THE TRUST COMPANY LIMITED

ACN 004 027 749

FINANCIAL REPORT

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 AUGUST 2011

THE TRUST COMPANY LIMITED

ASX Appendix 4D

Results for announcement to the market

(i) Changes from the half year ended 31 August 2010 to the half year ended 31 August 2011.

	31-Aug-11 $'000	Movement	
Total revenue from continuing operations	41,206	up	43%
Profit attributable to members of the parent entity	6,387	up	17%

(ii) Net tangible asset per security

	31-Aug-11 $	28-Feb-11 $
Net tangible asset per security	1.30	2.31

(iii) Dividend information

	Cents per share
Final dividend (paid on 16 May 2011 - fully franked)	18.0
Interim dividend (record date 28 November 2011, payable on 14 December 2011 - fully franked)	17.0
Total	35.0

The dividend reinvestment plan has been reopened to be used for the FY2012 interim dividend.
See Note 6 to the financial statements for further details of dividends paid and payable.

(iv) Details of entities over which control has been gained or lost

Entities over which control has been gained during the half year ended 31 August 2011:

Name: The New Zealand Guardian Trust Company Limited
Date of acquisition: 1 March 2011

There was no loss of control of any entities during the half year ended 31 August 2011.

(v) Details of associates and joint venture entities

There was no investment in associates or joint ventures during the financial half year.

(vi) Compliance statement

This report is based on the consolidated half year financial report which has been subject to a review by the auditors.

Directors' report

The Directors of The Trust Company Limited ("The Trust Company" or the "Company") submit herewith the financial report of the Company and its controlled entities (the "Group") for the half year ended 31 August 2011. In order to comply with the provisions of the *Corporations Act 2001* , the Directors report as follows:

The names of the Directors of the Company during or since the end of the half year are:

Bruce Corlett (Chairman, Non-Executive Director)
John Atkin (Chief Executive Officer)
John Macarthur-Stanham (Vice Chairman, Non-Executive Director)
Roger Davis (Non-Executive Director)
James King (Non-Executive Director)
Warren McLeland (Non-Executive Director)
Josephine Sukkar (Non-Executive Director)

Principal activities

The Trust Company is one of Australia's longest serving financial services companies with over 125 years of experience.

The Trust Company's Personal Clients Services help people to protect their wealth and allow it to be passed on to future generations. They offer wide-ranging advice and expertise in estate planning and administration, financial planning, personal trusts and wealth management. All these services are designed to help people enjoy today and plan for tomorrow. Philanthropy Services offered include setting up charitable structures, advising on taxation and charitable vehicles, funds management and assistance selecting charitable projects.

The Trust Company's Corporate Services include Property & Infrastructure Custody, Responsible Entity, Superannuation, Compliance, Structured Finance and REIT Trustee Services to institutions.

The Trust Company has offices throughout Australia, New Zealand and Singapore with over 420 employees and a market capitalisation of approximately A$165 million as at 31 August 2011.

Business combinations

Effective from 1 March 2011, the Group gained control of 100% of the equity of The New Zealand Guardian Trust Company Limited ("Guardian Trust") for a provisional purchase price of $31.8 million. Refer to Note 9 for further information.

Consolidated results and review of operations

	31-Aug-11 $ million	31-Aug-10 $ million	% Change
Net profit after tax	6.4	5.5	16%
Earnings per share	19.7	17.0	16%
Dividends per share	17.0	17.0	0%
Net assets	110.7	113.6	-3%
Net cash	2.3	36.3	-94%
Net tangible assets per share ($)	1.3	2.3	-43%

The movements are primarily attributable to the contribution made by Guardian Trust to the Group's results and the acquisition of Guardian Trust on 1 March 2011.

Review of operations

Independent professional trustee, The Trust Company (ASX:TRU), today announced a 16% increase in interim reported Net Profit After Tax (NPAT) to A$6.4m for its half year ended 31 August 2011. This result was enhanced by a solid six months' contribution from its recent acquisition of Guardian Trust in New Zealand.

