropriate base tables of standard mortality and morbidity which are modified to reflect the type of contract being written and the territory in which the insured person resides. An investigation into the experience of the group over the last three periods is carried out and statistical methods are used to adjust the crude mortality rates to produce the best estimate of expected mortality for the future. Termination statistics to investigate the deviation of actual termination experience against assumptions are used. Statistical methods are used to determine appropriate rates. An allowance is then made for any trends in the data to arrive at the best estimate of future termination rates.

SHORT-TERM INSURANCE OPERATIONS
This operation underwrites risks that natural persons, corporates or other entities wish to transfer to an insurer. Such risks may relate to litigation and loss of income. As such the operation is exposed to uncertainty surrounding the timing, frequency and severity of claims under insurance contracts. The principal risk is that the frequency and/or severity of claims are greater than expected. Insurance events are by their nature random and the actual size and number of events in any one period may vary from those estimated and experienced in prior periods.

The operation underwrites primarily short-tailed risks, that is, insurance under which claims are settled within six months of the occurrence of the events giving rise to the claims. Risks that are long-tailed in nature represent an insignificant portion of the group's insurance portfolio. Therefore the group's exposure at any time to insurance contracts issued for more than one year is insignificant. There were no changes from the previous period.

CAPITAL ADEQUACY AND SOLVENCY RISK
LONG-TERM INSURANCE OPERATIONS
The capital adequacy requirement is determined according to generally accepted actuarial principles in terms of the guidelines issued by the SAN. It is an estimate of the minimum capital that will be required to meet fairly substantial deviations from the main assumptions affecting the group's business.

SHORT-TERM INSURANCE OPERATIONS
The group submits quarterly and annual returns to the Namibian Financial Institutions Supervisory Authority (NAMFISA) that show the solvency position of its insurance operations. The group is required to maintain, at all times, a statutory surplus asset ratio and free assets after asset spread requirements as defined in the Short-term Insurance Act, 1998 (the Act). The returns submitted by the company to the regulator showed that the company met the minimum capital requirements at the reporting date.

UNDERWRITING RISK
LONG-TERM INSURANCE OPERATIONS
The statutory actuary reports annually on the actuarial soundness of the premium rates in use and the profitability of the business taking into consideration the reasonable benefit expectation of policyholders. All new rate tables are approved and authorised by the statutory actuary before being used. Annual investigations into mortality and morbidity experience are conducted. All applications for risk cover above specified limits are reviewed by experienced underwriters and evaluated against established standards. All risk-related liabilities above specified monetary or impairment limits are reinsured.

SHORT-TERM INSURANCE OPERATIONS
The operation limits its exposure to insurance risk through setting a clearly defined underwriting strategy including limits, adopting appropriate risk assessment techniques and the reinsurance of risks that exceed its risk appetite. The underwriting strategy ensures diversification of insurance risk in terms of type and amount of risk covered, geographical location and type of industry covered. The strategy also aims to develop a sufficiently large population of risks to reduce the variability of the expected outcome. Ongoing review and analysis of underwriting information enable the group to monitor its risks and take timely corrective action.

FINANCIAL RISK
LONG-TERM INSURANCE OPERATIONS
The key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance and investment contracts. Components of this financial risk are interest rate risk, equity price risk, currency risk, liquidity risk and credit risk. An investment committee sets policies and monitors compliance with investment policies. Refer to note 35 for addition details.

SHORT-TERM INSURANCE OPERATIONS
The short-term operations are exposed to daily calls on available cash resources from claims arising. Liabilities are matched by appropriate assets and the operations have significant liquid resources to cover obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. LEASE LIABILITIES

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
PRESENT VALUE OF LEASE PAYMENTS DUE		
WITHIN 1 YEAR	19 577	23 702
IN SECOND TO FIFTH YEAR INCLUSIVE	22 049	39 046
LATER THAN 5 YEARS	15 982	15 560
	57 608	**78 308**
CURRENT LIABILITIES	19 577	23 702
NON CURRENT LIABILITIES	38 031	54 606
	57 608	**78 308**

Refer to notes 25 and 30 for interest expense and cashflow movement for the year.

SECURITIES IN PLACE FOR LEASE LIABILITIES

The following securities are in place for lease liabilities:

- Guarantees by Trustco Resources (Pty) Ltd and Meya Mining in favour of Sierra Leone Commercial Bank for USD 1.5 million as well as a lien over the equipment of Meya Mining Ltd.
- Finance lease from Avis Fleet Management Services is secured by vehicles.

The group leases land and buildings as well as motor vehicles and trackless equipment. The leases typically runs between 30 to 120 months. The interest rate implicit to the leases range between 6.5% and 12.5%.

17. SHARE CAPITAL

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
AUTHORISED		
2 500 000 000 ORDINARY SHARES OF NAD 0.23 EACH	575 000	575 000
ISSUED AND FULLY PAID		
ORDINARY	371 691	371 691
SHARE PREMIUM	3 094 401	3 094 401
	3 466 092	**3 466 092**

RECONCILIATION OF NUMBER OF SHARES ISSUED

REPORTED AT THE BEGINNING OF THE PERIOD ('000)	1 616 038	974 266
SHARES ISSUED ('000)	-	641 772
CARRYING AMOUNT AT THE END OF THE PERIOD ('000)	**1 616 038**	**1 616 038**

RECONCILIATION OF COST OF SHARES ISSUED

REPORTED AT THE BEGINNING OF THE PERIOD	371 691	190 245
SHARES ISSUED AT A PREMIUM	-	181 446
CARRYING AMOUNT AT THE END OF THE PERIOD	**371 691**	**371 691**

The unissued shares are under the control of the directors for which renewed authority is to be sought at the forthcoming annual general meeting. At the reporting date, 1 616 038 581 (30 September 2020: 1 616 038 581) shares were issued.

18. TREASURY SHARES

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
NUMBER OF SHARES	46 520	45 792
COST OF SHARES	231 343	228 680

The group purchased 0.7 million (30 September 2020: 1.2 million) shares through its subsidiaries at an average price of NAD 3.70 (30 September 2020: NAD 3.47) At the reporting date, the market value of treasury shares was NAD 77 million (30 September 2020: NAD 144 million). No shares were reverted to unissued shares.

19. OTHER RESERVES

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
SHARES FOR VENDORS	14 976	14 976
OTHER RESERVES	39 912	39 912
FOREIGN CURRENCY TRANSLATION RESERVE	38 099	(132 411)
COMMON CONTROL RESERVE	(3 197 685)	(3 197 685)
	(3 104 698)	**(3 275 208)**

COMMON CONTROL RESERVE
Common control reserve arose from the acquisition of Huso Group. Refer to note 33 of the 2019 Annual Report for further information.

SHARES FOR VENDORS
These represent 4.922 million shares not yet issued for the purchase of Trustco Financial Services (Pty) Ltd on 1 November 2007. Refer to note 19.1 of the 2018 Annual report for further information.

FOREIGN CURRENCY TRANSLATION RESERVE
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries in Mauritius and Sierra Leone.

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

20. INTERESTS IN OTHER ENTITIES

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	LEGAL SHIELD HOLDINGS LTD		MEYA MINING LTD	
	31 AUGUST 2021	30 SEPTEMBER 2020	31 AUGUST 2021	30 SEPTEMBER 2020
SUMMARISED STATEMENT OF FINANCIAL POSITION				
CURRENT ASSETS	688 800	698 649	54 652	56 691
CURRENT LIABILITIES	(419 784)	(504 227)	(197 235)	(207 228)
NET CURRENT ASSETS/(LIABILITIES)	**269 016**	**194 422**	**(142 583)**	**(150 537)**
NON-CURRENT ASSETS	3 228 990	2 754 632	1 073 466	1 037 932
NON-CURRENT LIABILITIES	(1 653 640)	(1 477 789)	(767 196)	(714 476)
NET NON-CURRENT ASSETS	**1 575 350**	**1 276 843**	**306 270**	**323 456**
NET ASSETS	**1 844 366**	**1 471 265**	**163 687**	**172 919**
ACCUMULATED NCI	**246 967**	**368 381**	**38 001**	**41 234**
SUMMARISED STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
REVENUE	199 647	359 619	12 384	11 122
(LOSS)/PROFIT FOR THE PERIOD	(601 899)	(709 015)	12 330	(32 408)
OTHER COMPREHENSIVE INCOME	-	-	(21 596)	(5 241)
(LOSS)/PROFIT ALLOCATED TO NCI	(120 380)	(65 206)	4 316	(15 110)
TOTAL COMPREHENSIVE (LOSS)/PROFIT ALLOCATED TO NCI	(120 380)	(65 206)	(7 547)	(17 174)
SUMMARISED CASH FLOWS				
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	30 816	271 426	4 376	(40)
CASH FLOW USED IN INVESTING ACTIVITIES	(19 839)	(109 539)	(94 148)	(199 638)
CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(25 605)	(180 182)	49 980	173 089
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(14 628)**	**(18 295)**	**(39 792)**	**(26 589)**
PERCENTAGE OF SHAREHOLDING OF NCI	**20%**	**20%**	**35%**	**35%**
DOMICILE AND PLACE OF BUSINESS	**NAMIBIA**	**NAMIBIA**	**SIERRA LEONE**	**SIERRA LEONE**

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

20.1 TRANSACTIONS WITH NON-CONTROLLING INTEREST

On 30 March 2020, the Riskowitz Value Fund LLP acquired 52 ordinary shares (1.3%) of Trustco Resources (Pty) Ltd (indirect subsidiary) with a carrying amount of NAD 14.1 million for a purchase price of NAD 81.4 million.

The following table summarises the financial impact of the disposal to non-controlling interest without the loss of control

PROCEEDS RECEIVED	81.4 MILLION
NET ASSET VALUE	(14.1) MILLION
TRANSACTION WITH NON-CONTROLLING INTEREST	**67.3 MILLION**

21. REVENUE

FIGURES IN NAMIBIA DOLLAR THOUSAND	**11 MONTHS ENDED 31 AUGUST 2021**	**18 MONTHS ENDED 30 SEPTEMBER 2020**
EXTERNAL REVENUE BY PRODUCT LINES:		
INSURANCE PREMIUM REVENUE	113 211	167 638
PROPERTY SALES	40 769	130 085
TUITION AND OTHER RELATED FEES	58 509	41 531
INTEREST EARNED ON ADVANCES	70 192	244 159
DIAMOND SALES	12 384	14 463
OTHER REVENUE	17 712	19 776
TOTAL REVENUE	**312 777**	**617 652**

Other revenue mainly comprises of rental of equipment and commissions received from customers.

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

PRODUCT LINE 31 AUGUST 2021	**INSURANCE PREMIUMS**	**PROPERTY SALES**	**TUITION AND OTHER RELATED FEES**	**INTEREST ON ADVANCES**	**DIAMOND SALES**	**OTHER REVENUE**	**TOTAL**
FIGURES IN NAMIBIA DOLLAR THOUSAND							
JURISDICTION WHERE REVENUE IS EARNED	NAMIBIA	NAMIBIA	NAMIBIA	NAMIBIA	SIERRA LEONE	NAMIBIA	
SEGMENT REVENUE	113 211	40 769	58 509	70 192	12 384	102 422	397 487
INTERSEGMENT REVENUE	-	-	-	-	-	(84 710)	(84 710)
REVENUE FROM EXTERNAL CUSTOMERS	113 211	40 769	58 509	70 192	12 384	17 712	312 777
AT A POINT IN TIME	113 211	40 769	21 871	70 192	12 384	17 712	276 139
OVER TIME	-	-	36 638	-	-	-	36 638
	113 211	40 769	58 509	70 192	12 384	17 712	312 777
30 SEPTEMBER 2020							
SEGMENT REVENUE	167 638	130 085	41 531	244 159	14 463	132 377	730 253
INTERSEGMENT REVENUE	-	-	-	-	-	(112 601)	(112 601)
REVENUE FROM EXTERNAL CUSTOMERS	167 638	130 085	41 531	244 159	14 463	19 776	617 652
AT A POINT IN TIME	167 638	130 085	-	244 159	14 463	10 946	567 291
OVER TIME	-	-	41 531	-	-	8 830	50 361
	167 638	130 085	41 531	244 159	14 463	19 776	617 652

	2021	**2020**
CONTRACT BALANCES		
CONTRACT LIABILITIES (INCOME RECEIVED IN ADVANCE)	(18 451)	(27 911)
REVENUE RECOGNISED IN RELATION TO CONTRACT LIABILITIES		
AMOUNTS INCLUDED IN CONTRACT LIABILITIES AT THE BEGINNING OF THE YEAR		
TUITION FEES	27 911	8 065
REVENUE RECOGNISED THAT WAS INCLUDED IN THE CONTRACT LIABILITY BALANCE AT THE BEGINNING OF THE PERIOD		
CONSIDERATION FROM TUITION FEES, NOT PREVIOUSLY RECOGNISED DUE TO PASSAGE OF TIME	25 585	8 065
RECONCILIATION OF CONTRACT LIABILITIES		
OPENING BALANCE	27 911	8 065
REVENUE RECOGNISED DURING THE PERIOD	(25 585)	(8 065)
INCOME RECEIVED IN ADVANCE	16 125	27 911
CLOSING BALANCE	**18 451**	**27 911**

22. PROFIT BEFORE TAX

FIGURES IN NAMIBIA DOLLAR THOUSAND	**11 MONTHS ENDED 31 AUGUST 2021**	**18 MONTHS ENDED 30 SEPTEMBER 2020**
EMPLOYEE COSTS	123 300	243 774
LOSS ON FOREIGN EXCHANGE DIFFERENCES	252 677	133 457
AUDITORS' REMUNERATION - AUDIT FEES	14 975	18 104
LOSS ON DISPOSAL OF PROPERTY PLANT AND EQUIPMENT	12 431	5 113
IMPAIRMENT OF INTANGIBLES (NOTE 9)	28 621	4 862
IMPAIRMENT OF MINING PROPERTIES (NOTE 11)	68 734	-
IMPAIRMENT LOSS ON TRADE RECEIVABLES (NOTE 3)	579	38 775
IMPAIRMENT LOSS ON ADVANCES (NOTE 2)	71 017	497 466
DEPRECIATION AND AMORTISATION (NOTES 7 & 9)	59 063	99 817

23. DIRECTORS' EMOLUMENTS

23.1 DIRECTORS EMOLUMENTS

11 MONTHS ENDED 31 AUGUST 2021	**BASIC SALARY**	**SHORT-TERM BENEFITS**	**DIRECTORS' FEES**	**TOTAL FEES**
FIGURES IN NAMIBIA DOLLAR THOUSAND				
HOLDING COMPANY (EXECUTIVE DIRECTORS)				
DR Q VAN ROOYEN	-	-	-	-
FJ ABRAHAMS	2 157	510	-	2 667
	2 157	**510**	**-**	**2 667**
NON-EXECUTIVE DIRECTORS				
W GEYSER	-	-	283	283
ADV R HEATHCOTE SC	-	-	526	526
R TALJAARD	-	-	281	281
R MARNEY (APPOINTED 25 MARCH 2021)	-	-	76	76
	-	**-**	**1 166**	**1 166**

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

11 MONTHS ENDED 31 AUGUST 2021	BASIC SALARY	SHORT-TERM BENEFITS	DIRECTORS' FEES	TOTAL FEES
SUBSIDIARY COMPANY (EXECUTIVE DIRECTORS)				
A LAMBERT	836	52	-	888
E JANSE VAN RENSBURG	1 610	97	-	1 707
Q Z VAN ROOYEN	-	-	-	-
I CALITZ	887	66	-	953
A BRAND	970	55	-	1 025
J JOUBERT	-	-	3 300	3 300
IS KAMARA	2 673	-	-	2 673
M ERASMUS	1 550	106	-	1 656
T SLABBERT (RESIGNED 31 DECEMBER 2020)	373	7	-	380
	8 899	**383**	**3 300**	**12 582**
NON-EXECUTIVE DIRECTORS OF SUBSIDIARY BOARDS				
W GEYSER	-	-	1 181	1 181
R TALJAARD	-	-	706	706
T NEWTON	-	-	378	378
J VAN DEN HEEVER	-	-	331	331
S SIMILO	-	-	155	155
R CHETWODE	-	-	301	301
	-	**-**	**3 052**	**3 052**
TOTAL	**11 056**	**893**	**7 518**	**19 467**

REMUNERATION OF GROUP MANAGING DIRECTOR

Dr Q van Rooyen, the group managing director, is the sole shareholder of Next Capital Ltd (Next). Dr Q van Rooyen, Mr Q Z van Rooyen (the deputy group CEO) and Mr L van Rooyen are remunerated by Next.

Next previously had a management agreement with Trustco which expired on 31 March 2021. In terms of this management agreement, Next was remunerated on the following basis:

- 0.5% of the revenue of the group
- 1% of the headline earnings of the group and
- 1% of the basic earnings of the group.

If these targets were not met, the management fee would be halved, while if growth exceeded the average inflation rate of Namibia plus 5%, the management fees were doubled. Inflation in Namibia was recorded at 2.3% for the period to 31 March 2021 (30 September 2020: 2.8%).

