



REVIEWED RESULTS

REVIEWED PROVISIONAL CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

TRUSTCO GROUP HOLDINGS LIMITED
FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2020

2020

REVIEWED PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NATURE OF THE BUSINESS

Trustco is a diversified triple listed majority family owned and operated business, 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. Its head office and major investments and operations are situated in Namibia with operations in South Africa, Sierra Leone and Mauritius.

BUSINESS REVIEW AND OUTLOOK

The 18 month financial period reported on turned out to not only be a challenging period for Trustco, but also for Namibia and the world. With the world at large experiencing worsening macro-economic conditions due to the COVID-19 pandemic, Namibia's recessionary environment deteriorated. Trustco would not emerge unscathed from this financial period.

Trustco, however, is nothing if not resilient, and implemented several measures to minimize the impact of external conditions on the group. During this reporting period, the group restructured its debt with its international funders, with interest payments, capital holidays as well as term extensions up to seven years being negotiated. The group also negotiated a term loan facility of USD 20 million with an existing international funder to provide student financing and debt relief to students during the pandemic.

During this time, the group also changed its financial year-end to September. While the above served to minimize the impact on stakeholders, it unfortunately did not nullify it. The group recorded revenues of NAD 618 million, down 57% from the previous period, or 72% down if normalized to 12 months. Group earnings similarly decreased by 148% to a NAD 266 million loss, or down 132% if normalized. A significant portion of this loss (NAD 279 million) was due to property revaluations triggered by adverse market conditions, which the group expects will recover once the current crisis subsides.

The group, however, remains lowly geared, diversified, well capitalised and is positioned to take advantage of the inevitable economic upswing in the wake of the pandemic. The board remains positive about future growth, especially as the resource segment transitions to commercial production.

FINANCIAL SERVICES SEGMENT

Trustco Financial Services capitalised on internal synergies, maintaining resilient performance despite adverse economic conditions. The segment remains optimally positioned to enhance and execute growth opportunities to unlock value.

INSURANCE BUSINESS (NAMIBIA)

Trustco Insurance is continuously and consistently committed to the needs of Namibians from all walks of life through its diversified product offering while building on its loyal client base. Providing value to Namibians remains the foundation of the business' growth and sustainability. Revenue for the eighteen month period was NAD 172 million compared with NAD 129 million in the previous twelve month period. With an established panel of professional service providers and a household brand, the insurer's performance is the result of careful and consistent execution of its strategic vision.

INVESTMENTS

The properties division in the insurance value chain 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 acute shortage of serviced land in the country remains a priority and the most profound constraint is the mismatch between the supply of developed land and the demand therefor. Although a depressed economy negatively impacted almost all sectors within Namibia and delayed the implementation of the development plans of the group, property sales experienced a reinvigoration during the reporting period with slightly higher cash conversion of property sales recorded at NAD 130 million for the current eighteen month period compared to NAD 71 million in the previous reporting year. This can be expected due to the overall reduction of the prime interest rate increasing affordability primarily within the residential segment of the property market.

Trustco Properties will continue to focus on repositioning itself within new market segments to deliver a variety of housing options, focusing on adding additional value to a quality lifestyle and providing serviced land specifically tailored to existing and anticipated market trends and needs.

BANKING AND STUDENT LENDING BUSINESS

Trustco Bank's strategy goes beyond purely creating financial value: it is about creating lasting growth for all its stakeholders. The bank aims to build a bank fit for future generations – one that can adapt rapidly to changing social and economic environments. The next phase of the Trustco Bank's strategy will enhance its existing competitive strengths and create new capabilities.

The student lending business maintained its vision to better meet the needs of lower income Namibian consumers while playing a pivotal role in making financial inclusion a viable option for everyone.

After securing new funding to the value of USD 20 million to assist students in Namibia, investment into the loan book remains a priority and is testament to the quality of the loan book and to its successful operating business model. Trustco Finance is committed to enroll approximately 10 000 students within the next 24 months.

While the constraints of COVID-19 have seen forecast default rates increase, Trustco Finance has applied concerted strategies to manage credit checks to ensure that the quality of the loan book is not compromised, thereby limiting the impact of the pandemic on the NPL's.

The banking and student lending business has combined gross loans and advances to the value of NAD 1.8 billion before any credit impairments.

PROVISION OF DISTANCE EDUCATION (INSTITUTE FOR OPEN LEARNING)

The Institute for Open Learning has grown rapidly to become the largest private higher distance education institution in Namibia, providing affordable education to over 60,000 students across the country.

With all its academic qualifications accredited with the Namibian Qualifications Authority (NQA) and registered on the National Qualifications Framework (NQF), IOL is also registered with the National Council of Higher Education (NCHE). For teaching and learning, IOL ensures consistent external compliance and internal alignment of a sustainable qualification and academic programme offerings. The institution is committed to quality teaching in a blended environment and prioritises student access and success.

IOL's institutional governance and management structures have continuously adapted to meet emerging regulatory requirements and combines its socio-economic dynamics with a culture of innovation and development. Revenue increased from NAD 45 million for the 2019 financial year to NAD 70 million for the eighteen month period.

RESOURCES SEGMENT

During the reporting period the resources segment recorded growth of 138% in profits, totalling NAD 1.2 billion compared to the previous period (2019: NAD 486 million). With additional investment into the exploration, evaluation and mining assets of the segment, net assets increased to NAD 1.3 billion from NAD 1.1 billion in 2019FY.

Since March 2020, the COVID-19 pandemic exacerbated the global economic setbacks both 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 and Morse Investments (Pty) Ltd in northern Namibia.

Due to the decline in mine output and with consumer spending on diamonds exceeding expectations in Q4 2020, the market entered 2021 undersupplied. As a result, diamond prices have recovered to pre-pandemic levels. However, the diamond market's underlying supply challenges are anticipated to worsen during the next financial period.

Meya Mining, situated in Sierra Leone, is well positioned to take advantage of the opportunities in the market. The group's primary focus is to implement Meya Mining's (Meya) underground mine plan in accordance with the 15-year mine design and schedule as reviewed by SRK Consulting (Canada). The underground development kicked off in January 2021 with the Portal (underground access), which is scheduled to be concluded by Q2 2021. During this period Meya will extract the first 5,000 tonne ore (Kimberlite) from the same geological domain in which the 476 carat Meya Prosperity diamond was recovered.

SALIENT FEATURES OF THE REVIEWED PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND SELECTED NOTES

The Reviewed Provisional Condensed Consolidated Financial Statements comprise the Condensed Consolidated Statements of Financial Position as at 30 September 2020, the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the 18 month period ended 30 September 2020, Condensed Consolidated Statements of Equity and Cash Flows and selected accounting policies and explanatory notes for the period then ended.

When reference is made to the "group" in the Reviewed Condensed Consolidated Financial Statements, it should be interpreted as referring to Trustco Group Holdings Ltd and its subsidiaries, where the context requires, unless otherwise noted.

BASIS OF PREPARATION

The Reviewed Provisional Condensed Consolidated Financial Statements are prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements for provisional reports and the requirements of the Namibian Companies Act. The Listings Requirements require provisional reports to be prepared in accordance with the framework, concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The Reviewed Provisional Condensed Consolidated Financial Statements are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS.

These Reviewed Provisional Condensed Consolidated Financial Statements incorporate the financial results of the company and its subsidiaries. All significant transactions and balances between group enterprises are eliminated on consolidation.

These reviewed condensed consolidated financial statements should be read in conjunction with the group's latest consolidated annual financial statements as at and for the year ended 31 March 2019, and do not include all the information required for a complete set of IFRS financial statements.

Explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position and performance since the previous annual financial statements.

The preparation of the Reviewed Provisional Condensed Consolidated Financial Statements for the period ended 30 September 2020 was supervised by the Financial Director, Mr Floors Abrahams.

The directors take full responsibility for the preparation of the Reviewed Provisional Condensed Consolidated Financial Statements for the period ended 30 September 2020.

ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies applied in the preparation of the Reviewed Provisional Condensed Consolidated Financial Statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements, other than for the adoption of IFRS 16.

The group adopted the new IFRS 16 accounting standard with effect from 1 April 2019. The financial implication and associated disclosure related to the adoption of the new standard has been fully disclosed in these condensed consolidated financial statements.

The preparation of the reviewed provisional condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

PRESENTATION CURRENCY

The reviewed provisional condensed consolidated financial statements are presented in Namibian Dollars (NAD), the functional currency of the group. All amounts are rounded to the nearest thousand, except where another rounding measure has been indicated in the condensed consolidated financial statements.

At 30 September 2020, NAD1 was equal to ZAR1 and USD16.17. At 31 March 2019, NAD1 was equal to ZAR1 and USD14.13.

REVIEW OPINION

These provisional condensed consolidated financial statements have been reviewed by the company's JSE accredited auditors, Nexia SAB&T, whom have expressed an unmodified review conclusion with emphasis of matter. The review was performed in accordance with ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

The auditors report contained the following Emphasis of Matter paragraphs:

Investment property valuations

We draw attention to note 5 of the condensed consolidated financial statements which includes sensitivity analyses for various investment properties carried at fair value as at 30 September 2020, including the key unobservable assumptions applied in the valuation process, and the financial impact associated with a changes in these valuations.

JSE Limited Pro-Active Monitoring Process

We draw attention to note 29 of the condensed consolidated financial statements, which describes the conditions associated with the proactive monitoring and the instruction received by the JSE Limited to restate the annual financial statements for the year ended 31 March 2019, as well as management's steps taken with regard to the instruction.

Helios Oryx Limited Litigation

We draw attention to note 28 of the condensed consolidated financial statements, which describes the ongoing litigation with Helios Oryx Limited relating to the facility agreement entered into between the parties amounting to NAD349 million as at 30 September 2020, as well as the security provided against the facility.

Our opinion is not modified in respect of these matters."

The auditors' review report is available for inspection at the company's registered office.

The Auditor's Report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the Auditor's engagement, they should obtain a copy of the Auditor's Report together with the accompanying financial information from the company's registered office.

ACKNOWLEDGEMENTS

The board of directors of Trustco acknowledge with gratitude the efforts and commitment from stakeholders and staff.

AUTHORISATION OF REVIEWED PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These reviewed provisional condensed consolidated financial statements were approved for issue by the board of directors on 29 January 2021, and were signed on their behalf by:

ADV RAYMOND HEATHCOTE SC

(Chairman)
Windhoek
29 January 2021

DR Q VAN ROOYEN

(Chief Executive Officer)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in Namibia Dollar thousand	Notes	30 September 2020 Reviewed	31 March 2019 (Restated) Audited	31 March 2018 (Restated) Audited
Assets				
Cash and cash equivalents		144 020	172 791	68 942
Advances	1	921 859	1 387 091	1 754 103
Trade and other receivables	2	276 070	331 543	391 198
Current tax receivable		2 473	4 495	6 004
Assets held for sale	3	343 636	-	-
Amounts due by related parties	4	-	-	528 194
Inventories		129 917	119 577	403 482
Investment property	5	1 780 167	2 399 618	1 476 818
Intangible assets		419 110	452 521	462 452
Property, plant and equipment	6	392 644	670 256	591 515
Evaluation and exploration assets	7	474 211	530 275	278 638
Mine properties	8	607 699	164 875	-
Deferred tax assets		125 401	147 293	150 656
Total assets		5 617 207	6 380 335	6 112 002
Equity and liabilities				
Liabilities				
Borrowings	9	1 413 600	1 251 066	1 332 551
Trade and other payables	10	645 004	386 260	430 279
Current tax payable		24 829	10 243	8 938
Liabilities of assets held for sale	3	1 161	-	-
Insurance contract liabilities		51 551	45 393	63 057
Amounts due to related parties	4	206 094	1 021 276	-
Other liabilities		78 308	63 447	71 760
Deferred tax liabilities		41 783	66 637	216 248
Total liabilities		2 462 330	2 844 322	2 122 833
Capital and reserves				
Share capital	12	371 691	224 084	190 245
Share premium	12	3 094 401	921 719	267 400
Treasury shares		(228 680)	(197 959)	(200 804)
Other reserves	13	(3 275 208)	(869 002)	44 933
Retained earnings		2 769 018	2 967 240	3 284 849
Equity attributable to equity holders of parent		2 731 222	3 046 082	3 586 623
Non-controlling interest	14	423 655	489 931	402 546
Total capital and reserves		3 154 877	3 536 013	3 989 169
Total equity and liabilities		5 617 207	6 380 335	6 112 002

Prior period results have been restated to reflect the effect of correct treatment of the recognition of the sale of unserviced land. Refer to note 11 for further information.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

Figures in Namibia Dollar thousand	Notes	18 Months ended 30 September 2020 Reviewed	12 Months ended 31 March 2019 (Restated) Audited
Revenue	15	617 652	1 449 718
Cost of sales		(183 077)	(562 159)
Gross profit		434 575	887 559
Investment and other income	16	984 882	554 792
Operating expenses		(1 303 793)	(708 576)
Insurance benefits and claims		(42 921)	(16 784)
Finance costs	17	(378 185)	(202 144)
(Loss)/profit before tax	18	(305 442)	514 847
Income tax (expense)/benefit		(37 800)	148 280
(Loss)/profit for the period		(343 242)	663 127
Other comprehensive (loss)/income:		(123 651)	9 137
<i>Items that will not be reclassified to profit or loss:</i>			
Losses on revaluation of property plant and equipment		-	(2 700)
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(123 651)	11 837
Total comprehensive (loss)/income for the period		(466 893)	672 264
(Loss)/profit attributable to:			
Owners of the parent		(266 102)	558 705
Non-controlling interest		(77 140)	104 422
		(343 242)	663 127
Total comprehensive (loss)/income attributable to:			
Owners of the parent		(386 577)	556 483
Non-controlling interest		(80 316)	115 781
		(466 893)	672 264
Earnings per share			
Basic earnings per share (cents)		(19.95)	65.21
Diluted earnings per share (cents)		(19.87)	37.49