A interim dividend of 17 cents per share (fully franked) was declared (1H11: 17 cents per share, fully franked). The interim FY12 dividend is the first under the revised dividend policy announced in April 2011 that adopted a payout ratio of 80% to 100% of reported net profits.

Operating revenue of A$40.0m for the six months to 31 August 2011 (1H12) was up 47% on the prior corresponding period (pcp). Operating earnings before interest, tax, depreciation and amortisation (EBITDA) for the half year of A$8.3m were up 28% on pcp. The contribution from Guardian Trust was largely responsible for the increases in operating revenue and EBITDA.

As previously foreshadowed, the performance of the Australian Personal Client Services business was affected by the absence of significant but non-recurring capital commission revenues. The Australian Corporate Client Services business performed slightly ahead of expectations because of unanticipated delays in termination of some significant mandates.

Speaking of the first half FY12 performance, Chief Executive Officer John Atkin said, "As we expected our New Zealand acquisition has made a very strong contribution. The integration is going to plan with very positive feedback from both sides of the Tasman."

"In Australia, our Corporate Client Services business continued to grow and we retain a market leading position in Managed Investment Trusts (MITs). A further 12 MITs were implemented in the first half. We are now trustee to 24 MITs supervising over A$4.0 bn in assets. This compares with nine mandates supervising just over A$1.0 bn at the same time last year."

"Given the significant work we are doing transforming the business, and the focus required to complete the acquisition and integration of Guardian Trust, our interim result was a solid performance in volatile investment market conditions."

Update on strategy

The long-term drivers of our business remain strong. On the Personal side, an ageing population with the continuing growth in post-retirement wealth will drive growth in services that enable our senior personal clients to maintain their independence with integrity and facilitate the trans-generational management of wealth. Regulatory reforms with their emphasis on client service and efficiency, are likely to increasingly challenge inefficient product centric or transactional business models. On the Corporate side, we are uniquely placed to take advantage of the growth in foreign investment and regional capital markets with increasing global economic rise of the Asia-Pacific region. Accordingly, our basic strategy with our aspiration to become the region's pre-eminent trustee remains sound.

The transformation program has been adjusted to take advantage of the scale opportunities flowing from the Guardian Trust acquisition. A simplified Group-wide management structure is being implemented on a progressive basis. Our employee performance management framework has been rolled out throughout Guardian Trust and a consistent remuneration and employee incentive program will be in place from 1 March 2012. Preliminary results for our most recent engagement survey show improvement from last year and that the merger with Guardian Trust has been well received, particularly in New Zealand.

In Corporate Client Services, we have moved to leverage our cross jurisdictional expertise over important asset classes and capital markets in Australia, New Zealand and Singapore through a regional cross selling program. That has significantly strengthened the service offering to our clients, particularly international banks, fund managers and property groups. Our next priority is to simplify processes to improve cross-selling and achieve greater efficiency.

Update on strategy (cont'd)

Under Ray Gould's leadership, management of our Personal Client Services in Australia is being significantly simplified to enable greater client engagement, moving from a siloed transactional approach to a relationship-based model.

Cathy Stephenson has consolidated management of Group operations and systems with the appointment of Michael Jeffs (ex Goldman Sachs JBWere NZ) as Group Operations Manager and Chris McDermott as Group Information Systems Manager, both based in New Zealand. Planning for a multi-year business systems refresh is well progressed. The plan is modular and delivered through a series of discrete projects, using off-the-shelf, ideally browser based applications. The goal is to deliver updated business systems on a fully integrated IT platform capable of supporting consistent and uniform operational processes, with capability to expand the system to accommodate expansion of the Group's business across the region in later years.

The core system refresh is expected to take around three years with preliminary cost estimated to be in the order of A$10m. The modular and staged nature of the plan will provide flexibility in implementation.