Next has subsequently entered into a revised management agreement, subject to shareholders approval, with Trustco in terms of which a fee would be earned on annual performance of the group on the following basis:

Implementation of the new agreement is pending all regulatory approvals.

CORPORATE PERFORMANCE METRICS

MEASURE	GROWTH TARGET	COMPENSATION
TOTAL INCOME PER SHARE	>NAMIBIAN CPIX + 5%	1% OF TOTAL INCOME
ADJUSTED EARNINGS PER SHARE	>NAMIBIAN CPIX + 5%	2% OF ADJUSTED EARNINGS*
CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	>NAMIBIAN CPIX + 5%	2% OF CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES
NET ASSET VALUE PER SHARE	>NAMIBIAN CPIX + 5%	2% PER ANNUM OF NET ASSET VALUE AFTER REACHING A FLOOR OF NAD 2,731,222,000

• CPIX in Namibia was recorded at 3.1% for the period 31 August 2021
*. * Adjusted earnings means the simple average of headline earnings and basic earnings of the group excluding management fees.*

SHAREHOLDER RETURN BASED METRICS

If the share price of a Trustco share remains at the agreed levels set out below for a period of at least 90 days on a Volume Weighted Average Price (VWAP) basis and subject to high water mark principles, a once off payment in Trustco shares will be effected per category of share price target reached as set out below.

SHARE PRICE	EQUIVALENT MARKET CAPITAL	COMPENSATION (ONCE OFF SHARE PAYMENT PER CATEGORY REACHED)
NAD 9.75	15.7 BILLION	4 040 096 TRUSTCO SHARES
NAD 15.00	24.24 BILLION	5 656 135 TRUSTCO SHARES
NAD 19.00	30.7 BILLION	7 272 174 TRUSTCO SHARES
NAD 25.00	40 BILLION	8 888 212 TRUSTCO SHARES
NAD 30.00	50 BILLION	10 504 251 TRUSTCO SHARES
FOR EACH +25% SHARE PRICE INCREASE ABOVE NAD 30.00	VARIOUS	+25% FROM PREVIOUSLY ISSUED NUMBER OF SHARES

PLEDGE OF ASSETS, SURETIES AND GUARANTEES PROVIDED

- 1.5% per annum of the value of assets pledged during the Measurement Period;
- 1.5% per annum of value of sureties and guarantees provided as well as subordination of loans, during the Measurement Period.

18 MONTHS ENDED 30 SEPTEMBER 2020	BASIC SALARY	SHORT-TERM BENEFITS	DIRECTORS' FEES	TOTAL FEES
FIGURES IN NAMIBIA DOLLAR THOUSAND				
HOLDING COMPANY (EXECUTIVE DIRECTORS)				
DR Q VAN ROOYEN	-	-	-	-
FJ ABRAHAMS	3 610	193	-	3 803
	3 610	**193**	**-**	**3 803**
NON-EXECUTIVE DIRECTORS				
W GEYSER	-	-	449	449
ADV R HEATHCOTE SC	-	-	895	895
R TALJAARD	-	-	500	500
PROF LJ WELDON (RESIGNED 25 MARCH 2020)	-	-	303	303
KN VAN NIEKERK (RESIGNED 25 MARCH 2020)	-	-	404	404
	-	**-**	**2 551**	**2 551**

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

18 MONTHS ENDED 30 SEPTEMBER 2020	BASIC SALARY	SHORT-TERM BENEFITS	DIRECTORS' FEES	TOTAL FEES
SUBSIDIARY COMPANY (EXECUTIVE DIRECTORS)				
A LAMBERT	1 416	84	-	1 500
E JANSE VAN RENSBURG	2 690	159	-	2 849
Q Z VAN ROOYEN	-	-	-	-
I CALITZ	1 521	291	-	1 812
T SLABBERT	2 286	65	-	2 351
A BRAND	1 498	241	-	1739
J JACOBS (RESIGNED 30 APRIL 2020)	3 734	221	-	3 955
J JOUBERT	-	-	5 400	5 400
IS KAMARA	4 685	-	-	4 685
M ERASMUS (APPOINTED 20 MARCH 2020)	1 013	68	-	1 081
	18 843	**1 129**	**5 400**	**25 372**
NON-EXECUTIVE DIRECTORS OF SUBSIDIARY BOARDS				
W GEYSER	-	-	2 246	2 246
R TALJAARD	-	-	1 378	1 378
T NEWTON	-	-	652	652
J VAN DEN HEEVER	-	-	541	541
S SIMILO	-	-	221	221
PROF LJ WELDON (RESIGNED 25 MARCH 2020)	-	-	627	627
KN VAN NIEKERK (RESIGNED 25 MARCH 2020)	-	-	500	500
R CHETWODE	-	-	548	548
	-	**-**	**6 713**	**6 713**
TOTAL	**22 453**	**1322**	**14 664**	**38 439**

23.2 CHANGES IN THE BOARD OF DIRECTORS

R Marney and J van den Heever were appointed as independent non-executive members of the Trustco Group Holdings Ltd board of directors on 26 March 2021 and 1 November 2021 respectively.

24. INVESTMENT AND OTHER (EXPENSES)/ INCOME

FIGURES IN NAMIBIA DOLLAR THOUSAND	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
INTEREST INCOME	849	927
LOAN WAIVER	-	1 000 000
SUNDRY INCOME	4 218	3 146
GAINS ON EXCHANGE DIFFERENCES	114 153	260 029
FAIR VALUE LOSS OF INVESTMENT PROPERTY	(281 818)	(279 220)
	(162 598)	**984 882**

Next Capital Ltd (sole shareholder is Dr Q van Rooyen) waived a portion of the debt due by the group to Next. An amount of NAD nil (30 September 2020: NAD 1 billion) was written-off and was disclosed as investment and other income.

25. FINANCE COSTS

FIGURES IN NAMIBIA DOLLAR THOUSAND	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
BORROWINGS	144 300	332 182
LEASE LIABILITIES	3 249	2 173
OTHER FINANCING ARRANGEMENTS	34 323	43 830
	181 872	**378 185**

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

26. INCOME TAX

FIGURES IN NAMIBIA DOLLAR THOUSAND	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
MAJOR COMPONENTS OF THE INCOME TAX EXPENSE		
CURRENT		
LOCAL INCOME TAX	1 249	15 716
FOREIGN INCOME TAX	-	330
	1 249	**16 046**
DEFERRED		
ORIGINATING AND REVERSING TEMPORARY DIFFERENCES - LOCAL TAX (NOTE 12)	46 415	21 754
INCOME TAX EXPENSE	**47 664**	**37 800**

FIGURES IN NAMIBIA DOLLAR THOUSAND	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME		
RELATING TO ITEMS THAT MAY BE RECLASSIFIED (NOTE 12)	-	(8 903)
	-	**(8 903)**

RECONCILIATION OF THE INCOME TAX RATE		
RECONCILIATION BETWEEN APPLICABLE TAX RATE AND AVERAGE EFFECTIVE TAX RATE		
	%	%
APPLICABLE TAX RATE	32.00	32.00
TAX FOR THE PERIOD AS A PERCENTAGE OF PROFIT BEFORE TAX	5.07	12.38
NON-TAXABLE INCOME FROM LONG-TERM INSURANCE OPERATIONS	0.49	7.21
LOSSES FOR WHICH NO DEFERRED TAX ASSET WAS RECOGNISED	(10.88)	(63.14)
NON-TAXABLE INCOME AND CAPITAL INCOME (LOAN WAVER - NOTE 24)	-	104.8
NON-TAXABLE LOSSES ON FAIR VALUE ADJUSTMENTS	(9.59)	(29.25)
PERMANENT DIFFERENCE ON IMPAIRMENT OF MINE PROPERTIES	(2.34)	-
PERMANENT DIFFERENCE ON IMPAIRMENT OF INTANGIBLES	(0.97)	-
PROFIT ON FOREIGN EXCHANGE	3.76	-
LOSS ON FOREIGN EXCHANGE	8.60	-
DEFERED TAX ASSETS DERECOGNISED	36.13	-
	32.00	**32.00**

The group has an estimated tax loss of NAD 1.7 billion (30 September 2020: NAD 2.2 billion) available for set off against future taxable income. The deferred tax was not recognised for the tax losses of NAD 1.6 billion (30 September 2020: NAD 1.8 billion).

27. EARNINGS AND HEADLINE EARNINGS PER SHARE

FIGURES IN NAMIBIA DOLLAR THOUSAND	LOSS BEFORE TAX 31 AUGUST 2021	INCOME TAX 31 AUGUST 2021	NON CONTROLLING INTEREST 31 AUGUST 2021	NET LOSS 31 AUGUST 2021	NET LOSS 30 SEPTEMBER 2020
BASIC LOSS	940 360	47 664	(116 064)	871 960	266 102
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	(12 431)	3 978	-	(8 453)	(2 318)
IMPAIRMENT OF INTANGIBLES	(28 621)	-	-	(28 621)	(4 862)
LOSS ON DISPOSAL OF AVIATION BUSINESS	-	-	-	-	(4 682)
IMPAIRMENT OF MINING PROPERTIES	(68 734)	-	-	(68 734)	-
HEADLINE LOSS	**830 574**	**51 642**	**(116 064)**	**766 152**	**254 240**

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

FIGURES IN NAMIBIA DOLLAR THOUSAND	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (BASIC) ('000)	1 569 706	1 334 127
ADJUSTED FOR CONTINGENTLY ISSUABLE SHARES ('000) (NOTE 19)	4 922	4 922
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES FOR THE PURPOSES OF DILUTED EARNINGS PER SHARE ('000)	**1 574 628**	**1 339 049**
LOSS PER SHARE		
BASIC LOSS PER SHARE (CENTS)	55.55	19.95
DILUTED LOSS PER SHARE (CENTS)	55.38	19.87
HEADLINE BASIC LOSS PER SHARE (CENTS)	48.81	19.06
HEADLINE DILUTED LOSS PER SHARE (CENTS)	48.66	18.99

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. CASH (UTILISED IN)/GENERATED FROM OPERATIONS

FIGURES IN NAMIBIA DOLLAR THOUSAND	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
LOSS BEFORE TAX	(940 360)	(305 442)
ADJUSTMENTS FOR		
DEPRECIATION AND AMORTISATION	59 063	99 817
LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	12 431	7 625
LOSS/(GAIN) ON FOREIGN EXCHANGE DIFFERENCES	252 677	(260 029)
INVESTMENT INCOME	(849)	(927)
LOSS ON DISPOSAL OF THE AVIATION BUSINESS	-	4 682
FINANCE COSTS	181 872	378 185
FAIR VALUE ADJUSTMENTS	281 818	279 220
IMPAIRMENT LOSS ON ADVANCES	71 017	497 466
WAIVER OF LOAN	-	(1 000 000)
IMPAIRMENT OF INTANGIBLE ASSETS	28 621	4 862
IMPAIRMENT OF MINING PROPERTIES	68 734	-
FOREIGN EXCHANGE (GAIN)/LOSS ON BORROWINGS	(110 440)	133 457
IMPAIRMENT LOSS ON TRADE RECEIVABLES	579	39 290
PROPERTY DEBTORS WRITTEN OFF	56 132	-
CHANGE IN INSURANCE CONTRACT LIABILITIES	176	763
CHANGE IN POLICYHOLDERS' LIABILITY UNDER INSURANCE CONTRACTS	(1 109)	5 395
OTHER NON-CASH ITEMS	(26 300)	(9 990)
CASH USED IN OPERATIONS BEFORE WORKING CAPITAL CHANGES	(65 938)	(125 626)
CHANGES IN WORKING CAPITAL		
INVENTORIES	6 325	(10 340)
TRADE AND OTHER RECEIVABLES	8 634	16 698
TRADE AND OTHER PAYABLES	(12 617)	267 990
CHANGES IN WORKING CAPITAL	2 342	274 348
CASH (USED IN)/GENERATED FROM OPERATIONS	**(63 596)**	**148 722**

29. TAX PAID

FIGURES IN NAMIBIA DOLLAR THOUSAND	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
BALANCE AT BEGINNING OF PERIOD		
· CURRENT TAX ASSETS	(2 473)	(4 495)
· CURRENT TAX LIABILITIES	24 829	10 243
	22 356	5 748
CURRENT TAX FOR THE PERIOD RECOGNISED IN PROFIT OR LOSS	1 249	16 046
BALANCE AT END OF PERIOD		
· CURRENT TAX ASSETS	2 473	2 473
· CURRENT TAX LIABILITIES	(26 168)	(24 829)
TAX PAID	**(90)**	**(562)**

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING

31 AUGUST 2021	BORROWINGS	LEASE LIABILITIES	RELATED PARTIES	TOTAL
OPENING BALANCE	1 413 600	78 308	206 094	1 698 002
NON CASH FLOW ITEMS	9 909	(7 208)	16 078	18 779
CASH FLOWS RELATED TO OPERATIONS*	173 240	-	-	173 240
SUB TOTAL	**1 596 749**	**71 100**	**222 172**	**1 890 021**
CASH FLOWS RELATED TO FINANCING	61 161	(13 492)	(58 910)	(11 241)
CLOSING BALANCE	**1 657 910**	**57 608**	**163 262**	**1 878 780**

30 SEPTEMBER 2020	BORROWINGS	LEASE LIABILITIES	RELATED PARTIES	TOTAL
OPENING BALANCE	1 251 066	63 447	1 021 276	2 335 789
NON CASH FLOW ITEMS	128 129	44 464	157 347	329 940
CASH FLOWS RELATED TO OPERATIONS*	136 240	-	-	136 240
LOAN WAIVER (NOTE 24)	-	-	(1 000 000)	(1 000 000)
SUB TOTAL	**1 515 435**	**107 911**	**178 623**	**1 801 969**
CASH FLOWS RELATED TO FINANCING	(101 835)	(29 603)	27 471	(103 967)
CLOSING BALANCE	**1 413 600**	**78 308**	**206 094**	**1 698 002**

*Borrowings used to finance the operations of the student loan book are classified as operating activities.

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

31. CASH AND CASH EQUIVALENTS

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
BANK	23 460	144 020
BANK OVERDRAFT	(7 595)	-
	15 865	**144 020**

32. RELATED PARTIES

The group is controlled by Q van Rooyen who owns 63.97% (30 September 2020: 63.94%) of the company's shares. Material related party balances and transactions are disclosed in notes 5 and 24.

Other related parties are:

SUBSIDIARIES

Agricultural Export Company (Pty) Ltd
Cumbrae Island Investments (Pty) Ltd
Discus Properties (Pty) Ltd
Elisenheim Estate Property Number One Hundred (Pty) Ltd
Elisenheim Estate Property Number One Hundred and One (Pty) Ltd
Elisenheim Estate Property Number One Hundred and Two (Pty) Ltd
Elisenheim Property Development Company Ltd
Erf 7179 (Pty) Ltd
Herboths Property Development (Pty) Ltd
Huso Investments (Pty) Ltd
ICE Insurance Claims Exchange (Pty) Ltd*
Institute for Open Learning (Pty) Ltd
Institute of Open Learning VTC (Pty) Ltd
Komada Holdings (Pty) Ltd
Kuiseb Country Estate (Pty) Ltd
Legal Shield Holdings Ltd
Meya Mining Limited**
Morse Investments (Pty) Ltd
Morse Investments Mauritius**
New Adventure Insurance Brokers (Pty) Ltd*
Northern Industrial Estates (Pty) Ltd
Northern Namibia Development Company (Pty) Ltd
November Properties (Pty) Ltd
Printas (Pty) Ltd
TBN Holdings Ltd
Trustco Administrative Support Services (Pty) Ltd
Trustco Bank Namibia Limited
Trustco Business Developments (Pty) Ltd
Trustco Capital (Pty) Ltd
Trustco Construction Services (Pty) Ltd
Trustco Corporate Management Services (Pty) Ltd
Trustco Estate Planners and Administrators (Pty) Ltd
Trustco Finance (Pty) Ltd
Trustco Financial Services (Pty) Ltd*
Trustco Fleet Management Services (Pty) Ltd
Trustco Group International (Pty) Ltd
Trustco Group International (Pty) Ltd*
Trustco Informatix (Pty) Ltd*
Trustco Insurance Limited
Trustco Intermediary Solutions (Pty) Ltd*
Trustco Investment Management Company (Pty) Ltd
Trustco Life Limited
Trustco Media (Pty) Ltd
Trustco Mixed Marketing (Pty) Ltd
Trustco Mobile (Pty) Ltd
Trustco Mobile Mauritius**
Trustco Newspapers (Pty) Ltd
Trustco Property Holdings (Pty) Ltd
Trustco Re-insure Limited
Trustco Resources (Pty) Ltd
Trustco Resources Mauritius**
Trustco Unit Trust Management Company Ltd

ENTITIES IN WHICH BOARD MEMBERS HAVE A SIGNIFICANT INFLUENCE

Arru Island Investments (Pty) Ltd
Bellissima Investments (Pty) Ltd
Dolphin View 50 Langstrand (Pty) Ltd
Foxtrot Properties (Pty) Ltd
Golf Properties (Pty) Ltd
Le-Hugo's Investments**
Namibia Medical Investments (Pty) Ltd
Next Capital Ltd
Othinge Investments (Pty) Ltd
Portsmut Hunting Safaris ((Pty) Ltd
Shad Investments (Pty) Ltd
Sunda Island Investments (Pty) Ltd
Sweep Investments (Pty) Ltd
Thera Island Investments (Pty) Ltd
Next Air Services (Pty) Ltd
Next Tourism Holdings (Pty) Ltd

OTHER RELATED ENTITIES

Germinate SL Ltd***
Riskowitz Value Fund****
Trustco Senior Employees Trust
Trustco Staff Share Incentive Scheme Trust

*Incorporated in the Republic of South Africa
**Incorporated in the Republic of Mauritius
***Incorporated in the Republic of Sierra Leone
****Incorporated in the United States of America

All other related parties are incorporated in Namibia.

