

**Preliminary Final Report of
Trust Company Limited
For the Financial Year Ended 28 February 2009**

ACN 004 027 749

Current reporting period: Financial year ended 28 February 2009

Previous corresponding period: Financial year ended 29 February 2008

Trust Company Limited

**Results For Announcement To The Market
Financial year ended 28 February 2009**

Revenue and net profit

		Percentage Change	Amount \$'000
Total revenue from continuing operations	down	-9.6%	59,699
Profit attributable to members of the parent entity	up	1.5%	20,604

Dividends

	Amount per security (cents)	Franked amount per security (cents)
Final dividend – paid on 26 May 2008	30	30
Special dividend – paid on 11 July 2008	100	70
Interim dividend – paid on 28 November 2008	20	20
Final dividend – payable on 20 May 2009	22	22

Record dates for determining entitlements to the dividend:

Final dividend - Financial Year 2008	12-May-2008
Special dividend - Financial Year 2009	26-Jun-2008
Interim dividend - Financial Year 2009	23-Oct-2008
Final dividend - Financial Year 2009	06-May-2009

Ex-dividend date

Final dividend - Financial Year 2009	30-Apr-2009
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Trust Company Limited

Results For Announcement To The Market
Financial year ended 28 February 2009

Brief Explanation of Revenue, Net Profit and Dividends

TRUST COMPANY MAINTAINS SOLID PERFORMANCE IN 2009

**OPERATING EBITDA OF \$18.6 MILLION DELIVERED IN HIGHLY VOLATILE
MARKET CONDITIONS**

22 April 2009

ASX-listed Trust Company Limited (Trust) today reported a solid financial performance for the twelve months to 28 February 2009 (FY09), with operating earnings before interest, tax, depreciation and amortisation (EBITDA) recorded at \$18.6 million.

In one of the most challenging financial market environments for many decades Trust's reported net profit after tax (NPAT) was \$20.6 million in FY09, up 2% on the prior comparative period (pcp). Significant items contributed \$5.1m after tax to the reported profit, comprising \$13.9 million profit on the sale of its 50% stake in the BNYTA joint venture offset by \$8.8 million in impairment of investments and other items.

Key financial highlights:

- Operating EBITDA \$18.6 million (down 8% on pcp)
- Operating NPAT \$15.5 million (down 10% on pcp)
- Significant items contribute \$5.1 million after tax
- Reported NPAT of \$20.6 million (up 2% on pcp)
- Strong balance sheet:
 - Liquid assets of \$53.6 million
 - No interest bearing debt
- Total FY09 dividends of 142c per share (up 163% on pcp)
 - Final of 22c per share, fully franked
 - Interim of 20c per share, fully franked
 - Special of 100c per share, 70% franked

The Board of Trust has declared a final dividend of 22 cents per share (100% franked) bringing the total dividends paid for FY09 to \$1.42 per share. This includes the interim dividend last October of 20 cents per share (100% franked), and the special dividend last June of \$1 per share (70% franked) following the sale of its 50% interest in the joint venture with The Bank of New York Mellon.

John Atkin commenced as Trust's Managing Director in January 2009. He said, "Our financial performance in FY09 was solid given the headwinds that we and all financial services companies encountered throughout the year as the global economic downturn accelerated."

Trust Company Limited

Results For Announcement To The Market
Financial year ended 28 February 2009

Brief Explanation of Revenue, Net Profit and Dividends (cont'd)

“Our resilient business model has enabled us to defend our niche position in the Australian financial services industry. A high proportion of annuity-style revenues has also helped us to deliver relatively steady returns to our shareholders in volatile market conditions.”

On the operational front, Trust continued to enhance its position and market penetration in both the institutional and retail financial services sectors. Trust’s independent Responsible Entity (RE) service won significant mandates in FY09 and new business generated by the Health & Personal Injury (H&PI) team was up 66% on pcp. With over \$416 million in funds under trusteeship, Trust’s reputation in the philanthropic sector in Australia continued to grow, and over \$20 million was distributed to 350 charities during the year. The Cash Management Trust also maintained steady fund levels, a solid result given it competed against institutions that were the beneficiaries of the Government guarantee.