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in Namibia Dollar thousand	Share capital	Share premium	Other reserves	Treasury shares	Retained income	Equity attributable to owners of the company	Non-controlling interest	Total equity
Audited								
Balance at 31 March 2018 as previously reported	190 245	267 400	44 933	(200 804)	3 426 491	3 728 265	437 956	4 166 221
Prior period error (note 11)	-	-	-	-	(141 642)	(141 642)	(35 410)	(177 052)
Balance at 31 March 2018 as restated	190 245	267 400	44 933	(200 804)	3 284 849	3 586 623	402 546	3 989 169
Profit for the period	-	-	-	-	558 705	558 705	104 422	663 127
Other comprehensive (loss)/income	-	-	(2 222)	-	-	(2 222)	11 359	9 137
Total comprehensive (loss)/income	-	-	(2 222)	-	558 705	556 483	115 781	672 264
Issue of shares	33 839	654 319	(16 250)	-	-	671 908	-	671 908
Adjustment on initial application of IFRS 9	-	-	-	-	(247 531)	(247 531)	-	(247 531)
Transfer between reserves	-	-	17 023	-	(17 023)	-	-	-
Common control transaction	-	-	(3 197 685)	-	-	(3 197 685)	-	(3 197 685)
Shares for vendors	-	-	2 285 199	-	-	2 285 199	-	2 285 199
Treasury shares sold	-	-	-	4 806	3 465	8 271	-	8 271
Treasury shares acquired	-	-	-	(1 961)	-	(1 961)	-	(1 961)
Transaction with non-controlling interest	-	-	-	-	(615 225)	(615 225)	(28 396)	(643 621)
Balance at 31 March 2019	224 084	921 719	(869 002)	(197 959)	2 967 240	3 046 082	489 931	3 536 013
Reviewed								
Opening balance as previously reported	224 084	921 719	(869 002)	(197 959)	3 158 409	3 237 251	537 723	3 774 974
Prior period error (note 11)	-	-	-	-	(191 169)	(191 169)	(47 792)	(238 961)
Balance at 1 April 2019 as restated	224 084	921 719	(869 002)	(197 959)	2 967 240	3 046 082	489 931	3 536 013
(Loss)/profit for the period	-	-	-	-	(266 102)	(266 102)	(77 140)	(343 242)
Other comprehensive (loss)/income	-	-	(120 475)	-	-	(120 475)	(3 176)	(123 651)
Total comprehensive (loss)/income	-	-	(120 475)	-	(266 102)	(386 577)	(80 316)	(466 893)
<i>Issue of shares</i>								
• Settlement of vendor shares (Note 12.1)	144 624	2 140 575	(2 285 199)	-	-	-	-	-
• Issue of staff scheme bonus shares (Note 12.2)	2 981	32 019	-	(26 540)	-	8 460	-	8 460
• Issue of shares per warranty agreement (Note 12.3)	2	88	-	-	-	90	-	90
Transfer between reserves	-	-	(532)	-	532	-	-	-
Transaction with non-controlling interest (Note 14)	-	-	-	-	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

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in Namibia Dollar thousand	Note	18 Months ended 30 September 2020 Reviewed	12 Months ended 31 March 2019 Audited
Cash flows from operating activities			
Cash used in operations before working capital changes		(111 633)	(176 461)
Changes in working capital		324 335	170 426
Cash generated from/(used in) operations		212 702	(6 035)
Finance income		927	18 243
Finance costs		(165 799)	(202 144)
Net advances received		7 575	58 577
Proceeds from borrowings for advances		136 240	-
Repayments of borrowings for advances		-	(18 337)
Tax received		562	546
Net cash generated from/(used in) operating activities		192 207	(149 150)
Cash flows from investing activities			
Additions to property, plant and equipment		(10 814)	(86 184)
Proceeds from disposal of property, plant and equipment		74 388	6 753
Additions to investment property		(3 349)	-
Additions to intangible assets		(23 680)	(23 010)
Proceeds from disposal of intangible assets		61	566
Net cash outflow on disposal of aviation business		(712)	-
Additions to mine properties		(13 597)	(18 008)
Additions to evaluation and exploration assets		(199 638)	(163 853)
Common control transaction, net of cash acquired		-	157
Net cash used in investing activities		(177 341)	(283 579)
Cash flows from financing activities			
Proceeds from share issue		90	-
Repayment of borrowings	24	(64 619)	(58 848)
Repayment of other liabilities	24	(29 603)	(17 360)
Proceeds from treasury shares		-	8 271
Acquisition of treasury shares		(4 181)	(1 961)
(Repayment of)/proceeds from related parties	24	(26 712)	606 476
Transaction with non-controlling interest		81 388	-
Net cash from financing activities		(43 637)	536 578
Net change in cash and cash equivalents		(28 771)	103 849
Cash and cash equivalents at the beginning of the period		172 791	68 942
Cash and cash equivalents at the end of the period		144 020	172 791

NOTES TO THE FINANCIAL STATEMENTS

1. ADVANCES

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 Audited	31 March 2018 Audited
Property advances	464 090	807 068	1 044 842
Student advances	425 086	528 833	660 953
Other loans advanced	32 683	51 190	48 308
	921 859	1 387 091	1 754 103
Reconciliation of credit loss allowance			
Opening balance	355 552	54 650	40 824
Subsequent changes in loss allowance	492 255	55 347	13 826
Advances written off during the period as uncollectable	-	(7 533)	-
Loss allowance on new exposures raised	5 211	5 530	-
Adjustment upon application of IFRS 9	-	247 531	-
	853 018	355 552	54 650

2. TRADE AND OTHER RECEIVABLES

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 (Restated) Audited	31 March 2018 (Restated) Audited
Trade receivables	71 026	88 968	60 240
Property sales receivables	179 208	201 965	293 456
Other receivables	25 836	40 610	37 502
	276 070	331 543	391 198
Reconciliation of credit loss allowance			
Opening balance	1 287	772	772
Subsequent changes in loss allowance	22 951	515	-
	24 238	1 287	772

During the period, property sales receivables were restated. Refer to note 11.

3. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 Audited	31 March 2018 Audited
Assets classified as held for sale			
Investment property	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	-	-

During the period under review, the board resolved to dispose of the Herboth's Property Development Company (Pty) Ltd and a sales agreement has been signed with Constantia Risk and Insurance Holdings (Pty) Ltd. An agreement in principle has been reached prior to year end to dispose of the property, however certain conditions precedent related to the conclusion of the transaction remain outstanding as at reporting period end. The sale of the investment property, which is expected to be concluded within 12 months, has been presented as a non-current asset classified as held for sale.

4. AMOUNTS DUE (TO)/BY RELATED PARTIES

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 Audited	31 March 2018 Audited
Next Capital Ltd *	(123 762)	(1 021 276)	178 110
Riskowitz Value Fund LLP	-	-	350 084
Germinate SL Ltd	(82 332)	-	-
	(206 094)	(1 021 276)	528 194

* The amount due to Next Capital Ltd, carries interest at 12.08% per annum, is repayable on demand, and is unsecured. During the period ended September 2020, Next waived NAD 1 billion related to the purchase consideration paid on behalf of Trustco Resources for the acquisition of Meya Mining Ltd in previous financial periods. The waiver of the loan by Next resulted in the group being legally released from its contractual obligation to settle the loan, resulting in the financial liability being derecognised in accordance with requirements as prescribed by IFRS 9, para 3.3.3 through profit or loss. Refer to note 16 for further information.

The amount due to Germinate SL Ltd relates to the contingent consideration payable for the Meya Mine acquisition. The liability bears interest at Libor plus 4% and is repayable on demand, and is unsecured.

5. INVESTMENT PROPERTY

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 Audited	31 March 2018 Audited
Reconciliation for the period ended			
Opening balance	2 399 618	1 476 818	1 010 812
Additions	3 349	-	247
Fair value adjustments	(279 220)	(61 627)	465 759
Investment property transferred to assets held for sale	(343 580)	-	-
Transfer from inventory	-	984 427	-
	1 780 167	2 399 618	1 476 818
Valuation of investment property			
Lafrenz development	696 870	878 750	900 818
Elisenheim	1 015 990	1 306 354	344 441
Ondangwa development	18 957	18 957	26 366
Farm Herboth's	25 100	189 957	200 000
Developed rental properties	23 250	5 600	5 193
Total	1 780 167	2 399 618	1 476 818

Investment property is classified in level 3 of the fair value hierarchy.

Investment property transferred to assets held for sale

At reporting date the Herboth's Property Development was held for sale as disclosed in note 3.