Refer to note 5 for further information on balances due to related parties.

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The sale of goods to related parties was made at the group's usual list price. Purchases were made at market price. Details of transactions between the group and other related parties are disclosed below and note 23 for details of directors' remuneration:

RELATED PARTY TRANSACTIONS

FIGURES IN NAMIBIA DOLLAR THOUSAND	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
RISKOWITZ VALUE FUND LLP**		
DISPOSAL OF EQUITY INTEREST TO RELATED PARTY*	-	81 388

*In the previous financial period, the group sold an equity stake in Trustco Resources to Riskowitz Value Fund LLP. Refer to note 20 for further information.
**-Non-controlling interest

FIGURES IN NAMIBIA DOLLAR THOUSAND	11 MONTHS ENDED 31 AUGUST 2021	18 MONTHS ENDED 30 SEPTEMBER 2020
NEXT CAPITAL LTD^		
MANAGEMENT FEES^^	(1 605)	(21 032)
SURETY FEES	(12 667)	(33 618)
INTEREST	(10 289)	(69 513)
LOAN WAIVER	-	1 000 000

^-Common shareholder: Dr Q van Rooyen
^^-The amount due to Next Capital Ltd bears interest at 12.08% per annum and is not repayable in the next 12 months. No management fees were accrued in terms of the new management agreement as announced, as regulatory and shareholder approval for the agreement has not yet been obtained.

33. SEGMENT INFORMATION

ORGANISATION OF SEGMENTS

The group is organised into three segments. These segments form a basis by which the group executive committee (chief operating decision-maker) formulates key operating decisions, allocates resources and assesses performance. The reportable segments are differentiated and grouped by their relative size, namely: insurance and its investments, banking and finance and resources. The identified segments constitute business units that are organised in such a way that they generate revenues and profits with assets that are collectively pooled (cash-generating unit). The business synergies created by the successful leveraging of the assets (in the different companies) necessitates an evaluation that takes cognisance of originating entities. The group primarily operates in Namibia and Sierra Leone.

The insurance and its investments segment includes the short-term and long-term insurers, properties and strategic investments.

The banking and finance segment includes Trustco Bank Namibia Ltd, Trustco Finance (Pty) Ltd and Trustco Capital (Pty) Ltd.

The resources segment primarily conducts mining operations in Namibia and Sierra Leone.

The remaining immaterial businesses which earn other income do not warrant separate disclosure based on both their small asset and earnings size as well as being managed and reported to the group executive committee on a singular basis. For the purposes of monitoring segment performance and allocating resources between segments, the group's executive committee monitors the tangible, intangible and financial assets attributable to each segment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PRODUCTS AND SERVICES FROM WHICH REPORTABLE SEGMENTS EARN THEIR REVENUE

The principal categories from which revenue is earned are as follows:

INSURANCE AND ITS INVESTMENTS

- insurance premiums
- property sales
- tuition and related fees and
- other revenue.

BANKING

- commission from customers
- interest on advances and
- other revenue.

RESOURCES

- diamond sales.

Figures in Namibia dollar thousand

31 AUGUST 2021	TOTAL	INSURANCE AND ITS INVESTMENTS	BANKING	RESOURCES
REVENUE	**397 487**	305 583	79 520	12 384
EXTERNAL REVENUE	**312 777**	228 065	72 328	12 384
INTER-SEGMENT REVENUE	**84 710**	77 518	7 192	-
NET LOSS AFTER TAX	**988 024**	594 040	62 084	331 900
INCOME TAX EXPENSE/(BENEFIT)	**47 664**	70 864	(23 200)	-
DEPRECIATION AND AMORTISATION	**59 063**	55 871	2 381	811
INTEREST INCOME	**850**	193	657	-
INTEREST EXPENSE	**181 872**	90 529	86 674	4 669
IMPAIRMENT OF ADVANCES	**71 017**	-	71 017	-
IMPAIRMENT OF INTANGIBLES	**28 621**	28 621	-	-
IMPAIRMENT OF MINING PROPERTIES	**68 734**	-	-	68 734
TOTAL ASSETS	**4 991 955**	**2 515 348**	**1 020 413**	**1 456 194**
TOTAL LIABILITIES	**2 664 802**	**1 327 899**	**1 067 346**	**269 557**

30 SEPTEMBER 2020	TOTAL	INSURANCE AND ITS INVESTMENTS	BANKING	RESOURCES
REVENUE	**730 253**	439 735	276 055	14 463
EXTERNAL REVENUE	**617 652**	345 844	257 345	14 463
INTER-SEGMENT REVENUE	**112 601**	93 891	18 710	-
NET (LOSS)/PROFIT AFTER TAX	**(343 242)**	(1 023 286)	(461 866)	1 141 910
INCOME TAX EXPENSE	**(37 800)**	(8 640)	(12 146)	(17 014)
LOAN WAIVER	**1 000 000**	-	-	1 000 000
DEPRECIATION AND AMORTISATION	**(99 817)**	(88 463)	(9 851)	(1 503)
INTEREST INCOME	**927**	237	669	21
INTEREST EXPENSE	**(378 185)**	(251 500)	(92 747)	(33 938)
IMPAIRMENT LOSS ON ADVANCES	**(567 620)**	(39 290)	(528 330)	-
TOTAL ASSETS	**5 617 207**	**2 983 944**	**1 129 859**	**1 503 404**
TOTAL LIABILITIES	**2 462 330**	**1 530 967**	**696 498**	**234 865**

SEGMENT ASSETS AND REVENUE BY LOCATION AND ENTITY DOMICILE

	31 AUGUST 2021 11 MONTHS REVENUE	30 SEPTEMBER 2020 18 MONTHS REVENUE	31 AUGUST 2021 ASSETS	30 SEPTEMBER 2020 ASSETS
NAMIBIA	300 393	603 189	3 625 544	4 264 062
SIERRA LEONE	12 384	14 463	1 366 411	1 353 145
TOTAL	**312 777**	**617 652**	**4 991 955**	**5 617 207**

Inter-segment sales occur at prevailing market prices.

The group's revenues from its major products and services are disclosed in note 21.

INFORMATION ABOUT MAJOR CUSTOMERS

No single customer contributed 10% or more to the group's revenue for both 2021 and 2020.

34. CATEGORIES OF FINANCIAL INSTRUMENTS

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
FINANCIAL ASSETS		
AMORTISED COST		
CASH AND CASH EQUIVALENTS	23 460	144 020
ADVANCES	489 470	921 859
TRADE AND OTHER RECEIVABLES	134 605	240 466
FINANCIAL LIABILITIES		
AMORTISED COST		
AMOUNTS DUE TO RELATED PARTIES	(163 262)	(206 094)
BORROWINGS	(1 657 910)	(1 413 600)
TRADE AND OTHER PAYABLES	(607 220)	(618 043)
BANK OVERDRAFT	(7 595)	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. FINANCIAL RISK MANAGEMENT

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 group's risk management policies are established to identify and analyse the risks faced by the group, set appropriate risk limits and controls and 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. Through its training and management standards and procedures, the group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group audit and risk committee (ARC) oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework concerning 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 ARC.

CAPITAL MANAGEMENT

The board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and sustain future business development. The board of directors monitors the return on capital, which the group defines as net operating income divided by total shareholders' equity. 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 going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The group's capital structure consists of debt, which includes the borrowings disclosed in note 13, shareholders' funds and equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in notes 17 to 19 inclusive. During the reporting period, the group restructured its long term debt. The restructuring included deferring interest payments, capital holidays and bullet repayments of up to 7 years. Refer to maturity analysis for expected cash out flows.

Trustco Bank Namibia Ltd is subject to a Bank of Namibia imposed capital adequacy minimum. This ratio is calculated under Basel rules and is measured monthly. The current minimum capital adequacy ratio is 15% and Trustco Bank Namibia Ltd is currently at 42.67% (30 September 2020: 41.39%). The minimum Tier one leverage ratio is 6% and Trustco Bank Namibia Ltd's ratio is currently 38.55% (30 September 2020: 36.92%).

From time to time, the group purchases its shares on the market, the timing of which depends on market prices. Buy and sell decisions are made on the recommendation of management to the board and approved by the audit and risk committee. The group does not have a defined share buy-back plan, but shareholders have passed a general resolution allowing the company to buy back its shares from time to time.

There were no changes in the group's approach to capital management during the reporting period.

FINANCIAL RISK MANAGEMENT OBJECTIVES

The group's corporate treasury function provides services to the business, coordinates 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), credit risk, liquidity risk and cash flow interest rate risk.

The use of financial instruments is governed by the group's policies approved by the board of directors, which provide 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 are reviewed by the internal auditors continuously. The group does not enter into or trade financial instruments for speculative purposes.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return.

Refer to interest rate sensitivity analysis below for discussion of group's exposure to market risk.

FOREIGN CURRENCY RISK MANAGEMENT

The group is exposed to currency risk on borrowings that are denominated in a currency other than the respective functional currencies of group entities, primarily the Namibia Dollar, South African Rand and US Dollar. The currencies in which these transactions are concluded are primarily denominated in US Dollars.

Risk is managed through careful planning of probable US Dollar expenditures. US Dollar denominated liabilities are expected to be repaid with receipts from US Dollar denominated sales.

The carrying amount of the group's foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

FIGURES IN NAMIBIA DOLLAR THOUSAND		31 AUGUST 2021	30 SEPTEMBER 2020
CASH AND CASH EQUIVALENTS		336	7 333
TRADE AND OTHER RECEIVABLES	3	16 554	5 863
BORROWINGS	13	(846 428)	(705 111)
TRADE AND OTHER PAYABLES	14	(191 692)	(236 323)
BANK OVERDRAFT		(7 586)	-
		(1 028 816)	**(928 238)**

FOREIGN CURRENCY RISK SENSITIVITY ANALYSIS

At the reporting date, the South African rand was equal to the Namibia dollar. A 1% weakening or strengthening of the Namibia Dollar exchange rate versus the US Dollar (most common foreign currency exposure) on 31 August 2021, as broadly anticipated by the market, would decrease or increase the group's profit by NAD 10.3 million (30 September 2020: NAD 9.3 million). The analysis assumes that all other variables would remain constant.

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.

FORWARD-LOOKING INFORMATION (FLI)

Historical default rates were regressed against selected relevant macroeconomic factors to investigate if there exists any relationship. Where there is a correlation between macroeconomic factors and historical default rates, the probabilities of default (PD) were adjusted to arrive at a point in time PD.

Financial assets exposed to credit risk at reporting date were as follows:

FIGURES IN NAMIBIA DOLLAR THOUSAND		31 AUGUST 2021	30 SEPTEMBER 2020
FINANCIAL ASSETS			
CASH AND CASH EQUIVALENTS		23 460	144 020
ADVANCES	2	489 470	921 859
TRADE AND OTHER RECEIVABLES	3	134 605	240 466
		588 785	**1 306 345**

Credit risk on advances (note 2) is managed through credit approval procedures, requiring regular repayments and requiring guarantees and/or security deposits as a prerequisite for advances. Property advances and property sales receivables are secured by properties sold. The group lends to individuals and businesses. The group's and company's cash balances are held at "A" rated local banks.

In the previous financial period the group's concentration of customer risk to a counterparty exceeding 5% of gross monetary assets during the period was for the two commercial property advances as disclosed in note 2. The commercial loans were liquidated in the reporting period. The group does not have any further concentration risk above 5% of its monetary assets.

RECEIVABLES FROM TRADE CUSTOMERS AND ADVANCES

The group's exposure to credit risk is influenced mainly by the default risk of the sectors in which they operate. 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. 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 on an ad hoc basis. Customers that fail to meet the group's benchmark creditworthiness criteria may transact with the group only on a prepayment basis. The group establishes a loss allowance for credit losses that represents its estimate of credit losses in respect of advances.

INTEREST RATE RISK MANAGEMENT

The ultimate responsibility for interest rate risk management rests with the board of directors, which has established an appropriate framework for managing the group's exposure to changes in rates.

INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analysis below has been determined based on the exposure to interest rates for financial assets and financial liabilities at the reporting date. The analysis is prepared assuming the balance of the financial instrument at the reporting date was receivable/(payable) for the whole period. A 50 basis point increase or decrease is used when reporting interest risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the group's loss for the period ended 31 August 2021 would decrease/increase by NAD 16.1 million (30 September 2020: decrease/increase by NAD 9.3 million). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.

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.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework to manage 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 the forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities as well as by monitoring the current ratio.

LIQUIDITY ANALYSIS

The following tables detail the group's future liquidity position arising from its non-derivative financial liabilities. The analysis has been prepared based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the group can be required to pay.

31 AUGUST 2021	AVE. EFFECTIVE INTEREST RATE	DUE IN LESS THAN ONE YEAR	DUE IN ONE TO TWO YEARS	DUE IN TWO TO FIVE YEARS	DUE AFTER FIVE YEARS	TOTAL
MATURITY ANALYSIS		**NAD' 000**	**NAD' 000**	**NAD' 000**	**NAD' 000**	**NAD' 000**
NON-INTEREST BEARING						
· TRADE AND OTHER PAYABLES (NOTE 14)		607 220	-	-	-	607 220
VARIABLE INTEREST RATE INSTRUMENTS						
· TERM LOANS (NOTE 13)	9.83	560 796	192 684	1 332 325	160 194	2 245 999
· MORTGAGE LOANS (NOTE 13)	9.73	1 667	953	2 262	730	5 612
· INSURANCE LIABILITIES (NOTE 15)		30 267	9 360	10 942	49	50 618
· AMOUNTS DUE TO RELATED PARTIES (NOTE 5)	12.08	75 155	-	-	88 107	163 262
· BANK OVERDRAFT	21.00	7 595	-	-	-	7 595
		1 282 700	**202 997**	**1 345 529**	**249 080**	**3 080 306**

30 SEPTEMBER 2020	AVE. EFFECTIVE INTEREST RATE	DUE IN LESS THAN ONE YEAR	DUE IN ONE TO TWO YEARS	DUE IN TWO TO FIVE YEARS	DUE AFTER FIVE YEARS	TOTAL
MATURITY ANALYSIS		**NAD' 000**	**NAD' 000**	**NAD' 000**	**NAD' 000**	**NAD' 000**
NON-INTEREST BEARING						
· TRADE AND OTHER PAYABLES (NOTE 14)		618 043	-	-	-	618 043
VARIABLE INTEREST RATE INSTRUMENTS						
· TERM LOANS (NOTE 13)	9.83	1 285 841	135 427	264 720	21 800	1 707 788
· MORTGAGE LOANS (NOTE 13)	9.73	5 829	4 795	4 795	-	15 419
· ASSET-BACKED FINANCING AGREEMENTS (NOTE 13)	9.73	2 565	2 016	1 272	214	6 067
· INSURANCE LIABILITIES (NOTE 15)		33 982	8 003	9 520	46	51 551
· AMOUNTS DUE TO RELATED PARTIES (NOTE 5)	12.08	64 255	-	-	141 839	206 094
		2 010 515	**150 241**	**280 307**	**163 899**	**2 604 962**

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

36. GOING CONCERN

The financial results have been prepared on the going concern basis which considers the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business. The board of directors, as part of their responsibilities, annually assesses the going concern of the group. As part of their assessment, the board of directors considered working capital requirements, availability of resources and reserves either from existing operational activities or further borrowings, available information about the future, financial impact of ongoing litigation, the possible outcomes of planned events and the responses to such events and conditions that would be available to the board.

The board of directors has, inter alia, considered the following specific factors in determining whether the group is a going concern for the foreseeable future:

- Loss for the eleven months ended 31 August 2021 of NAD 988 million (eighteen months ended 30 September 2020: NAD 343 million);
- Current liabilities of the Group exceed current asset as at 31 August 2021 by NAD 664 million , while total assets exceed total liabilities by NAD 2.3 billion;
- Cash generated from operating activities for the eleven months ended 31 August 2021, which includes proceeds from borrowings for advances, together with future cash generating capabilities;
- Whether the group has sufficient cash resources from operations or through further borrowings which is readily available, in order to settle its creditors and maturing liabilities as and when they fall due in the foreseeable future, whilst continuing to maintain its operating abilities for the foreseeable financial period;
- Whether there is any significant pending litigation that will threaten the going concern status of the group;
- Assessment of the existing economic conditions related to the various operating segments and whether the possibility exists to sufficiently scale said operations in the foreseeable future to provide additional cash resources; and
- Assessment of the solvency and liquidity position of the group in accordance with the Companies Act.