As previously advised, significant irregularities were identified in the accounts of the Townsville office in November 2008. Trust immediately appointed forensic accountants to investigate and established a restitution account of \$7 million in December to honour its obligation to its clients. Since then, the forensic work has informed detailed reconstruction of client accounts and enabled us to pay back over \$4.5 million to affected clients from the restitution account. Our work to finalise client repayments continues and we have also addressed the deficiencies in our process and systems. A formal claim for re-imbursement of losses arising from this fraud is currently being assessed by our insurer. We expect resolution of all outstanding issues within this financial year.

Trust’s long-term underlying business drivers remain intact, being an ageing population, increased regulatory scrutiny and the need for independent fiduciary oversight. Trust has strong market shares in several core businesses, a diverse customer base, and critical mass in assets under supervision delivering strong recurring revenue streams.

Outlook

Trust’s operating earnings guidance for financial year 2010 (FY10) is based on lower overall investment market levels when compared to FY09 which is expected to significantly reduce Trust’s operating earnings in FY10. In particular:

- Operating EBITDA (excluding investment income) is expected to be in the range of \$13 million to \$16 million (pcp \$18.6 million); and
- Interest and dividend income from Trust’s investment portfolio to be in the range of \$2 million to \$3 million (after tax) (pcp: \$3.8 million)

The anticipated net significant expense after tax in FY10 is expected to be in the range of \$0.5 million to \$1 million loss (pcp: a gain of \$5.1 million) and primarily relates to the previously announced technology transformation expenses (Program Ben).

Based on the above, reported net profit after tax for FY10 is expected to be in the range of \$9 million to \$12 million (pcp: \$20.6 million). Note that the prior year included net \$5.1 million significant gains that will not reoccur in FY10.

Trust Company Limited

Results For Announcement To The Market
Financial year ended 28 February 2009

Brief Explanation of Revenue, Net Profit and Dividends (cont'd)

This financial outlook does not include the financial impact of any further decline in investment market levels. We have assumed an opening ASX200 of 3500, and total investment market returns of 5.5% during the year. At a group level, the sensitivity of revenue to market movement will vary with the ASX 200 index. At around the 3,500 level, a 1 percent movement in the ASX 200 will impact our revenue by about \$100,000.

In addition, the financial outlook does not include the impact of any further asset impairment charges, costs or benefits that may arise out of the forthcoming strategic review (see below), the impact of the proposed uniform trustee company legislation or additional uninsurable costs for the Townsville fraud over and above amounts provided for as at 28 February 2009.

With respect to dividends, Trust has previously maintained a policy of paying out dividends of not less than 90% of full year **operating** net profit after tax. For FY10, Trust will suspend the dividend reinvestment plan and target a dividend payout of 100% of **reported** net profit after tax (fully franked) pending the outcome of a review of dividend policy as part of a broader strategic review.

Strategic review

The group's work plan for the current year is focussed on better engaging all its stakeholders, pursuing the immediate opportunities to grow certain business lines and strengthening the core operations of the group.

A strategic review encompassing competitive strategy, brand and culture complements those three elements of the work plan. John Atkin said that with new management following 30 years of Sweeney family stewardship and with the challenges and opportunities emerging from the global financial crisis, it was timely for Trust to review its strategy.

"We have established over a long period an enviable reputation and track record. This has enabled us to occupy the position that we do today with strong business foundations in place. It is now time for Trust to lift to the next level. We have considerable momentum across the group and a real willingness to evolve."

"The long-term client relationships on the corporate and private client side of the business have significant unexplored potential. There is also a lot of potential to grow organically within the existing service lines, particularly in Property and Infrastructure Custody (PIC) and with our independent RE services."

The key elements of the review are to examine and understand our existing business model (which we have already initiated); to assess the evolving competitive landscape following the global financial crisis and to review our brand and culture. The review will also examine the company's dividend and capital management policies.

The objective of the review is to provide a clear vision for the company that aligns the aspirations of all our stakeholders

"The strategic review is already uncovering hidden gems across the Group and will better position Trust for future growth," John said. The strategic review commenced in March 2009 and is expected to be completed by October 2009, at which point Trust will update the market.

Trust Company Limited
Results For Announcement To The Market
Financial year ended 28 February 2009

Brief Explanation of Revenue, Net Profit and Dividends (cont'd)

To enable a comparison of the Trust consolidated group's previous financial year result to the current financial year's result.

