

Trusted Partners in a New World



annual report 2009

<b>Director</b>	<b>Director (Position)</b>	<b>Appointed</b>
Norman Theodore Noland	Executive Chairman	01/12/07
John Whatley	Chief Executive officer	01/09/05
Sanjeeven Ramasawmy	Finance Director	24/06/09
Rajsing Gopaul	Non Executive	24/06/09
Kee Chong Li Kwong Wing	Non Executive	01/12/07
Nigel Hampton McGowan	Non Executive	01/12/07
Dr. Jürg P. Blum	Non Executive	01/12/07

**Company Secretary**

Dale International Trust Company Limited  
6th Floor, Max City Building, 21, Remy Ollier Street, Port Louis  
Mauritius

**Registered agent and office**

Mossack Fonseca & Co. (B.V.I) Ltd  
Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola  
British Virgin Islands

**Bankers**

AfrAsia Bank Ltd  
Bowen Square, 10, Dr Ferriere Street, Port Louis  
Mauritius

Barclays Bank Plc  
International Banking Division  
6th Floor, Harbour Front Building,  
President John Kennedy Street,  
Port Louis,  
Mauritius

Fairbairn Private Bank Limited  
Fairbairn House, 31 The Esplanade, St Helier  
Jersey  
JE1 1FB

Standard Bank (Mauritius) Limited  
6th Floor, Medine Mews Building, Chaussee Street, Port Louis  
Mauritius

**Sponsor and broker**

CIM Stockbrokers  
Les Cascades Building, Edith Cavell Street, Port Louis  
Mauritius

**AUDITORS**

Horwath (Mauritius)  
Public Accountants  
3rd Floor, Amod Building, 19, Poudrière Street, Port Louis  
Mauritius

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<b>Financial Highlights (USD)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Revenue	4,745,223	1,584,184	787,075
<i>% Growth</i>	<i>199.54%</i>	<i>101.27%</i>	<i>62.86%</i>
Dividends Paid	483,251	479,930	284,963
<i>% Growth</i>	<i>0.69%</i>	<i>68.42%</i>	<i>4,464.52%</i>
Gross Assets	23,571,862	43,810,222	16,479,127
<i>% Growth</i>	<i>-46.20%</i>	<i>165.85%</i>	<i>52.55%</i>
Net Assets	16,578,715	32,271,041	10,533,370
<i>% Growth</i>	<i>-48.63%</i>	<i>206.37%</i>	<i>13.81%</i>



Against a background of financial turmoil and weakening stock markets, I begin my 2009 statement by thanking my colleague and good friend Robert Engels (Rob), who until May 2009 was the Chairman of Trinity and the founding Chairman of the Dale Group.

Rob has been a committed and astute Chairman over many years and whilst retiring as Chairman, he has agreed to continue with the group on various committees. We will thus continue to enjoy his input, friendship and experience.

During a difficult financial year he provided leadership in keeping the boat steady during our second year as a listed company, in times which proved to be turbulent and challenging. Rob has decided to retire and the executive team are determined to continue along the route directed by Rob and carefully steer our business out of difficult times and into a more prosperous season.

The year ended Feb 2009 was a challenging year for our executives, the board and our business as the dislocation that began in credit markets extended into the equity markets, the real economy and investor demand. Credit underwent an unprecedented reassessment with spreads on investment grade credit widening dramatically and yields on government bonds falling close to all time lows as investors sought security. Cash became king and access to credit was almost impossible no matter who you were. Equity markets saw some of their worst falls in a century with the MSCI World Index down over 40%, with the JSE All Share correcting by 39.80% over the period, with the small capitalisation sector hard hit (36.38%) as investor risk aversion to this market segment has intensified. Fears of a global recession led the mining and resources

sector, to which Trinity is heavily exposed, to a virtual collapse (63.03%), and even defensive sectors in which Trinity is invested, such as ICT Infrastructure, have corrected as investors indiscriminately shunned risky assets such as shares (28.07%). Most economies in the developed and developing world were firmly in recession by the fourth quarter.

Trinity's focus is on absolute performance and in this context the annual financial statements are disappointing. It is with great sadness that Trinity was not able to pay a final dividend, although it did pay an interim of USD0.10 per share in the first half of the year before credit crisis took hold.

Against this background the executives and the board continues to review its performance and the strategy of the Company. The sectors in which Trinity are invested are being reviewed and the portfolio will be optimised to take the company to its long term vision.

The year was an especially difficult time for our executives and I would like to take this opportunity in thanking the executive team for their dedication and hard work. The support also given by the Non-Executive Directors management and staff at all levels is much appreciated. Thank You.

On behalf of the board I convey a sincere vote of thanks and appreciation to both Quinton George and Charles Pettit who served as director during the year and who have now resigned as directors. These valued executives have both

# Chairman's Statement

decided to move from the central office to the operating subsidiaries, to fulfill their personal goals. They will no doubt continue to add huge value to the group and we wish them well.

I also welcome Sanjeeven Ramasawmy who joins the Board as our new Finance Director and Rajsing Gopaul as a Non Executive Director, (both with effect 24 June 2009). I look forward to working with them in the future.

With much uncertainty prevailing across the globe in the major economies, we intend doing our utmost to take a cautious view of the coming year. We will however, need to rationalise and consolidate and realign our goals and strategy towards a path which has worked for us in the past. This will be swiftly implemented and hopefully we will soon see the positive results in respect thereof. We will thereafter be in a position to view the situation from a high vantage point and not from the current valley of uncertainty. Management has for some time made it clear that realisations were expected to slow, as time would be needed to fulfil the growth plans of newly acquired assets and realise the full value from these investments.

We expect 2009/10 to be a very challenging environment for our group. The impact on revenues of lower levels of assets under management will be partially offset by lower level of expenses relative to compensation and other costs which have been reduced. We are also looking for our primary investments to return to normal valuations. Whilst we are

actively managing our cost base, we are also looking to take advantage of newly acquired and attractive investment which will hopefully begin to unlock value for shareholders in the next 24 months.

We start the new financial year at a moment of great uncertainty as the impact of the credit crunch bites deeper, energy prices and raw material costs impact on economic activity, and uncertainty as to whether these pressures can be managed by the world's monetary authorities without precipitating recession or a sharp rise in inflation.

We plan for a year where we will see a restructure of our investments with an emphasis on less risk and volatility, greater emphasis on annuity income and with a desire to engineer a certain level of unlocking of value for shareholders.

With the quality of our Board, a committed executive team, management and staff, I can but conclude with a statement which suggest

that if the commitment of the past year and the hard work is a reflection of the next 12 months, we will surely achieve our goals for the year.

The Chinese state that it is the "Year of the Ox".

"Work hard -----the results will follow".

Norman Noland  
Executive Chairman

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**Norman Theodore Noland**  
(South African)  
Executive Chairman

Norman Noland is an entrepreneur and businessman with extensive experience in the international financial services sector and as a leader and an investor in both the public and private markets. He was the Non-Executive Deputy Chairman of Sekunjalo Investments Limited and currently acting as Non-Executive director of Queensgate Hotels and Leisure Limited, both companies listed on the Johannesburg Stock Exchange.

Prior to 1995 Norman was employed for 15 years in the Standard Bank Group and before that held senior positions in smaller South African Banks and Building Societies. He started his career at the Old Mutual.

Since leaving Standard Bank in 1995 he has been involved in acquiring and establishing a number of businesses, both locally and internationally in the financial services, IT, property and leisure sectors. In 2005 the board of Sekunjalo asked Norman to take up the position of Deputy-CEO with responsibility for overseeing the operations and growth strategy of a group with an NAV of c.USD150m.

His international experience includes directorships of companies in South Africa, Mauritius, Switzerland, Germany, Luxembourg, Guernsey, Jersey and Isle of Man.

**John Whatley**  
(British)  
Chief Executive officer

John Whatley has been involved in the financial services industry since 1985. He was the compliance director of a London private client fund management company, originally established in the mid 1980's and it's unit trust management subsidiary which managed UK authorised unit trusts. John was the director responsible for all compliance, private client and unit trust administration, dealing and valuation. John also acted as the Compliance officer for Appleton International Limited in London and has a wealth of experience gained serving as compliance officer for FIMBRA, IMRO and FSA regulated companies. He was also invited by the previous UK regulator, IMRO, to sit on an advisory panel to help shape UK regulation.

John has served on the board of directors of numerous UK and offshore fund management companies and in September 2005, he was invited by the shareholders of Trinity to join the company. The appointment was to help fulfil the shareholders ambitions and the company's potential, with a view to taking the company to a listing. John sits on a number of the boards of Trinity's investee companies, representing the shareholders and offering practical assistance and his experience gained from the UK regulated financial services industry.

**Sanjeeven Ramasawmy**  
(Mauritian)  
Finance Director

Sanjeeven Ramasawmy joined the board of Trinity in June 2009 as Finance Director bringing his accounting and auditing experience to the Group. Born in 1981 in Mauritius, Sanjeeven started his career in December 2003 as an Accounts Officer with the Sugar Investment Trust in Mauritius. In April 2005, he was promoted to Finance Accountant of the Sugar Investment Trust, a group holding investments in the sugar milling, power generation, leisure, property development and banking sectors. In June 2006, Sanjeeven took up the position of team Leader at Horwath (Mauritius), a member of Horwath International, where he became involved with the audit of offshore companies and cross-border audits in the following sectors: Investment management and holdings Fund investment and fund management Investment advisory services Insurance brokering services Information technology Leisure and tourism Shipping Derivative trading Mineral surveying Sanjeeven is fluent in English and French.



**Rajsing Gopaul**  
(Mauritian)  
**Non-executive Director**

Rajsing Gopaul joined Trinity as a non executive director in June 2009. He started his career at KPMG in Port Louis in 2001, where he was trained as an offshore auditor. In February 2002, Raj joined Dale International Trust Company Limited) and soon became a Senior Trust Administrator responsible for the day-to-day administration of a large portfolio of trusts and companies. In November 2003, Raj took a different challenge by accepting the position of Administrative Manager of Bella Investment Services Limited, a financial intermediary company and consultant to high net worth individuals. In July 2004, he was promoted to the position of Director of that company and of its subsidiary companies. Mr. Gopaul holds a honours degree in Economics from Delhi University (India) and is fluent in English, French and Hindi. He is also an Associate member of the Society of Trust and Estate Practitioners.

**Nigel Hampton McGowan**  
(British)  
**Non-executive Director**

Nigel McGowan qualified as a chartered accountant in 1991 with Deloitte & Touche, London. After working in senior management roles in the audit and corporate finance departments he returned to the Isle of Man to join Deloitte's local office in 1995.

From 1998 to 2001 Nigel worked in senior management positions with the Isle of Man Assurance Group, culminating in the role of Chief Financial Officer. Between 2001 and 2005 Nigel worked for Simcocks Advocates in the Isle of Man with responsibility for financial control and also the establishment and development of the Simcocks Group of companies including the licensed corporate service provider, Simcocks Trust in the Isle of Man and Mauritius.

Since 2005 Nigel has been a self employed business consultant and holds a number of executive and non-executive directorships including a number of private property companies with investments in residential and commercial property in the Isle of Man and a non-exec director of an AIM listed property investment company. Nigel is a former chairman of the Isle of Man Society of Chartered Accountants.

**Kee Chong Li Kwong Wing**  
(Mauritian)  
**Non-executive Director**

K.C. Li is the Chairman of Mauritius International Trust Company (MITCO) and has held key positions in the Government of Mauritius for the modernisation and liberalisation of the monetary and financial services sector. After a brilliant career in public services, he started MITCO in 1993 just as Mauritius entered into the world of offshore finance. He holds a Masters of Law (LL.M) in International Tax Law, St Thomas University School of Law, Florida, USA, a Masters degree in International Taxation (MIT) from Regent University School of Law, Virginia, USA, a B.Sc (Econ) from the London School of Economics and a Post Graduate Diploma in Rural Planning from the Institute of Social Studies, the Hague, Holland.

During his public career, K.C. was Adviser to the Minister of Finance for eight years, Chief Executive Officer of the National Mutual Fund, Chairman of the State Investment Corporation Management Ltd and Chairman of the Stock Exchange Commission.

**Dr. Jürg P. (Giorgio) Blum**  
(Swiss)  
**Non-executive Director**

Giorgio worked for 5 years as a Trust Officer at Rothschild Bank AG in Zürich. After his studies overseas, he joined Credit Suisse (Germany) as Assistant Vice President, responsible for Asset Management and the development of the Austrian onshore market. Later Giorgio moved to Switzerland and headed the tax optimized portfolio management at Bank Hofmann, also responsible for the German Private Banking Market (Acquisition and Asset Management).

In 1999, Giorgio changed to Union Bancaire Privée as a Director in the field of Private Banking (then fourth largest Private Bank in Switzerland), he was also a member of the strategic committee of the Bank. His specialty is asset management and tax "optimized" investment solutions.

Giorgio is currently the Managing Director and Partner of SEED Asset Management AG, he holds an MBA, and a Doctorate in Business Administration from the United States International University in San Diego, California U.S.A.



This review provides an overview of our main activities; principal markets; Group and business line performance; and risk management.

#### **Introduction to the Group.**

The Trinity Financial Group Limited (Trinity) was formed through the merger of Dale Capital Partners and Trinity Asset Management (TAM) in February 2008. Both predecessor businesses were independently formed in 2000 and the holding company for Trinity's financial services investments retains the Dale brand. Trinity is an investment management group providing niche advisory services and investing with its own balance sheet as well as funds advised or managed on behalf of others. The Company operates three primary business lines; third party fund management, principal investment activities and offshore financial services. These business lines are focused on high growth opportunities in Sub Saharan Africa where the Trinity Team holds extensive network and investing experience. Trinity is listed on the Stock Exchange of Mauritius and has offices in Mauritius and South Africa via its subsidiaries office.

Since 2000, the respective TAM and Dale teams have developed a solid pedigree for identifying, engineering, negotiating, implementing, optimising and then exiting African investment opportunities with a particular emphasis on South Africa.

Trinity has put together a team of individuals with broad international experience, deep African expertise, and a complementary blend of skill sets that have the ability to manage investments from entry through exit. A flat, low cost and highly communicative Management Team and Board enable swift action on all critical matters. In addition, Trinity's extended network of sector specialists allow it to call upon dependable experts who assist with opportunity identification, assessment, and optimisation. Trinity has selected an International Board of Directors

who actively engage with the business, sit on group governance committees, and leverage their networks to introduce opportunities and optimise investee companies.

#### **Markets**

A rapid and significant downward shift in global asset valuations has changed the makeup of the investment management sector worldwide. The credit crisis, which originated in the US, has triggered a broader economic slowdown which has spread across the globe, with no country immune.

Trinity's focus is Sub Saharan Africa which has 30 percent of the world's proven mineral resources making it a key partner for the developed world and the industrialising countries of China and India. By 2001, only 10 percent of the SSA Land mass had been prospected. The region is rich in base and precious metals, with a balanced distribution of resources throughout the region.

#### **Sub Saharan Africa (SSA)**

While SSA has not been immune to the credit crisis, the relatively conservative lending practices and regional focus of the continents' banks, and the resilience of long term infrastructure projects, will continue to support growth. In addition, Trinity believes the global correction in resources is to a large extent overdone, with massive worldwide fiscal stimuli especially from the Chinese, certain to ensure continued demand for raw materials over the medium term. Despite the short term setbacks, SSA remains extremely well positioned to capitalise on its wealth of Minerals and Resources

# Director's Report

and to continue delivering upon its 10 year growth cycle, significant macro economic benchmark improvements and substantially improved business operating environments.