Following the above assessment, the board of directors believe that the above factors, coupled with prevailing economic conditions and forecast economic outlook presents some challenges for the foreseeable future. In response to the above factors, to address future cash flow requirements, detailed liquidity improvement initiatives have been developed and are being pursued, with the implementation thereof regularly monitored.

These conditions are considered to indicate that a material uncertainty exists which may cast significant doubt on the ability of the group to continue as a going concern in the foreseeable future.

This is largely attributable to the short-term liquidity position of the group.

Therefore, the ability of the group to continue as a going concern is dependent on the successful implementation or conclusion of the below noted matters in order to address the liquidity risk the group faces on an ongoing basis:

- completion of the underground development of Meya Mine to 10 000 carats per month (forecasted for 3rd quarter of 2022)
- completion of technical and geological due diligences related to Meya Mine following which a first tier global diamond producer will advance up to USD 150 million as a debt facility to scale production at Meya Mine and acquire a proposed equity stake of up to 55% in Meya Mining at a nominal value, which will provide further cash flows for the group's operations in the foreseeable future;
- recovery of USD 50 million from its investments to assist with the short-term liquidity requirements of the group;
- implementation of various collection strategies relating to the recovery of long outstanding advances owed to the group to increase available cash resources;
- continuous financial support from its international lenders; and
- successful resolution of various ongoing legal matters in order to mitigate the potential liquidity impact thereof.

The board of directors have evaluated the group's liquidity requirements to confirm whether the group has access to sufficient resources to continue as a going concern in the foreseeable future, considering the above factors and consequently prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, concluding that the group would be able to continue its operations as a going concern.

The directors are not aware of any other matters that may impact the group.

The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group. Following the above assessment, the board of directors continue to adopt the going concern basis of accounting in preparing the financial statements.

37. EVENTS AFTER THE REPORTING DATE

1. DIRECTORS APPOINTMENT

J van der Heever was appointed as an independent non-executive member of the Trustco Group Holdings Ltd board of directors with effect from 1 November 2021.

2. PURCHASE OF SHARES

Trustco Capital (Pty) Ltd (subsidiary) purchased a 51 769 633 Trustco Group Holdings Ltd (TTO) shares from Constantia Risk and Insurance Holdings Ltd for NAD 93.7 million on 2 September 2021.

3. MANAGEMENT AGREEMENT WITH NEXT CAPITAL LTD

As noted in note 10 of the directors report, the group and Next Capital entered into a management agreement. The management agreement was classified as a category 1 Related Party Transaction in terms of the Listings Requirements of the JSE Limited. The group is in the process of preparing a circular containing full details of the management contract.

4. MEYA MINING TRANSACTION

After the end of the financial period, a term sheet was signed between Meya Mining and a first tier global diamond producer to acquire a 55% equity stake in Meya Mining, as well as provide a USD 150 million debt facility. This will enable the mine to scale production to 1 million carats per annum over the next three years. It is expected that this agreement will be finalized by the end of March 2022, after a technical and geological due diligence has been completed.

38. CONTINGENT LIABILITIES AND GUARANTEES

38.1 CITY OF WINDHOEK

The group has guaranteed the installation of bulk services on its real estate inventory (Lafrenz and Elisenheim development), amounting to NAD 6.37 million and NAD 1.49 million, respectively.

38.2 PENDING LEGAL CASES

The group has pending legal cases for which the total legal costs are estimated to be approximately NAD10 million.

HELIOS ORYX LIMITED VS TRUSTCO GROUP HOLDINGS LTD

Helios Oryx Limited issued a summons in the High Court of Justice (Business and Property Courts of England and Wales Commercial Court). The summons relates to a facility agreement entered into between the parties.

This action is being defended by Trustco Group Holdings Ltd (TGH). Helios declared all amounts outstanding under the facility agreement and demanded payment totalling USD 19.6 million. On 20 January 2021, the High Court of Justice of England and Wales (Commercial Court) granted summary judgement in favour of Helios against Trustco in the sum of USD 21.4 million together with legal costs.

Trustco's total exposure in respect of the Helios claim (inclusive of capital, interest and costs) is provided for in full in the annual financial statements.

Trustco, together with its legal advisors, are implementing all legal remedies available to TGH, including appealing against the judgement. Helios also instituted an action in Windhoek, Namibia, which is pending. The group has a substantive counter claim against Helios in excess of USD 59 million which it is pursuing and is in the process of being quantified. The claim of USD 21.4 million is secured over the Elisenheim property development. The matter is still pending.

NOTES TO THE **FINANCIAL STATEMENTS** (CONTINUED)

39. PROACTIVE MONITORING PROCESS

The Johannesburg Stock Exchange Limited (JSE) selected Trustco as part of their proactive monitoring review process wherein they reviewed Trustco's financial statements for the twelve months ended 31 March 2019 and its unaudited interim results for the six months ended 30 September 2019.

Following the conclusion of the proactive monitoring process, the JSE informed Trustco that Trustco's financial statements for the 12 months ended March 2019 and unaudited interim results for the six months ended September 2019, as referred to above, were not fully compliant with IFRS with respect to the three matters as listed below, and consequently instructed Trustco to effect certain restatements to the 31 March 2019 and 30 September 2019 results.

These three matters were:

1. Treatment of reclassification of inventory to investment property;
2. Recognition of revenue from the sale of unserviced erven (real estate inventory); and
3. Treatment of loan waivers.

These matters were correctly identified by Trustco at inception thereof as complex and non-routine in nature and as such the company sought expert IFRS advice on these matters from its JSE accredited expert IFRS advisors to determine the appropriate accounting treatment thereof.

The transactions were considered quantitatively and qualitatively material and noted as significant matters by the current and previous auditors and were therefore the subject of detailed technical assessment.

Following reconsideration, including consultation with the current auditors, Trustco agreed to effect a restatement to the 2018 and 2019 financial years with regards to matter 2 as disclosed in note 44 of the September 2020 financial results.

Trustco disagreed with the JSE with respect to matters 1 and 3 hence no adjustments have been made to the August 2021, September 2020, September 2019 and March 2019 financial statements regarding these matters. Trustco is pursuing the relevant channels available to obtain a confirmation of the appropriateness of its accounting treatment and a rescission of the decisions of the JSE.

Trustco lodged an objection to the JSE's findings concerning matters 1 and 3 with the Financial Services Tribunal during January 2021, and its decision to direct Trustco to apply particular accounting as allowed for in terms of Section 230 of the Financial Sector Regulations Act, 2017.

On 2 November 2021 the Financial Services Tribunal heard virtual representation from both Trustco and the JSE's legal representatives to consider the instruction issued by the JSE to restate the historic results related to matters 1 and 3.

On 22 November 2021 the Financial Services Tribunal dismissed the application for reconsideration sought by Trustco.

The board, who ultimately remains responsible and accountable to stakeholders for the preparation of the financial statements and their compliance with IFRS, together with their legal representatives and IFRS advisors, reviewed the Financial Services Tribunal ruling, and once again are not in agreement with the judgement.

Responding to the ruling of the Financial Services Tribunal, Trustco is in the process of bringing an application in the High Court in South Africa, in terms of the Promotion of Administrative Justice Act No.3 of 2000, to set aside the ruling of the Financial Services Tribunal as Trustco believes the ruling did not consider pertinent representation by affected parties related to the substance of the various transactions at the time they were entered into and recorded.

The following summary provides further information relating to the qualitative factors pertaining to matters 1 and 3, insofar as it supports the relevant accounting application adopted by Trustco, and the issues raised by the JSE.

TREATMENT OF RECLASSIFICATION OF INVENTORY TO INVESTMENT PROPERTY

In accordance with IAS 2, Trustco initially classified the Elisenheim property as inventory as it was intended for immediate development and sale in the ordinary course of business. Over the years Trustco has developed and sold portions of the land. When the property market slowed down and Trustco was unable to fully exploit this development opportunity, the board of directors resolved to cease developments of a portion of the remaining extent of the property for the foreseeable future. Management gave effect to this decision by implementing; a cessation of development activity including a decommissioning of the development plans; ceased to seek regulatory approvals for further development; a sale of equipment earmarked for in the development; and staff retrenchments. The actions were consistent with the changed intention to hold the property for long term capital appreciation which is consistent with the definition of investment property. These actions were consistent with the changed use to hold the property for long-term capital appreciation which is consistent with the definition of investment property.

The JSE opposes the reclassification of property previously held inventory to investment property, as they are of the opinion that Trustco had only demonstrated a change in its intentions with respect to the property but did not demonstrate any actions as evidence of a change in the use of the land as required by IAS 40. Trustco strongly disagrees with the JSE given the facts stated above.

Following Trustco's change in use as indicated above, the property was reclassified from inventory (NAD 291 million) to investment property (NAD 984 million), in accordance with IAS 40.63, which specifies the treatment for a transfer from inventories to investment property that will be carried at fair value, and that any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss. This was done by recognising the fair value of the transferred property as revenue, and its previous carrying amount (at cost) as cost of sales, in accordance with the requirements of IAS 40.64 which states that such transfers be treated in a manner consistent with the sale of inventory.

TREATMENT OF LOAN WAIVERS – HUSO LOAN

During 2015, Trustco engaged in a transaction to acquire Huso from Dr. Q Van Rooyen. The terms of the Huso Transaction were recorded in a sale of shares agreement (which did not include the sale of loan interests held by Dr Q Van Rooyen in these entities). The shareholders of Trustco (excluding Dr Q Van Rooyen who did not vote) approved the Huso Transaction and voted in favour thereof at a meeting held on 5 October 2015. Due to a delay in fulfilment of the Huso Transaction suspensive conditions, a change in the structure of the Huso Transaction was proposed. These changes were approved by Trustco Group's shareholders on 13 June 2017.

The shareholder of Huso Investments (Pty) Ltd (Huso), being Dr Q Van Rooyen, had over the years advanced NAD 546 million to the Huso group of companies. The repayment of these loans was at the sole discretion of the Huso group companies and were therefore classified as equity by these entities.

During March 2018, the terms of the loans were amended by a resolution of directors of Huso and Northern Namibian Development Company (Pty) Ltd (NNDC). The amendment meant that the loan repayment was no longer at the discretion of Huso but would now be due within a stipulated period. As a result of this change, which imposed an unavoidable obligation to repay the loans, the loans became classified as financial liabilities. Before and after this amendment these loans remained in the beneficial interest of Dr Q Van Rooyen and did not in any way affect the sale of shares agreement between the parties as these loan interests had always been excluded from the Huso Transaction from the onset.

The Huso Transaction subsequently became effective and Dr Q van Rooyen's shares in Huso were acquired by Trustco Resources. Subsequent to the finalisation of the Huso Transaction Dr Q Van Rooyen elected to waive repayment of the Huso Loan from the Huso group companies (which had by this time become a part of the Trustco group). The loans, as financial liabilities falling within the scope of IFRS 9, were therefore derecognised upon the waiver in accordance with the requirements of that standard with the resulting effect being recognised in profit or loss.

The JSE contends that the Huso Transaction (a common control business combination) and the subsequent waiver of the Huso group company loans by Dr Q Van Rooyen in his capacity as a lender to those businesses, be treated as a single transaction. On this understanding the loans due to Dr Q Van Rooyen would not have been recognised as financial liabilities and the waiver would not have had an impact to be recognised in profit or loss. Trustco disagrees with the JSE's understanding of the Huso transaction, specifically that the loan waiver forms part of an indivisible single transaction.

TREATMENT OF LOAN WAIVERS – RELATED PARTY LOAN

On 8 October 2018, Dr Q Van Rooyen, through Next Capital Ltd (Next), concluded an agreement to loan up to NAD 1 billion to Trustco Group for the purpose of funding the acquisition of a 51% shareholding interest in Meya Mining from Germinate Sierra Leone Limited. The loan terms were explicit with respect to imposing an obligation of repayment and was therefore classified as a financial liability by Trustco.

On 1 October 2019, repayment of the Related Party Loan was waived by Dr Q Van Rooyen at his sole discretion. The loan was derecognised in a manner consistent with the application described above with respect to the Huso loans and as a consequence impacted profit or loss.

The JSE contends that whilst the loan terms would have met the requirements of IAS 32 to be classified as a financial liability at initial recognition, the subsequent waiver in substance was equity in nature, following a similar approach as in the Huso loan noted above, and should thus have been initially recognised directly in equity, with the subsequent waiver thereof being recognised directly in equity, and not through profit and loss.Trustco disagrees with the opinion of the JSE regarding the Related Party Loan, specifically in that the loan should be accounted for in equity due to it being waived in the following financial period.

For more information the Review Application filed on 31 January 2022 can be found on https://www.tgh.na/downloads/

40. CAPITAL COMMITMENTS AUTHORISED CAPITAL EXPENDITURE

FIGURES IN NAMIBIA DOLLAR THOUSAND	31 AUGUST 2021	30 SEPTEMBER 2020
NOT YET CONTRACTED FOR BUT AUTHORISED BY DIRECTORS	1 275 000	1 300 000

The group intends to finance this expenditure from borrowing facilities. No part of this expenditure has been contracted for at reporting date.

41. CHANGE OF REPORTING PERIOD

The reporting period of the company was changed from 30 September to 31 August. The reason for the change in the reporting period was to align the timing of the release of full-year results to coincide with the group's capital raising working calendar and the funders budgetary process for the preceding reporting period.

42. SHAREHOLDER INFORMATION

Details of the shareholders were as follows:

LARGE SHAREHOLDERS (AS AT 31 AUGUST 2021)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
VAN ROOYEN, QUINTON	307 137 454	696 862 606	1 004 000 060	63.97
PROTEA ASSET MANAGEMENT LLC	339 525 604		339 525 604	21.64
- RISKOWITZ VALUE FUND	212 935 148			
- ITHUBA INVESTMENTS	126 590 456			
GERMINATE SL LTD	85 416 666		85 416 666	5.44
CONSTANTIA INSURANCE COMPANY LIMITED	44 856 616		44 856 616	2.86
MIDBROOK LANE PROPRIETARY LIMITED	6 205 000		6 205 000	0.40
SAXO BANK AS - CLIENT ASSETS	6 015 305		6 015 305	0.39
GOVERNMENT EMPLOYEES PENSION FUND PUBLIC INVESTMENT CORPORATION	5 461 236		5 461 236	0.35
CITICLIENT NOMINEES NO 8 NY GW	5 343 021		5 343 021	0.34
SEAFWELL INVESTMENTS CC	5 006 088		5 006 088	0.32
GRAND TOTAL	**804 966 990**	**696 862 606**	**1 501 829 596**	**95.71**

* Total issued shares as at 31 August 2021 - 1 616 038 581
* Treasury shares as at 31 August 2021 - 46 520 138
* Shares calculated net of treasury shares as at 31 August 2021 - 1 569 518 443

LARGE SHAREHOLDERS (AS AT 30 SEPTEMBER 2020)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
VAN ROOYEN, QUINTON	307 137 454	696 862 606	1 004 000 060	63.94
PERSHING LLC	340 301 835	-	340 301 835	21.67
- RISKOWITZ VALUE FUND	213 429 696			
- ITHUBA INVESTMENTS	126 872 139			
GERMINATE SL LTD	85 416 666		85 416 666	5.44
SNOWBALL WEALTH PTY LTD	30 583 770		30 583 770	1.95
CONSTANTIA INSURANCE COMPANY LTD	8 151 152		8 151 152	0.52
MIDBROOK LANE (PTY) LTD	12 415 530		12 415 530	0.79
GOVERNMENT EMPLOYEES PENSION FUND PUBLIC INVESTMENT CORPORATION	5 461 236		5 461 236	0.35
SAXO BANK AS - CLIENT ASSETS	5 372 346		5 372 346	0.34
GRAND TOTAL	**794 839 989**	**696 862 606**	**1 491 702 595**	**95.00**

* Total issued shares as at 30 September 2020 - 1 616 038 581
* Treasury shares as at 30 September 2020 - 45 800 647
* Shares calculated net of treasury shares as at 30 September 2020 - 1 570 237 934