KEY VARIABLES

Key variables which will affect the value of investment properties are as follows:

	Elisenheim Lifestyle Estate	Elisenheim Nature Estate	Lafrenz Industrial Park	Herboth's Portion 3	Farm Herboth's	Ondangwa
Estimated sellable land (square metres)	2 130 607	1 810 500	1 414 367	1 606 734	15 175 104	248 506
Residential erven	1 319 780	1 810 500	-	-	10 782 004	248 506
General residential	459 471	-	-	-	-	-
Business erven	52 496	-	-	-	312 800	-
Office	6 584	-	-	-	-	-
Institutional	292 276	-	-	-	-	-
Industrial - serviced	-	-	1 414 367	-	-	-
Plots	-	-	-	1 606 734	4 080 300	-
Sellable land rate per square metre (NAD)						
Residential erven	1 650	1 100	-	-	1 300	400
General residential	1 650	-	-	-	-	-
Business erven	1 300	-	-	-	1 500	-
Office	1 300	-	-	-	-	-
Institutional	350	-	-	-	-	-
Industrial	-	-	1 800	-	-	-
Plots	-	-	-	60	40	-
Construction costs per square metre(NAD)	450	430	450	25	600	200
Development period to start (years)						
Residential erven	4	9	-	-	5	2
General residential	4	-	-	-	-	-
Business erven	4	-	-	-	5	-
Office	4	-	-	-	-	-
Institutional	4	-	-	-	-	-
Industrial	-	-	3	-	-	-
Plots	-	-	-	3	5	-
Development period to end (years)						
Residential erven	14	24	-	-	29	4
General residential	14	-	-	-	-	-
Business erven	7	-	-	-	14	-
Office	6	-	-	-	-	-
Institutional	7	-	-	-	-	-
Industrial - serviced	-	-	-	-	-	-
Industrial	-	-	19	-	-	-
Plots	-	-	-	4	19	-

Sales period start (years)

Residential erven	5	10	-	-	6	3
General residential	5	-	-	-	-	-
Business erven	5	-	-	-	6	-
Office	5	-	-	-	-	-
Institutional	5	-	-	-	-	-
Industrial - serviced	-	-	-	-	-	-
Industrial	-	-	4	-	-	-
Plots	-	-	-	4	6	-

Sales period end (years)

Residential erven	15	25	-	-	30	5
General residential	15	-	-	-	-	-
Business erven	8	-	-	-	15	-
Office	6	-	-	-	-	-
Institutional	8	-	-	-	-	-
Industrial - serviced	-	-	-	-	-	-
Industrial	-	-	20	-	-	-
Plots	-	-	-	5	20	-

Rates

Financing cost on project funding requirement	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%
Marketing & legal fees rate on gross development value	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%
Agent commission on gross development value	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%
Developer's profit on gross development value	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%
Selling price inflation rate	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%
Cost price inflation rate	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%
Discount rate	12,0%	12,5%	12,0%	12,5%	12,5%	12,0%

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	Herboth's Portion 3	Farm Herboth's	Ondangwa
1 year project delay	(44 090)	(16 740)	(42 080)	(1 770)	(43 080)	930
1 year project acceleration	56 000	17 940	34 360	160	17 500	1 080
5% increase in selling price	67 610	25 050	49 370	2 830	194 800	2 970
5% reduction in selling price	(67 600)	(25 050)	(49 290)	(2 830)	(194 790)	(2 950)
5% increase in development cost	(28 270)	(12 850)	(16 050)	(1 570)	(177 560)	(2 060)
5% reduction in development cost	28 300	12 900	16 130	1 560	177 540	2 060
1% increase in Financing costs	(3 000)	(940)	(1 130)	(160)	(30 030)	(550)
1% reduction in Financing cost	3 000	950	1 120	170	30 050	540
1% increase in Marketing & legal fees rate	(16 080)	(5 960)	(11 720)	(670)	(46 380)	(730)
1% reduction in Marketing & legal fees rate	16 100	5 980	11 780	680	46 350	740
1% increase in Agent commission rate	(16 080)	(5 960)	(11 720)	(670)	(46 380)	(730)
1% reduction in Agent commission rate	16 100	5 980	11 780	680	46 350	740
1% increase in Developer's profit	(16 080)	(5 960)	(11 720)	(670)	(46 380)	(730)
1% reduction in Developer's profit	16 100	5 980	11 780	680	46 350	740
1% increase in inflation rate	72 040	40 750	66 940	1 150	118 340	920
1% reduction in inflation rate	(66 090)	(34 870)	(60 120)	(1 110)	(95 100)	(880)
1% increase in Discount rate	(68 010)	(34 370)	(61 510)	(1 260)	(92 880)	(1 010)
1% reduction in Discount rate	75 700	40 770	69 780	1 320	117 190	1 070

6. PROPERTY, PLANT AND EQUIPMENT

Reconciliation for the period end

Figures in Namibia Dollar thousand

	Land and buildings	Machinery and equipment	Motor vehicles	Office equipment & furniture	Computer equipment	Aircraft	Exploration assets	Total
30 September 2020 (Reviewed)								
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
	150 170	19 422	58 158	7 899	4 390	-	152 605	392 644
31 March 2019 (Audited)								
Opening balance	162 924	14 370	70 318	8 961	9 718	169 352	155 872	591 515
Additions	583	32 219	17 167	1 547	8 133	-	35 582	95 231
Disposals	-	(4 499)	(3 114)	(281)	-	-	-	(7 894)
Addition through common control	539	9 794	240	276	(8)	-	-	10 841
Revaluations	(3 970)	-	-	-	-	-	-	(3 970)
Depreciation	(1 715)	(5 849)	(8 344)	(1 695)	(5 800)	(8 958)	(57 466)	(89 827)
Impairment reversal	-	-	-	-	-	23 243	-	23 243
Exchange rate movement	-	-	-	-	-	-	51 117	51 117
	158 361	46 035	76 267	8 808	12 043	183 637	185 105	670 256
31 March 2018 (Audited)								
Opening balance	133 981	13 417	59 747	10 364	7 375	217 707	166 825	609 416
Additions	39 410	6 336	28 098	572	6 341	3 024	9 964	93 745
Disposals	-	-	(9 565)	-	-	-	(313)	(9 878)
Revaluations	(7 543)	-	-	-	-	-	-	(7 543)
Depreciation	(2 924)	(5 383)	(7 962)	(1 975)	(3 998)	(9 206)	(20 604)	(52 052)
Impairment loss	-	-	-	-	-	(42 173)	-	(42 173)
	162 924	14 370	70 318	8 961	9 718	169 352	155 872	591 515

Capital commitments (not yet contracted for but authorised by directors) for the year NAD 1.3 billion (2019: NAD 665.1 million).

Buildings and aircraft are classified in level 3 of the fair value hierarchy.

7. EVALUATION AND EXPLORATION ASSETS

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 Audited	31 March 2018 Audited
Reconciliation for the period ended			
Opening balance	530 275	278 638	52 491
Additions	305 237	221 319	226 147
Exchange rate movement	10 441	30 318	-
Transfer to mine properties	(371 742)	-	-
	474 211	530 275	278 638

Meya Mining Ltd

A 25 year Large Scale Mining Licence was granted to Meya Mining Ltd during the period under review. As the mine is in the process of transitioning from the exploration and evaluation stage to commercial production, NAD 372 million was transferred from evaluation and exploration assets to mining assets.