The severity of the global crisis, and the associated deleveraging and heightened risk aversion, combined with continued solid fundamentals for Africa-focused businesses has created a number of compelling investment opportunities on the continent. The conservative nature of South Africa's banks has pushed a rapid exit from funding the financial futures market, displacing a myriad of financial investors historically using margin to increase positions in various underlying securities. The result has been a series of defaults and the clearing members (principally South Africa's "big four" banks) have been forced to take a number of large positions onto their books.

Africa is the world's second largest and second most populous continent after Asia. Including surrounding islands, Africa contains about 30.2 million kilometres covering 6 percent of the world's surface and 20.4 percent of the total land area. It accounts for roughly 14.2 percent of the world's population with approximately 922 million people. Despite its well profiled struggles and tragedies, the continent's prospects have shown marked improvement, and in many cases the generalised perceptions of the African risk profile do not do justice to those countries that have made considerable economic and political progress over the last 15 years.

Real GDP Growth across the continent is expected to exceed 5 percent for the sixth consecutive year through 2008, reaching 5.9 percent by year end. More impressively, during 2007, 25 countries exceeded 5 percent growth with a further 13 falling between 3-5 percent. This uptrend has continued with 2008 estimates pointing to 31 countries exceeding 5 percent and 16 between 3-5 percent. Furthermore, the OECD

forecasts 2009 growth will be sustained at 5.9 percent on a continent wide basis contrasted against total OECD reporting countries falling just above 2 percent. Trinity analysis suggests that the OECD forecast for developed countries in 2009 is overly optimistic given the speed of the economic slowdown currently underway.

Africa has demonstrated substantial improvement over the last decade in the key macroeconomic variables. Budgetary performance demonstrates a new culture of fiscal discipline, current account surpluses are the norm and inflation has been contained within single digits. Forecasts indicate that this continue to the case.

## South Africa (SA)

Trinity has a significant presence in South Africa, where the TAM operations are based as well as most of the Trinity investment team.

SA is one of the world's most sophisticated and promising emerging markets. It shares a rapidly emerging market economy with a well developed first world economic infrastructure which has served to stimulate both domestic and foreign investment. Known as the gateway to Africa, SA is home to 6 percent of Africa's population but accounts for approximately 25 percent of the continent's GDP. It also hosts 45 percent of Africa's mineral production, and 50 percent of the continent's purchasing power.

Despite its impressive evolution since apartheid, South Africa remains a country with extreme differences in incomes and wealth. Thirteen percent of the population lives in "first world" conditions, while nearly 50 percent live in developing country conditions. In this latter group, only one-quarter of households have access to electricity and running water; only half have a primary school education; and over a third of the children suffer from chronic malnutrition. Poverty levels have not reduced significantly and the burden of HIV/AIDS and

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unemployment remains high. Crime remains a critical issue although its international profile and associated negative publicity has placed significant pressure on the SA government to invest heavily in improving conditions in preparation for the 2010 FIFA World Cup. The true test will be the ability to maintain the positive trends post an international event of this magnitude.

Despite the challenges identified above, SA offers foreign investors and corporates a sound and sophisticated operating platform. SA has a world class, progressive legal framework. Legislation pertaining to commerce, labour and maritime issues is particularly well developed while laws relating to competition policy, copyright, patents, trademarks and disputes conform to international norms and conventions. Sanctity of contract is protected under common law, and independent courts ensure respect for commercial rights and obligations. The independence of the judiciary is guaranteed by the constitution.

In further support of a sound operating environment, the JSE rates among the top 20 exchanges in the world by market capitalization. The JSE's rules and their enforcement are based upon global best practice while the JSE's automated trading, settlement, transfer and registration systems are on par with leading global exchanges. In addition, the South African Exchange also hosts a Futures Exchange (SAFEX) and Bond Trading Exchange (BESA). South Africa's securities exchange regulations rank 5th globally in the 2008/9 World Economic Forum's Global Competitiveness Index, again ahead of Switzerland, Germany, the US and UK.

Trinity is an active participant on the JSE with a list of prominent counterparties. Its familiarity with the inner mechanics of the exchange has enabled it to create optimal structures for many of its investee companies.

Although still not delivering to developed country

status, SA's core infrastructure stands well ahead of the standards deployed throughout the balance of Africa. Some examples include:

- SA's total road network extends over 754,000 kms including 9600 kms of surfaced National Roads
- SA has the 10th lengthiest rail system in the world, connecting with networks throughout Sub Saharan Africa
- SA's Portnet is the largest Port Authority in Southern Africa with terminals in Cape Town, Durban, Port Elizabeth, and East London as well as Richards Bay, Saldhana Bay, and Mossel Bay. All ports are very well positioned for supporting SA's and SSA's resource exportation requirements
- More than 50 Airlines carry greater than 33 million passengers p.a. through SA's 10 principal airports. Named the continent's top performing airport by the International Airports Council in 2007, Johannesburg (Tambo International) Airport is Africa's busiest with in excess of 8.9 million departures per annum
- SA's Telecommunications market is the largest in Africa both in terms of customers and revenues. Estimated 2007 revenues in this sector were USD 14 bn, with a further USD 3 bn linked to Telkom's Hardware and Software. Fixed line penetration is low (10 percent) whilst mobile penetration sits at an impressive 93 percent. SA is the fourth fastest growing mobile market globally, with 2007 subscribers registered in excess of 43 million
- SA is also the largest internet user in Africa with 3.5 million users generating an 8 percent penetration rate
- Whilst SA's current performance on "Energy Generation and Distribution" is weak and deteriorating, electricity tariffs remain highly competitive on a global level and overall its performance remains superior to the majority of Sub Saharan African countries. SA's energy dilemma is



Figure 1: USD / ZAR

discussed in detail in the Renewable Energy section of this document

Further supporting SA's sound and progressive operating platform, it has performed favourably in the 2009 World Bank's Annual "Ease of Doing Business" Global Ranking. SA was positioned 32nd globally and in African context only preceded by Mauritius.

It is anticipated that domestic spending will lose momentum through 2009 as economic activity slows. The effect of 2008 interest rate hikes coinciding with higher household debt levels and tighter access to credit is likely to contain household income further. Furthermore, downward pressure on domestic demand will be stimulated by slow employment growth and job losses in sectors of the economy linked to tougher economic conditions and the overall global recession.

It is also anticipated that the production side of the economy will also suffer from weaker export demand linked to the economic woes of many of SA's trading

partners. Forecast growth for 2008 is at 3.2 percent and 2009 to soften to 0.9 percent growth. The decline can however be moderated by the ongoing fixed investment being applied to final preparations for the 2010 FIFA World Cup along with infrastructure based capital expenditure programs tied to Eskom and Transnet.

The outlook for 2010 and 11 looks more favourable. A return to 3 percent + growth may seem uninspiring relative to other SSA countries, but this growth must be taken in the context of the relative size of the SA economy and its relatively stable exchange rate. In addition, the SA trade balance is forecasted to turn positive in 2010 with solid export growth generating the surplus.

Trinity holds a very bullish outlook for South Africa over the ten year horizon. Trinity is a firm believer that we are currently battling a bear downturn period within a secular long term bull market for commodities and other tangible assets. We believe that SA's rich resource base, supported by a robust financial and legal system,

# Director's Report

combined with an adequate but improving infrastructural network, places the country in the most advanced position to capitalise on a resurrection of commodities based export demand in the medium term. Furthermore, its excellent physical location and substantial growth in trade relations between India, China, and other Eastern Asian countries augers well for having the "front seat" in Afro-Asian trade relationships. Trinity has strategically positioned itself to capitalise on the aforementioned growth expectations through its sector based focus on Mining and Resources, Infrastructure Services and Financial Services.

## Mauritius

### Offshore Financial Services

Trinity has operations in Mauritius which enjoys many advantages in the regional context. In addition to its strategic location as a gateway for Asian investment into Africa, its strong democracy and advanced levels of accountability, combined with an attractive taxation regime, have made it the favoured location for offshore assets from the African continent.

Having operated in Mauritius for a number of years, it has been clear to Trinity that although Mauritius enjoys a number of advantages, its regulatory framework and business environment are in need of reform in order to make the Island a genuinely world class offshore financial services hub. Fortunately policymakers are in regular consultation with market participants (including Trinity) and have recently enacted a number of changes that we believe will provide Mauritius with the competitive edge that is needed to spur significant growth in the sector. The changes are:

- A new Financial Services Act has been enacted

which aims at streamlining and consolidating the whole licensing framework for various non-bank financial institutions and financial service providers.

- A new securities framework is being implemented which is intended to broaden and deepen the securities industry in Mauritius.
- Concurrently, a new Insurance Act aiming at improving the soundness of the insurance market in Mauritius by enhancing the regulatory and supervisory framework for the insurance industry and providing greater protection to policyholders and other beneficiaries has been instituted..
- Government has recently announced that further legislation would be forthcoming to introduce more innovative products within the Financial Services Landscape.
- As recognition of Mauritius's progress, the OECD has now entered the country onto its "white list".

With intimate knowledge of Mauritius and what it takes to operate there, Trinity believe that these Initiatives on the regulatory front, coupled with the measures and policies already implemented by the government and the advantages outlined in this and previous sections, will result in significant and sustained growth in the Mauritian financial sector. With a 5 year track record in Mauritius, a high quality network and a portfolio of quality companies in the offshore management, insurance and banking sector, Trinity is well positioned to benefit from this growth.

Within Africa, Mauritius is represents a notable reference point for political stability with a presidential democracy modelled on the British Parliamentary System. With a strong economy averaging growth in excess of 5 percent for the past 20 years, Mauritius has diversified into sectors including IT and Financial Services to boost and sustain its economic development.

Mauritius has delivered an impressive 10 year GDP growth along with a sustained above median growth for 2007. This economic growth performance in combination with its number 1 ranking within Africa from a governance standpoint helps to demonstrate why it has become the predominant offshore financial centre for Africans and increasingly influential at an International level. Recent press from RTT NewsWire (2/1/2009) quotes "The Mauritius economy is likely to grow 4 percent in 2009, lower than the 5.2 percent growth in 2008, the Central Statistics Office said Friday. In September, the statistical agency forecast the growth for 2008 to be 5.6 percent. Excluding sugar, the agency forecasts the growth for 2009 to be 3.8 percent". Despite the set backs of the global recession, strong evidence suggests continued growth across all general sectors albeit slightly less than originally forecasted.

During recent years, Mauritius has emerged as a reputable international Financial Services Centre. Its financial services infrastructure conforms to a sound regulatory framework consisting of comprehensive legislation that now includes the Financial Services Development Act 2007, the Trusts Act 2001 and the Companies Act 2001. The highest Court of Appeal is the Judicial Committee of the Privy Council in England.

The strategic geographical location of Mauritius in the Indian Ocean and its membership to COMESA, SADC, the Indian Ocean Commission, and the Indian Ocean Rim Association facilitates preferential trade access to African states. Mauritius is now positioned as the distribution and marketing hub in the region. The widespread fluency in both English and French is an added advantage as more Asian investors are using Mauritius as the gateway to sub-Saharan Africa and in particular to francophone Africa.

The continuing success and reputation of Mauritius as a financial services centre has not only been strengthened

by its political stability and sound economy but also by the evidence of a firm commitment by the Government of Mauritius to promote and support its financial services sector. The Island also enjoys a Strategic Time Zone (GMT+3) in a wonderful location. Mauritius offers a diligent, educated multilingual and experienced professional labour force. With an impressive 86 percent literacy rate, Mauritius has a large pool of well-qualified professionals, most of whom have acquired their professional education outside of Mauritius in the UK, France, USA, Australia and South Africa. Mauritius also maintains operating costs that are much lower than those in other financial centres like Jersey, Guernsey and the Isle of Man.

Trinity has chosen to list its business in Mauritius for a variety of reasons including the following:

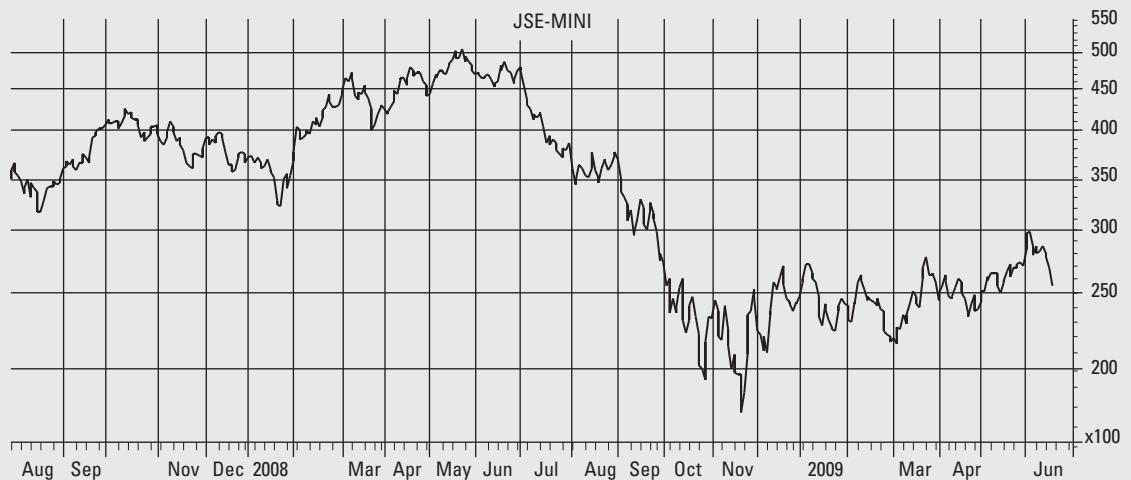
- Attractive Taxation Regime
- Robust but Flexible Regulatory Regime
- Exemplary Governance
- Credible Exchange with Incentives for Foreign Investors
- Low Cost Jurisdiction

Trinity trades on the Stock Exchange of Mauritius under the ticker DCPL.N0000 and prices can be accessed via the URL [www.stockexchangeofmauritius.com/quotes.asp](http://www.stockexchangeofmauritius.com/quotes.asp)

### 3. Business Review

The past 12 months have been an exceptionally volatile period for investors in most asset classes. The JSE All Share has been no exception, correcting by (39.80%) over the period, with the small capitalisation sector hard hit (36.38%) as investor risk aversion to this market segment has intensified. Fears of a global recession led the mining and resources sector, to which Trinity is heavily exposed, to a virtual collapse (63.03%), and even defensive sectors in which Trinity is invested,

# Director's Report



*JSE Mining and Resources*

such as ICT Infrastructure, have corrected as investors indiscriminately shunned risky assets such as shares (28.07%).

The full year loss per share is USD 0.68, which compares favourably to the loss per share of USD 0.73 at the end of Q309. This improvement reflects a stronger operating performance, with income from "Rendering of Services" (a non capital intensive revenue) growing strongly in particular. Operating income is up 185% compared with the full year to February 2008. The losses incurred by Trinity in this reporting period have been "below the line".

The Board has decided that it is in the best interests of shareholders to pass the final dividend for this financial year in order to conserve liquidity and capital for the group. It is the group's intention to resume payment of dividends to shareholders as soon as possible and in line with this a cost cutting exercise has been undertaken along with a review of Trinity's business

mix. The first step in this process has been a reshuffling of the board and a redeployment of executives from the central office to the operating subsidiaries.