	2009	2008	%
	\$ million	\$ million	Change
Profit before income tax expense	29.1	27.1	
Dividends and interest income	(4.3)	(4.5)	
Share of profits of jointly controlled entity accounted for using the equity method	-	(2.8)	
Gain on disposal of held-for-sale financial asset	(19.8)	-	
Depreciation and amortisation expense	1.0	1.0	
Claim recoveries	(0.7)	(2.5)	
Profit on sale of available-for-sale investments	(0.1)	(0.7)	
Net loss on investments	8.8	1.0	
Business transformation expenses	3.2	1.4	
Write-off of unutilised software	-	0.3	
Merger discussion expenses	0.4	-	
Provision for Townsville fraud costs	1.0	-	
Ongoing operating EBITDA	18.6	20.3	-8%

A final dividend of 22 cents per share (totalling \$7.1 million) fully franked at 30% has been declared for the year ended 28 February 2009.

Trust Company Limited
Income Statement
Financial Year ended 28 February 2009

	Notes	Consolidated	
		2009 \$'000	2008 \$'000
Total revenue from continuing operations	2(a)	59,699	66,022
Share of profits of jointly controlled entity accounted for using the equity method	15	-	2,815
Gain on disposal of held-for-sale financial asset before tax	15,2(e)	19,844	-
Employee benefit expense	2(b)	(26,044)	(28,264)
Depreciation and amortisation expense		(1,035)	(990)
Occupancy expenses		(2,969)	(3,233)
Insurance expenses		(1,296)	(1,351)
Consultancy expenses		(1,221)	(1,896)
Operating lease rental expense		(578)	(578)
Repairs and maintenance of computer equipment		(801)	(934)
Marketing expenses		(617)	(781)
Auditor's remuneration		(603)	(622)
Client claims		(105)	(137)
Claim recoveries	2(e)	695	2,516
Profit on sale of available-for-sale investments	2(e)	126	696
Net loss on investments	2(c),(e)	(8,804)	(1,039)
Business transformation expenses	2(d),(e)	(3,187)	(1,443)
Write off of unutilised software	2(e)	-	(300)
Merger discussion expenses	2(e)	(410)	-
Provision for Townsville fraud costs	2(e),8(c)	(1,000)	-
Other expenses		(2,563)	(3,373)
Profit before income tax expense		29,131	27,108
Income tax expense		(8,527)	(6,813)
Profit attributable to members of the parent entity		20,604	20,295
Earnings per share			
Basic (cents per share)		63.8	62.8
Diluted (cents per share)		63.8	62.8

Trust Company Limited
Balance Sheet
As At 28 February 2009

	Notes	Consolidated	
		2009 \$'000	2008 \$'000
Current assets			
Cash and cash equivalents		17,521	23,642
Trade and other receivables*		24,261	18,592
Other current financial assets		1	16
		41,783	42,250
Non-current assets classified as held for sale	14	-	20,971
Total current assets		41,783	63,221
Non-current assets			
Trade and other receivables		1,253	1,376
Other non-current financial assets		36,256	54,738
Property, plant and equipment		8,352	8,983
Goodwill		39,218	39,218
Intangible assets		181	252
Deferred tax assets		3,640	-
Total non-current assets		88,900	104,567
Total assets		130,683	167,788
Current liabilities			
Trade and other payables		3,837	4,087
Current tax liabilities		5,854	2,775
Provisions	7(a)	3,653	2,368
Financial liabilities at fair value through profit or loss		-	1,002
Total current liabilities		13,344	10,232
Non-current liabilities			
Trade and other payables		95	106
Deferred tax liabilities		-	3,491
Provisions	7(b)	3,141	3,261
Total non-current liabilities		3,236	6,858
Total liabilities		16,580	17,090
Net assets		114,103	150,698
Equity			
Issued capital		102,448	102,247
Investment revaluation reserve		215	8,751
Share based payments reserve		812	881
Asset revaluation reserve		1,389	1,641
Retained earnings	6	9,239	37,178
Total equity		114,103	150,698
* Includes receivable of \$8,281,000 in relation to Townsville fraud. Refer to note 16(b) for further details			
Net tangible asset per security	12	2.31	3.44