8. MINE PROPERTIES

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 Audited	31 March 2018 Audited
Reconciliation for the period ended			
Opening balance	164 875	-	-
Additions	32 756	164 875	-
Transfer from evaluation and exploration assets	371 742	-	-
Exchange rate movement	38 326	-	-
	607 699	164 875	-
Value of mine properties			
Meya Mine	409 334	-	-
Northern Namibia Development Mine	198 365	164 875	-
	607 699	164 875	-

9. BORROWINGS

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 Audited	31 March 2018 Audited
Term loans	1 403 270	1 002 227	1 011 303
Listed bonds	-	-	30 564
Asset-backed financing arrangements	5 160	209 651	210 598
Mortgage bonds	5 170	39 188	80 086
	1 413 600	1 251 066	1 332 551

10. TRADE AND OTHER PAYABLES

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 Audited	31 March 2018 Audited
Trade payables	519 827	271 941	128 578
Contingent consideration	-	59 233	258 521
Other payables	84 090	13 803	11 976
Employee fund	41 087	41 283	31 204
	645 004	386 260	430 279

The contingent consideration payable to Germinate SL Ltd in terms of the purchase agreement of Meya Mine Ltd was partly paid and the balance of the liability was transferred to amounts due to related parties (note 4).

11. PRIOR PERIOD ERROR

Following a JSE pro-active monitoring process, the company reassessed its treatment of historical sales of unserviced erven which were subject to the installation of bulk services before legal transfer and occupation by the purchaser. In doing so, the company has determined that its treatment, in terms of which the related revenue was recognised at contract signature date, was not correct in terms of the application of IAS 18 and as such has corrected for that error in these financial statements.

The correction of this error relates to the sale of unserviced land which occurred in the periods prior to and leading up to 31 March 2020, as such the correction impacted the financial position and related performance as previously reported at 31 March 2018 and March 2019.

Statement of financial position

	31 March 2019 (As previously reported)	Debit/ (Credit)	31 March 2019 (Restated)	31 March 2018 (As previously reported)	Debit/ (Credit)	31 March 2018 (Restated)
Trade and other receivables	520 556	(189 013)	331 543	684 845	(293 647)	391 198
Inventories	281 977	(162 400)	119 577	370 205	33 277	403 482
Deferred tax liabilities	(179 089)	112 452	(66 637)	(299 566)	83 318	(216 248)
Net assets	623 444	(238 961)	384 483	755 484	(177 052)	578 432
Retained earnings	(3 158 409)	191 169	(2 967 240)	(3 426 491)	141 642	(3 284 849)
Non-controlling interest	(537 723)	47 792	(489 931)	(437 956)	35 410	(402 546)
Total equity	(3 696 132)	238 961	(3 457 171)	(3 864 447)	177 052	(3 687 395)

Statement of profit or loss and other comprehensive income

	31 March 2019 (As previously reported)	(Debit)/ Credit	31 March 2019 (Restated)
Revenue	1 478 918	(29 200)	1 449 718
Cost of sales	(500 317)	(61 842)	(562 159)
Income tax benefit	119 147	29 113	148 280
Profit for the period	1 097 748	(61 909)	1 035 839
Profit attributable to:			
Owners of the parent	608 232	(49 527)	558 705
Non-controlling interest	116 804	(12 382)	104 422
	725 036	(61 909)	663 127

The underlying sales contracts to which this accounting error applies remain in force and are legally binding and enforceable on both Trustco as the seller and the respective purchasers, notwithstanding the accounting treatment adopted. The gross amount of unrecognized sales represented by such contracts were as follows at the respective dates:

- Gross value of unrecognized sales at 31 March 2019 was NAD 268.8 million; and
- Gross value of unrecognized sales at 30 September 2020 was NAD 268.8 million.

12. SHARE CAPITAL

The following shares were issued during the reporting period:

- 12.1 On 4 September 2018 the group acquired control of 100% of the voting equity interest of the Huso group for NAD 2.96 billion, payable by issuance of 143.3 million shares and a further issuance of 628.8 million shares to Dr Q van Rooyen shares upon the Resources segment reaching prescribed Earnings Before Interest, Tax, Depreciation, Amortisation and After Stock Adjustments (EBITDAASA) targets (contingent consideration). These targets were achieved in the 2019 and 2020 financial periods. During the reporting period the group issued the 628.8 million shares due to Dr Q van Rooyen who nominated Le-Hugo's Investments as the beneficiary of the shares for settlement of the contingent consideration of the purchase of Huso Group. The shares were issued at par value of NAD 0.23 per share and a premium of NAD 4.46 per share.
- 12.2 The company issued 12 962 962 shares to the group's employees on 23 March 2020. The shares were issued at par value of NAD 0.23 per share and a premium of NAD 2.47 per share.
- 12.3 The company issued 10 000 shares to EVO Fund on 22 October 2019 in terms of warranty agreement. Refer to SENS announcement published on 24 October 2019 for further information. The shares were issued at par value of NAD 0.23 per share and a premium of NAD 8.77 per share.

The shares were listed on respective securities exchanges in compliance with Schedule 6 of the Listings Requirements and were duly approved by shareholders.

13. OTHER RESERVES

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 Audited	31 March 2018 Audited
Foreign currency translation reserve	(132 411)	(11 935)	(12 413)
Other reserves	39 912	40 443	42 370
Shares for vendors	14 976	2 300 175	14 976
Common control reserve	(3 197 685)	(3 197 685)	-
	(3 275 208)	(869 002)	44 933

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

Shares due to Dr Q van Rooyen for the acquisition of Huso Group were issued during the current period, as disclosed in note 12.

14. NON-CONTROLLING INTEREST

Figures in Namibia Dollar thousand	30 September 2020 Reviewed	31 March 2019 (Restated) Audited	31 March 2018 (Restated) Audited
Reconciliation for the period ended			
Opening balance	489 931	402 546	7
Total comprehensive (loss)/income	(80 316)	115 781	86 074
Prior period error (Note 11)	-	-	(35 410)
Change in non-controlling interest from (acquisition)/disposal	14 040	(28 396)	351 875
Balance at the end of the year	423 655	489 931	402 546

Disposal of 1.3% of Trustco Resources (Pty) Ltd

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 1.3% shareholding	(14.1) million

Transaction with non-controlling interest 67.3 million

15. REVENUE

Figures in Namibia Dollar thousand

	18 Months ended 30 September 2020	12 Months ended 31 March 2019 (Restated)
	Reviewed	Audited
Revenue comprises the following categories:		
Insurance premium revenue	167 638	128 562
Property sales	130 085	70 915
Transfer of inventory to investment property	-	984 427
Tuition and other related fees	41 531	44 749
Interest earned on advances	244 159	122 287
Diamond sales	14 463	71 145
Other revenue	19 776	27 633
Total revenue	617 652	1 449 718

Timing of revenue recognition

At a point in time	567 291	1 411 681
Over time	50 361	38 037
	617 652	1 449 718

16. INVESTMENT AND OTHER INCOME

Figures in Namibia Dollar thousand

	18 Months ended 30 September 2020	12 Months ended 31 March 2019
	Reviewed	Audited
Interest received	927	55 579
Loan waiver*	1 000 000	545 601
Other income	3 146	4 078
Fair value loss on investment property	(279 220)	(61 627)
Profit on exchange differences	260 029	11 161
	984 882	554 792

* Next Capital Ltd waived a portion of the debt due by the group. An amount of NAD 1 billion (2019: NAD 546 million) was written-off and disclosed as part of investment and other income, as prescribed by IFRS 9 para 3.3.3. when a loan is waived.