Trinity is heavily exposed to the Rand / USD exchange rate, which has fluctuated considerably during the year, as can be seen in the previous graph.

## Fund Management

The Trinity brand was established when Quinton George left his stock broking position in 2000 and persuaded a number of his clients to exit the IT sector in favour of the mining and resources sector. Following this prescient advice, the TAM team enjoyed another significant success when they conceptualised and helped to create Uranium One Inc prior to the significant run up in Uranium prices between 2004 and 2007. TAM also has an established track-record of using shareholder rights to influence business strategy and decision-making in order to generate significant out-performance for its

funds. The most recent and highly publicised example of this is in the ongoing battles between Randgold & Exploration Limited (R&E) and JCI Limited (JCI) in which TAM has successfully opposed Investec Ltd and the boards of R&E and JCI in court in order to protect value for R&E shareholders.

Although the focus within TAM is on mining, metals and energy; the investment committee has also recognised the opportunities available in infrastructure services companies (the SA government has earmarked USD60bn for fixed domestic investment to boost economic growth) and more generally in the broader South African equities market. While the business has traditionally focussed on managing a relatively small volume of specialist funds, TAM has recently established a JSE-focussed general equity fund while Trinity Asset Management (Channel Islands) Limited (TAM (CI)) has been established via the purchase of an interest in a Guernsey-based unit trust manager.

TAM services its international client base through South Africa, Mauritius and Guernsey in the Channel Islands and is regulated and supervised by the following regulators.

- South Africa - Financial Services Board
- Mauritius - Financial Services Commission
- Guernsey - Guernsey Financial Services Commission

In December 2008, the Guernsey regulators gave their approval for Trinity and its joint venture partners to acquire an existing unit trust manager that currently manages the Accorn Global Balanced Fund via an umbrella structure. The fund is a Guernsey B Class fund and is only 1 of 68 foreign companies that have been

approved for sale to the public in South Africa by the Financial Services Board. The unit trust manager is being acquired in a joint venture with an international distribution company that has a proven track record in international asset raising.

The fund has been renamed the Trinity Global Fund and has the objective of obtaining moderate income growth and real capital preservation from a diversified portfolio of investments in collective investment vehicles whose investment policies are, or include, investments in publicly listed or quoted securities and debt instruments. TAMI (CI) will ensure that all interest bearing instruments included in the portfolio will have a credit rating of "investment grade" from one of the major rating agencies.

The umbrella structure of the fund will allow TAM (CI) to develop new products for both inward and outward African investments from a well regulated and internationally respected base in the Channel Islands. Distribution for outward investments will be via the TAM broker and referral network in South Africa and Mauritius, while inward funds will be established for specific themes with capital pre-committed prior to establishment of the fund.

Principal Investment Activities (Trinity Capital)

## Overview

Trinity has a track record of successfully investing the firm's own capital into high growth investment opportunities in both the public and private markets. These activities are managed by Trinity Capital, a unit formed through the combination of the principal investment activities of TAM and Dale Capital Partners following the effective merger of the two firms.

# Director's Report

## Management

The activities of Trinity Capital were headed by Charles Pettit, who has responsibility for leading the transaction assessment and execution processes and who also represents Trinity on the board of portfolio company Sharenet (Pty) Ltd. The other members of the Trinity Capital team all have extensive transaction experience and come from a variety of professional backgrounds including legal, accounting, corporate finance and management consulting.

Investment origination activities are conducted in collaboration with the TAM team, headed by Quinton George. In a majority of cases, there is either no competition for target assets or Trinity has an "inside track" as a result of strategic partnerships, relationships with a portfolio company's management team or knowledge of the industry. This is as a result of the Trinity team's extensive experience in the region and the network of contacts that have been established.

Transaction approval (both entry and exit) are overseen by a five person investment committee that comprised of Trinity and Robert Engels and Norman Noland, the past Chairman and new Chairman of Trinity respectively. The investment committee is supported in its decision-making function by expert consultants.

## Investment Strategy

Trinity Capital invests either in controlling interests or in influential, but non-controlling stakes, in both private businesses and publicly quoted companies. In the latter case we aim to achieve private equity style returns through rigorous active ownership.

Trinity targets investments that it expects to yield a

superior risk-adjusted rate of return. These opportunities are identified by focusing on companies with some or all of the following characteristics:

- an experienced management team;
- a strong position in an established or niche market, or an early position in a rapidly growing market;
- a stable or predictable level of cash flow and earnings;
- a distinctive product or a recognised brand name providing a competitive advantage;
- an attractive entry valuation; and
- the ability to make a significant capital gain on invested capital

As often as possible, Trinity will also seek to structure its investment in a manner that gives it seniority to existing equity investors and guaranteed interim cash flows, while retaining the full upside available to equity investors. In line with this strategy, investments are often made via preference shares or convertible debt instruments.

Once an investment is made in a portfolio company, Trinity will seek to add value and generate substantial capital gain through activities such as:

- optimising the portfolio company's capital structure;
- making introductions to regional or global strategic partners or acquirers;
- identifying and assisting with synergistic mergers or acquisitions; and
- advising on corporate strategy, business development and systems.

## Competitive Advantages

The Trinity Capital approach combines the strengths of private equity investing, such as due diligence discipline, downside risk mitigation and hands-on involvement, with the additional advantages of:

- an unlimited investment period (optimum exits are chosen, rather than dictated by the stage-of-life of a fund);
- no ownership restrictions (equally comfortable with control or minority positions); and
- a streamlined approval and due-diligence process which allows for rapid closure of transactions (full in-house expertise and approval capability allows for rapid assessment and closure of quality opportunities)

## Current Investment Portfolio

JSE Code: SAL

- Sallies Ltd (Sallies) was incorporated in 1903 as the South African Land and Exploration Mining Company Limited and has been listed since 1904 in the mining sector of what is now the JSE Limited.
- The bulk of its output is exported to international customers active mainly in the production of HFC refrigerant gases, fluoro-polymers and aluminium fluoride. In addition, it produces metallurgical grade fluorspar, primarily for the local market.

JSE Code: CVN

- Convergenet Holdings Ltd (Convergenet) is a multi disciplined ICT Infrastructure services company with

a specialist focus on infrastructure solutions and services in high growth sectors in emerging markets.

- Convergenet was established by an experienced team in 2005. Supported by Trinity Capital, the team acquired a cash shell on the Johannesburg Stock Exchange in February 2007 and then proceeded to conclude several strategy-appropriate acquisitions that were reversed into the listed company.

JSE Code: QHL

- Queensgate Hotels and Leisure Ltd (Queensgate) is a specialist manager of hotel and leisure assets in Southern Africa.
- The group's flagship operation is the five star Radisson Hotel in the Cape Town Waterfront area.
- Trinity Capital invested in Queensgate in 2002 and has supported the business through to its listing on the AltX market in September 2008.

- Sharenet (Pty) Ltd (Sharenet) was founded in 1988 as Network Information Systems.
- Sharenet has evolved into one of SA's top financial portals providing robust and timely information along with its sophisticated trading tools.

## Financial Services

Post merger, Trinity re-organised its Mauritian financial services interests under a holding company that has retained the Dale Capital Partners name and subsequently sold a majority 70 percent interest to other investors. All of the underlying financial services businesses have clear strategic linkages with the TAM and Trinity Capital business lines.

- AfrAsia Bank Ltd (AfrAsia) is a Mauritian

# Director's Report

headquartered bank delivering customised services in the areas of Corporate and Investment Banking; Treasury and Capital Markets; Private Banking and Wealth Management; Project Finance; and Global Business transactions and structures

- Trinity Financial Services (International) Ltd (TFS) is an intermediary and consulting company licensed by the Mauritian Financial Services Commission (FSC).
- TFS operates in the high growth offshore financial services market, of which Mauritius is the hub for Africa, providing administration and fiduciary services to its client base of c.200 high net worth individuals and small to medium sized corporates.
- Dale Insurance Ltd is a recently established insurance business targeting the offshore premium insurance and benefits management market.

## **Risk Management**

Risk management operates at all levels throughout the Group, across business lines, geographies and professional functions. The Board is ultimately responsible for risk management, which includes the Group's risk governance structure and maintaining an appropriate internal control framework. Management's responsibility is to manage risk on behalf of the Board. Below shows this risk management framework and outlines the key responsibilities of each committee.

## **Risk Governance**

### **Board**

- Responsible for overall risk management process
- Monitors changes in external risk environment
- Reviews reports from Investment, and Audit and Compliance Committees

## Audit and Compliance Committee

- Reviews the effectiveness of the internal control environment and compliance with regulatory requirements
- Oversees relations with external auditors including assessing auditor performance, independence and objectivity
- Considers whether matters exist which could give rise to conflicts of interests

## Investment Committee

- Takes or recommends investment decisions on individual opportunities
- Provides input to the setting of investment policy and guidelines

- Assesses financial risk including treasury and funding risk
- Will recommend asset allocation decisions and monitor portfolio composition

## Valuation Committee

- The valuation Committee has supervisory role and to recommend to the methodology and value of the Group's investments.

## Remuneration Committee

- Set Executive remuneration and compensation
- Set the calculation method for bonuses and other forms of mid-to-long term compensation for executive management and ensures full transparency.



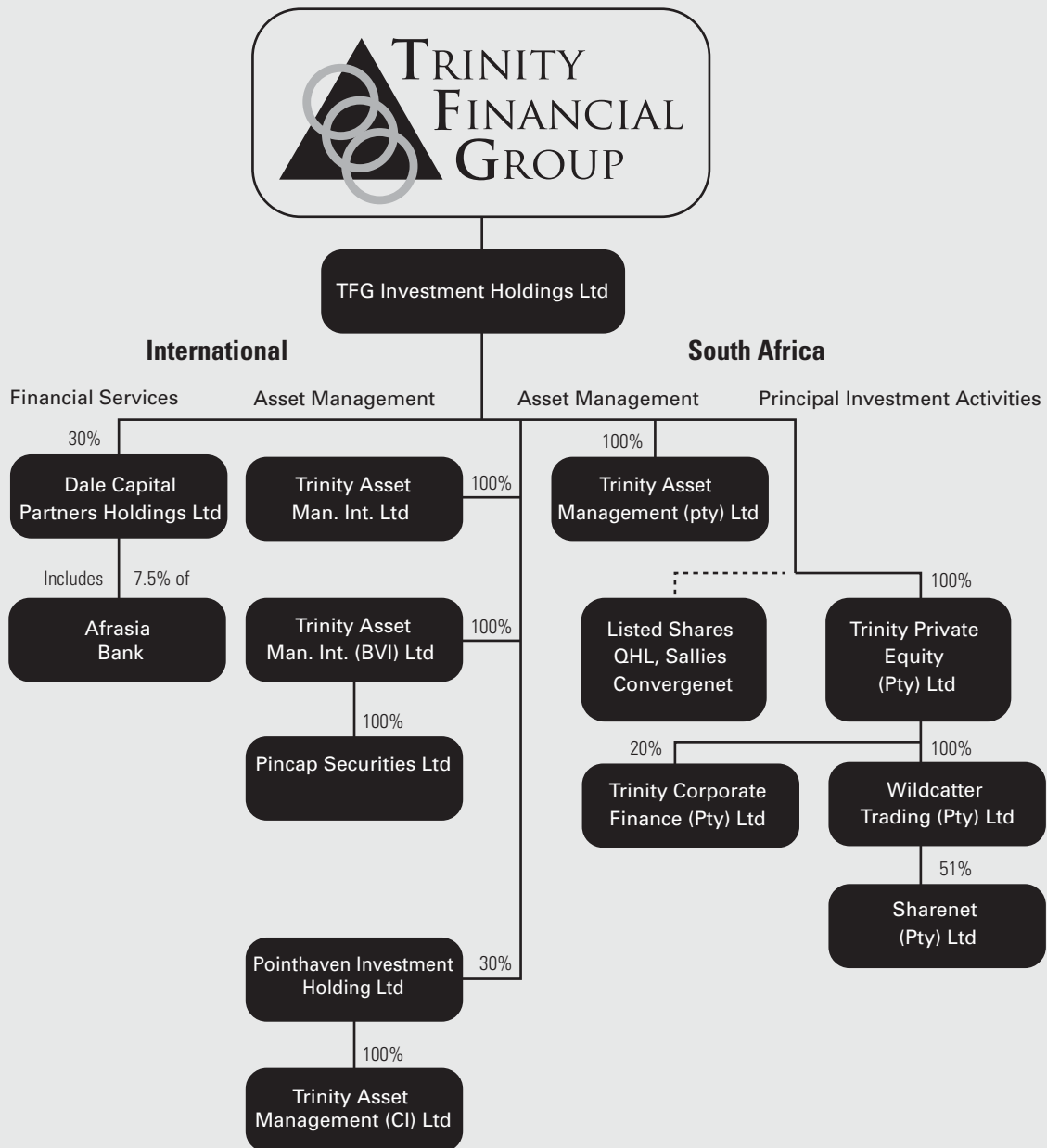
Port Louis, Mauritius



Cape Town, South Africa

# Group Structure

28 February 2009





# Corporate Report

# Statutory and corporate governance information

## Principal Activity

The principal activity of the Trinity Financial Group Limited is investment holding, investing in the following sectors:

- Financial and fiduciary services
- Investment management
- Private Equity

## Tax status

The Company was originally incorporated in Mauritius and was registered by way of continuation in the British Virgin Islands (B.V.I).

In the British Virgin Islands and under its current Laws, dividends remitted to Shareholders resident outside the B.V.I are not subject to withholding tax. The Company itself is not subject to taxes on its profits nor on income derived outside the B.V.I. There are no capital gains

taxes, estate duty or inheritance tax applicable to Shares held by non-residents of the British Virgin Islands. Subsidiaries and Step subsidiaries of the Company are subject to taxes of the countries in which they are incorporated. Currently the company holds investments in companies which are taxable in Mauritius and South Africa.

## Regulation

Although there is no requirement for the company to be regulated in the B.V.I to act as an investment holding company, the company is subject to the following:

- Listing Rules of the Stock Exchange of Mauritius.
- FSC Rules of Mauritius
- Securities Act of Mauritius
- Companies Act of the B.V.I

In respect of the Company's investments, the following regulated entities are within the Group:

Name of Companies	Country of Incorporation	Regulator
Trinity Asset Management International Limited	Mauritius	Mauritius Financial Services Commission
Trinity Asset Management SA (Pty) Limited	South Africa	Financial Services Board
Trinity Asset Management (Channel Islands) Limited	Guernsey	Guernsey Financial Services Commission
Dale Financial Services (International) Limited	Mauritius	Mauritius Financial Services Commission
Dale Insurance Company Limited	Mauritius	Mauritius Financial Services Commission
AfrAsia Bank Limited	Mauritius	Bank of Mauritius

## Results and Dividends

The consolidated financial statements for the year ended 28 February 2009 appear on pages 32 to 61. Total recognised income for the Group for the year was USD 4,745,223 and Group expenses amounted to USD 7,782,732. The following dividends were declared and paid during the year:

Ordinary Shares			
Type	Date	Number	Amount
	Paid	Of Shares	Per share
Interim	30/09/08	5,320,000*	USD0.10

\* No dividend was paid on shares held in Treasury

# Statutory and corporate governance information

The Directors do not recommend the payment of a final dividend to ordinary shareholders for the year ended 28 February 2009.