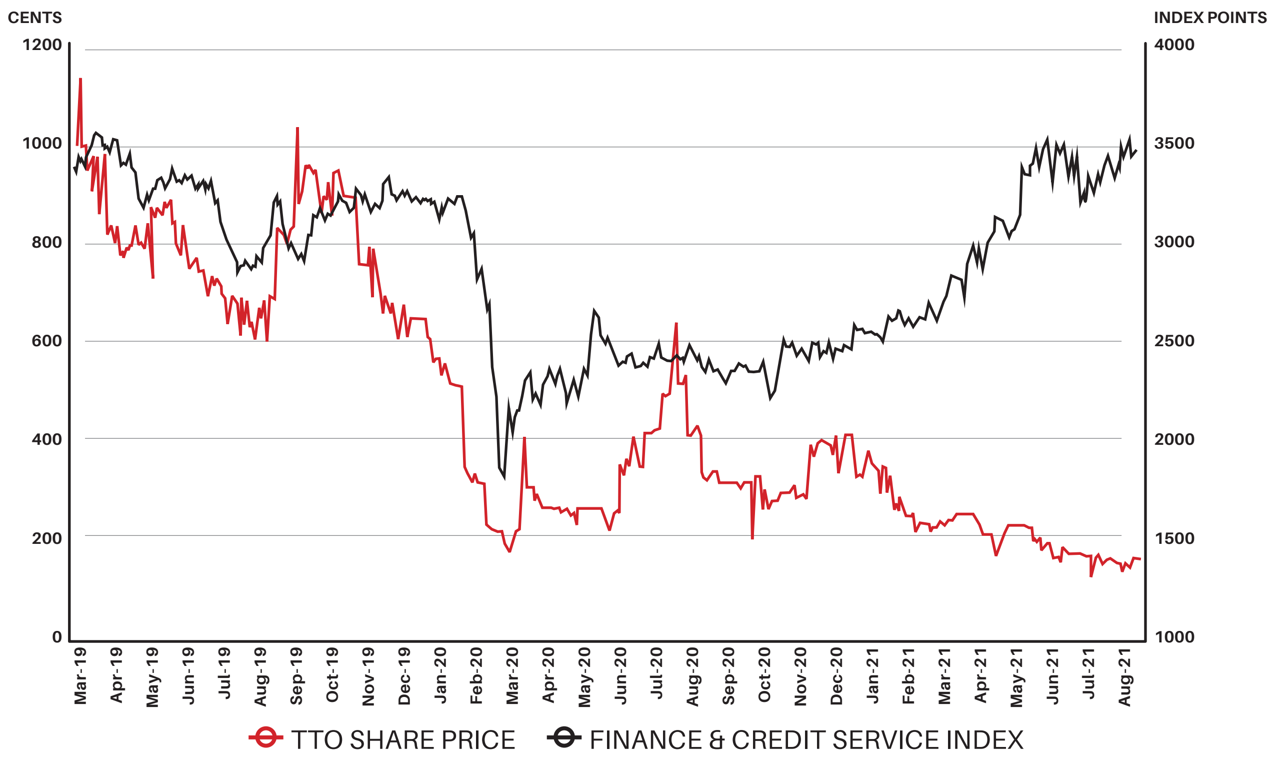
CHAPTER

five

SHAREHOLDERS

SHAREHOLDERS' **INFORMATION**

TRUSTCO SHARE PERFORMANCE



ANALYSIS OF SHAREHOLDING (AS AT 31 AUGUST 2021)

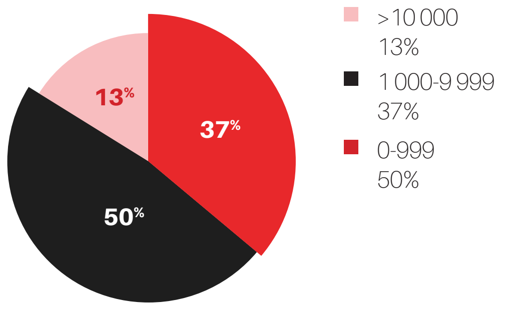
SHAREHOLDING	SHAREHOLDERS	SHAREHOLDER %	SHARES	SHAREHOLDING %
0-999	1 844	49.53%	689 440	0.04%
1000-1999	694	18.64%	860 828	0.05%
2000-2999	238	6.39%	553 666	0.04%
3000-3999	92	2.47%	297 021	0.02%
4000-4999	50	1.34%	218 362	0.01%
5000-5999	147	3.95%	750 507	0.05%
6000-6999	63	1.69%	402 787	0.03%
7000-7999	59	1.59%	437 742	0.03%
8000-8999	41	1.10%	337 691	0.02%
9000-9999	10	0.27%	95 000	0.01%
>10000	485	13.03%	1 564 875 399	99.70%
GRAND TOTAL	**3 723**	**100.00%**	**1 569 518 443**	**100.00%**

* Total issued shares as at 31 August 2021 - 1 616 038 581
* Treasury shares as at 31 August 2021 - 46 520 138
* Shares calculated net of treasury shares as at 31 August 2021 - 1 569 518 443

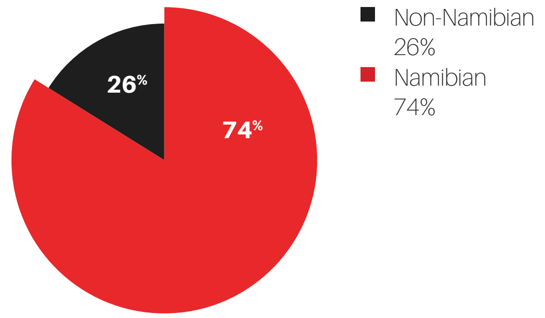
COUNTRY	NUMBER OF SHAREHOLDERS	SHAREHOLDER %	SHARES	SHAREHOLDING %
NAMIBIAN	2 760	74.13%	883 747 220	56.31%
NON-NAMIBIAN	963	25.87%	685 771 223	43.69%
GRAND TOTAL	**3 723**	**100.00%**	**1 569 518 443**	**100.00%**

* Total issued shares as at 31 August 2021 - 1 616 038 581
* Treasury shares as at 31 August 2021 - 46 520 138
* Shares calculated net of treasury shares as at 31 August 2021 - 1 569 518 443

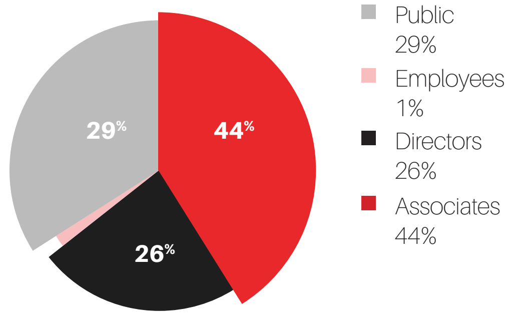
SHAREHOLDING



SHAREHOLDERS



SHARES



DISTRIBUTION OF SHARES (AS AT 31 AUGUST 2021)

CATEGORY	SHAREHOLDERS	SHAREHOLDER %	SHARES	SHAREHOLDING %
CORPORATE	60	1.61%	1 136 535 978	72.41%
INDIVIDUAL	3 642	97.82%	431 595 621	27.50%
TRUST	21	0.57%	1 386 844	0.09%
GRAND TOTAL	**3 723**	**100.00%**	**1 569 518 443**	**100.00%**

NATURE	SHAREHOLDERS	SHAREHOLDER %	SHARES	SHAREHOLDING %
ASSOCIATE	3	0.08%	696 862 606	44.40%
DIRECTOR	14	0.38%	402 019 063	25.61%
EMPLOYEE	370	9.94%	13 645 493	0.87%
PUBLIC	3 336	89.60%	456 991 281	29.12%
GRAND TOTAL	**3 723**	**100.00%**	**1 569 518 443**	**100.00%**

SHAREHOLDERS' **INFORMATION** (CONTINUED)

LARGE SHAREHOLDERS (AS AT 30 SEPTEMBER 2020)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
VAN ROOYEN, QUINTON	307 137 454	696 862 606	1 004 000 060	63.94
PERSHING LLC	340 301 835	-	340 301 835	21.67
- RISKOWITZ VALUE FUND	-	213 429 696		
- ITHUBA INVESTMENTS	-	126 872 139		
GERMINATE SL LTD	85 416 666		85 416 666	5.44
SNOWBALL WEALTH (PTY) LTD	30 583 770		30 583 770	1.95
CONSTANTIA INSURANCE COMPANY LTD	8 151 152		8 151 152	0.52
MIDBROOK LANE (PTY) LTD	12 415 530		12 415 530	0.79
GOVERNMENT EMPLOYEES PENSION FUND PUBLIC INVESTMENT CORPORATION	5 461 236		5 461 236	0.35
SAXO BANK AS - CLIENT ASSETS	5 372 346		5 372 346	0.34
GRAND TOTAL	**794 839 989**	**696 862 606**	**1 491 702 595**	**95.00**

* Total issued shares as at 30 September 2020 - 1 616 038 581
* Treasury shares as at 30 September 2020 - 45 800 647
* Shares calculated net of treasury shares as at 30 September 2020 - 1 570 237 934

LARGE SHAREHOLDERS (AS AT 31 AUGUST 2021)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
VAN ROOYEN, QUINTON	307 137 454	696 862 606	1 004 000 060	63.97
PROTEA ASSET MANAGEMENT LLC	339 525 604			21.64
- RISKOWITZ VALUE FUND		212 935 148	212 935 148	
- ITHUBA INVESTMENTS		126 590 456	126 590 456	
GERMINATE SL LTD	85 416 666		85 416 666	5.44
CONSTANTIA INSURANCE COMPANY LIMITED	44 856 616		44 856 616	2.86
MIDBROOK LANE PROPRIETARY LIMITED	6 205 000		6 205 000	0.40
SAXO BANK AS - CLIENT ASSETS	6 015 305		6 015 305	0.39
GOVERNMENT EMPLOYEES PENSION FUND PUBLIC INVESTMENT CORPORATION	5 461 236		5 461 236	0.35
CITICLIENT NOMINEES NO 8 NY GW	5 343 021		5 343 021	0.34
SEAFWELL INVESTMENTS CC	5 006 088		5 006 088	0.32
GRAND TOTAL	**804 966 990**	**696 862 606**	**1 501 829 596**	**95.71**

* Total issued shares as at 31 August 2021 - 1 616 038 581
* Treasury shares as at 31 August 2021 - 46 520 138
* Shares calculated net of treasury shares as at 31 August 2021 - 1 569 518 443

DIRECTORS' INTEREST (AS AT 30 SEPTEMBER 2020)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
ABRAHAMS, FLOORS JACOBUS	2 451 518	-	2 451 518	0.16
BRAND, ANNETTE	60 476	-	60 476	0.00
CALITZ, ILANA	165 202	-	165 202	0.01
ERASMUS, MARCO	1 225 926	-	1 225 926	0.08
GEYSER, WINTON JOHN	116 088	-	116 088	0.01
HEATHCOTE, RAYMOND	1 354 802	-	1 354 802	0.09
JANSE VAN RENSBURG, ELMARIE	1 851 111	-	1 851 111	0.12
JOUBERT, JAN SEBASTIAN CILLIERS	1 915 602	-	1 915 602	0.12
KAMARA, IBRAHIM SORIE	-	85 416 666	85 416 666	5.44
LAMBERT, ADRIANA	194 873	-	194 873	0.01
SLABBERT, THOMAS JOHAN (RESIGNED)	396 301	-	396 301	0.03
TALJAARD, RENIER JACOBUS	37 501	-	37 501	0.00
VAN DEN HEEVER, JANENE	7 085	-	7 085	0.00
VAN ROOYEN, QUINTON	307 137 454	696 862 606	1 004 000 060	63.94
WELDON, LANA (RESIGNED)	-	25 400	25 400	0.00
GRAND TOTAL	**316 913 939**	**782 304 672**	**1 099 218 611**	**70.01**

* Total issued shares as at 30 September 2020 - 1 616 038 581
* Treasury shares as at 30 September 2020 - 45 800 647
* Shares calculated net of treasury shares as at 30 September 2020 - 1 570 237 934

DIRECTORS' INTEREST (AS AT 31 AUGUST 2021)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
ABRAHAMS, FLOORS JACOBUS	2 451 518		2 451 518	0.16
BRAND, ANNETTE	60 476		60 476	0.00
CALITZ, ILANA	165 462		165 462	0.01
ERASMUS, MARCO	1 225 926		1 225 926	0.08
GEYSER, WINTON JOHN	124 415		124 415	0.01
HEATHCOTE, RAYMOND	1 354 802		1 354 802	0.09
JANSE VAN RENSBURG, ELMARIE	1 852 546		1 852 546	0.12
JOUBERT, JAN SEBASTIAN CILLIERS	1 915 602		1 915 602	0.12
KAMARA, IBRAHIM SORIE	-	85 416 666	85 416 666	5.44
LAMBERT, ADRIANA	164 771		164 771	0.01
SLABBERT, THOMAS JOHAN (RESIGNED)	22 759		22 759	0.00
TALJAARD, RENIER JACOBUS	50 151		50 151	0.00
VAN DEN HEEVER, JANENE	76 515		76 515	0.00
VAN ROOYEN, QUINTON	307 137 454	696 862 606	1 004 000 060	63.97
WELDON, LANA (RESIGNED)	-	25 400	25 400	0.00
GRAND TOTAL	**316 602 397**	**782 304 672**	**1 098 907 069**	**70.01**

* Total issued shares as at 31 August 2021 - 1 616 038 581
* Treasury shares as at 31 August 2021 - 46 520 138
* Shares calculated net of treasury shares as at 31 August 2021 - 1 569 518 443

There were no changes in the interest of the directors between the reporting date and the date of publication of this report.

SHAREHOLDERS' **INFORMATION** (CONTINUED)

SHAREHOLDER DIARY

FINANCIAL YEAR-END

RESULTS		
AUDITED RESULTS FOR 11 MONTH PERIOD ENDED 31 AUGUST 2021		JANUARY 2022
INTERIM RESULTS FOR 6 MONTH PERIOD ENDED 28 FEBRUARY 2022		MAY 2022
RECORD DATE TO RECEIVE NOTICE OF ANNUAL GENERAL MEETING (AGM)		FRIDAY, 21 JANUARY 2022
POSTING OF NOTICE		MONDAY, 31 JANUARY 2022
LAST DATE TO TRADE TO BE ELIGIBLE TO VOTE		TUESDAY, 8 MARCH 2022
RECORD DATE TO BE ELIGIBLE TO VOTE		FRIDAY, 11 MARCH 2022
LAST DATE FOR LODGING FORMS OF PROXY FOR SOUTH AFRICAN SHAREHOLDERS	12:00PM	TUESDAY, 15 MARCH 2022
LAST DATE FOR LODGING FORMS OF PROXY FOR ALL OTHER SHAREHOLDERS	12:00PM	TUESDAY, 15 MARCH 2022
AGM 2022	12:00PM	THURSDAY, 17 MARCH 2022

NOTICE OF **ANNUAL GENERAL MEETING**

TRUSTCO GROUP HOLDINGS LIMITED
Incorporated in the Republic of Namibia
(Registration number 2003/058)
Registered as an external company in South Africa
(External registration number 2009/002634/10)
JSE share code: TTO
NSX share code: TUC
OTCQX share code: TSCHY
ISIN Number: NA000A0RF067

IMPORTANT DATES

SHAREHOLDERS ARE ADVISED OF THE FOLLOWING DATES:	2021/2022
RECORD DATE TO RECEIVE NOTICE OF AGM	21 JANUARY 2022
POSTING OF NOTICE	31 JANUARY 2022
LAST DATE TO TRADE TO BE ELIGIBLE TO VOTE	8 MARCH 2022
RECORD DATE TO BE ELIGIBLE TO VOTE	11 MARCH 2022
LAST DATE FOR LODGING FORMS OF PROXY FOR SOUTH AFRICAN SHAREHOLDERS	15 MARCH 2022
LAST DATE FOR LODGING FORMS OF PROXY FOR ALL OTHER SHAREHOLDERS	15 MARCH 2022
ANNUAL GENERAL MEETING	17 MARCH 2022

BUSINESS AT HAND

Notice is hereby given that the annual general meeting (AGM) of shareholders of Trustco Group Holdings Limited (the company) in respect of the financial year-ended 31 August 2021 will be held at Trustco House, 2 Keller street, Windhoek, Namibia and conducted by way of and will be accessible to shareholders through electronic communication on Thursday 17 March 2022 at 12h00 (Namibian time), to deal with such business as may lawfully be dealt with at the AGM and to consider and if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Namibian Companies Act as amended (the Companies Act), read with the Listings Requirements (LR) of the JSE Limited (JSE) and the Namibian Stock Exchange (NSX) as required and the provisions of the company's articles of association.

The quorum requirement for the ordinary and special resolutions set out below is sufficient persons being present to exercise, in aggregate, at least 25% (twenty five percent) of all voting rights that are entitled to vote on the resolutions, provided that at least three shareholders of the company are present in person or by proxy at the AGM.

Save for the special resolutions and ordinary resolutions number 7 and 8 which must be passed by at least 75% (seventy five percent) of the voting rights exercised as determined in the JSE LR, the percentage of voting rights required to pass any of the remaining ordinary resolutions is more than 50% (fifty percent) of the voting rights exercised on any such ordinary resolution.
The integrated annual report is available at www.tgh.na

PRESENTATIONS

All presentations made at the meeting will be available at www.tgh.na

AGENDA

ORDINARY DIVIDEND
To note that no dividend (interim or final) will be declared by the board of directors for the financial year-ended 31 August 2021.

RESOLUTIONS

1. ORDINARY RESOLUTION NUMBER 1
PRESENTATION AND ADOPTION OF ANNUAL FINANCIAL STATEMENTS (AFS) AND REPORTS.

To receive, consider and adopt the AFS of the group for the financial period ended 31 August 2021, together with the independent auditors' reports thereon. The audited AFS, together with the reports, are contained in the company's integrated annual report (IAR).