Trust Company Limited
Cashflow Statement
Financial year ended 28 February 2009

	Notes	Consolidated	
		2009	2008
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		63,140	66,338
Payments to suppliers and employees		(42,335)	(47,412)
IT related transformation expenses	2(d)	(1,292)	(642)
Redundancies and transition costs paid		(758)	-
Merger discussion expenses paid		(410)	-
Townsville fraud (cash paid)		(8,315)	-
Claim recoveries received		145	1,716
Income tax paid		(8,500)	(9,054)
Net cash provided by operating activities	9(d)	1,675	10,946
Cash flows from investing activities			
Net proceeds from disposal of held-for-sale financial asset	9(c)	38,764	-
Dividend received from investment in held-for-sale financial asset		2,722	2,079
Capital contribution made to held-for-sale financial asset		(671)	-
Payments on settlement of swaps		(1,959)	-
Payments on purchase of investments		(4,063)	(1,323)
Proceeds from sale of investments		2,333	1,099
Payments for property, plant and equipment		(703)	(2,026)
Proceeds from sale of property, plant and equipment		-	11,911
Dividends received		2,534	2,146
Interest and bill discounts received		1,790	1,575
Net cash provided by investing activities		40,747	15,461
Cash flows from financing activities			
Dividends paid - members of the parent entity			
Ordinary dividend		(15,939)	(15,534)
Special dividend		(32,362)	(4,855)
Payment for purchase of shares for dividend reinvestment plan		(242)	-
Net cash used in financing activities		(48,543)	(20,389)
Net (decrease)/increase in cash and cash equivalents		(6,121)	6,018
Cash and cash equivalents at the beginning of the financial year		23,642	17,624
Cash and cash equivalents at the end of the financial year	9(a)	17,521	23,642

Trust Company Limited

Notes to the financial statements Financial year ended 28 February 2009

Note	Contents
1	Basis of preparation
2	Profit before income tax expense
3	Commentary on results
4	Fundamental errors
5	Extraordinary items
6	Retained earnings
7	Provisions
8	Reconciliation of provisions
9	Notes to the Cash Flow Statement
10	Details relating to dividends
11	Earnings per share
12	Net tangible assets per security
13	Details of entities over which control has been gained or lost
14	Details of associates and joint venture entities
15	Disposal of held-for-sale financial asset
16	Contingent liabilities and contingent assets
17	Segment information
18	Discontinuing operations
19	Subsequent events
20	Other significant information
21	Information on audit or review

Trust Company Limited

Notes to the financial statements
Financial year ended 28 February 2009

1. Basis of preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the 2008 annual financial report.

Valuation of available-for-sale assets

Where possible, the fair value of available for sale assets is determined by observable transactions in an active market. If an active market does not exist a discounted cash flow valuation ("DCF") model has been used.

A DCF model has been used to determine the fair value of the Company's 14.7% holding in Equity Trustees Limited ("EQT"). The fair value price per share of this available for sale asset as at 28 February 2009 is \$16.55 (2008: \$24.00). The Company has estimated future cash flows for EQT, discounted using a weighted average cost of capital ("WACC") of 11.75%pa. Key elements of the WACC are a risk free rate of 5.6% pa; equity risk premium of 5.5% pa; and an equity beta 1.15.

	Consolidated	
	2009	2008
	\$'000	\$'000
2. Profit before income tax expense		
Profit before income tax expense includes the following items of revenue and expense:		
(a) Revenue		
Fee and commission income from trust and other fiduciary activities	55,376	61,473
Dividends from non-related listed companies	2,617	2,945
Interest income from bank deposits	1,698	1,576
Managed funds and trust distributions	8	9
Profit on sale of fixed assets	-	19
Total revenue	59,699	66,022
(b) Employee benefit expense		
Employee benefit expense includes:		
Salaries and wages	18,083	18,878
Defined contribution superannuation plan expense	2,817	2,922
Equity settled share based payments	44	144
Other employee benefits (includes payroll tax and annual leave)	5,100	6,320
	26,044	28,264
(c) Net loss on financial instruments		
Fair value through profit or loss financial instruments:		
Loss on trading options	(15)	(22)
Loss on swaps	(957)	(882)
Impairment loss on available-for-sale assets	(7,832)	(135)
	(8,804)	(1,039)
(d) Business transformation expenses		
IT related transformation costs	(1,292)	(642)
Redundancies and transition costs	(1,895)	(801)
	(3,187)	(1,443)
(e) Significant items before tax		
Gain on disposal of held-for-sale financial asset before tax	19,844	-
Claim recoveries	695	2,516
Profit on sale of available-for-sale investments	126	696
Net (loss) on investments (refer 2(c))	(8,804)	(1,039)
Business transformation expenses (refer 2(d))	(3,187)	(1,443)
Write off of unutilised software	-	(300)
Merger discussion expenses	(410)	-
Provision for Townsville fraud	(1,000)	-
	7,264	430

Trust Company Limited
Notes to the financial statements
Financial year ended 28 February 2009

3. Commentary on results

Please refer to pages 3 to 5 for details.