## Operations

The Group operates through a number of offices in Mauritius and South Africa with the South African office accommodating the regional support office and Trinity Asset Management (Pty) Limited.

## Management arrangements

The Group outsources a number of services which is provided for on a fee basis for the work done and costs incurred in providing such services.

The Group also outsourced some of its services to its subsidiaries and step subsidiaries.

## Business review

The Group's development during the year to 28 February 2009, its position at that date and the Group's likely future development are detailed in the Chairman's statement and the Business review.

## Share capital

The share capital of the Company as at 1 March 2008 consisted of 5,940,000 Ordinary share.

On 24 September 2008, 620,000 Ordinary shares were forfeited and cancelled, leaving 5,320,000 Ordinary shares in issue as at 28 February 2009.

## Issue of shares for cash

No additional shares were issued for cash during the year ended 28 February 2009.

## Treasury Shares

The number of shares held in Treasury as disclosed in the last annual report was 29,305, which were used to create the Employee Share Incentive Scheme.

On the 5 November 2008, a number of shareholders elected to reinvest their dividends and 530 shares were taken out of Treasury.

As a result of a Disclosable Transaction Circular issued by the Company on the 25th November 2008, the Company took into Treasury 355,000 Ordinary shares of no par value in respect of its 100% disposal of Dale Leisure International Limited.

As a result of a Notice of Redemption / Purchase issued by the Company on the 11th September 2008, the Company took in Treasury:

- 421,370 Ordinary shares of no par value in respect of its disposal of 70% of TFG Capital Limited and
- 63,379 Ordinary shares of no par value in respect of a reversal of an agreement to acquire Dale International Trust Company Limited.

On the 2 December 2008, 2,400 shares were taken out of Treasury in settlement of a creditor.

On the 19 December 2008, 26,627 shares were taken out of Treasury in settlement of a creditor.

The number of Ordinary shares of no par value held in Treasury as at 28 February 2009 was 810,192.

## Major interests in Ordinary Shares

As at 17 July 2009, the Company had been notified of the following interests in the Company's Ordinary shares in accordance with Rule 12.16 of the Listing Rules and Section 92 of The Securities Act 2005.

# Statutory and corporate governance information

Shareholder	% of Issued Share Capital	Number of Ordinary shares
Broadgate Capital Partners Holdings Ltd	18.80%	1,000,000
Dale Global Holdings Ltd	16.76%	891,509
Quinton George	15.82%	841,706
Dale Property Development Ltd	6.88%	366,194
Woodlands House Investment Holdings Ltd	5.56%	295,866

Director	Number of shares Direct	Number of shares Indirect	Total Shares Held	% of issued Share capital
Mr Quinton George	841,706	0	841,706	15.82%
Mr Norman Noland	125,208	329,575	454,783	8.55%
Mr Robert Engels	2,042	425,440	427,482	8.04%
Mr John Whatley	4,094	337,333	341,427	6.42%
Mr C Pettit	102	333,333	333,435	6.27%
Nigel McGowan	0	4,083	4,083	0.08%

## Directors' service contracts.

The Chairman and the non executive Directors hold office under the Company's Articles of Association and do not have service contracts. Their appointment letter provides that there is no entitlement to compensation or other benefits on ceasing to be a Director.

The term of service contract of the Executive Directors is for any notice to terminate service, requires written notice following an initial twenty-four month period, with six calendar months notice. Mr J Whatley has an employment contract dated 1 November 2007.

There are no provisions for compensation of executive Directors on early termination (other than compliance with the South African Basic Condition of Employment Act, 75 of 1997\* as amended) save that the Company

## Directors Interest

The interests of the Directors in the shares of the Company up to 28 February 2009 as stated in the register of director's interests are shown below.

Details of the Director's share options are shown under the section Options. Save as detailed, no Director had any disclosable interest in the shares of the Company or in the shares of its subsidiaries during the period.

can elect to give pay in lieu of notice. The Remuneration Committee may consider compensation on early termination of employment on individual basis whilst complying with their duty to mitigate any loss will always be a relevant factor.

\* The Company and Executives have agreed to adopt the conditions of employment of South Africa.

## Pension Arrangements

The Remuneration Committee has recommended that a pension contribution be made into a recognised pension scheme in respect of the Executive Directors on a discretionary basis. Non Executive Directors and other Directors do not benefit from any pension arrangements.

# Statutory and corporate governance information

## Options

The Company established an option share incentive Trust to directors and employees. The purpose of the options is to provide employees (including Directors, both executive and non-executive holding office) of the Group and its subsidiaries from time to time with the opportunity to acquire Shares therein, thereby providing such employees with the incentive to advance the interests of the Company and its subsidiaries and to promote an identity of interests between such employees and the shareholders of the Company and its subsidiaries.

On the 24 September 2008, The Company decided that it

would close the Employee Share Incentive Scheme (the Scheme). The Scheme held 600,000 Ordinary shares and it was felt that whilst the options were not exercised that the unpaid shares would prove a drag on the NAV of the Company. Therefore the issued share options were cancelled and replaced with unissued options on a 1:1 basis.

### Options held by the Directors.

The Remuneration Committee will recommend any granting of options to the Directors. Other grants to staff and employees will be by recommendation of the Board.

Director	Held at 1 March 2008 *	Granted During Year	Exercised During Year	Lapsed During Year	Held at 28 Feb 2009	Exercise Price	Date from which exercisable
Mr R Engels	20,000	0	0	0	20,000	\$5	28/02/07
Mr N Noland	20,000	0	0	0	20,000	\$5	28/02/07
Mr Q George	102,000	0	0	0	102,000	\$5	28/02/07
Mr J Whatley	102,000	0	0	0	102,000	\$5	28/02/07
Mr C Pettit	102,000	0	0	0	102,000	\$5	28/02/07
Mr K C Li Kwong Wing	15,000	0	0	0	15,000	\$5	28/02/07
Mr N McGowan	15,000	0	0	0	15,000	\$5	28/02/07
Mr J Blum	15,000	0	0	0	15,000	\$5	28/02/07

\* Options on issued shares replaced with unissued shares.

# Statutory and corporate governance information

## Director's remuneration and benefits

	2009 \$
Executive Directors *	
Mr Q George	83,039
Mr J Whatley	76,826
Mr C Pettit	85,251
Non Executive Directors #	
Mr R Engels	Waived
Mr N Noland **	14,475
Mr K C Li Kwong Wing	5,000
Mr N McGowan	5,000
Mr J Blum	5,000

### Notes

\* Executive Directors entered into service contracts with the companies from the following dates:  
Mr J Whatley from 1st November 2007  
Mr C Pettit from 1st February 2008

\*\* Mr N Noland waived \$4,998 of his final payments.

# Non Executive Directors were paid at rate of \$5,000 per annum, except for the Chairman, Mr R Engels, who waived his fee.

## Annual Bonuses

Employees including executive Directors are eligible for discretionary annual bonuses. The Remuneration Committee will determine the amount of any discretionary bonus. These are intended to be competitive with arrangements in the financial services and private equity industries.

## Corporate governance

The Company has a policy of seeking to comply with established best practices in the field of corporate governance. The Board has adopted core values and Group standards which set out the behaviour expected of directors and staff in their dealings with shareholders, customers, colleagues, suppliers and other stakeholders of the Company. One of the Core values communicated within the Group is a belief that the highest standard of integrity is essential in business.

## The Board's Responsibility and Processes

The Board is responsible to shareholders for the overall management of the Group. It determines matters including financial strategy and planning and takes major business decisions. The Board has put in place an organisational structure and is responsible for the Group's system of internal control and reviews its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurances against material misstatement or loss. The Board or its duly authorised committees aims to maintain full and effective control over appropriate strategic, financial, operational and compliance issues. The Board has put in place an organisational structure with clearly defined lines of responsibility and delegation of authority.

Procedures have been established for the planning and controlling of expenditure and the making of investments. There are also information and reporting systems for monitoring the Group's businesses and their performance.

# Statutory and corporate governance information

## Performance evaluation

The Board will conduct an annual evaluation of its own performance and that of its committees and individual Directors, the Chairman will lead the process.

## The roles of the Chairman and Chief Executive

During the year to 28th February 2009, the Board elected a Chairman who acted in a non-executive position and two joint Managing Directors rather than a Chief Executive Officer, as detailed below.

## The Chairman

The Chairman during the financial year 2009 was non executive and led the Board in the determination of its strategy and in the achievement of its objectives. The Chairman was responsible for organising the Business of the Board, ensuring its effectiveness and setting the agenda. The Chairman had no involvement in the day-to-day business of the Group. The Chairman facilitated the effective contribution of the non executive Directors and constructive relations between executive and non executive Directors.

Joint Managing Directors Divisional and Group responsibilities was split between Mr Q George and Mr J Whatley. Mr Q George had divisional responsibility for Private Equity and Asset Management whilst Mr J Whatley had group responsibility for the role of Chief Operating Officer and divisional responsibility for the Financial Services division.

The Managing Directors had direct charge for the Group on a day-to-day basis and were accountable to the Board for the financial and operational performance of the Group. The Managing Directors had formed

two committees, the Strategic Executive Team (SET) and the Corporate Management Committee (CMC). This enabled them to carry out the responsibilities delegated to them by the Board. SET comprised of the executive Directors, whilst the CMC comprises of the executive Directors and the key senior management of the subsidiary companies. Both Committees met on a regular basis (formally and informally), SET to develop and communicate strategy and CMC to implement.

As of the 1st June 2009, the Board was restructured with the then Chairman, Mr R Engels retiring and the Deputy Chairman, Mr N Noland replacing him in as Chairman in an executive position.

## Directors

During the financial year 2009 year, the Board comprised of five Independent Non Executive Directors, and three executive Directors. Biographical details for each of the Directors are set out in this report.

All Directors served throughout the year ended 28th February 2009 and in addition to fulfilling their legal responsibilities as Directors, non executive Directors brought their independent judgment to bear on issues of strategy, performance, resources and standard of conduct, and to help the Board provide the Company with effective leadership. They were also expected to ensure high standards of financial probity on the part of the Company and to monitor the effectiveness of the executive Directors.

After the year end 28 February 2009, the following changes have been made to the Board of Directors:

# Statutory and corporate governance information

1. Robert Engels – Resigned as Chairman on the 18 May 2009 and as a Director with effect from 1 June 2009. Mr. Engels has decided to retire and spend more time with his family.
2. Quinton George – Resigned as Director with effect from 1 June 2009. The reason for the resignation is that given the global financial climate, Mr. George needs to fully concentrate on the business of running Trinity Asset Management (pty) Limited in South Africa.
3. Charles Pettit - Resigned as Director with effect from 1 June 2009. The reason for the resignation is so that Mr. Pettit can fully concentrate on the business of running Trinity Corporate Finance (pty) Limited in South Africa. A company in which Trinity Financial Group Limited has a 20% interest.
4. Sanjeeven Ramasawmy – Appointed as Finance Director on 24 June 2009.
5. Rajsing Gopaul - Appointed as Non Executive Director on 24 June 2009.

## **Directors' Independence**

Of the Directors that served during the year, five of the Non Executive Directors are considered by the Board to be independent. The Board assesses and reviews the independence of each of the Non Executive Directors at least annually having regard to the potential relevance and materiality of a Director's interest and relationships rather than applying a rigid criteria. Save as detailed above or disclosed in circulars to shareholders, no Director was materially interested in any contract or arrangement subsisting during or at the end of the

financial period that was significant in relation to the business of the Company.

## **Re-election**

Subject to the Company's Articles of Association, the BVI Business Companies Act 2004 and satisfactory performance evaluation, Directors are appointed to serve indefinitely until resignation or removal.

## **The Board's Committees**

The Board is assisted by various standing committees of the Board. The membership of these committees is regularly reviewed by the Board. When considering committee membership and chairmanship, the Board aims to ensure that undue reliance is not placed on particular Directors. These committees all have clearly defined terms of reference.

## **Audit and Compliance Committee**

During the year ended 28th February 2009, the audit and compliance committee comprised of Nigel McGowan (Chairman), Norman Noland & Jürg Blum with John Whatley by invitation. The audit and compliance committee have primary responsibility for monitoring the quality of internal controls and ensuring that financial performance is properly measured and reported. It receives and review reports from the Groups management and auditors relating to the interim and annual accounts and the accounting and internal control systems. The audit and compliance committee will meet not less than once in each financial year and will have unrestricted access to the Company's auditors. The audit and compliance committee is also responsible for reviewing the adequacy of the Groups' regulatory and compliance policies.

# Statutory and corporate governance information

## Remuneration Committee

During the year ended 28th February 2009, the remuneration committee comprised of Robert Engels (Chairman), Giorgio Blum and Nigel McGowan. The remuneration committee reviewed the performance of the executive directors and employees and made recommendations to the Board on matters relating to their remuneration and terms of employment. The remuneration committee will also consider and approve the granting of share options and other equity incentives and any other share option scheme or equity incentive scheme in operation from time to time.

The remuneration committee will meet at least once each year and on other occasions as and when necessary.

## Valuation Committee

During the year ended 28 February 2009, the valuations committee comprised of John Whatley, Charles Pettit and Nigel McGowan with John Whatley acting as chairman of the committee. The valuations committee

recommends to the Board the valuations to be placed on investments for the purposes of the year end and interim results and any necessary provisions.

## Investment Committee

During the year ended 28th February 2009, the investment committee comprised Quinton George (Chairman), Charles Pettit, John Whatley, Robert Engels and Norman Noland.

The investment committee made recommendations to the Board concerning investments and reviewed existing investments.

It had the following powers when investing the Capital of the company:

- up to USD 1,000,000 without prior approval of the Board of Directors (BOD).
- between USD 3,000,000 and USD 5,000,000, with the Chairman but without prior approval of BOD.
- USD 5,000,000 required prior approval of BOD.

Attendance of meetings Directors during year	Director's Meeting	Audit Committee	Remuneration Committee	Valuation Committee	Investment Committee
Robert Engels	4/4		1/1		
John Whatley	4/4	2/2		3/3	17/17
Norman Noland	4/4	2/2			
Quinton George	4/4				17/17
Charles Pettit	4/4			3/3	17/17
Kee Chong Li Kwong Wing	3/4				
Nigel McGowan	3/4	2/2	1/1	3/3	
Dr Jurg P. Blum	4/4	2/2	1/1		

# Statutory and corporate governance information

## **Company Secretary**

The Company Secretary is responsible for advising the Board on governance matters. Dale International Trust Company Limited (DITC) a company licensed by the Financial Services Commission of Mauritius is appointed as the corporate secretary.

## **Portfolio management and voting policy**

In relation to unquoted investments, the Group's approach is to seek to add value to businesses in which the Group invests through the Group's extensive experience, resources and contacts. In relation to quoted investments, the Group's policy is to exercise voting rights on matters affecting the interests of the Group.

## **Charitable and Political donations**

Since its establishment in 2000 the Company has adopted a strategy of encouraging its shareholders to become involved in investing in individuals and groups who are actively involved "amongst the poor" in Southern Africa and more recently Mauritius. During the forthcoming year the Group's executives will be involved in devoting time and resources towards seeking and identifying individuals or groups, (and work with them) whose are committed and determined to make a material difference to eradicate the economic injustices of the past which have had a devastating effect on the poor. In this way we hope to be an example to those around us. In an effort to be as effective as possible, the Group's philosophy is to take on a small number of projects to which the group can make ongoing contributions.