Investment management operations are being progressively consolidated across the Group. An initial review has indicated significant opportunities for simplification and streamlining.

Outlook

As noted in April, the FY12 results from Personal Clients Services will continue to be affected by the absence of significant but non-recurring revenues from the completed capital commission project in continuing estates which boosted results in earlier periods. Recent volatility in investment markets will also influence earnings with every 1% movement in the ASX200 index estimated to have a corresponding effect on Group revenue of approximately A$150,000 pa.

In the first half, our Corporate business traded ahead of expectation because of unanticipated delays in termination of some significant mandates. Those mandates have now largely expired and the impact of their expiry will be felt more in the second half, particularly because the revenue from our temporary Responsible Entity role on the Trio schemes was largely enjoyed in the second half of FY11. At the same time, while the growth in revenue from our MIT services continues, general uncertainty in investment markets has led to a slower flow of transactional service opportunities than we expected earlier in the year.

Our New Zealand business is expected to continue to make a solid Earnings Per Share accretive contribution in the second half.

In closing Mr Atkin commented: "Great businesses are forged in hard times. Our priority remains to engage strongly with the market and our clients. With the Guardian Trust acquisition bedding down well, we are increasing the drive for performance and efficiency internally. That will enable us to realise the full benefits of our expanded regional platform and position us well for continuing growth in earnings in FY13. Meantime, we continue to be alert for opportunities that may arise that align with our strategic direction and enable us to enhance returns to shareholders."

Subsequent events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

Auditor's independence declaration

The auditor's independence declaration is included on page 7.

Rounding

The Company is a company of the kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the Directors' Report and in the half year financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the *Corporations Act 2001* .

On behalf of the Directors

John Atkin
Chief Executive Officer

Sydney, 18 October 2011

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
The Trust Company Limited
20 Bond Street
SYDNEY, NSW 2000

18 October 2011

Dear Board Members

The Trust Company Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of The Trust Company Limited.

As lead audit partner for the review of the financial statements of The Trust Company Limited for the half-year ended 31 August 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Stuart Alexander
Partner
Chartered Accountant

Deloitte.

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Independent Auditor's Review Report to the members of The Trust Company Limited

We have reviewed the accompanying half-year financial report of The Trust Company Limited, which comprises the condensed consolidated balance sheet as at 31 August 2011, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 10 to 21.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view, in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 August 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of The Trust Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of The Trust Company Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of The Trust Company Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 August 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stuart Alexander
Partner
Chartered Accountants
Sydney, 18 October 2011

THE TRUST COMPANY LIMITED

Directors' declaration

The Directors declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; including compliance with accounting standards and give a true and fair view of the financial position and performance of the company and the consolidated entity; and

(c) in the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

(d) The Directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

John Atkin
Chief Executive Officer

Sydney, 18 October 2011

THE TRUST COMPANY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 AUGUST 2011

	Half year ended	
	31-Aug-11	31-Aug-10
	$'000	$'000
Fee and commission income	**40,001**	27,188
Other income	**1,205**	1,694
	41,206	28,882
Employee benefit expense	**(21,839)**	(14,529)
Occupancy expenses	**(2,395)**	(1,712)
Transitional service agreement charges	**(1,793)**	-
Insurance expenses	**(1,080)**	(927)
Depreciation and amortisation expense	**(1,038)**	(525)
Auditor's remuneration	**(468)**	(385)
Consultancy expenses	**(708)**	(477)
Repairs and maintenance of computer equipment	**(594)**	(291)
Marketing expenses	**(488)**	(154)
Financing expenses	**(371)**	-
Business transformation expenses	**(534)**	(1,392)
Other recoveries	**976**	637
Client claims	**(83)**	330
Other expenses	**(1,892)**	(1,784)
Profit before income tax expense	**8,899**	7,673
Income tax expense	**(2,512)**	(2,194)
Profit attributable to members of the parent entity	**6,387**	5,479
Other comprehensive income/(expense)		
Available-for-sale financial assets	**(5,040)**	(112)
Fair value movement on cash flow hedge	**341**	-
Other comprehensive expense for the period (net of tax)	**(4,699)**	(112)
Total comprehensive income attributable to members of the parent entity	**1,688**	5,367
Earnings per share		
Basic (cents per share)	**19.7**	17.0
Diluted (cents per share)	**19.7**	16.8

The accompanying notes on pages 15 to 21 form part of the financial statements.