4. Fundamental errors

None

5. Extraordinary items

There were no extraordinary items.

6. Retained earnings

Balance at beginning of financial year

Profit attributable to members of the parent entity

Transfer to retained earnings on sale of property

Dividends paid in the financial year

Balance at end of financial year

Notes	Consolidated	
	2009 \$'000	2008 \$'000
	37,178	35,221
	20,604	20,295
	-	2,051
	(48,543)	(20,389)
	9,239	37,178

7. Provisions

(a) Current

Employee benefits

Termination provision

Claims provisions

Provision for Townsville fraud

Total current provisions

	1,945	2,368
8(a)	1,137	-
8(b)	-	-
8(c)	571	-
	3,653	2,368

(b) Non-current

Employee benefits

Exit of businesses

Property provision

Lease incentive

Total non-current provisions

	1,396	1,378
	18	10
	426	406
	1,301	1,467
	3,141	3,261

8. Reconciliations of provisions

(a) Termination provision (current)

Balance at 1 March 2008

Provision during the year

Payments made during the year

Balance at 28 February 2009

	-	-
	1,895	-
	(758)	-
	1,137	-

(b) Claims provision (current)

Balance at 1 March 2008

Reversal of provision during the year

Balance at 28 February 2009

	-	800
	-	(800)
	-	-

(c) Provision for Townsville fraud (current)

Balance at 1 March 2008

Provision during the year (refer to Note 2(e))

Payments made during the year

Balance at 28 February 2009

	-	-
16(b)	1,000	-
	(429)	-
	571	-

Trust Company Limited

Notes to the financial statements
Financial year ended 28 February 2009

9. Notes to the Cash Flow Statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cashflow statement, cash and cash equivalents comprise cash on hand and cash on demand deposits. 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 changes in value.

	Consolidated	
	2009	2008
	\$'000	\$'000
Cash and cash equivalents at the end of the financial year	17,521	23,642

(b) Business acquired

In the financial years ended 28 February 2009 and 29 February 2008, no business was acquired.

(c) Business disposed

During the financial year ended 28 February 2009, Trust disposed of its investment in BNY Trust (Australia) Pty Limited.

Details of the disposal is as follows:

Consideration

Cash and cash equivalents	39,227	-
Costs of disposal	(463)	-
Net consideration	38,764	-

Book value of net assets disposed (refer to Note 14)

	18,920	-
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(d) Reconciliation of profit after income tax expense to net cash provided by operating activities:

Net profit after income tax expense	20,604	20,295
Depreciation and amortisation	1,035	990
Write-off of unutilised software	-	300
Loss/(profit) on sale of property, plant and equipment	10	(19)
Share based payments / other reserves	133	201
Dividend income and managed funds and trust distributions	(2,625)	(2,954)
Loss on swaps and options	972	-
Interest and bill discounts income	(1,698)	(1,576)
Share of profits of jointly controlled entity accounted for using the equity method	-	(2,815)
Impairment loss on investments	7,832	135
Profit on sale of available-for-sale investments	(126)	(696)
Gain on disposal of held-for-sale financial asset	(19,844)	-
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	(5,669)	(1,676)
Non-current receivables	123	232
Deferred tax assets	426	-
Increase/(decrease) in liabilities:		
Current payables	(240)	401
Current provisions	1,285	(278)
Current tax liabilities	3,079	(1,842)
Non-current payables	(11)	-
Non-current provisions	(120)	(179)
Deferred tax liabilities	(3,491)	427
Net cash provided by operating activities	1,675	10,946

(e) Stand-by credit arrangements

Amount of credit facility available and unused	5,100	5,100
	5,100	5,100

Trust Company Limited
Notes to the financial statements
Financial year ended 28 February 2009

10. Details relating to dividends

	Date dividend paid/payable	Amount per security (cents)	
		Year ended 28-Feb-09	Year ended 29-Feb-08
Final dividend	26-May-2008 21-May-2007	30	24
Special dividend	11-Jul-2008 21-May-2007	100	15
Interim dividend	28-Nov-2008 26-Nov-2007	20	24
		150	63
Total dividend per security (interim, special plus final)			
Fully paid ordinary shares		150	63
Interim, special and final dividend on all securities			
		2009	2008
		\$'000	\$'000
Fully paid ordinary shares*		48,543	20,389

* \$242,000 of dividends, for financial year ended 28 February 2009, satisfied via dividend reinvestment plan.