2. ORDINARY RESOLUTION NUMBER 2
THE DETERMINATION OF THE MAXIMUM NUMBER OF DIRECTORS AND THE RE-ELECTION AND APPOINTMENT OF NON-EXECUTIVE DIRECTORS OF THE COMPANY.

The company's articles of association determine that the maximum number of directors shall be decided at every AGM.

Further to re-elect by separate resolutions, non-executive directors of the company who retire by rotation in accordance with the provisions of the JSE LR, the Companies Act and the articles of association of the company.

Further to re-elect by separate resolutions, non-executive directors of the company who were appointed since the previous AGM

2.1 Ordinary resolution number 2.1
Resolved that the company may appoint a maximum number of up to twelve directors and shall not have less than five directors.

2.2 Ordinary resolution number 2.2
Resolved to approve that the following non-executive director of the company retires by rotation and being eligible, makes himself available for re-election.

ADV RAYMOND HEATHCOTE SC
Advocate Heathcote is an admitted advocate of the High Court of Namibia and was an acting judge of the High Court of Namibia in 2005, 2007, 2009 and 2011. He is also an admitted advocate in South Africa. Several of his judgements have been reported in both the Namibian and South African Law Reports. Adv Heathcote is a member of the Society of Advocates and was honoured by being appointed senior counsel in 2009. Adv Heathcote previously served as the president of the Society of Advocates and president of the Law Society of Namibia.

2.3 Ordinary resolution number 2.3
Resolved to approve that the following non-executive director of the company who was appointed subsequent to the previous AGM and being eligible, makes himself available for appointment.

MR RICHARD MARNEY
Mr Marney is a British citizen who has a broad and varied 45 year career in emerging markets banking, investing, economics and asset management. He has been involved in senior level business development, risk management, fundraising and operating roles in commercial and investment banking, micro-finance, impact investment asset management and private equity while working in globally recognised financial services organisations. Mr Marney has extensive experience on global company boards as well as investment and advisory committees across a broad range of sectors and regions. He has a strong track record in the design and execution of global financial strategies, broadening investor bases and enhancing liquidity. Mr Marney currently resides in Malaysia but serves on various boards globally, including the African Guarantee Fund (Mauritius) and the Mikro Kapital Group (Luxembourg), as well as acting as a Senior Advisor – Risk Management of ResponsAbility (Zurich) where he previously served as the Head of Risk Management.

2.4 Ordinary resolution number 2.4
Resolved to approve that the following non-executive director of the company who was appointed subsequent to the previous AGM and being eligible, makes herself available for appointment.

MS JANENE VAN DEN HEEVER
Ms van den Heever, a Namibian citizen, is currently the managing member of a manufacturing business in Windhoek, Namibia. Ms van den Heever has more than 13 years' experience in the corporate business environment on both management and executive level. She was previously employed by Trustco until March 2013, where she served as executive director and also on the group executive committee. As head of the Namibian operations she was responsible to oversee the successful implementation of the group's strategy and thereby has notable insight on the practical objectives and operations of the group. She started a new business venture in 2013, which she has successfully managed to date. Ms van den Heever has demonstrated exceptional experience in business management, including formation, operations, finance and systems. In 2018, Ms van den Heever was appointed as independent non-executive director to the financial services entities of Trustco. She also serves as a director on the boards of various other companies in Namibia.

3. ORDINARY RESOLUTION NUMBER 3
RE-APPOINTMENT OF EXTERNAL AUDITORS.

Resolved on recommendation of the ARC to appoint Nexia SAB&T and the auditing partner, Mr. Johandré Engelbrecht at Nexia SAB&T, as the group independent external auditor for the ensuing year.

Further, that the terms of engagement and fees of the external auditors be determined by the ARC of the company.

NOTICE OF **ANNUAL GENERAL MEETING** (CONTINUED)

4. ORDINARY RESOLUTION NUMBER 4
APPOINTMENT AND RE-APPOINTMENT OF THE MEMBERS OF THE ARC.

4.1 Ordinary Resolution number 4.1
Resolved to approve that the following non-executive director of the company be re-appointed as chairman to the ARC

MR WINTON GEYSER
Mr Geyser is a member of the South African Institute of Chartered Accountants. He completed his articles with the audit firm Deloitte Haskins & Sells (now Deloitte) and later joined their financial management services division. Since then he has performed accounting, taxation and consultancy work and has held various senior positions, such as the general manager finance at Agra (Co-op) Ltd and the financial director of M Pupkewitz & Sons. Mr Geyser currently holds the position of group managing director of Epic Holdings (Pty) Ltd and various other directorships of Namibian companies.

4.2 Ordinary Resolution number 4.2
Resolved to approve that the following non-executive director of the company be appointed as member to the ARC.

MR RICHARD MARNEY
Mr Marney is a British citizen who has a broad and varied 45 year career in emerging markets banking, investing, economics and asset management. He has been involved in senior level business development, risk management, fundraising and operating roles in commercial and investment banking, micro-finance, impact investment asset management and private equity while working in globally recognised financial services organisations. Mr Marney has extensive experience on global company boards as well as investment and advisory committees across a broad range of sectors and regions. He has a strong track record in the design and execution of global financial strategies, broadening investor bases and enhancing liquidity. Mr Marney currently resides in Malaysia but serves on various boards globally, including the African Guarantee Fund (Mauritius) and the Mikro Kapital Group (Luxembourg), as well as acting as a Senior Advisor – Risk Management of ResponsAbility (Zurich) where he previously served as the Head of Risk Management.

4.3 Ordinary Resolution number 4.3
Resolved to approve that the following non-executive director of a subsidiary company of the group be appointed as member to the ARC.

MR TOM NEWTON
Mr Newton is a Namibian citizen and a member of the Institute of Chartered Accountants in Namibia, Public Accountants and Auditors Board and SAICA. Mr Newton obtained a B.Com and Bachelor of Accounting at the University of the Witwatersrand, South Africa. Mr Newton was managing partner at Grant Thornton Neuhaus up to his retirement date. He is chairman and independent non-executive director of Trustco Bank Namibia Limited. He also acts as trustee on various investment trusts globally. He offers consulting services on all aspects of business, acquisition, taxation and general advice.

5. ORDINARY RESOLUTION NUMBER 5
NON-BINDING ADVISORY ENDORSEMENT OF THE GROUP'S REMUNERATION POLICY AND IMPLEMENTATION REPORT.

5.1 Ordinary resolution number 5.1
The King IV recommends and the JSE LR require that the remuneration policy of a company be tabled for a non- binding advisory vote by shareholders at each AGM.

This enables shareholders to express their views on the remuneration policies adopted. Ordinary resolution number 5.1 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences on the existing remuneration arrangements. However, the board will engage with dissenting shareholders in good faith in the event that a vote of 25% or more is recorded against the remuneration policy, to ascertain with best reasonable effort the reasons for the dissenting votes and to address legitimate and reasonable objections which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes. Dissenting shareholders are also invited to engage with the company to communicate their concerns to the company secretary, Komada Holdings (Pty) Ltd, within a reasonable period after the AGM.

The board will take the outcome of the vote and any subsequent engagement with dissenting shareholders, into consideration when considering amendments to the company's remuneration policy.

Non-binding advisory endorsement of the company's remuneration policy.

Resolved to approve, through a non-binding advisory vote, the company's remuneration report and remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of the board committees). Refer to pages 66 to 76 of the remuneration report of this IAR.

5.2 Ordinary resolution number 5.2
King IV recommends and the JSE LR require that the implementation of a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM.

This enables shareholders to express their views on the implementation of the company's remuneration policy. Ordinary resolution number 5.2 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences on the existing remuneration arrangements.

However, the board will engage with dissenting shareholders in good faith in the event that a vote of 25% (twenty five percent) or more is recorded against the remuneration implementation report, to ascertain with best reasonable effort the reasons for the dissenting votes and to address legitimate and reasonable objections which may include amending the implementation report or clarifying or adjusting remuneration governance and/or processes. Dissenting shareholders are also invited to engage with the company and communicate their concerns to the company secretary, Komada Holdings (Pty) Ltd, within a reasonable period after the after the AGM. The board will take the outcome of the vote and any subsequent engagement with dissenting shareholders, into consideration when considering amendments to the company's remuneration implementation report.

Non-binding advisory endorsement of the company's remuneration implementation report.

Resolved to approve, through a non-binding advisory vote, the company's remuneration implementation report. Refer to pages 67 to 76 of the remuneration report of this IAR.

6. SPECIAL RESOLUTION NUMBER 1
REMUNERATION OF NON-EXECUTIVE DIRECTORS.

The remco recommended and the board approved that the non-executive directors fees remain unchanged until 31 January 2022 and thereafter to adopt and approve a revised structure to simplify the fees of the non-executive directors and to adjust the fee structure to align with current market conditions.

6.1 SPECIAL RESOLUTION 6.1
Resolved to approve the unchanged non-executive directors fees for the period 1 September 2021 to 31 January 2022.

6.2 SPECIAL RESOLUTION 6.2
Resolved to approve that the non-executive directors fees for their services as directors of the company for the period 1 February 2022 to 31 August 2022.

APPROVED FEES FOR PERIOD ENDED 31 MARCH 2020 AND 31 AUGUST 2021

		CHAIRMAN	MEMBER
BOARD	MONTHLY FEE	32 196	9 012
	FEE PER MEETING	15 590	-
ARC	ANNUAL FEE	71 301	43 256
	FEE PER MEETING	9 012	7 209
REMCO & NOMCO	ANNUAL FEE	43 255	28 837
	FEE PER MEETING	7 209	5 407
SOCIAL & ETHICS	ANNUAL FEE	43 255	28 837
	FEE PER MEETING	7 209	5 407
OUT OF OFFICE FEES	FEE PER MEETING	10 648	10 648

** Boards and committees fees of subsidiaries are 75% of the above-mentioned fee structure*

PROPOSED FEES FOR THE PERIOD FROM 1 FEBRUARY 2022

		CHAIRMAN	MEMBER
BOARD	ANNUAL FEE	500 000	250 000
ARC & INVESTMENT COMMITTEES	ANNUAL FEE	250 000	200 000
REMCO & NOMCO & SOCIAL & ETHICS	ANNUAL FEE	50 000	50 000
SUBSIDIARY BOARDS	ANNUAL FEE	150 000	150 000
OUT OF OFFICE FEES	FEE PER DAY	10 000	10 000
SUBSIDIARY DIRECTORS (NOT APPOINTED AS DIRECTOR OF TRUSTCO)	ANNUAL FEE	300 000	300 000

NOTICE OF **ANNUAL GENERAL MEETING** (CONTINUED)

7. ORDINARY RESOLUTION NUMBER 6
APPROVAL FOR THE CONTROL OF THE AUTHORISED BUT UNISSUED SHARES.

Resolved that the authorised but unissued ordinary shares in the share capital of the company be and are hereby placed under the control and authority of the directors and that the directors be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares or to issue any options in respect of, or instruments that are convertible into such shares, to such person/s on such terms and conditions and at such times as the directors may from time to time determine and at their discretion deem fit, subject to the provisions of the Companies Act, the memorandum and articles of association of the company and the JSE LR, when applicable.

This general authority will be valid until the earlier of the company's next AGM or the expiry of a period of 15 (fifteen) months from the date that this authority is given.

8. ORDINARY RESOLUTION NUMBER 7
GENERAL AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE AUTHORISED BUT UNISSUED ORDINARY SHARES.

Resolved that the directors be and are hereby authorised to allot and issue, at their discretion, the unissued share capital of the company and /or grant options to subscribe for unissued shares, for such purposes and on such terms and conditions as they may determine, subject to the provisions of the Companies Act, the memorandum and articles of association of the company and the JSE and NSX LR, as amended from time to time.

- The general authority be valid until the company's next AGM provided that it shall not extend beyond 15 (fifteen) months from the date of the passing of this ordinary resolution (whichever period is shorter).
- The allotment and issue of the shares must be made to public shareholders as defined in the JSE LR and not to related parties.
- The shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue.
- The general issue of shares for cash under this authority may not exceed 15% (fifteen percent) of the company's issued ordinary share capital as at the date of this notice of AGM (net of treasury shares) being 235 427 766 shares.
- Any securities issued in terms of this general authority must be deducted from the initial number of securities available under this resolution.
- In the event of a sub-division or consolidation of issued securities during the period of this general authority, the general authority must be adjusted accordingly to represent the same allocation ratio.
- The maximum discount at which ordinary shares may be issued is 10% (ten percent) of the volume weighted average traded price of those shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities or any other price agreed to by the JSE.
- Once the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue (including the number of shares issued, the average discount to the volume weighted average traded price of the shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed in writing between the issuer and the party subscribing for the shares and the effect of the issue on net asset value, net tangible asset value, earnings and headline earnings per share), or any other announcements that may be required in such regard in terms of the JSE LR which may be applicable from time to time.
- In terms of the JSE LR, a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting is required to give effect to this resolution.

9. ORDINARY RESOLUTION NUMBER 8
APPROVAL TO ISSUE OPTIONS OR CONVERTIBLE INSTRUMENTS FOR CASH.

Resolved that, in terms of paragraph 5.53(A) (ii)of the JSE LR, the directors be and are hereby authorised, by way of a general authority, to allot and issue any options in respect of, or instruments that are convertible into, any of the authorised but unissued ordinary shares in the capital of the company for cash, as and when they at their discretion deem fit, subject to the Companies Act, the memorandum and articles of association of the company and the JSE LR, when applicable, provided that:

- The options or convertible instruments must be convertible into a class of share already in issue.
- The options or convertible instruments must be issued to public shareholders as defined in the JSE LR and not to related parties.
- The number of shares into which the options or convertible instruments may be exercised or converted into shall not, in the aggregate in any one financial year, exceed 15% of the company's relevant number of shares as at the date of this notice of AGM (net of treasury shares) being 235 427 766 shares.
- This general authority will be valid until the earlier of the company's next AGM or the expiry of a period of 15 (fifteen) months from the date that this authority is given.
- If shares are issued representing, on a cumulative basis, 5% (five percent) or more of the number of shares in issue prior to that issue as a result of the exercise of options or conversion of securities issued under this general authority, an announcement containing the full details of such issue shall be published on SENS.
- In determining the strike or conversion price at which an option or convertible security may be issued in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed between the issuer and the party subscribing for the options or convertible instruments. The JSE will be consulted for a ruling if the company's shares have not traded in such 30 (thirty) business day period.
- If the strike or conversion price of the options or convertible instruments is at a discount that exceeds the maximum discount contemplated in paragraph 5.52(d) of the JSE LR, then the grant or issue may only proceed if the directors have obtained a fairness opinion, in accordance with Schedule 5 of the JSE LR, from an independent expert acceptable to the JSE confirming that the grant or issue is fair insofar as the shareholders of the company are concerned.
- In terms of the JSE LR, a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at general meeting is required to give effect to resolution.

10. SPECIAL RESOLUTION NUMBER 2
GENERAL AUTHORITY TO REPURCHASE SHARES.

Resolved that, subject to compliance with the memorandum and articles of association of the company and its subsidiaries, section 89 of the Companies Act, the JSE LR and the requirements of any other stock exchange the company is listed on, the directors of the company are hereby authorised (at their discretion and whilst the prevailing share price does not reflect the intrinsic value of the group) to acquire on behalf of the company or any of its subsidiaries, by repurchase, on the JSE or any other stock exchange, ordinary shares issued by the company provided that:

- The repurchase of securities must be effected through the order book operated by the JSE trading system or any other exchange and done without any prior understanding or arrangement between the company and the counter party.
- Authorisation thereto must be given by the company's and its subsidiaries' memorandum and articles of association.
- This general authority will be valid only until the company's next AGM, provided that it does not extend beyond fifteen months from the date of the passing of this special resolution.
- The number of shares which may be repurchased pursuant to this authority in any financial year may not in the aggregate exceed 20% (twenty percent) of the company's issued share capital as at the date of passing of this general resolution or 10% (ten percent) of the company's issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company.
- In determining the price at which the company's ordinary shares are repurchased by the company or its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be repurchased will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the five trading days immediately preceding the date of the repurchase of such ordinary shares by the company or its subsidiaries.
- The board will have acknowledged by resolution that the company will satisfy the solvency and liquidity test immediately after the repurchase and that since the test was done there have been no material changes to the financial position of the company and the group.

NOTICE OF **ANNUAL GENERAL MEETING** (CONTINUED)

- Neither the company nor its subsidiaries will repurchase securities during a prohibited period, as defined in paragraph 3.67 of the JSE LR, unless a repurchase programme is in place in terms of which the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company will instruct an independent third party, which makes its investment decisions in relation to the company's securities independently, of and uninfluenced by the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.
- When the company has cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be published on SENS and in the financial press.
- At any point in time the company will appoint only one agent to effect any repurchase(s) on its behalf.