17. FINANCE COSTS

Figures in Namibia Dollar thousand

	18 Months ended 30 September 2020	12 Months ended 31 March 2019
	Reviewed	Audited
Bank overdraft	2 438	1 529
Long-term borrowings	373 574	196 745
Asset-backed financing arrangements	2 173	3 870
	378 185	202 144

18. PROFIT BEFORE TAX

Figures in Namibia Dollar thousand

	18 Months ended 30 September 2020	12 Months ended 31 March 2019
	Reviewed	Audited
Operating profit for the period is stated after accounting for the following:		
Employee costs	243 774	199 847
Loss on foreign exchange differences	133 457	97 798
Auditors' remuneration - audit fees	18 104	10 462
Loss on disposal of long term assets	5 113	1 141
Reversal of impairment of property, plant and equipment	-	(23 244)
Impairment of intangible	4 862	9 497
Credit loss allowance of trade and other receivables	38 775	515
Credit loss on trade and other receivables written off	-	39 362
Credit loss on advances written off	-	7 533
Credit loss allowance on advances	497 466	53 371
Depreciation and amortisation	99 817	58 968

19. BASIC EARNINGS AND HEADLINE EARNINGS

Figures in Namibia Dollar thousand

18 Months ended
30 September 2020

Reviewed

12 Months ended
31 March 2019

(Restated)
Audited

Basic earnings per share

Profit for the period attributable to equity holders of the parent

(266 102)

558 705

Headline earnings

Profit attributable to ordinary shareholders

(266 102)

558 705

Adjustments

Loss on disposal of long term assets

7 625

1 141

Impairment of intangible assets

4 862

9 497

Loss on disposal of aviation business

4 682

-

Reversal of impairment of property, plant and equipment

-

(23 243)

Tax effect thereon

(5 307)

4 034

Headline earnings

(254 240)

550 134

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

The weighted average number of ordinary shares used for basic earnings per share ('000)

1 334 127

856 749

Adjusted for

Contingently issuable shares ('000)

4 922

633 722

Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)

1 339 049

1 490 471

Earnings per share

Basic earnings per share (cents)

(19.95)

65.21

Diluted earnings per share (cents)

(19.87)

37.49

Headline earnings per share (cents)

(19.06)

64.21

Diluted headline earnings per share (cents)

(18.99)

36.91

20. RELATED PARTIES

Figures in Namibia Dollar thousand

18 Months ended
30 September 2020

Reviewed

12 Months ended
31 March 2019

Audited

Transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the group and other related parties are disclosed below:

Related party transactions

Riskowitz Value Fund LLP**

Interest received

-

15 431

Disposal of equity interest to related party

81 388

-

Next Capital Ltd^

Sales

-

2 326

Management fees

(21 032)

(35 478)

Surety fees

(33 618)

(43 567)

Interest

(69 513)

(9 903)

Loan waiver

1 000 000

545 601

Purchases from related party

-

2 957 275

Northern Namibia Development Company (Pty) Ltd^*

Sales

-

128

Sale of goods to related parties were made at the group's usual list prices. Purchases were made at market price.

Refer to note 4 for further details on related party balances.
 ^*-Entity became an indirect subsidiary on 4 September 2018
 **-Non-controlling interest
 ^-Common shareholder: Dr. Q van Rooyen

21. SEGMENT INFORMATION

	Total	Insurance and its investments	Banking	Resources
30 September 2020 (Reviewed)				
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 profit/(loss) after tax	(343 242)	(1 035 218)	(461 866)	1 153 842
Income tax expense	(37 800)	(8 464)	(12 146)	(17 014)
Loan waiver	1 000 000	-	-	1 000 000
Depreciation and amortisation	(87 346)	(88 463)	(9 851)	(1 503)
Interest income	927	237	669	21
Interest expense	(378 185)	(251 500)	(92 747)	(33 938)
Credit allowance for credit losses on advances	(536 756)	(39 290)	(497 466)	-
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
31 March 2019 (Audited and restated)				
Revenue	1 741 371	1 445 295	151 618	144 458
External revenue	1 449 718	1 247 709	130 863	71 146
Inter-segment revenue	291 653	197 586	20 755	73 312
Net profit/(loss) after tax	663 127	229 863	(52 342)	485 606
Income tax (expense)/benefit	148 280	146 177	4 793	(2 690)
Loan waiver	545 601	-	-	545 601
Depreciation and amortisation	(58 968)	(54 318)	(4 063)	(587)
Interest income	55 579	53 450	2 129	-
Interest expense	(202 144)	(114 314)	(64 140)	(23 690)
Credit allowance for credit losses on advances	(100 781)	(32 759)	(68 022)	-
Total assets	6 380 335	3 557 847	1 536 546	1 285 942
Total liabilities	2 844 322	2 170 240	478 589	195 493
	30 September 2020 18 Months Revenue Reviewed	31 March 2019 12 Months Revenue Audited	30 September 2020 Assets Reviewed	31 March 2019 Assets Audited
Namibia	603 189	1 378 573	4 264 062	5 327 783
Sierra Leone	14 463	71 145	1 353 145	1 052 552
Total	617 652	1 449 718	5 617 207	6 380 335

Inter-segment sales are charged at prevailing market prices.

The group's revenues from its major products and services are disclosed in note 15.

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) necessitate an evaluation that takes cognisance of originating entities. The group operates in Namibia, South Africa, Mauritius and Sierra Leone.

The insurance and its investments segment includes the short-term and long-term insurers, properties and strategic investments. This segment earns income from insurance premiums, property sales, rental income, and investment property activities. 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 Chief Operating Decision Maker (CODM) monitors the tangible, intangible and financial assets attributable to each segment.

The banking and finance segment includes Trustco Bank Namibia Ltd, Trustco Finance (Pty) Ltd and Trustco Capital (Pty) Ltd. All operations in this segment relate to banking and finance activities and earn interest, fees and commissions from customers. The resources segment primarily conducts mining operations in Namibia and Sierra Leone.

Products and services from which reportable segments derive their revenue

The principal categories from which revenue is derived are as follows:

Insurance and its investments

- Insurance premiums;
- Property sales;
- Tuition and related fees; and
- Other revenue.

Banking

- Interest on advances; and
- Other revenue.

Resources

- Diamond sales.

22. BOARD OF DIRECTORS

22.1 Directors in emoluments

18 Months ended 30 September 2020 (Reviewed)

	Basic benefits	Other benefits	Directors' fees	Total
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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	-	-	895	895
R Taljaard	-	-	500	500
Prof LJ Weldon (resigned 25.03.20)	-	-	303	303
KN van Niekerk (resigned 25.03.20)	-	-	404	404
	-	-	2 551	2 551

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	-	1 739
J Jacobs (resigned 30.04.20)	3 734	221	-	3 955
J Joubert	-	-	5 400	5 400
IS Kamara	4 685	-	-	4 685
M Erasmus (appointed 20.03.20)	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 25.03.20)	-	-	627	627
KN van Niekerk (resigned 25.03.20)	-	-	500	500
R Chetwode	-	-	548	548
	-	-	6 713	6 713

Total	22 453	1 322	14 664	38 439
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*Next Capital Ltd has a management contract with Trustco Group Holdings Ltd in terms of which a management fee is earned quarterly as follows:

- 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.

A surety fee is payable based on all sureties pledged by the managing director for exposure in the group. The fee is calculated at 2% p.a. of all outstanding suretyships on a quarterly basis. At 30 September 2020, the value of surety pledged was NAD 584 million (2019: NAD 1 738.4 million).