This strategy will be supported by an approach which will include the sponsoring of specific projects and where

appropriate, becoming equity and funding partners of businesses that are focused on the transformation of disadvantaged communities. This year, the Group has supported the following Charities:

## **South Africa**

The Gold Peer Education AIDS Programme. The Group believes that sustainable wealth creation in South Africa can only be achieved by investing in the country's most valuable human resource – its youth. To this end it has become involved in combating HIV/Aids transmission in schools and communities across southern Africa by funding the work of GOLD (Generation of Leaders Discovered) Peer Education Development Agency. Based in South Africa but operating both locally and in Botswana, GOLD is equipping community based organisations in both countries with the skills to implement an innovate peer education model that responds to the root factor behind HIV transmission amongst young people. GOLD currently collaborates with 17 community based organisations working in 95 high schools and equipping over 6,000 peer educators who are conservatively reaching over 300,000 peers and children. The programme is making a significant impact and difference in the lives of countless individuals and in the future of the Southern African region as a whole. The Group has not made any donations or contributions to any political party in any jurisdiction during the year.

## **Statement of Director's Responsibilities**

The Directors are required by Mauritian law, the Listing Rules of the Stock Exchange of Mauritius and the Securities Act of Mauritius to prepare financial statements which give a true and fair view of the state of affairs of the Company and the Group as at the end of

# Statutory and corporate governance information

the year and of the profit for the year. The Directors have a responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and enable them to ensure that the financial statements comply with all relevant laws and regulations. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Suitable accounting policies, which follow generally accepted accounting practice and are explained in the notes to the financial statements, have been applied consistently and applicable accounting standards have been followed. In addition, these financial statements comply with International Financial Reporting Standards and reasonable and prudent judgements and estimates have been used in their preparation.

## **Going Concern**

The Directors are satisfied that the Company and the Group have adequate resources to continue to operate for the foreseeable future.

## **Auditors' independence and objectivity**

Subject to annual appointment by shareholders, auditors performance is monitored on an ongoing basis and formally reviewed each year. The Audit and Compliance Committee will review the auditors' performance during the year and concluded that Howarth (Mauritius) should continue.

The Committee recognises the importance of ensuring the independence and objectivity of the Company's auditors. It reviews the nature and extent of the services provided by them, the level of their fees and the element comprising non audit fees. Details of fees paid to the auditors are disclosed in this report.

## **Appointment of auditors**

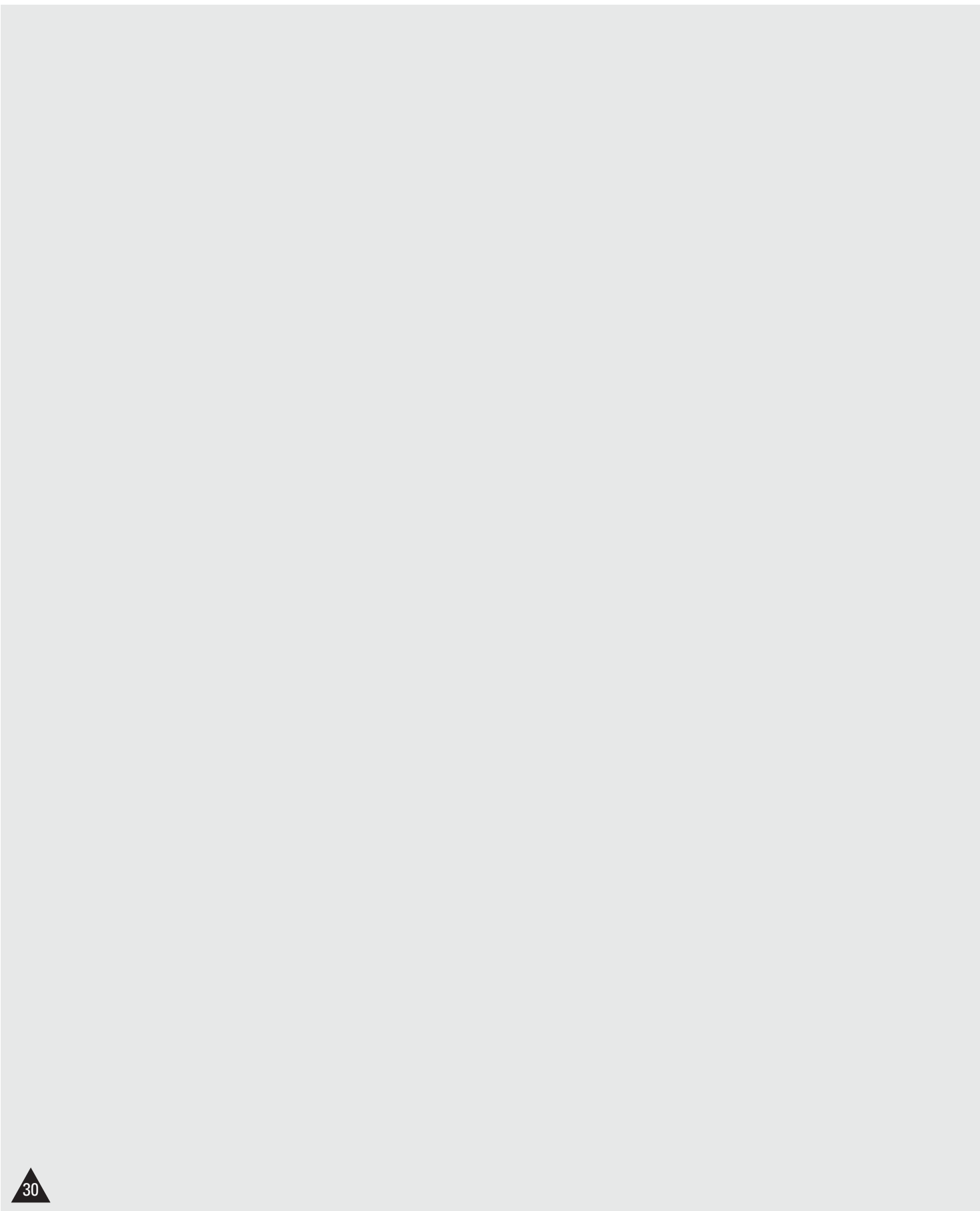
A resolution proposing the reappointment of Howarth (Mauritius) will be put to the members at the forthcoming AGM.

By order of the Board

3 August 2009

Dale International Trust Company Limited

Secretary to the Company





Financial Report

# Report of the Auditors to the members of Trinity Financial Group Limited

We have audited the consolidated financial statements of Trinity Financial Group Limited on pages 32 to 61, which have been prepared on the basis of the accounting policies set out on pages 40 to 61.

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in our auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

## **Respective responsibilities of directors and auditors**

The Company's directors are responsible for the preparation of the consolidated financial statements. It is our responsibility to form an independent opinion, based on our audit, on the consolidated financial statements and to report our opinion to you.

## **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing.

An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the Group's and the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with

sufficient evidence to give reasonable assurance that the consolidated financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We have no relationship with, or any interests in the Company and its subsidiary and step-subidiaries, other than in our capacity as auditors in the ordinary course of business.

## **Work of other auditors**

Without qualifying our opinion, we draw attention to the fact that the financial statements of the subsidiary and step-subidiaries included in the consolidated financial statements of the Company were audited by other independent auditors in accordance with International Standards on Auditing. The report of these auditors expressed an unqualified opinion on the subsidiaries' and step-subidiaries' financial statements

## **Other matters**

Without qualifying our opinion, we draw attention to the fact that, as explained in note 3(b), the financial statements of the subsidiaries and step-subidiaries which are based in South Africa have been prepared in accordance with International Financial Reporting Standards, and in a manner required by the Companies Act of South Africa.

## **Opinion**

We have obtained all the information and explanations we considered necessary for the purposes of our audit.

**In our opinion,**

- (a) proper accounting records have been kept by the Group and the Company as far as it appears from our examination;
- (b) the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 28 February 2009 and of the results, changes in equity and cash flows for the year then ended and have been properly prepared in accordance with International Financial Reporting Standards.

**Report on Other Legal and Regulatory Requirements**

Financial Reporting Act 2004 of Mauritius

The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius (Code). Our responsibility is to report these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

Horwath (Mauritius)  
Public Accountants

K.S. Sewraz, FCCA  
Signing Partner

Date: 3 August 2009

# Consolidated Balance Sheet

As at 28 February 2009

	Notes	The Group		The Company	
		2009 USD	Restated 2008 USD	2009 USD	2008 USD
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	65,466	92,627	2,141	687
Intangible assets	5	8,408,584	7,525,045	-	-
Investment in subsidiaries	6	-	-	1,567,600	1,567,600
Investment in associate	7	8,682	11,495	-	-
Investment in financial assets	8	11,836,927	19,362,636	6,196,812	6,303,947
Loans receivable	9	592,207	2,092,730	-	8,708,911
Deferred taxation	10	1,427,420	44,667	-	-
		22,339,286	29,129,200	7,766,553	16,581,145
<b>Current assets</b>					
Trade and other receivables	11	356,091	9,312,883	142,080	9,129,030
Loans receivable	12	307,426	2,142,765	11,414,805	-
Investment in financial assets	8	336,420	272,204	-	-
Cash and cash equivalents		232,639	2,953,170	9,980	2,383,653
		1,232,576	14,681,022	11,566,865	11,512,683
<b>TOTAL ASSETS</b>		<b>23,571,862</b>	<b>43,810,222</b>	<b>19,333,418</b>	<b>28,093,828</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Stated capital	13	21,138,073	24,252,216	21,138,073	24,252,216
Treasury shares	14	(4,136,159)	-	(4,136,159)	-
Revaluation reserve		(1,346,344)	3,781,162	(1,917,286)	406,204
Translation reserve		(559,222)	68,292	-	-
Retained earnings		1,340,144	5,315,417	1,193,882	3,348,546
Equity attributable to equity holders of the parent		16,436,492	33,417,087	16,278,510	28,006,966
Non-controlling interest		142,223	(146,046)	-	-
		16,578,715	33,271,041	16,278,510	28,006,966
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	15	1,465,198	2,970,425	-	20,000
Financial liabilities	16	198,167	2,248,422	-	-
Deferred taxation	10	16,625	237,270	-	-
		1,679,990	5,456,117	-	20,000
<b>Current liabilities</b>					
Trade and other payables	17	230,060	4,389,821	41,686	66,862
Borrowings	18	3,149,872	637,214	2,013,222	-
Bank overdraft	19	1,865,157	-	1,000,000	-
Taxation	20	68,068	56,029	-	-
		5,313,157	5,083,064	3,054,908	66,862
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,571,862</b>	<b>43,810,222</b>	<b>19,333,418</b>	<b>28,093,828</b>

# Consolidated Income Statement

For the year ended 28 February 2009

	Notes	The Group		The Company	
		2009 USD	2008 USD	2009 USD	2008 USD
<b>Revenue</b>					
Rendering of services		2,509,134	447,379	92,346	202,342
Investment income		2,236,089	1,136,805	-	140,367
		4,745,223	1,584,184	92,346	342,709
<b>Expenses</b>					
Administrative expenses		1,295,503	304,439	258,295	79,886
Operating expenses		1,614,320	634,636	20,089	584,862
		2,909,823	939,075	278,384	664,748
Profit/(loss) from operations		1,835,400	645,109	(186,038)	(322,039)
Finance (cost)/income		(485,336)	(591,603)	(325,039)	(225,439)
Net (loss)/ gain on investments		(6,166,729)	(124,603)	(1,160,336)	629,017
Net effect of goodwill on acquisition		-	273,420	-	-
(Loss)/profit before taxation		(4,816,665)	202,323	(1,671,413)	81,539
Income tax income/(expense)	20	1,779,156	70,381	-	(14,503)
<b>(Loss)/profit for the year after taxation</b>		<b>(3,037,509)</b>	<b>272,704</b>	<b>(1,671,413)</b>	<b>67,036</b>
Attributable to:					
Equity holders of the Company		(3,072,556)	276,186	(1,671,413)	67,036
Non-controlling interests		35,047	(3,482)	-	-
		(3,037,509)	272,704	(1,671,413)	67,036
(Loss)/earnings per share	23	(0.67)	0.11	(0.37)	0.03

# Consolidated Statement of Changes in Equity

For the year ended 28 February 2009

	THE GROUP							Total
	Stated capital USD	Share premium USD	Retained earnings USD	Revaluation reserve USD	Treasury shares USD	Non-controlling interest USD	Translation reserve USD	
<b>At 28 February 2007</b>	<b>1,181,168</b>	<b>3,024,300</b>	<b>5,328,551</b>	<b>1,210,039</b>	-	<b>74,409</b>	<b>(285,098)</b>	<b>10,533,369</b>
Issue of shares	20,000,026	110,740	-	-	-	-	-	20,110,766
Movement during the year	-	-	-	2,571,123	-	(146,046)	353,390	2,778,467
Issue of convertible redeemable preference shares	(1,181,000)	1,180,976	-	-	-	-	-	(24)
Bonus shares issued at premium	1,939,806	(1,939,806)	-	-	-	-	-	-
Share issued at cost	-	(63,994)	-	-	-	-	-	(63,994)
Adjustments on derecognition of subsidiary	-	-	74,409	-	-	(74,409)	-	-
Dividends	-	-	(479,930)	-	-	-	-	(479,930)
Profit for the year	-	-	276,186	-	-	-	-	276,186
<b>At 28 February 2008 as previously stated</b>	<b>21,940,000</b>	<b>2,312,216</b>	<b>5,199,216</b>	<b>3,781,162</b>	-	<b>(146,046)</b>	<b>68,292</b>	<b>33,154,840</b>
Prior year adjustment (Note 27)	-	-	116,201	-	-	-	-	116,201
<b>At 28 February 2008 as restated</b>	<b>21,940,000</b>	<b>2,312,216</b>	<b>5,315,417</b>	<b>3,781,162</b>	-	<b>(146,046)</b>	<b>68,292</b>	<b>33,271,041</b>
Cancellation of shares issued	(3,100,000)	-	-	-	-	-	-	(3,100,000)
Movement during the year	-	-	-	(5,127,506)	(4,136,159)	107,176	(627,514)	(9,784,003)
Adjustments on derecognition of subsidiaries	-	-	(419,466)	-	-	146,046	-	(273,420)
Dividends	-	-	(483,251)	-	-	-	-	(483,251)
Share related expenses	-	(14,143)	-	-	-	-	-	(14,143)
Loss for the year	-	-	(3,072,556)	-	-	35,047	-	(3,037,509)
<b>At 28 February 2009</b>	<b>18,840,000</b>	<b>2,298,073</b>	<b>1,340,144</b>	<b>(1,346,344)</b>	<b>(4,136,159)</b>	<b>142,223</b>	<b>(559,222)</b>	<b>16,578,715</b>