The directors of the company undertake that they will not effect a general repurchase of shares as contemplated above, unless the following conditions are met:

1. The company and the group are in a position to repay their debt in the ordinary course of business for a period of 12 (twelve) months after the date of the repurchase.
2. The company's and the group's assets will be in excess of the liabilities of the company and the group for a period of 12 (twelve) months after the date of the repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated AFS, which comply with the Companies Act.
3. The share capital and reserves of the company and the group are adequate for a period of 12 (twelve) months following the date of the repurchase.
4. The available working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the repurchase.

11. ORDINARY RESOLUTION NUMBER 9

APPROVAL FOR DIRECTORS' AUTHORITY TO SIGN DOCUMENTS.

The adoption of the resolutions no 1 - 10 will authorise any director of the company to execute all documents and do all such further acts and things as he/she may in his/her discretion considers appropriate to implement and give effect to the resolutions mentioned above.

Resolved that each director of Trustco be and is individually authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of the resolutions mentioned above, passed at the AGM.

MATERIAL CHANGE

Other than the facts and developments reported on in the IAR and the AFS of 31 August 2021, there have been no material changes in the affairs or financial position of Trustco and its subsidiaries from 30 September 2020 to the date of this notice.

Voting for special resolution

The percentage voting rights required for this special resolution to be adopted is at least 75% (seventy five percent) of the voting rights exercised on the resolution.

Disclosure in terms of section 11.26 of the JSE LR

The following additional information is provided in terms of paragraph 11.26 the JSE LR for purposes of the special resolution:

- There were no changes in the authorised share capital of the company during the period under review.
- The company has 883 961 419 unissued securities (as at 31 August 2021).
- The company does not have a share incentive scheme.
- The company repurchased 719 491 shares during the financial year under review.

The full note on share capital is set out on page 166 of the integrated annual report.

DIRECTORS' INTEREST

Details of the beneficial direct and indirect interests of directors in the shares of the company are set out below:

30 SEPTEMBER 2020 NAMES	DIRECT	INDIRECT	TOTAL 30 SEP '20	SHAREHOLDING %
EXECUTIVE DIRECTORS				
Q VAN ROOYEN	307 137 454	696 862 606	1 004 000 060	63.94
FJ ABRAHAMS	2 451 518	-	2 451 518	0.16
NON-EXECUTIVE DIRECTORS				
W GEYSER	116 088	-	116 088	0.01
R HEATHCOTE	1 354 802	-	1 354 802	0.09
R TALJAARD	37 501	-	37 501	0.00
L WELDON (RESIGNED 25 MAR 2020)	-	25 400	25 400	0.00
K VAN NIEKERK (RESIGNED 25 MAR 2020)	-	-	-	0.00

The percentage of shareholding is net of treasury shares

31 AUGUST 2021 NAMES	DIRECT	INDIRECT	TOTAL 31 AUG '21	SHAREHOLDING %
EXECUTIVE DIRECTORS				
Q VAN ROOYEN	307 137 454	696 862 606	1 004 000 060	63.97
FJ ABRAHAMS	2 451 518	-	2 451 518	0.16
NON-EXECUTIVE DIRECTORS				
W GEYSER	124 415	-	124 415	0.01
R HEATHCOTE	1 354 802	-	1 354 802	0.09
R TALJAARD	50 151	-	50 151	0.00
L WELDON (RESIGNED 25 MAR 2020)	-	25 400	25 400	0.00
K VAN NIEKERK (RESIGNED 25 MAR 2020)	-	-	-	0.00
J VAN DER HEEVER (APPOINTED 1 NOV 2021)	76 515	-	76 515	0.00
R MARNEY (APPOINTED 25 MAR 2021)	-	-	-	0.00

The percentage of shareholding is net of treasury shares

* Total issued shares as at 31 August 2021 - 1 616 038 581
* Treasury shares as at 31 August 2021 - 46 520 138
* Shares calculated net of treasury shares as at 31 August 2021 - 1 569 518 443

There were no changes in the directors' interest between the reporting date and publishing date of this report.

NOTICE OF **ANNUAL GENERAL MEETING** (CONTINUED)

LARGE SHAREHOLDERS (AS AT 31 AUGUST 2021)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
VAN ROOYEN, QUINTON	307 137 454	696 862 606	1 004 000 060	63.97
PROTEA ASSET MANAGEMENT LLC	339 525 604			21.64
- RISKOWITZ VALUE FUND	212 935 148			
- ITHUBA INVESTMENTS	126 590 456			
GERMINATE SL LTD	85 416 666		85 416 666	5.44
CONSTANTIA INSURANCE COMPANY LIMITED	44 856 616		44 856 616	2.86
MIDBROOK LANE PROPRIETARY LIMITED	6 205 000		6 205 000	0.40
SAXO BANK AS - CLIENT ASSETS	6 015 305		6 015 305	0.39
GOVERNMENT EMPLOYEES PENSION	5 461 236		5 461 236	0.35
FUND PUBLIC INVESTMENT CORPORATION				
CITICLIENT NOMINEES NO 8 NY GW	5 343 021		5 343 021	0.34
SEAFWELL INVESTMENTS CC	5 006 088		5 006 088	0.32
GRAND TOTAL	**804 966 990**	**696 862 606**	**1 501 829 596**	**95.71**

* Total issued shares as at 31 August 2021 - 1 616 038 581
* Treasury shares as at 31 August 2021 - 46 520 138
* Shares calculated net of treasury shares as at 31 August 2021 - 1 569 518 443

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear in this integrated report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to the special resolutions and certify that to the best of their knowledge and belief there are no facts in relation to special resolutions that have been omitted which would make any statement in relation to special resolutions false or misleading and that all reasonable enquiries to ascertain such facts have been made and that special resolutions, together with this notice, contain all information required by law and the JSE LR in relation to special resolutions.

VOTING AND PROXIES

A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend, speak and on a poll, vote in his/her stead. A proxy need not to be a member of the company. A form of proxy is attached for the convenience of any certified shareholder and "own name" registered dematerialised shareholder who cannot attend the AGM, but wishes to be represented thereat.

Voting will be performed by way of a poll, so that each shareholder present or represented by way of proxy will be entitled to vote the number of shares held or represented by him or her. Equity securities held by a share trust or scheme will not have their voting at the AGM considered for the purposes of resolutions proposed in terms of the JSE LR.

Shares held as treasury shares are not entitled to vote.

Electronic participation in the AGM.

Shareholders or their proxy(ies) may participate in the AGM by way of electronic participation. Should any shareholder, representative, or proxy for a shareholder wish to participate in the AGM *via* electronic communication, that person must apply in writing to the company secretary, as detailed in Annexure A to this notice of AGM and by delivering the application form set out thereafter at least seven (7) business days prior to the AGM to arrange for shareholders (or representative or proxy) to provide reasonable satisfactory identification to the company secretary to provide the shareholder (or representative or proxy) with details on how to access the AGM by means of electronic participation. This will also be announced *via* SENS

By order of the board

KOMADA HOLDINGS (PTY) LTD
COMPANY SECRETARY
31 January 2022

ANNEXURE **A**

ELECTRONIC PARTICIPATION AT THE AGM

1. A shareholder, representative, or proxy for a shareholder who wishes to participate in the AGM *via* electronic communication (participant), should apply in writing to the group's company secretary, by posting the application or *via* email, as per the contact details provided below, at least seven (7) business days prior to the AGM to arrange for shareholder (or representative or proxy) to provide reasonable satisfactory identification to the company secretary with details on how to access the AGM by means of electronic participation.

komada@tgh.na
Trustco House
2 Keller Street
Windhoek
Namibia

2. Participants must note that they will not be able to vote during the AGM. Such Participants, should they wish to have their vote(s) counted at the AGM, must act in accordance with the voting instructions contained in this notice of the AGM, i.e. to the extent applicable:

   i. Complete the form of proxy; or
   ii. Contact their CSDP.

3. Important notice

3.1 Each participant will be contacted between 10 to 15 March 2022 *via* email and/or SMS with a code to allow them to dial in.

3.2 The cost of the participant's electronic communication will be for his/her own expense and will be billed separately by his/her own service provider.

3.3 The cut-off time to participate in the meeting will be 16 March 2022 at 12h00. No late dial-in will be accommodated.

TERMS AND CONDITIONS FOR PARTICIPATION AT THE AGM *VIA* ELECTRONIC COMMUNICATION

- The cost of dialling-in using electronic communication to participate in the AGM is for the expense of the participant and will be billed separately by the participant's own service provider.
- The participant acknowledges the electronic communication provided by a third party and indemnifies the company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic communication, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the company, whether for consequential damages or otherwise, arising from the use of the electronic communication or any defect in it or from total or partial failure of the electronic communication and connections linking the electronic communication to the AGM.
- The application will only be deemed successful if this application form has been completed and fully signed by the participant.

Shareholder name: ________________________________

Signature:____________________________________

Date: ____

THE APPLICATION FORM

FULL NAME OF THE SHAREHOLDER	
ID NUMBER	
EMAIL ADDRESS	
CELL NUMBER	
TELEPHONE NUMBER	
NAME OF CSDP OR STOCKBROKER (IF SHARES ARE HELD IN DEMATERIALISED FORMAT)	
CONTACT NUMBER OF CSDP/STOCKBROKER	
CONTACT PERSON OF CSDP/STOCKBROKER	
NUMBER OF SHARE CERTIFICATES (IF APPLICABLE)	
SIGNATURE	
DATE	

FORM OF **PROXY**

Trustco Group Holdings Limited
(Incorporated in the Republic of Namibia and registered as an external company in South Africa)
Registration number 2003/058
External Registration number: 2009/002634/10
JSE share code: TTO: NSX share code: TUC
('Trustco Group Holdings Limited' or 'the company')
ISIN number: NA000A0RF067

This form of proxy is for use by certificated ordinary shareholders and "own name" dematerialised ordinary shareholders of the company only at the AGM of the company's shareholders to be held at Trustco House, 2 Keller Street, Windhoek on 17 March 2022 (the annual general meeting or the AGM).

Dematerialised shareholders, other than "own name" dematerialised shareholders, who wish to attend the AGM must instruct their CSDP or broker to issue them with the necessary authority to attend. Should dematerialised shareholders, other than "own name" dematerialised shareholders, be unable to attend the AGM in person, but wish to vote by proxy, they must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and their CSDP or broker.

Shareholders who have dematerialised their shares, other than "own name" dematerialised shareholders, must inform their CSDP or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the necessary letter of representations to attend or provide their CSDP or broker with their voting instruction should they not wish to attend the company's AGM in person. Such shareholders must not return this form of proxy to the transfer secretaries.

I/We ....
Being member/s of Trustco Group Holdings Limited and holding shares entitled 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 AGM as my proxy to vote for me/us on my/our behalf at the AGM.

Signed at, ... on this ....
day of .... 2022.

Address:, ...

Signature: ....

Mark with an X whichever is appropriate. Unless otherwise directed, the proxy will vote or abstain as he/she deems fit in respect of the member's total holdings. A member entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and on a poll, vote in his/her stead. A proxy need not to be a member of the company. Kindly complete and return the form to the Transfer Secretaries (Pty) Ltd, at 4 Robert Mugabe Avenue by 15 March 2022 at 12h00. South African shareholders must kindly complete and return the form to the Transfer Secretary, Computershare Investor Services (Pty) Ltd Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, by 15 March 2022 at 12h00.

GENERAL RESOLUTIONS (ORDINARY AND SPECIAL)	FOR	AGAINST	ABSTAIN
1. Approval of AFS and reports for financial year-ended 31 August 2021			
2. 2.1 To resolve that the company may appoint a maximum number of 12 directors			
2.2 To re-appoint Adv. R Heathcote as a non-executive director			
2.3 To appoint Mr. R Marney as a non-executive director			
2.4 To appoint Ms. J van der Heever as a non-executive director			
3. To appoint Nexia SAB&T as independent group external auditors			
4. 4.1 To re-appoint Mr. W Geyser as chairman of the ARC			
4.2 To appoint Mr. R Marney as member of the ARC			
4.3 To appoint Mr. T Newton as member of the ARC			
5. 5.1 Non-binding advisory endorsement of the company's remuneration policy			
5.2 Non-binding advisory endorsement of the company's remuneration implementation report			
6. 6.1 To approve the remuneration of non-executive directors for the period 1 September 2021 to 31 January 2022			
6.2 To approve the remuneration of non-executive directors for the period 1 February 2022 to 31 August 2022			
7. To approve the control of authorised but unissued ordinary shares			
8. To approve the general authority to issue shares for cash			
9. To approve the issue of options or convertible instruments for cash			
10. To approve the general authority to repurchase shares			
11. To approve directors authority to sign documents			

Signed at .... on this
day of .... 2022.
Address: ....
Signature: ....

NOTES

1. All shareholders are entitled to attend, be represented and vote at the company's AGM. Each shareholder present in person or represented by proxy at the AGM shall be entitled, on a show of hands, to one vote irrespective of the number of shares he/she holds or represents, provided that a proxy shall, irrespective of the number of shareholders he/she represents, have only one vote. On a poll, at the AGM, a shareholder who is present in person or represented by proxy shall be entitled to one vote for each share held or represented.

2. Shareholders who have dematerialised their ordinary shares through a CSDP or broker, other than "own name" registered dematerialised shareholders and who wish to attend the AGM must request their CSDP or broker to issue them with a letter of representation. Alternatively, dematerialised shareholders other than own name registered dematerialised shareholders, who wish to be represented, must provide their CSDP or broker with their voting instructions in terms of the custody agreement between them and their CSDP or broker in the manner and by timeframe stipulated.

3. A shareholder may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the AGM". If a deletion is made such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy and who is present at the company's AGM will be entitled to act as proxy to the exclusion of those names that follow.

4. A shareholder's instructions to the proxy as to whether to vote for, against or abstain from voting and in respect of the relevant number of shares to vote in such a manner, shall, in respect of the resolution, be indicated as follows:

a) by the insertion of an "X in the appropriate box provided to indicate whether to vote for, against, or abstain from voting. Such insertion, without the insertion of the relevant number of shares as contemplated in paragraph (b) below, shall require the proxy to vote or abstain from voting at the company's AGM as indicated by the "X" in respect of all (and not some) of the shareholder's votes exercisable thereat.

b) by the insertion of the relevant number of shares held by the shareholder in the company to indicate the number of shares to be voted for, against or abstain from voting (which will indicate the number of votes exercisable by the proxy on behalf of the shareholder on a poll), in the appropriate box provided. Such an insertion, with or without the insertion of an "X", shall require the proxy to vote or abstain from voting at the company's AGM as indicated by the number so inserted in respect of such inserted number (and not a portion) of shares.

c) by failure to insert anything in the appropriate box, such failure will be deemed to authorise the chairman of the AGM, if he is the proxy, to vote in favour and any other proxy to vote or abstain from voting at the company's AGM as he/she deems fit in respect of all (or a portion) of the shareholder's votes exercisable thereat.

5. A shareholder is not obliged to use all the votes exercisable by the shareholders, but the total of the votes cast and in respect of which abstention is recorded, whether by the shareholder of the proxy, may not exceed the total of the votes exercisable by the shareholder.

6. A duly completed form of proxy must be lodged with or posted to the Transfer Secretaries who must receive the proxies for all Namibian and South African shareholders, no later than Monday 15 March 2022 by 12h00.

Transfer secretary: Namibia	**Transfer secretary: South Africa**
Transfer Secretaries (Pty) Ltd 4 Robert Mugabe Ave Windhoek Namibia Po Box 2401 Windhoek Namibia	Computershare Investor Services (Pty) Ltd Rosebank Towers 15 Biermann Ave Rosebank 2196 Po Box 61051 Marshalltown 2107 South Africa

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person at the exclusion of any proxy appointed in terms thereof.

8. Documentary evidence establishing the authority of a person signing this form of proxy, in a representative or other legal capacity, must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the AGM, as the case may be.