The final dividend in respect of the fully paid ordinary shares for the year ended 28 February 2009 has not been recognised in this preliminary final report because the final dividend was declared subsequent to 28 February 2009.

Dividend reinvestment plans

The Company suspended its Dividend Reinvestment Plan (DRP) effective from 22 April 2009, in accordance with clause 17 of the DRP rules.

Trust Company Limited
Notes to the financial statements
Financial year ended 28 February 2009

11. Earnings per share

	2009	2008
	¢ per share	¢ per share
Basic earnings per share	63.8	62.8
Diluted earnings per share	63.8	62.8

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2009	2008
	\$'000	\$'000
Earnings	20,604	20,295

	2009	2008
	No.	No.
Weighted average number of ordinary shares	32,306,149	32,298,413

12. Net tangible assets per security

	2009	2008
	\$	\$
Net tangible asset per security	2.31	3.44

Trust Company Limited
Notes to the financial statements
Financial year ended 28 February 2009

13. Details of entities over which control has been gained or lost

There was no control gained over entities or loss of control of entities during the financial year.

14. Details of associates and joint venture entities

	Consolidated	
	2009	2008
	\$'000	\$'000
Investments accounted for using the equity method		
Balance at the beginning of the year	20,971	20,235
Share of profit after income tax	-	2,815
Dividends received	(2,722)	(2,079)
Capital contribution	671	-
Disposal (refer to note 9(c))	(18,920)	-
Balance at the end of the year - classified as held-for-sale*	-	20,971

*The investment in BNY Trust (Australia) Pty Limited was classified as held for sale in the prior year. This was due to it being highly probable that the investment would be sold within the next year. The Group ceased equity accounting as at 29 February 2008 for the jointly controlled entity. The investment was sold and settled in June 2008. Refer to Note 15 for details of sale.

15. Disposal of held-for-sale financial asset

On 12 June 2008, the Group disposed of its 50% investment in Bank of New York Trust (Australia) Pty Limited ("BNYTA").

The profit attributable to the investment in BNYTA during the financial year is shown as follows:

	Consolidated	
	2009	2008
	\$000	\$000
Share of profit after income tax	-	2,815
Share of profit after income tax	-	2,815
Gain on disposal before income tax	19,844	-
Income tax expense	(5,983)	-
Gain on disposal after income tax	13,861	-

The Group's share of profit after income tax expense of BNYTA's operations during the period is analysed as follows:

Revenue	-	10,707
Expenses	-	(6,625)
Profit before income tax expense	-	4,082
Income tax expense	-	(1,267)
Profit after income tax expense	-	2,815

The gain on disposal is calculated as follows:

Total consideration	39,227	-
Disposal costs	(463)	-
Net cash proceeds	38,764	-
Carrying value of investment (note 14)	(18,920)	-
Gain before income tax	19,844	-
Income tax expense	(5,983)	-
Gain on disposal after income tax expense	13,861	-

Trust Company Limited
Notes to the financial statements
Financial year ended 28 February 2009

16. Contingent liabilities and contingent assets

	Consolidated	
	2009	2008
	\$'000	\$'000
(a) Contingent liabilities		
Bank guarantee and performance bonds in favour of the Australian Securities and Investments Commission in relation to AFS licences	1,040	1,040
Undertaking supporting the BNYTA / AFSL requirements	-	17,500
Bank guarantee in favour of the ASX Settlement and Transfer Corporation Pty Limited with respect to trading activities	1,000	1,000
Bank guarantee in favour of Australian Prudential Regulation Authority in relation to the provision of superannuation services	5,000	5,000
Total contingent liabilities	7,040	24,540

The Trust Group, given the nature of its business, can receive claims for alleged breach of trustee duties from time to time. As there are currently no claims, the Directors believe that there is no need to make provisions for the possibility of such claims in the financial statements and that sufficient professional indemnity insurance cover is held to meet any potential liabilities that may arise.

Trust Company Limited has undertaken to provide continuing financial support to its subsidiaries Trust Company (Asia Holdings) Pte Limited and Trust Company (Asia) Limited to enable them to operate as a going concern and to discharge their obligations as and when they fall due.