# Consolidated Statement of Changes in Equity

For the year ended At 28 February 2009

THE COMPANY

	Convertible redeemable preference shares USD	Stated capital USD	Share premium USD	Treasury Shares USD	Retained earnings USD	Revaluation reserve USD	Total USD
<b>At 28 February 2007</b>	<b>1,181,000</b>	<b>168</b>	<b>3,024,300</b>	-	<b>3,761,440</b>	<b>644,623</b>	<b>8,611,531</b>
Issue of shares	-	20,000,002	110,740	-	-	-	20,110,742
Issue of convertible redeemable preference shares	(1,181,000)	24	1,180,976	-	-	-	-
Bonus shares issued at premium	-	1,939,806	(1,939,806)	-	-	-	-
Share issued at cost	-	-	(63,994)	-	-	-	(63,994)
Profit for the year	-	-	-	-	67,036	-	67,036
Dividends	-	-	-	-	(479,930)	-	(479,930)
Change in fair value of financial assets	-	-	-	-	-	(238,419)	(238,419)
<b>At 28 February 2008</b>	-	<b>21,940,000</b>	<b>2,312,216</b>	-	<b>3,348,546</b>	<b>406,204</b>	<b>28,006,966</b>
Cancellation of issued shares	-	(3,100,000)	-	-	-	-	(3,100,000)
Shares bought back	-	-	-	(4,102,869)	-	-	(4,102,869)
Transfer out from treasury shares	-	-	-	140,634	-	-	140,634
Cost to Treasury shares	-	-	-	(173,924)	-	-	(173,924)
Share issue costs	-	-	(14,143)	-	-	-	(14,143)
Dividends paid out	-	-	-	-	(483,251)	-	(483,251)
Loss for the year	-	-	-	-	(1,671,413)	-	(1,671,413)
Change in fair value of financial assets	-	-	-	-	-	(2,323,490)	(2,323,490)
<b>At 28 February 2009</b>	-	<b>18,840,000</b>	<b>2,298,073</b>	<b>(4,136,159)</b>	<b>1,193,882</b>	<b>(1,917,286)</b>	<b>16,278,510</b>

# Consolidated Cash Flow Statement

For the year ended 28 February 2009

	Notes	The Group		The Company	
		2009 USD	2008 USD	2009 USD	2008 USD
<b>Cash from operating activities</b>					
(Loss)/ profit before tax		(4,816,665)	202,323	(1,671,413)	81,539
Adjustments for:					
Interest income		(457,856)	(788,235)	(258,295)	(79,872)
Finance costs		485,336	591,603	325,039	225,439
Depreciation		21,911	821	1,101	62
Profit/(loss) on disposal of investments		4,846,336	491,661	1,141,337	(629,017)
Loan written off		959,094	(284,248)	18,493	-
Gain on revaluation of investments		361,359	(367,507)	-	-
<b>Operating profit/(loss) before working capital changes</b>		<b>1,399,515</b>	<b>(153,582)</b>	<b>(443,738)</b>	<b>(401,849)</b>
Decrease/(increase) in trade and other receivables		2,577,164	(8,345,162)	2,886,950	(8,351,832)
(Decrease)/increase in trade and other payables		(4,159,761)	2,835,858	25,176	(987,961)
<b>Cash (absorbed by)/generated from operations</b>		<b>(183,082)</b>	<b>(5,662,886)</b>	<b>2,468,388</b>	<b>(9,741,642)</b>
Income tax paid		-	(26,459)	-	(14,503)
<b>Net cash (used in)/from operating activities</b>		<b>(183,082)</b>	<b>(5,689,345)</b>	<b>2,468,388</b>	<b>(9,756,145)</b>
<b>Cash flows from investing activities</b>					
Effect of acquisition of subsidiaries	21	(353,815)	(7,782,204)	-	-
Effect of disposal of subsidiary	22	148,252	11,403	-	-
Purchase of fixed assets		(63,755)	(13,710)	-	(749)
Purchase of investments		(7,110,186)	(6,206,300)	(2,720,671)	134,878
Proceeds from disposal of investments		1,338,384	845,278	1,366,621	-
Net effect of loans with related companies		813,307	6,463,384	(7,513,748)	-
Net effect of loans with third parties		2,211,927	(3,195,242)	1,579,860	(6,589,356)
Sale of fixed assets		43,721	-	-	-
Settlement of Financial Liabilities		(2,050,255)	-	-	-
Interest paid		(366,031)	(269,264)	(133,844)	-
Interest income		457,856	788,235	258,295	79,872
<b>Net cash used in investing activities</b>		<b>(4,930,595)</b>	<b>(9,358,420)</b>	<b>(7,163,487)</b>	<b>(6,375,355)</b>
<b>Balance carried forward</b>		<b>(5,113,677)</b>	<b>(15,047,765)</b>	<b>(4,695,099)</b>	<b>(16,131,500)</b>

# Consolidated Cash Flow Statement

For the year ended 28 February 2009

	The Group		The Company	
	2009 USD	2008 USD	2009 USD	2008 USD
Balance brought forward	(5,113,677)	(15,047,765)	(4,695,099)	(16,131,500)
Cash flows from financing activities				
Proceeds from issue of shares	-	20,046,748	-	20,046,748
Net loans from /(to) third parties	1,380,645	(1,296,303)	1,538,741	-
Net loans (to) / from related parties	(146,313)	(426,070)	454,481	(1,003,489)
Dividend paid	(480,601)	(479,930)	(480,601)	(479,930)
Net cash from financing activities	753,731	17,844,445	1,512,621	18,563,329
Net (decrease) / increase in cash and cash equivalents	(4,359,946)	2,796,680	(3,182,478)	2,431,829
Effect of exchange rate difference	(225,742)	68,293	(191,195)	(79,189)
Cash and cash equivalents at beginning of year	2,953,170	88,197	2,383,653	31,013
Cash and cash equivalents at end of year	(1,632,518)	2,953,170	(990,020)	2,383,653

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 1. General information

The Company was originally incorporated in Mauritius under the International Companies Act 1994 as an International Company with limited liability on 9th October 2000. On 25th July 2002, the Company was converted into a Category 1 Global Business License issued by the Financial Services Commission of Mauritius. On 7th November 2007 the Company was registered by way of continuation in the British Virgin Islands (B.V.I) under the name Dale Capital Partners Limited.

The Company subsequently changed its name to Trinity Financial Group Limited on 26 May 2008 and in this respect a certificate of Name Change was issued by the B.V.I authorities

The principal activity of the Company is investment holdings. It has investment in companies which provide predominantly investment management services. Trinity also invest in quoted small and mid cap companies with value that can be unlocked.

The Company's investment strategy is currently focused on asset management services

The financial statements of the Group and Company are expressed in United States Dollars ("USD") which is considered to be the Company's functional currency.

The following are subsidiaries and step-subsiidiaries that have been consolidated with the Company:

Names	% Holding	Country of Incorporation
<b>Subsidiaries and step-subsiidiaries</b>		
TFG Investment Holdings Limited	100	BVI
Trinity Private Equity (Pty) Ltd	100	South Africa
Wildcatter (Pty) Limited	51	South Africa
Sharenet (Pty) Limited	51	South Africa
Trinity Asset Management (Pty) Ltd	100	South Africa
TFG Capital Limited (BVI)	100	BVI
Trinity Asset Management International Limited	100	Mauritius GBL 1
Trinity Asset Management International (B.V.I) Ltd	100	B.V.I
Pincap Securities Limited	100	B.V.I

The company has disposed of 70 % of Dale Capital Limited and 100% Dale Leisure International Limited which were previously step subsidiaries during the current financial year.

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 2. Adoption of new revised standards

### Standards, amendments and interpretations to existing standards that is not yet effective

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2009 or later periods:

IFRS 2 - Share based payment (Revised 2008), effective for annual periods beginning on or after 1 January 2009

IFRS 3 - Business Combinations (Revised 2008), effective for annual periods beginning on or after 1 July 2009

IAS 1 - Presentation of Financial Statements (Revised 2007), effective for annual periods beginning on or after 1 January 2009

IAS 23 - Borrowing costs (Revised 2007), effective for annual periods beginning on or after 1 January 2009.

IAS 27 - Consolidated financial statements (Revised 2008), effective for annual periods beginning on or after 1 July 2009

IAS 28 - Investment in associates (Revised 2008), effective for annual periods beginning on or after 1 July 2009

IAS 31 - Interests in joint ventures (Revised 2008), effective for annual periods beginning on or after 1 July 2009

IAS 32 - Financial Instruments: Presentation (Revised 2008), for annual periods beginning on or after 1 January 2009

## 3. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

### (a) Basis of presentation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), which includes International Accounting Standards (IAS) and approved SIC Interpretation issued by IASB. The preparation of financial statements in accordance with International Financial Reporting Standards requires the directors to make estimates and assumptions that could affect the reported amounts and disclosures in the consolidated financial statements. Actual results may differ from those estimates.

The company's consolidated financial statements are prepared under the historical cost convention, except as modified by fair values of financial instruments carried on the Balance Sheet date.

### (b) Basis of consolidation

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

### **3. Significant accounting policies (continued)**

The purchase method of accounting is used to account for the acquisition of the subsidiaries by the Group.

The Group's financial statements include the financial statements of the Company and its subsidiaries and step subsidiaries and are made up to 28th February 2009. The results of the subsidiaries and step-subsubsidiaries are included in the consolidated financial statements and all intra group transactions and balances have been eliminated.

The financial statements of the subsidiaries and step-subsubsidiaries incorporated in South Africa referred to in note 1 have been presented in accordance with International Financial Reporting Standards and in a manner required by the Companies Act of South Africa.

#### **(c) Investment in subsidiary**

Subsidiary undertakings are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations.

Investment in subsidiary is shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the Income Statement. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

#### **(d) Investment in associate**

Investment in associate is accounted for using the equity method. Under the equity method, the investment in the associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the company's share of the profit or loss of the associate after the date of acquisition. Distributions received from the investee company reduce the carrying amount of the investment.

#### **(e) Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight – line basis over the lease term.

#### **(f) Foreign currency translation**

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in US Dollars which is the functional currency of the Company and the presentation currency of the consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

### 3. Significant accounting policies (continued)

Foreign currency transactions are normally translated into US Dollars at the exchange rate ruling on the transaction dates. Monetary assets and liabilities at the balance sheet date, which are denominated in foreign currencies, are translated into US Dollars at the rate of exchange ruling at the balance sheet date. Gains and losses on exchange are dealt with in the income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in US Dollars using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rate at the dates of the transactions are used. Exchange differences arising on consolidation are dealt with and classified as translation reserve under equity. Such exchange differences are recognised as gain or loss in the period in which the foreign operation is disposed of.

#### (g) Plant, plant and equipment

Depreciation is calculated on the straight line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each asset are as follows:

Computer equipment	33.33%
Furniture and Fittings	50%
Office equipment	20%
Plant and machinery	20%

#### (h) Revenue recognition

Revenue from services is recognised when the services have been performed and are billable.

Investment income includes interest income and dividend income. Interest income is recognised as it accrues unless collectability is in doubt and dividend income when the shareholders' right to receive payment is established.

#### (i) Related parties

Related parties are individuals and companies where the individuals or companies have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

#### (j) Taxation

Current taxation comprises taxation payable or recoverable, calculated on the basis of the expected taxable profit for the year using the taxation rates enacted at the balance sheet date, and any adjustments of tax payable for previous years. The Company being registered in the BVI is not subject to any tax. Its subsidiaries are, however, subject to the tax regulations effective in the jurisdiction in which they operate.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

### **3. Significant accounting policies (continued)**

#### **(k) Financial instruments (Continued)**

Financial assets and liabilities are recognised on the Group's Balance Sheet when the Group has become a party to the contractual provisions of the instrument.

##### ***(i) Available for sale investments***

The Group has classified the investments, other than investments in subsidiary, associate and trading investments, as available for sale. Listed investments are stated at the market price of the securities. Unlisted investments for which a reliable fair value measurement is not available is recorded at cost less impairment, if any. Any permanent diminution in value is recognised by reducing the cost to the realisable value and charging the difference to the income statement. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

##### ***(ii) Investment classified as held-for-sale***

Investments are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Investments classified as held-for-sale are measured at the lower of the asset's previous carrying amount and the fair value less costs to sell.

##### ***(iii) Held for trading financial assets***

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Investments are measured initially and subsequently at fair value, gains and losses arising from changes in fair value are dealt with in equity.

##### ***(iv) Impairment of assets***

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease to the extent of the corresponding revaluation surplus.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 3. Significant accounting policies (continued)

### (k) Financial instruments (Continued)

#### (v) Trade and other payables

Trade and other payables are stated at their nominal value.

#### (vi) Long term receivables

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The amount of loss is recognised in the income statement. Long term receivables without fixed maturity terms are measured at cost.

#### (vii) Trade receivables

Trade receivables are stated at nominal value less impairment in value.

#### (viii) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (l) Intangible assets

Intangible assets consist of goodwill on consolidation, computer software and signage and Trademarks.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposals. Goodwill is allocated to cash generating units for the purpose of impairment testing.

Cost that are directly associated with identifiable computer software, signage and trademarks which will generate economic benefits beyond one year are recognised as intangible assets and are amortised over their useful lives. The amortisation rates are as follows:

Computer software	33.33%
Signage	25%
Trademarks	Indefinite Life

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 4. Property, plant and equipment

	The Group					The Company
	Computer equipment USD	Furniture and fittings USD	Office equipment USD	Plant and machinery USD	Total USD	Office equipment USD
<b>Cost</b>						
At 1 March 2008	31,186	15,463	29,667	70,043	146,359	749
Additions during the year	12,974	3,293	2,555	18,734	37,556	2,555
Disposals	-	-	-	(43,440)	(43,440)	-
Consolidation adjustments	70,495	10,365	(4,636)	(29,315)	46,909	-
At 28 February 2009	114,655	29,121	27,586	16,022	187,384	3,304
<b>Depreciation</b>						
At 1 March 2008	14,011	7,866	17,267	14,588	53,732	62
Charge for the year	8,863	2,353	3,966	6,729	21,911	1,101
Disposals	-	-	-	(18,203)	(18,203)	-
Consolidation adjustments	59,961	9,535	(3,071)	(1,947)	64,478	-
At 28 February 2009	82,835	19,754	18,162	1,167	121,918	1,163
<b>Net book values</b>						
At 28 February 2008	17,175	7,597	12,400	55,455	92,627	687
At 28 February 2009	31,820	9,367	9,424	14,855	65,466	2,141

## 5. Intangible assets

	The Group		The Company	
	2009 USD	2008 USD	2009 USD	2008 USD
Goodwill (i)	8,123,561	7,464,373	-	-
Other intangible assets (ii)	285,023	60,672	-	-
	8,408,584	7,525,045	-	-

### (i) Goodwill

Goodwill represents the difference between the carrying amounts of the net assets of the subsidiaries acquired and the cost of acquisition.

	2009 USD	2008 USD
Balance at beginning of the year	7,463,920	388,936
Amounts recognised during the year on acquisitions	1,556,038	7,464,373
Amounts derecognised on date of disposals/impairment	(896,397)	(388,936)
	8,123,561	7,464,373

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## (ii) Other intangible assets

	Trademarks	Computer software	Signage	Total
	USD	USD	USD	USD
At 1 March 2008	-	28,883	53,304	82,187
Additions through business combinations	254,668	-	-	254,668
Exchange differences	-	(7,181)	(13,184)	(20,365)
At 28 February 2009	254,668	21,702	40,120	316,490
Depreciation/Amortisation				
At 1 March 2008	-	14,803	6,712	21,515
Exchange differences	-	1,619	8,333	9,952
At 28 February 2009	-	16,422	15,045	31,467
Net book values				
At 28 February 2008	-	14,080	46,592	60,672
At 28 February 2009	254,668	5,280	25,075	285,023

## 6. Investment in subsidiary

Investee Companies and countries of incorporation	Activities	% Holding	2009 COST USD	2008 COST USD
TFG Investment Holdings Limited – BVI	Investment holding	100	1,567,600 1,567,600	1,567,600 1,567,600

## 7. Investment in associate

	% Holding	2009 USD	2008 USD
Finassets Financial Solutions (Pty) Ltd	29.55%	8,652	11,495
Pointhaven Investment Holdings Limited	30%	30	-
		<b>8,682</b>	<b>11,465</b>

The carrying amounts of the associate are shown net of impairment losses.