12 Months ended 31 March 2019 (Audited)	Basic benefits	Other benefits	Directors' fees	Total
Figures in Namibia Dollar thousand				
Holding company (Executive directors)				
Q van Rooyen	-	-	-	-
FJ Abrahams	2 230	116	-	2 346
	2 230	116	-	2 346
Non-executive directors				
W Geyser	-	-	339	339
Adv. R Heathcote	-	-	637	637
J Mahlangu (resigned 22.04.18)	-	-	15	15
R Taljaard	-	-	376	376
Prof LJ Weldon (appointed 26.04.18)	-	-	286	286
KN van Niekerk (appointed 26.04.18)	-	-	325	325
	-	-	1 978	1 978
Subsidiary company (Executive directors)				
A Lambert	872	94	-	966
E Janse van Rensburg	1 645	103	-	1 748
Q Z van Rooyen	-	-	-	-
I Calitz	897	211	-	1 108
T Slabbert	1 438	41	-	1 479
K Fick (resigned 31.03.19)	1 424	122	-	1 546
A Brand	902	248	-	1 150
J Jacobs	3 328	213	-	3 541
J Joubert	-	-	2 700	2 700
	10 506	1 032	2 700	14 238
Non-executive directors of subsidiary boards				
W Geyser	-	-	1 636	1 636
R Taljaard	-	-	823	823
T Newton	-	-	474	474
NJ Tshitayi (resigned 22.04.18)	-	-	22	22
J van den Heever (appointed 26.04.18)	-	-	327	327
S Similo	-	-	158	158
Prof LJ Weldon (appointed 26.04.18)	-	-	480	480
KN van Niekerk (appointed 26.04.18)	-	-	448	448
R Chetwode (appointed 05.06.19)	-	-	315	315
	-	-	4 683	4 683
Total	12 736	1 148	9 361	23 245

22.2 Changes in the board of directors

Prof LJ Weldon and KN van Niekerk resigned as independent directors on 25 March 2020.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and liabilities are not materially different from their carrying amounts since the interest receivable/payable is either close to current market rates, or the instruments are short-term in nature.

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING

30 September 2020 (Reviewed)	Borrowings	Other liabilities	Related parties	Total
Opening balance	1 251 066	63 447	1 021 276	2 335 789
Other non cash flow items	90 913	44 464	(788 470)	(653 093)
Cash flows related to operations*	136 240	-	-	136 240
Sub total	1 478 219	107 911	232 806	1 818 936
Cash flows related to financing	(64 619)	(29 603)	(26 712)	(120 934)
Closing balance	1 413 600	78 308	206 094	1 698 002

31 March 2019 (Audited)	Borrowings	Other liabilities	Related parties	Total
Opening balance	1 332 551	71 760	(528 194)	876 117
New leases	-	9 047	-	9 047
Other non cash flow items	(4 300)	-	942 994	938 694
Cash flows related to operations*	(18 337)	-	-	(18 337)
Sub total	1 309 914	80 807	414 800	1 805 521
Cash flows related to financing	(58 848)	(17 360)	606 476	530 268
Closing balance	1 251 066	63 447	1 021 276	2 335 789

*Borrowings used to finance the operations of the student loan book are classified as operating activities.

25. GOING CONCERN

The directors must annually assess the going concern of the group as part of its responsibility. As part of this assessment, factors considered include access to adequate financial resources, i.e. funding facilities and equity raising strategies, to continue operations as a going concern for the foreseeable future and to fund future growth.

The directors have considered the group's liquidity requirements and, based on these factors, along with a robust review of the budget and cash flow forecast, are confident that the group will remain a going concern for the foreseeable future. The directors are not aware of any other matters that may impact the company and the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

COVID 19 Impact

Since 31 March 2020, the spread of COVID 19 has severely affected many economies around the globe and the Namibian economy. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. 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. Global stock markets have also experienced great volatility and a significant weakening. The Government of Namibia and the Central Bank of Namibia have responded with monetary and fiscal interventions to stabilise economic conditions.

The group has been impacted by the pandemic from a cash flow perspective as some clients applied and were approved for payment holidays of up to 3 months. The Central Bank of Namibia has reduced the repo rate by 275 basis points since emergence of the pandemic, this will affect negatively on the income of the bank in future.

The forward looking impact of COVID 19 has been incorporated into the expected credit loss model and impairment assessments.

The directors are not aware of any other material changes that may adversely impact the company and the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

26. AUDITORS

Nexia SAB&T Chartered Accountants Incorporated were appointed as the company's external auditors during July 2020 for the South African operation and as JSE accredited auditors of the company.

On 20 March 2020 Moore Stephens MWM Inc. resigned as the company's external auditors for the South African operations.

On 20 November 2020, BDO Namibia resigned as external auditors for the Namibian operations.

27. CHANGE OF FINANCIAL YEAR

The financial year end of the company was changed from 31 March to 30 September.

The reasons for the change in financial year include inter alia:

- The group's capital and funding base is predominantly based in the Northern hemisphere, and Trustco aims to time the release of full-year results to coincide with the working calendars of those regions. The previous year-end results in financial information being distributed during European and American Summer breaks, while the new year end will allow full-year results to be released in December, allowing roadshows during January, which is ideal for capital raising exercises.
- With the changed year end, the group will have sufficient time to integrate financial and operational reporting with its proposed acquisitions, in order to report on combined operations by the new year-end date, as well as optimally align its business strategies going forward by that time.

28. EVENTS AFTER THE REPORTING DATE

Reverse-acquisition of Conduit Capital

The acquisition of Conduit Capital by reverse take-over was entered into on the following basis:

- The Legal Shield Holdings Group ('LSH') of companies has a strong balance sheet, with highly profitable businesses when funded, but is limited by scale of opportunities in the local market.
- Conduit Capital, owner of Constantia Insurance, has a large and high-quality insurance book (with combined loss ratios of around 50%) but challenges with respect to its operational structure and its capital position.
- The combination of the two businesses will create significant synergies as LSH will gain access to the scale of the Conduit client base and market, while Conduit's operating structures and capital position can be strengthened within the LSH Group.

Refer to SENS announcement by the group and Conduit Capital Ltd issued on 27 March 2020 for further information. The transaction was not finalised at the reporting period date, as certain conditions precedent have not yet been met, thus control of the operations have not yet been obtained and the acquisition not completed.

Helios Oryx Limited V Trustco Group Holdings Limited

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. The action is being defended by Trustco Group Holdings Ltd (TGH). On 20 April 2020, Helios sent an acceleration notice and 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 towards Helios claim (inclusive of capital, interest and consists) are 100% secured by way of a registered covering mortgage bond registered in favour of Helios over Remaining Extent of Portion 5 (a portion of portion 4) of the Farm Elisenheim.

Trustco together with its legal advisors are considering all legal remedies available to TGH, including the possibility to appeal against the judgement. Helios also instituted an action in Windhoek Namibia, against Elisenheim Property Development Company Ltd ("EPDC") in its capacity as security provider for the obligations of TGH. EPDC has a substantive counterclaim against Helios that is in the process of being quantified. Matter is still pending.

29. PRO-ACTIVE MONITORING PROCESS

The Johannesburg Stock Exchange Limited ("JSE") selected Trustco as part of the JSE's pro-active monitoring process wherein the JSE reviewed Trustco's audited results for the 12 months ended 31 March 2019 ("Year-end Results") and its unaudited results for the six months ended 30 September 2019 ("Interim Results").

Following the conclusion of the pro-active monitoring process, the JSE informed Trustco that a decision had been made that Trustco's year-end results and interim results were not fully compliant with IFRS with respect to three matters (listed below) and consequently were required to effect certain restatements.

The three matters were:

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

With regards to matter 2, Trustco agreed to effect a restatement for the 2018 and 2019 financial years as disclosed in note 11 of the 2020 results. Trustco is objecting to the decisions with respect to matters 1 and 3 hence no further adjustments will be made to either the Year-end Results or the Interim Results until the above objection process and the exhaustion of all other legal avenues available to Trustco have been completed.