(b) Townsville fraud

In November 2008 the Company initiated a full review of all Trust Cash Management Fund client accounts managed by its Townsville office following the discovery of a number of irregularities in that branch office. Independent Forensic Accountants were subsequently appointed to investigate these irregularities on the Company's behalf and were able to determine that a fraud had occurred.

Investigations have revealed that the total capital loss suffered by affected clients will be between \$6.2 million to \$6.6 million and that the fraudulent activities occurred over a number of years. This amount does not include any interest owing to clients. Interest will be calculated and paid once investigations are finalised. Approximately 45 clients have been affected out of a total of 80 clients handled by the Townsville office. On 2 December 2008 the Company established a restitution fund of \$7,000,000 to enable the Company to make both interim and final payments to affected clients. As at the date of this report the Company has paid approximately \$4,557,000 to those clients. Additionally, the Company has provided for the legal, external accounting and other associated costs required to investigate and rectify the fraud.

Like all major financial institutions the Company carries significant insurance for these types of circumstances. The Company is keeping its insurer fully informed of any issues arising from the investigation and on 2 April 2009 lodged a formal proof of loss claim seeking an interim reimbursement of losses incurred.

As at 28 February 2009, the Company has provided \$1,000,000 for the insurance policy excess and uninsurable costs (see Note 2(e)). \$429,000 has been paid during the year, leaving \$571,000 in current provisions. Trade and other receivables include \$8,281,000 for amounts estimated to be recoverable from insurers.

The provision for this matter represents management's best estimate of costs related to the fraud. They include forensic investigation costs together with external legal, accounting and tax advice. Due to the prolonged duration of the fraud these investigations are ongoing and management has made a best estimate based on information available to it. The investigation and settlement of claims is expected to be substantially complete within the next six months.

Trust Company Limited
Notes to the financial statements
Financial year ended 28 February 2009

17. Segment information

	Institutional Services		Financial Services		Total	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Segment revenue						
Fee and commission income	21,966	21,887	31,688	37,578	53,654	59,465
Unallocated fee and commission income	-	-	-	-	1,722	2,008
Segment revenue	21,966	21,887	31,688	37,578	55,376	61,473
Dividend income					2,617	2,945
Interest income					1,698	1,576
Other income					8	28
Consolidated revenue					59,699	66,022

Segment results

Segment results before interest, depreciation and amortisation	8,292	8,472	10,287	11,832	18,579	20,304
Dividend income					2,617	2,945
Interest income					1,698	1,576
Other income					8	28
Share of profits of joint venture accounted for using the equity method					-	2,815
Gain on disposal of held-for-sale financial assets					19,844	-
Depreciation and amortisation expense					(1,035)	(990)
Claim recoveries					695	2,516
Profit on sale of available-for-sale investments					126	696
Net loss on investments					(8,804)	(1,039)
Business transformation expenses					(3,187)	(1,443)
Write off of unutilised software					-	(300)
Merger discussion expenses					(410)	-
Provision for Townsville fraud costs					(1,000)	-
Profit before income tax					29,131	27,108
Income tax expense					(8,527)	(6,813)
Profit after income tax expense					20,604	20,295

Segment assets and liabilities

	Consolidated assets		Consolidated liabilities	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Institutional Services	24,426	46,595	2,899	2,429
Financial Services	35,230	37,925	6,380	4,324
Company Investment Portfolio*	37,602	56,089	-	1,002
Unallocated	33,425	27,179	7,301	9,335
Total of all segments	130,683	167,788	16,580	17,090

* Investment in listed shares, unlisted managed investment schemes and derivatives.

Trust Company Limited
Notes to the financial statements
Financial year ended 28 February 2009

18. Discontinuing operations

There were no discontinued operations during the financial year ended 28 February 2009.

19. Subsequent events

A final dividend of 22 cents per share fully franked was declared on 22 April 2009 to be paid on 20 May 2009 (2008: 30c per share declared on 28 April 2008 and paid on 26 May 2008).

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of Trust.

20. Other significant information

None

21. Information on audit or review

This final report is based on accounts to which one of the following applies.

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> | The accounts have been audited. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. |
| <input type="checkbox"/> | The accounts have been subject to review. |
| <input type="checkbox"/> | The accounts have not yet been audited or reviewed. |