(b) Summarised financial information in respect of the Group's associate is set out below:

	2009 USD	2008 USD
Financial position and performance of the associate:		
Assets	168,554	30,296
Liabilities	(162,847)	(16,354)
Net assets	(5,707)	13,942
Revenue	1,247	36,297
Loss of associate for the year	(26,894)	(1,518)
Share of loss of associate for the year	(8,068)	(448)

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 8. Investment in financial assets

The Group	Notes	Current		Non-current	
		2009 USD	2008 USD	2009 USD	2008 Restated USD
Held to maturity					
Preference shares held at cost	8(i)	-	-	445,116	515,983
Financial assets carried at fair value through the Profit and Loss					
Investment in Trinity Property Funds		-	-	3,217	3,428
Debentures	8(ii)	-	-	-	799,563
		-	-	3,217	802,991
Held for trading					
Futures	8(iii)	-	-	-	2,591,488
Quoted securities and SAFEX futures position.(iv)		336,420	272,204	-	-
		336,420	272,204	-	2,591,488
Available for sale investments carried at fair value					
Shares	8(iv)	-	-	11,388,594	15,452,174
<b>Total</b>		<b>336,420</b>	<b>272,204</b>	<b>11,836,927</b>	<b>19,362,636</b>

- (i) These relate to preference shares held in Imagination Life Management Services Holdings (Pty) Ltd ("ILM") which bears interest at South African prime rate, payable semi-annually and redeemable in February 2016.
- (ii) The group disposed of the subsidiary which was holding the debentures during the financial year.
- (iii) The futures accounts was closed during the financial year end.
- (iv) Available for sale investments (Equity instruments)

Details of the available for sale investments for the group are as follows:

Name of investee Companies	Notes	Cost	Cost	Fair values	Fair values
		2009 USD	2008 USD	2009 USD	2008 USD
Broadgate Capital Partners Limited	(a)	5,000,000	-	3,000,000	-
Convergenet Holdings Ltd		2,402,517	5,000,000	3,139,957	4,364,281
Riverstone Alternative Solutions Limited	(b)	-	866,800	-	2,375,000
Queensgate Hotels & Lesiure Limited		2,296,581	7,008,784	2,385,343	7,429,259
Sekunjalo Investments Limited		-	578,208	-	415,572
Dale Investment International Holdings Limited	(c)	-	280,000	-	280,000
Dale Capital Partners Holdings Limited	(d)	1,229,295	-	1,589,350	-
Sallies Limited Cd		792,083	-	1,046,219	-
The South African Land And Exploration Company Limited		-	455,245	227,725	588,062
<b>Total available for sale investments</b>		<b>11,720,476</b>	<b>14,189,037</b>	<b>11,388,594</b>	<b>15,452,174</b>

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 8. Investment in financial assets (continued)

- (a) The Company exercised a put option by selling 25 Million Convergenet Shares to Trinity Securities International Limited ("now known as Broadgate Capital Partners Limited" for a consideration of USD 5,000,000. The Consideration price was converted into Preference shares in the capital of Broadgate. The directors have fair value the Preference shares to USD 3,000,000.
- (b) Riverstone Alternative Solutions Limited was disposed of during the current financial year.
- (c) The Preference shares held in Dale Investment International Holdings Limited was swapped for ordinary shares in Dale International Trust Company Limited. The investment in Dale International Trust Company was then disposed of during the current financial year.
- (d) The Company has classified the 30% it still holds in Dale Capital Partners Holdings Limited (formerly Dale Capital Limited) as available for sale investment, given the loss of control over operational and financial decisions of the latter. In addition to the above, there is a Put and a Call option on the remaining 30%.

Available for sale investments (Equity instruments)

The Company

Details of the available for sale investments for the Company are as follows:

Investee Companies	Cost	Cost	Fair	Fair
	2009	2008	values	values
	USD	USD	2009	2008
			USD	USD
Broadgate Capital Partners Limited	5,000,000	-	3,000,000	-
Sallies Limited Cd	100,230	-	91,938	-
Sekunjalo Investments Limited	-	350,905	-	248,024
Queensgate Hotels and Leisure Limited	2,006,080	727,304	2,003,105	1,103,580
The South African Land And Exploration Company Limited	171,218	455,245	227,725	588,062
Convergenet Holdings Ltd(note 8(a))	937,566	5,000,000	874,044	4,364,281
	8,215,094	6,533,454	6,196,812	6,303,947

## 9. Loan receivable (Non - current)

	The Group		The Company	
	2009	2008	2009	2008
	USD	USD	USD	USD
Amount owed by related companies/parties	220,987	5,200	-	7,123,150
Amount owed by third parties	371,220	2,087,530	-	1,585,761
	592,207	2,092,730	-	8,708,911

The repayment terms are as follows:

	The Group		The Company	
	2009	2008	2009	2008
	USD	USD	USD	USD
No fixed terms of repayment	592,207	2,092,730	-	8,708,911

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 9. Loan receivable (Non - current) (continued)

The loans are unsecured, bear interest at rates determined by the directors from time to time, are for an indefinite period and have no fixed repayment terms. The group has granted the unconditional right to defer payment for at least 12 months after the year end for loans totalling USD 592,207.

## 10. Deferred taxation

Deferred tax assets and liabilities have been arrived at as follows:

### (a) Deferred tax asset

	The Group	
	2009 USD	2008 USD
Accelerated capital allowances for tax purposes	18,309	-
STC Asset	243,075	44,667
Tax loss available for set off against future income	1,152,081	-
Other deferred tax – on assets	13,955	-
	1,427,420	44,667

### (b) Deferred tax liabilities

Accelerated capital allowances for tax purposes	(2,166)	(2,976)
Originating temporary difference on financial assets	(11,674)	(234,294)
Other deferred tax – on assets	(2,785)	-
	(16,625)	(237,270)

## 11. Trade and other receivables

	The Group		The Company	
	2009 USD	2008 USD	2009 USD	2008 USD
Trade receivables	159,426	358,301	-	30,000
Other receivables	62,297	216,071	7,712	360,519
Receivable from shares subscription-The Trustees of The Dale Capital Partners Limited Employee Share Incentive Trust	-	3,000,000	-	3,000,000
Receivable from shares subscription(11(a))	134,368	4,981,672	134,368	4,981,672
Underwriting fee receivable	-	121,120	-	121,120
Amount receivable on Put option exercisable	-	635,719	-	635,719
	356,091	9,312,883	142,080	9,129,030

The directors consider the carrying amounts of trade and other receivables to approximate their fair values.

- (a) On 1st December 2007 the Company raised an additional USD 20 Million from existing and new shareholders by the issue of new ordinary shares. As at 28th February 2009, USD 134,368 was still receivable.

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 12. Loan receivable (Current)

	The Group		The Company	
	2009 USD	2008 USD	2009 USD	2008 USD
Amount owed by related Companies/parties	9,036	162,763	11,408,904	-
Amount owed by third parties	298,390	1,980,002	5,901	-
	307,426	2,142,765	11,414,805	-
The repayment terms are as follows:				
No fixed terms of repayment	307,426	1,305,402	11,414,805	-
Repayable within a year	-	837,363	-	-
	307,426	2,142,765	11,414,805	-

Loans are unsecured, bear interest at rates determined by the directors from time to time, are for an indefinite period and have no fixed repayment terms.

## 13. Stated capital

	Ordinary shares	Convertible redeemable preference share	Ordinary shares	Convertible redeemable preference shares	Share premium	Total
	Number of shares	Number of shares	USD	USD	USD	USD
At 1 March 2007	168	24	168	1,181,000	3,024,300	4,205,468
Issue of shares at premium	2	-	2	-	110,740	110,742
Conversion of convertible preference shares to ordinary shares at premium	24	(24)	24	(1,181,000)	1,180,976	-
Bonus shares issued out of premium	1,939,806	-	1,939,806	-	(1,939,806)	-
Issue of shares at no premium	4,000,000	-	20,000,000	-	-	20,000,000
Share issue costs	-	-	-	-	(63,994)	(63,994)
At 28 February 2008	5,940,000	-	21,940,000	-	2,312,216	24,252,216
Cancellation of issue shares	(620,000)	-	(3,100,000)	-	-	(3,100,000)
Transfer to Treasury shares (Note 14)	(810,192)	-	-	-	-	-
Shares issue costs	-	-	-	-	(14,143)	(14,143)
At 28 February 2009	4,509,808	-	18,840,000	-	2,298,073	21,138,073

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 14. Treasury shares

	Number of shares		Value	
	2009	2008	2009	2008
	USD	USD	USD	USD
Shares buy back	839,749	-	(4,102,869)	-
Transfer of shares as dividend payment	(530)	-	(2,650)	-
Cost to treasury shares	-	-	(171,275)	-
Transfer of shares for settlement of debt	(29,027)	-	140,633	-
Balance c/f	810,192	-	(4,136,159)	-

## 15. Borrowings (Non-current)

	The Group		The Company	
	2009	2008	2009	2008
	USD	USD	USD	USD
Amount owed to related Companies/parties	229,401	819,087	-	20,000
Amount owed to third parties	1,235,797	2,151,338	-	-
	1,465,198	2,970,425	-	20,000
The repayment terms are as follows:				
No fixed terms of repayment	1,465,198	2,133,506	-	20,000
After two years and before five years	-	836,919	-	-
	1,465,198	2,970,425	-	20,000

The loans are unsecured, interest free and bear interest at mutually agreed interest rates from time to time, and have no fixed terms of repayment. The Group has classified loans that which have subordinated their claims for repayment for another twelve months as non-current.

## 16. Financial liabilities

	The Group		The Company	
	2009	2008	2009	2008
	USD	USD	USD	USD
Futures:				
Sekunjalo Investments Limited	-	1,950,959	-	-
The South African Land And Exploration Company Limited	-	297,463	-	-
Convergenet Holdings Limited	198,167	-	-	-
	198,167	2,248,422	-	-

The above companies are quoted on the Johannesburg Stock Exchange.

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 17. Trade and other payables

	The Group		The Company	
	2009 USD	2008 USD	2009 USD	2008 USD
Trade payables	121,523	241,195	41,686	-
Amount owed to related parties	-	4,123,467	-	24,427
Accruals	11,209	13,428	-	5,500
Other payables	97,328	11,731	-	36,935
	230,060	4,389,821	41,686	66,862

The directors consider that the carrying amount of other payables to approximate their fair values.

## 18. Borrowings (Current)

	The Group		The Company	
	2009 USD	2008 USD	2009 USD	2008 USD
Amount owed to related companies/parties	460,240	16,867	474,481	-
Amount owed to third parties	2,689,632	620,347	1,538,741	-
	3,149,872	637,214	2,013,222	-
The repayment terms are as follows:				
No fixed terms of repayment	3,149,872	-	2,013,222	-
After one year and before two Years	-	196,845	-	-
After five years	-	440,369	-	-
	3,149,872	637,214	2,013,222	-

## 19. Bank Overdraft

	The Group		The Company	
	2009 USD	2008 USD	2009 USD	2008 USD
	1,865,157	-	1,000,000	-
	1,865,157	-	1,000,000	-

The Company's overdraft facility with the Bank is unsecured and bears interest at the rate of 3% above 1 Month USD LIBOR per annum.

Overdraft facilities of the step-subsiaries are secured over held for trading financial assets and bear interest at the rate of South African Prime plus 1%.

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 20. Taxation

- (i) Under the present laws of the BVI, dividends remitted to shareholders resident outside the BVI will not be subject to withholding tax in the BVI. In the BVI, there are no taxes on profits or income, nor are there any capital gains, estate duty or inheritance tax applicable to shares held by non-residents of the BVI. The Company is not subject in the BVI to stamp taxes or other similar duties on the issuance, transfer or redemption of the Company's shares.
- (ii) The step-subidiaries in South Africa are taxable at 28% for the year ended 28th February 2009 (28th February 2008: 29%)
- (iii) Under the present laws of Mauritius, Companies holding a Category 1 Global Business Licence are taxable at the rate of 15%. They are, however, entitled to a tax credit equivalent to the higher of the foreign taxes paid and 80% of the Mauritius tax on their foreign source income.

No Mauritian capital gain tax is payable on profits from sale of securities and any dividend and redemption proceeds paid by the Company to its shareholders will be exempt from any withholding tax in Mauritius.

Companies holding a Category 2 Global Business Licence are not taxable as they are not resident for tax purposes in Mauritius. The Group did not have any GBL 2 at the end of the year ended 28 February 2009.

	The Group		The Company	
	2009 USD	2008 USD	2009 USD	2008 USD
Current tax suffered:				
- On taxable income (Note 20(a))	(16,246)	(15,220)	-	(14,503)
- Taxes on donation	-	(10,808)	-	-
Total tax suffered	(16,246)	(26,028)	-	(14,503)
Originating and reversing temporary differences	244,257	-	-	-
Arising on previously unrecognised tax loss	1,233,028	-	-	-
STC Asset	318,117	-	-	-
Fair value adjustment of other financial asset transferred to deferred tax liability	-	96,409	-	-
Total tax income/(expense)	1,779,156	70,381	-	(14,503)
Current tax payable				
In Mauritius by the step-subsiary	-	3,074	-	-
In South Africa by the step-subsiary	68,068	52,955	-	-
	68,068	56,029	-	-

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 20. Taxation (Continued)

(a) Current tax suffered on taxable income is made up as follows:

	The Group		The Company	
	2009 USD	2008 USD	2009 USD	2008 USD
Current tax suffered:				
In Mauritius by the Company -pre-migration to BVI	-	14,503	-	14,403
In Mauritius by the step-subsiary	-	17	-	-
In South Africa by the step-subsiary	(16,246)	700	-	-
	(16,246)	15,220	-	14,403

## 21. Acquisition of subsidiaries 2009

During the year the Group has acquired 51% shareholding in Sharenet (Pty) Ltd and 100% of Pincap Securities Limited, and the fair value of assets acquired and liabilities arising were as follows:

	Pincap Securities Ltd USD	Sharenet (Pty) Ltd USD
Property , plant and equipment	-	19,462
Intangible assets at fair valuations	16,122	328,075
Financial assets	48,517	22,315
Trade and other receivables	-	50,938
Cash and cash equivalents	382	86,235
Financial liabilities	(65,013)	(222,908)
Trade and other payables	-	(157,381)
	8	126,736
Goodwill effects	453	313,235
	461	439,971
Cash and cash equivalents	(382)	(86,235)
Cash flows on acquisition net of cash and cash equivalents	79	353,736

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 21. Acquisition of subsidiaries (Continued) 2008

During the year the Group has acquired 77% shareholding in Trinity Asset Management (Pty) Ltd and 100% shareholding in Dale Capital Limited, and the fair value of assets acquired and liabilities arising were as follows:

	Trinity Asset Management (Pty) Ltd	Dale Capital Limited	Total
	USD	USD	USD
Property , plant and equipment	91,309	3,246	94,555
Intangible assets at fair valuations	-	448,235	448,235
Financial assets	1,912,646	1,303,448	3,216,094
Trade and other receivables	1,270,830	447,120	1,717,950
Cash and cash equivalents	43,129	43,480	86,609
Financial liabilities	(578,338)	(15,013)	(593,351)
Trade and other payables	(3,359,419)	(36,418)	(3,395,837)
	(619,843)	2,194,098	1,574,255
Goodwill/(Negative Goodwill )	6,567,978	(273,420)	6,294,558
	5,948,135	1,920,678	7,868,813
Cash and cash equivalents	(43,129)	(43,480)	(86,609)
Cash flows on acquisition (net) of cash and cash equivalents	5,905,006	1,877,198	7,782,204

## 22. Disposal of step-subsiary 2009

The net assets and liabilities of Dale Capital Limited deconsolidated were as follows:

	Dale Capital Limited	Dale Leisure International Limited	Total
	USD	USD	USD
Property , plant and equipment	4,031	-	4,031
Intangible assets	896,397	-	896,397
Financial assets	2,786,217	1,232,962	4,019,179
Trade and other receivables	423,297	6	423,303
Cash and cash equivalents	148,252	-	148,252
Financial liabilities	(386,825)	-	(386,825)
Trade and other payables	(164,023)	(750)	164,773
	3,707,346	1,232,218	4,939,564
Negative Goodwill	738,540	-	738,540

The Group disposed of Dale Capital Limited for treasury shares valued at USD 2,028,231 and Dale Leisure Limited for USD1,775,000.