Concerning matters 1 and 3, Trustco has objected to JSE finding of incorrectness and its decision to direct Trustco to apply a particular accounting as allowed for in paragraph 1.4 of the JSE Listings Requirements. The directors of Trustco, having consulted with the IFRS expert, following a review by the JSE accredited auditors, maintain the view that the transactions were correctly accounted for. This outcome is reflected in the fact that the group has not made any restatements with regards matters 1 and 3 and by the unmodified review conclusion for the eighteen month period ended 30 September 2020 as issued by our independent auditors.

The matters in question were correctly identified by Trustco as complex and non-routine and as such the company sought expert IFRS advice at the time of determining the accounting treatment thereof. The transactions were significant and were therefore the subject of detailed discussions with our previous auditors and their IFRS experts as part of the audit process. At the conclusion it was agreed that accounting adopted by Trustco was correct and this is reflected in the unmodified audit opinion issued for the year ended 31 March 2019. Taking all of the above into account Trustco's board of directors take responsibility for the accounting treatment of these matters. We have taken advice on this matter from our IFRS advisors WConsulting and their report (Independent IFRS advisor's report) is to be found on <https://www.tgh.na/investors/results-centre/>.

Notwithstanding the disappointing outcome that the company and the JSE were unable to reach agreement on the appropriate application of IFRS on these few matters, the group and the board maintains a robust process for the review of complex accounting matters and the approval of financial statements. These include inter alia:

- Interrogation of management's assessment and accounting for specific transactions in terms of IFRS by the relevant board-appointed committees
- Consultation with subject matter experts and IFRS advisors accredited by the JSE
- For significant transactions, a review of accounting entries by independent JSE accredited IFRS advisors from whom a formal written opinion is obtained before entries are processed
- Assessment by group Board of the above sourced opinions for the appropriate accounting entries in terms of IFRS
- Audit by Namibian and JSE accredited auditors with their internal quality control processes which include independent IFRS reviews
- Independent review of the annual financial statements by JSE accredited IFRS consultants for compliance with IFRS
- Group board review of annual financial statements as well as the reviews and the audit report obtained above, by both main board as well as subsidiary boards, with their respective audit and risk committees

The board remains responsible and accountable to shareholders for the preparation of the financial statements and their compliance with IFRS. The board will not abdicate this responsibility to third parties. The board refers shareholders to the unmodified review conclusion of Nexia SAB&T.

30. STANDARDS AND INTERPRETATIONS

A. Standards and interpretations effective and adopted in the current year

In the current period, the company has adopted IFRS 16 Leases.

The adoption of the standard did not have a material impact on the group or material disclosure in the interim financial statements.

B. International Financial Reporting Standards (ifrs), Standards and Interpretations not yet effective

The company has chosen not to early adopt the following standard which has been published and is mandatory for the company's accounting periods beginning on or after 31 March 2020:

IFRS 17: Insurance contracts (effective for annual periods beginning on or after 01 January 2021)

- a) IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS.
- b) 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.
- c) The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims.
- d) Insurance contracts are required to be measured based only on the obligations created by the contracts.
- e) An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums.
- f) This standard replaces IFRS 4 – Insurance contracts.

The group is currently performing an assessment to determine the potential impact of the new standard on the group's statement of financial position and performance. The group is still considering the transitional approach to be applied. The group expects that significant additional disclosures will be added to the financial statements to meet the revised requirements of the standard.

IFRS 3 Business Combinations (effective for annual periods beginning on or after 1 January 2020)

Definition of Business: The amendments:

- a) confirmed that a business must include inputs and a process, and clarified that:
 - the process must be substantive; and
 - the inputs and process must together significantly contribute to creating outputs.
- b) narrowed 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
- c) added 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.

Management has not yet assessed the impact of this standard.

IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2020)

Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.

- a) The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform.
- b) In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Management has not yet assessed the impact of this standard.

IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2021)

Interest Rate Benchmark Reform Phase 2: 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 amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that company.

Management has not yet assessed the impact of this standard.

IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2020)

Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.

- a) The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform.
- b) In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Management has not yet assessed the impact of this standard.

IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2021)

Interest Rate Benchmark Reform Phase 2: 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.
 - o 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.

Management has not yet assessed the impact of this standard.

IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2022)

Annual Improvements to IFRS Standards 2018-2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

Management has not yet assessed the impact of this standard.

**IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
(effective for annual periods beginning on or after 1 January 2020)**

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.

Management has not yet assessed the impact of this standard.

**IAS 39 Financial Instruments: Recognition and Measurement
(effective for annual periods beginning on or after 1 January 2020)**

Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.

- a) The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform.
- b) In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Management has not yet assessed the impact of this standard.

**IAS 39 Financial Instruments: Recognition and Measurement
(effective for annual periods beginning on or after 1 January 2021)**

Interest Rate Benchmark Reform Phase 2: 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 IAS 39 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;
 - changing the description of the hedged item, including the designated portion, or of the hedging instrument; or
 - changing the description of how the entity would assess hedge effectiveness.

Management has not yet assessed the impact of this standard.

CORPORATE INFORMATION

TRUSTCO GROUP HOLDINGS LTD

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: TSCHY

ISIN Number: NA000AORF067

EXECUTIVE DIRECTORS

F J Abrahams

Dr Q van Rooyen (alternate: QZ van Rooyen)

NON-EXECUTIVE DIRECTORS

W Geyser

R Taljaard

Adv R Heathcote

Prof L J Weldon (South African) (resigned 25 March 2020)

K N van Niekerk (South African) (resigned 25 March 2020)

COMPANY SECRETARY

A Bruyns (resigned 27 September 2019)

H Steyn (appointed 27 September 2019, resigned 1 March 2020)

Komada Holdings (Pty) Ltd (appointed 1 March 2020)

AUDITORS: SOUTH AFRICA

Nexia SAB&T

119 Witch-Hazel Avenue Highveld Technopark,

Centurion, 0046

South Africa

BANKERS: NAMIBIA

Bank Windhoek Ltd

First National Bank of Namibia Ltd

Standard Bank Namibia Ltd

BANKERS: SOUTH AFRICA

ABSA

First National Bank South Africa Ltd

Standard Bank South Africa Ltd

JSE EQUITY SPONSOR

Vunani Limited through Vunani Corporate Finance

Vunani House, Vunani Office Park

151 Katherine Street, Sandown

Sandton, South Africa

JSE DEBT SPONSOR

Merchantec Proprietary Limited (Merchantec Capital)

13th floor, Illovo Point

68 Melville Road

Illovo, Sandton, South Africa

PO Box 41480, Craighall, 2024, South Africa

NSX SPONSOR

Simonis Storm Securities Proprietary Ltd

(Registration number 96/421)

4 Koch Street, Klein Windhoek, Namibia

PO Box 3970, Windhoek

Namibia

OTCQX SPONSOR

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TRANSFER SECRETARIES NAMIBIA

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PO Box 2401, Windhoek

Namibia

TRANSFER SECRETARIES SOUTH AFRICA

Computershare Investor Services (Pty) Ltd

(Reg no: 2004/003647/07)

Rosebank Towers, 15 Biermann Avenue,

Rosebank 2196, PO Box 61051

Marshalltown, 2107

PRINCIPAL BUSINESS

Trustco is a diversified triple-listed majority family-owned and operated business, 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. Trustco operates from three business segments being;

- Insurance and its investments;
- Banking and finance; and
- Resources.