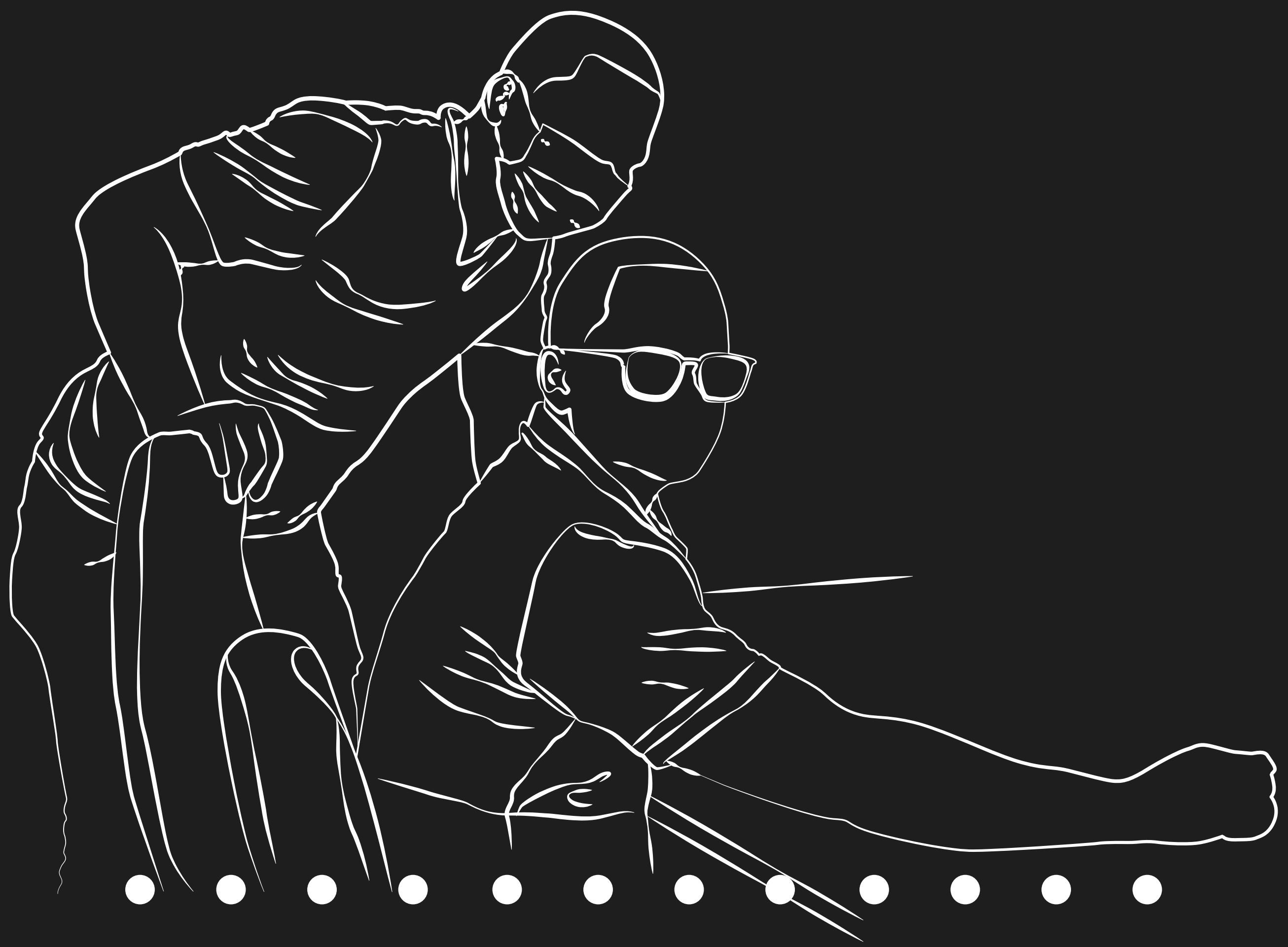
9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

10. The chairman of the AGM may reject or accept any form of proxy, which is completed and/or received, other than in compliance with the notes.

11. In respect of joint holders, any such person may vote at the company's AGM in respect of such joint shares as if he were solely entitled thereto, but if more than one of such joint holders are present or represented at the company's AGM, the person whose name appears first in the register in respect of such shares or his proxy as the case may be, is alone entitled to vote in respect thereof.

12. Equity securities held by a share trust or scheme will not have their votes at the AGM meeting considered for the purposes of resolutions proposed in terms of the JSE LR.

13. Unlisted securities (if applicable) and shares held as treasury shares may not vote.



CHAPTER

six

ADMINISTRATION SECTION

ADDITIONAL **INFORMATION**

DIRECTORATE OF KEY SUBSIDIARIES (AS AT 31 AUGUST 2021)

LEGAL SHIELD HOLDINGS LTD

Mr Winton Geyser	Independent	Non-executive	Director and chairman	Namibian citizen
Mr Renier Taljaard	Independent	Non-executive	Director	Namibian citizen
Mrs Janene van den Heever	Independent	Non-executive	Director	Namibian citizen
Mr Quinton Z van Rooyen		Executive	Director	Namibian citizen
Mr Floors Abrahams		Executive	Director	Namibian citizen
Dr Quinton van Rooyen		Executive	Director	Namibian citizen

TRUSTCO LIFE LTD

Mr Winton Geyser	Independent	Non-executive	Director and chairman	Namibian citizen
Mr Renier Taljaard	Independent	Non-executive	Director	Namibian citizen
Mrs Janene van den Heever	Independent	Non-executive	Director	Namibian citizen
Mr Quinton Z van Rooyen		Executive	Director	Namibian citizen
Ms Annette Brand		Executive	Director	Namibian citizen

TRUSTCO INSURANCE LTD

Mr Winton Geyser	Independent	Non-executive	Director and chairman	Namibian citizen
Mr Renier Taljaard	Independent	Non-executive	Director	Namibian citizen
Mrs Janene van den Heever	Independent	Non-executive	Director	Namibian citizen
Mr Quinton Z van Rooyen		Executive	Director	Namibian citizen
Ms Annette Brand		Executive	Director	Namibian citizen

ELISENHEIM PROPERTY DEVELOPMENT COMPANY LTD

Mr Floors Abrahams		Executive	Director	Namibian citizen
Mr Quinton Z van Rooyen		Executive	Director	Namibian citizen

TRUSTCO GROUP INTERNATIONAL (PTY) LTD

Mr Floors Abrahams		Executive	Director	Namibian citizen
Mr Quinton Z van Rooyen		Executive	Director	Namibian citizen

TRUSTCO BANK NAMIBIA LTD

Mr Thomas Newton	Independent	Non-executive	Director and chairman	Namibian citizen
Mr Stanley Similo	Independent	Non-executive	Director	Namibian citizen
Mr Winton Geyser	Independent	Non-executive	Director	Namibian citizen
Dr Quinton van Rooyen		Executive	Director	Namibian citizen
Mr Thomas Slabbert	Resigned 31 Dec 2020	Executive	Director	Namibian citizen

TRUSTCO FINANCE (PTY) LTD

Mr Renier Taljaard	Independent	Non-executive	Director and chairman	Namibian citizen
Mr Quinton Z van Rooyen		Executive	Director	Namibian citizen
Ms Adriana Lambert		Executive	Director	Namibian citizen
Mr Floors Abrahams		Executive	Director	Namibian citizen
Mr Thomas Slabbert	Resigned 31 Dec 2020	Executive	Director	Namibian citizen

TRUSTCO RESOURCES (PTY) LTD

Mr Richard Chetwode	Independent	Non-executive	Director and chairman	British citizen
Dr Quinton van Rooyen		Executive	Director	Namibian citizen
Mr Quinton Z van Rooyen		Executive	Director	Namibian citizen
Mr Floors Abrahams		Executive	Director	Namibian citizen
Mr Jan Joubert		Executive	Director	Namibian citizen

MEYA MINING (MAURITIUS)

Mrs Madhvi Mohadeb	Independent	Non-executive	Resident Director	Mauritian citizen
Mr Satidanand K Auchoybur	Independent	Non-executive	Resident Director	Mauritian citizen
Mr Ibrahim Kamara		Executive	Director	Sierra Leonian citizen
Mr Quinton Z van Rooyen		Executive	Director	Namibian citizen
Mr Floors Abrahams		Executive	Director	Namibian citizen

ADDITIONAL **INFORMATION** (CONTINUED)

CREDIT RATINGS

GLOBAL CREDIT RATING COMPANY (GCR)	SHORT-TERM	LONG-TERM	OUTLOOK
Trustco Nov 21	C (NA)	CCC- (NA)	Evolving
Trustco Oct 20	C (NA)	CCC- (NA)	Evolving
Trustco Sept 19	B (NA)	B+ (NA)	Positive
Trustco Dec 18	C (NA)	C (NA)	Evolving
Trustco Aug 18	LD (NA)	LD (NA)	
Trustco Aug 17	A2 (NA)	BBB+ (NA)	Stable
Trustco Jul 16	A2 (NA)	BBB+ (NA)	Stable
Trustco Jul 15	A2 (NA)	BB (NA)	Positive
Trustco Jul 14	A3 (NA)	BBB-(NA)	Stable
Trustco Jul 13	A3 (NA)	BBB-(NA)	Stable

FINANCIAL AND OTHER DEFINITIONS AND EXPLANATIONS

A

ADR	American Depository Receipt
AFS	Annual financial statements
AGM	Annual general meeting of Trustco
ALCO	Assets and liability committee of Trustco Bank
AML	Anti money laundering
ARC	Audit and risk committee

B

Basel	Banking regulations set by the Basel commission on banking supervision
Basic earnings per share (EPS)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue
Board	The board of directors

C

CAE	Chief Audit Executive
Capital adequacy ratio	Capital as a percentage of risk-weighted assets
CAR	Capital Adequacy Ratio
CEO	Chief Executive Officer
COLA	Cost Of Living Adjustment
Companies Act	The Namibian Companies Act, Act, 28 of 2004
CSI	Corporate Social Investment

D

Dr	Doctor

E

ECL	Expected credit loss
Effective tax rate	Direct taxation as a percentage of income before taxation
Elisenheim or EPDC	The mixed-use development known as Elisenheim and registered in Elisenheim Property Development Company Ltd
ESMS	Environmental and social management system

F

FRSC	Financial Reporting Standards Council
FSV	Financial soundness valuation

G

GCR	Global Credit Rating Company
GM	A general meeting of shareholders called to approve a transaction

H

Headline earnings	Determined, in terms of the circular issued by the South African Institute of Chartered Accountants at the request of JSE, by excluding from reported earnings specific separately identifiable remeasurements net of related tax and non-controlling interests
Headline earnings per share	Headline earnings divided by the weighted average number of ordinary shares in issue
HEPS	Headline earnings per share
Herboths	Herboths Property Development (Pty) Ltd situated on the remainder of Farm Herboths No 485
HR	Human resources
Huso	Huso Investments (Pty) Ltd
Huso transaction	The transaction approved by shareholders on 5 October 2015 as amended, which amendment was approved by shareholders on 13 June 2017, with regards to the acquisition by Trustco, through Trustco Resources of the entire shareholding in Huso of which Morse and NNDC are wholly owned subsidiaries

I

IASB	International Accounting Standards Board
IBOR	Interbank offered rate
IBNR	Incurred but not reported
ICT	Information and communication technology
ICT SSC	ICT strategy and steering committee
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
IOL	Institute for Open Learning (Pty) Ltd
IRBA	Independent Regulatory Board for Auditors
IRBA Codes	Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors
ISA	International Standards on Auditing

J

JSE	JSE Limited, a company duly registered and incorporated under the laws of South Africa, licenced as an exchange

ADDITIONAL **INFORMATION** (CONTINUED)

K

King IV Report	The King Code of Corporate Governance IV (2016)
KPI	Key Performance Indicator
Komada	Komada Holdings (Pty) Ltd

L

Lafrenz	Industrial development in Windhoek, owned by TGI
Land bank	The holding of undeveloped properties by Trustco
Legal Shield	Short-term insurance product of the insurance division
Legal Shield Holdings	Legal Shield Holdings Ltd and the holding company of the insurance and its investments
LR	Listings Requirements

M

MD	Managing director of Trustco
Meya	Meya Mining incorporated in Mauritius with registration number 141003C1/GBL
ML	Mining licence
Moore Stephens International	The external auditor of the Sierra Leonean operations and the Mauritian entities
Measurement period	Is any date on which any ratio is to be measured or a calculation made. Should any period be more or less than 12 (twelve) months, the numbers will be for comparison purposes only, be amended to a 12 (twelve) month period on a pro rata basis. The actual numbers for the period will be used for calculation of the management fee.

N

NAD	Namibia dollar
NamCode	Corporate Governance Code of Namibia
NAMFISA	Namibian Financial Institutions Supervisory Authority
Net asset value	Equity attributable to ordinary shareholders
Net asset value per share	Net asset value divided by the number of ordinary shares in issue at year-end
Next	Next Capital Ltd
NGOs	Non-governmental organisations
NNDC	Northern Namibia Development Company (Pty) Ltd
Nomco	Nomination committee
NSAP	Namibian Standard of Actuarial Practice
NSX	Namibian Stock Exchange
NTA	Namibia Tennis Association

O

Ondangwa	Proposed mixed use land development in Ondangwa of which the Ombala development forms a part of (registered in the name of Northern Industrial Estates (Pty) Ltd)
OTCQX	Marketplaces for the over-the-counter trading of stocks

P

PA	Per annum
PD	Probability of default
PDF	Portable Document Format
PPE	Property, Plant and Equipment
Profit for the period	Income statement profit attributable to ordinary shareholders

R

Reinsurance	Insurance or investment risk that is ceded to another insurer in return for premiums
Remco	Remuneration committee
Return on equity	Headline earnings as a percentage of monthly average ordinary shareholders' funds (expressed as percentage)
Risk appetite	An expression of the maximum level of residual risk that the group is prepared to accept in order to achieve its business objectives
Riskowitz Value Fund	Riskowitz Value Fund LP a New York based partnership registered in accordance with the laws of Delaware, USA
ROE	Return on equity

S

SAICA	The South Africa Institute of Chartered Accountants
SAN	Namibian Society of Actuaries
SENS	Stock Exchange News Service
Shares in issue	Number of ordinary shares in issue as listed on the exchange operated by the JSE
SL	Sierra Leone
SME	Small and medium enterprises
SRK Consulting	Global mining industry experts tasked to complete the competent persons report for Meya Mining Ltd

T

Trustco Construction	Trustco Construction Services (Pty) Ltd,
TGI	Trustco Group International (Pty) Ltd
TGH | Trustco	Trustco Group Holdings Ltd
Trustco Bank	Trustco Bank Namibia Ltd
Trustco Capital	Trustco Capital (Pty) Ltd
Trustco Finance	Trustco Finance (Pty) Ltd
Trustco Fleet	Trustco Fleet Management Services (Pty) Ltd
Trustco Insurance	Trustco Insurance Ltd
Trustco Life	Trustco Life Ltd
Trustco Properties	Trustco Property Holdings (Pty) Ltd
Trustco Resources	Trustco Resources (Pty) Ltd
TTO	Trustco JSE share code
Top40	Programme to motivate and reward employees who exceed expectations and excel irrespective of level of employment
TUC	Trustco NSX share code
TSCHY	Trustco OTCQX share code

U

USD	United States Dollar

V

VWAP	Volume Weighted Average Price

W

Weighted average number	The weighted average number of ordinary shares in issue during the financial year as listed on the JSE

ADDITIONAL **INFORMATION** (CONTINUED)

CORPORATE INFORMATION

BUSINESS ADDRESS AND REGISTERED OFFICES
TRUSTCO GROUP HOLDINGS LTD
Trustco House
2 Keller Street, Eros
Windhoek
Namibia

POSTAL ADDRESS
P O Box 11363
Windhoek
Namibia

HEAD OFFICE SWITCH BOARD
Tel: +264 61 275 4000
Fax: +264 61 275 4090
Web: www.tgh.na
E-Mail: info@tgh.na

REGIONAL OFFICES
ONGWEDIVA
Main Road
Ongwediva
Tel: +264 65 233 300

WALVIS BAY
168 Sam Nujoma Drive
Walvis Bay
Tel: +264 64 212 000

SOUTH AFRICAN OFFICE
CAPE TOWN
303-305 Oakmond
Somerset Links Business Park
De Beers Avenue
Somerset West, 7130
Tel: +27 21 852 0851

INTERNATIONAL OFFICES
SIERRA LEONE
38 Wilkinson Road
Freetown
Sierra Leone
Tel: +232 767 50984

MAURITIUS
OCORIAN (NON-MINING OPERATIONS) LTD
6th Floor, Tower A
1 Cybercity, 72201
Ebene
Mauritius

MAURITIUS (MINING OPERATIONS)
MONDIAL MANAGEMENT SERVICES LTD
Unit 2l, 2nd Floor, Standard Chartered Tower
19 Cybercity
Ebéne
Mauritius

TRUSTCO GROUP HOLDINGS LTD

(Incorporated in the Republic of Namibia and registered as an external company in South Africa)
Company Registration Number: 2003/058
External Company Registration:
Number 2009/002634/10
NSX Share Code: TUC
JSE Share Code: TTO
OTCQX Share Code: TSCHY
ISIN Number: NA000A0RF067

COMPANY SECRETARY
Komada Holdings (Pty) Ltd

AUDITORS: SOUTH AFRICA
Nexia SAB&T
50 Oxford Road Parktown
Johannesburg 2193
South Africa

BANKERS: NAMIBIA
Trustco Bank Namibia Ltd
Bank Windhoek Ltd
First National Bank of Namibia Ltd
Standard Bank Namibia Ltd

BANKERS: SOUTH AFRICA
Absa Group Ltd
First National Bank South Africa Ltd
Standard Bank South Africa Ltd

JSE EQUITY SPONSOR
Vunani Ltd through Vunani Corporate Finance
Vunani House, Vunani Office Park
151 Katherine Street, Sandown
Sandton

JSE DEBT SPONSOR
Merchantec (Pty) Ltd
(Merchantec Capital)
13th Floor, Illovo Point
68 Melville Road
Illovo, Sandton
Po Box 41480 Craighall 2024

EXECUTIVE DIRECTORS
F J Abrahams
Dr Q Van Rooyen

NON-EXECUTIVE DIRECTORS
W Geyser
R Taljaard
Adv R Heathcote Sc
R Marney

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Feedback

We welcome the views of our stakeholders on the integrated annual report.

Kindly contact us at annualreport@tgh.na with your feedback