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 22. Disposal of step-subsiary 2009 (Continued)

### 2008

The net assets and liabilities of Gemini Moon Trading 137 (Pty) Ltd deconsolidated with the Group are as follows:

	USD
Financial assets	799,231
Trade and other receivables	40,470
Cash and cash equivalents	10,530
Financial liabilities	(580,716)
Trade and other payables	(247,570)
	21,945
Cash flow on disposal	(12)
	21,933
Cash and cash equivalents	(10,530)
Cash flows on disposal (net) of cash and cash equivalents	11,403

## 23. Business Segments (2009)

Principal activities	Financial	Asset	Investment	Total
	Services	Management		
	USD	USD	USD	USD
Revenue	-	1,066,329	3,678,894	4,745,223
Expenses	-	(971,634)	(1,982,397)	(2,954,031)
Finance costs	-	(185,171)	(136,652)	(321,823)
Foreign exchange	-	49	(119,354)	(119,305)
Other	-	99,018	(6,265,747)	(6,166,729)
Taxation	-	34,072	1,745,537	1,779,609
<b>Profit/(loss) for the year</b>	-	<b>42,663</b>	<b>(3,079,719)</b>	<b>(3,037,056)</b>

Assets	-	1,757,300	21,814,562	23,571,862
Liabilities	-	(1,657,179)	(5,335,968)	(6,993,147)
<b>Net Asset Value</b>	-	<b>100,121</b>	<b>16,478,594</b>	<b>16,578,715</b>

### Geographical

Companies incorporated in	Mauritius	B.V.I	South Africa	Total
	USD	USD	USD	USD
Revenue	17,011	1,954,158	2,774,054	4,745,223
Expenses	(7,417)	(331,904)	(2,614,710)	(2,954,031)
Finance Costs	(60)	(89,823)	(231,940)	(321,823)
Foreign exchange	-	(119,305)	-	(119,305)
Other	-	(2,784,323)	(3,382,406)	(6,166,729)
Taxation	-	173	1,779,436	1,779,609
Profit/(loss) for the year	9,534	(1,371,024)	(1,675,566)	(3,037,056)
Assets	22,518	16,151,192	7,398,152	23,571,862
Liabilities	-	(12,876,400)	5,883,253	(6,993,147)
<b>Net Asset Value</b>	<b>22,518</b>	<b>3,274,792</b>	<b>13,281,405</b>	<b>16,578,715</b>

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

The Group  
The Company

## 23. Business Segments (2008)

### Principal activities

	Financial Services USD	Asset Management USD	Investment USD	Total USD
Revenue	204,677	165,026	1,214,481	1,584,184
Expenses	(178,703)	(195,583)	(564,789)	(939,075)
Finance costs	(8,960)	-	(260,303)	(269,263)
Foreign exchange	7,108	-	(329,448)	(322,340)
Other	-	(2,131)	150,948	148,817
Taxation	(17)	(10,808)	81,206	70,381
Profit/(loss) for the year	24,105	(43,496)	292,095	272,704
Assets	998,751	2,268,834	40,426,436	43,694,021
Liabilities	(212,825)	(2,292,147)	(8,034,209)	(10,539,181)
<b>Net Asset Value</b>	<b>785,926</b>	<b>(23,313)</b>	<b>32,392,227</b>	<b>33,154,840</b>

### Geographical

Companies incorporated in	Mauritius USD	B.V.I USD	South Africa USD	Total USD
Revenue	154,641	361,535	1,068,008	1,584,184
Expenses	201,534	(653,678)	(486,931)	(939,075)
Finance Costs	(76,284)	(10,462)	(182,517)	(269,263)
Foreign exchange	(36,796)	(269,528)	(16,016)	(322,340)
Other	-	315,916	(167,099)	148,817
Taxation	(17)	(14,503)	84,901	70,381
Profit/(loss) for the year	243,078	(270,720)	300,346	272,704
Assets	4,219,126	26,308,282	13,166,613	43,694,021
Liabilities	(1,046,913)	(4,256,654)	(5,235,614)	(10,539,181)
Net Asset Value	3,172,213	22,051,628	7,930,999	33,154,840

## 24. Financial summary

	2009 USD	Restated 2008 USD	2007 USD
Balance sheet (Group)			
Stated capital	21,138,073	24,252,216	4,205,468
Translation reserve	(559,222)	68,292	(285,098)
Revaluation reserve	(1,346,344)	3,781,162	1,210,039
Retained earnings	(1,340,144)	5,315,417	5,328,551
Non - current assets	22,339,286	29,129,200	15,423,209
Current assets	1,232,576	14,681,022	1,055,918
Non-current liabilities	1,679,990	5,456,117	4,355,199
Current liabilities	5,313,157	5,083,064	1,590,558

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 24. Financial summary (Continued)

### Income statement (Group)

Gross income	4,745,223	1,584,184	787,075
(Loss)/profit before taxation	(4,816,665)	202,323	759,159
(Loss)/profit for the year	(3,037,509)	272,704	749,396
Dividends paid	(483,251)	(479,930)	(284,963)
Performance			
Dividend per share	0.11	0.18	1,696.21
Net asset value per share	3.64	5.61	62,256
Number of shares in issue	4,509,808	*5,940,000	168

\* Earnings /(loss) per share and dividend per share are calculated on the weighted shares in issue during the year which was 2,606,667.

## 25. Financial risks

### Fair values

The carrying amounts of investments in subsidiaries, investments in associates, available for sale investments, held for sale investments, receivables, loans and accruals approximate their fair values. Financial assets and liabilities which are accounted for at historical cost are carried at values which may differ materially from their fair values.

In assessing the fair value of financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each Balance Sheet date. The face value less any estimated credit adjustments for financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair values of those assets and liabilities not presented on the Group's and Company's Balance Sheets at their values are not materially different from their carrying amounts.

### Risk management

The Board is ultimately responsible for risk management, which includes the Group's risk governance structure and maintaining an appropriate internal control framework. Management's responsibility is to manage risk on behalf of the Board.

### Currency risk

The Group has invested in companies having currencies denominated in Pound Sterling (GBP) and South African Rand (ZAR) for which the Group personally suffers exchange rate movements. Consequently, the Group is exposed to the risk that the exchange rate of the US Dollars (USD) relative to these currencies may change in a manner which has a material effect on the reported values of the Group's assets which are denominated in these currencies.

Investments that are denominated in a foreign currency will be subject to the risk that the value of that particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 25. Financial risks (Continued)

### *Currency risk (continued)*

The Group reports in USD and pays dividends from its profits, while its investments are largely denominated in Rands. The primary risk to which the Group's portfolio is exposed is the depreciation of the Rand relative to the US Dollars. While the Group may employ derivatives-based hedging techniques to minimise its risk. During the year under review, the Group has not entered into such contracts.

These currency hedging decisions are made by the investment committee on the basis of their continual monitoring of the investment portfolio. The investment committee then reports any currency risk management positions to the Board. During the year under review, the portfolio was largely comprised of investments in "Rand hedges" or companies whose revenues benefit from a depreciation of the Rand and the investment committee therefore did not deem it necessary to enter into additional hedging arrangements to protect the portfolio against the risk of the depreciation of Rand.

### *Concentration risk*

At 28th February 2009, the Group's net assets consisted of investments in companies incorporated in South Africa through its subsidiaries which involve certain considerations and risks not typically associated with investments in other developed countries.

Future economic and political developments in South Africa could adversely affect the liquidity or value, or both, of securities in which the Group has invested.

Other than requiring that the Group does not invest more than 20 per cent of total net assets (as determined at the time of each investment) in a single portfolio investment, the group investment policies and procedures do not contain any fixed requirements for rebalancing or for investment diversification, including any requirements relating to the number of companies in which investments should be made, the number of geographic regions that should be covered by investments or the range of credit ratings, if any, that should be accorded to investments. The Group's investments are therefore likely to be concentrated in a relatively small number of companies within the Southern African region.

The portfolio is, however, subject to continuous reviews at both the business line and Group levels to monitor exposure to any one sector or geography and to monitor the exposure to larger investments.

## 26. Related party transactions – (The Group)

	Interest received	Interest paid	(Purchase) / Sale of financial assets	2009 Sale of services	Purchases of services	Amount receivables	Amount payables
	USD	USD	USD	USD	USD	USD	USD
Enterprises with common directors	-	-	3,803,231	-	-	230,023	689,641
	-	-	(3,803,231)	-	-	230,023	689,641

# Notes to the Consolidated Financial Statements

For the year ended 28 February 2009

## 26. Related party transactions (continued) – (The Company)

	2008						
	Interest received	Interest paid	(Purchase) / Sale of financial assets	Sale of services	Purchases of services	Amount receivables	Amount payables
	USD	USD	USD	USD	USD	USD	USD
Subsidiaries	-	-	-	-	11,377	-	-
Enterprises with common directors	-	-	(5,914,485)	-	-	167,963	4,959,421
	-	-	(5,914,485)	-	11,377	167,963	4,959,421

	2009						
	Interest received	Interest paid	(Purchase) / Sale of financial assets	Sale of services	Purchases of services	Amount receivables	Amount payables
	USD	USD	USD	USD	USD	USD	USD
Subsidiaries	29	-	-	-	-	11,408,904	-
Enterprises with common directors	-	10,622	-	-	-	-	474,481
	29	10,622	-	-	-	11,408,904	474,481

	2008						
	Interest received	Interest paid	(Purchase) / Sale of financial assets	Sale of services	Purchases of services	Amount receivables	Amount payables
	USD	USD	USD	USD	USD	USD	USD
Associates	-	-	3,983,665	50,000	3,859	-	-
Enterprises with common directors	-	-	-	-	-	7,123,150	44,427
	-	-	3,983,665	50,000	3,859	7,123,150	44,427

## 27. Prior period adjustments

These relate to preference shares held in Imagination Life Management Services Holdings (Pty) Ltd ("ILM") which bears interest at South African prime rate, payable semi-annually and redeemable in February 2016. Interest amounting to USD 116,201 due on the preference shares was converted into more preference shares in ILM during the financial year ended 28 February 2008. This transaction was omitted in last years' financial statements of the step- subsidiary and corrections have been made to restate the 2008 comparative figures for investments in Preference shares and retained earnings by USD 116,201.

# Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Trinity Financial Group Limited to be held at the office of Dale International Trust Company Limited, 6th Floor Max City Building, 21 Remy Ollier Street Port Louis, Mauritius at 9.00 am on Monday 31 August 2009.

1. To receive, consider and adopt the report of the auditors and annual financial statements of the company for the financial year ended 28 February 2009.
2. To confirm the re-appointment of Howarth Mauritius as independent auditors of the company for the ensuing financial year.
3. To transact such other business as may be transacted at an annual general meeting.

## **Voting and Proxies**

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company. For the convenience of registered members of the company, a form of proxy is enclosed and is only to be completed by those shareholders who:

- Hold ordinary shares in certificate form
- Have dematerialised their ordinary shares through the Central Depository & Settlement Co. Ltd (CDS) or broker and wish to attend the annual general meeting. Shareholders must instruct the CDS or broker to provide them with the relevant Letter of Representation, or they must provide the CDS or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CDS or broker.

Proxy forms should be forwarded to reach the Company Secretary at least 48 hours before the time of the meeting (Excluding Saturdays, Sundays and public holidays in Mauritius)

By order of the board

Dale International Trust Company Limited

Company Secretary

4 August 2009,

Port Louis, Mauritius.

# Form of Proxy

Trinity Financial Group Limited

Share code: DCPL

For use only by ordinary shareholders at the annual general meeting (meeting) of the company to be held at the office of Dale International Trust Company Limited, 6th Floor Max City Building, 21 Remy Ollier Street Port Louis, Mauritius at 9.00 am on Monday 31 August 2009

I / We (full registered name) \_\_\_\_\_

Of (full registered address) \_\_\_\_\_

Being the holder of Ordinary shares (enter number) \_\_\_\_\_

Do hereby appoint

1. \_\_\_\_\_ or failing him/her

2. \_\_\_\_\_ or failing him/her

3. The Chairman of the meeting as my/our proxy to act for me/us at the meeting for the purposes of considering and, if deemed fit, passing, with or without modifications, the resolutions to be proposed at each adjournment thereof, to vote for and/or against the resolutions and/or to abstain from voting for and/or against the resolutions in respect of the shares registered in my/our name in accordance with the following instructions:

Resolutions	Number of shares		
	For	Against	Abstain
1. To receive, consider and adopt the report of the auditors and annual financial statements of the company for the financial year ended 28 February 2009.			
2. To confirm the re-appointment of Howarth Mauritius as independent auditors of the company for the ensuing financial year.			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2009

Signature \_\_\_\_\_

***Notes to the form of proxy.***

1. The form of proxy must only be used by certificated or dematerialised shareholders.
2. Shareholders are reminded that the onus is on them to communicate with the CDS or broker
3. A shareholder entitled to attend and vote may insert the name of a proxy or the names of an alternative proxy of the shareholder's choice.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote as he / she deems fit.
5. Documentary evidence establishing the authority of the person signing the form of proxy in a representative capacity must be attached to this form, unless previously recorded by the company or unless this requirement is waived by the Chairman of the meeting.
6. Where there are joint holders of shares, any one holder may sign the form of proxy.
7. Forms of proxy must be lodged with or mailed to the Company Secretary to be received no later than 48 hours before the time of the meeting (Excluding Saturdays, Sundays and public holidays in Mauritius)
8. Any alterations or corrections made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.





**c/o Dale International Trust Company Limited  
6th Floor Max City Building,  
21 Remy Ollier Street Port Louis,  
Mauritius**