THE TRUST COMPANY LIMITED

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2011

	Note	31-Aug-11 $'000	28-Feb-11 $'000
Current assets			
Cash and cash equivalents		**14,751**	37,685
Trade and other receivables	3	**20,507**	14,591
Total current assets		**35,258**	52,276
Non-current assets			
Trade and other receivables		**-**	210
Other non-current financial assets	4	**14,924**	19,964
Indemnities receivable	5	**6,641**	-
Property, plant and equipment		**13,416**	10,576
Goodwill		**68,546**	39,218
Intangible assets		**6**	41
Deferred tax assets		**3,314**	2,795
Total non-current assets		**106,847**	72,804
Total assets		**142,105**	125,080
Current liabilities			
Trade and other payables		**4,830**	2,458
Provisions		**4,066**	4,132
Derivative financial instruments		**-**	487
Current tax liabilities		**852**	1,531
Total current liabilities		**9,748**	8,608
Non-current liabilities			
Borrowings	7	**12,500**	-
Provisions		**2,539**	2,468
Indemnities payable	5	**6,641**	-
Total non-current liabilities		**21,680**	2,468
Total liabilities		**31,428**	11,076
Net assets		**110,677**	114,004
Equity			
Issued capital		**103,154**	102,683
Investment revaluation reserve		**(4,918)**	122
Share-based payments reserve		**1,796**	2,299
Asset revaluation reserve		**655**	655
Cash flow hedge reserve		**-**	(341)
Foreign currency translation reserve		**583**	-
Retained earnings		**9,407**	8,586
Total equity		**110,677**	114,004
Net tangible asset per share ($)		**1.30**	2.31

The accompanying notes on pages 15 to 21 form part of the financial statements.

THE TRUST COMPANY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 AUGUST 2011

	Issued capital $'000	Investment revaluation reserve $'000	Share-based payments reserve $'000	Asset revaluation reserve $'000	Cash flow hedge reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 March 2010	**102,491**	**317**	**1,938**	**655**	**-**	**-**	**7,464**	**112,865**
Unrealised loss on investments	-	(160)	-	-	-		-	(160)
Deferred tax asset on revaluation of investments	-	48	-	-	-		-	48
Net expense recognised directly in equity	**-**	**(112)**	**-**	**-**	**-**	**-**	**-**	**(112)**
Profit attributable to members of the parent entity	-	-	-	-	-		5,479	5,479
Total comprehensive income for the period	**-**	**(112)**	**-**	**-**	**-**	**-**	**5,479**	**5,367**
Treasury shares	192	-	(192)	-	-	-	-	-
Recognition of share-based payments	-	-	678	-	-	-	-	678
Dividends paid	-	-	-	-	-	-	(5,340)	(5,340)
Balance at 31 August 2010	**102,683**	**205**	**2,424**	**655**	**-**	**-**	**7,603**	**113,570**
Balance at 1 March 2011	**102,683**	**122**	**2,299**	**655**	**(341)**	**-**	**8,586**	**114,004**
Unrealised loss on investments	-	(5,040)	-	-	-	-	-	(5,040)
Deferred tax asset on revaluation of investments	-	-	-	-	-	-	-	-
Fair value movement on cash flow hedge	-	-	-	-	487	-	-	487
Deferred tax liability on cash flow hedge	-	-	-	-	(146)	-	-	(146)
Net expense recognised directly in equity	**-**	**(5,040)**	**-**	**-**	**341**	**-**	**-**	**(4,699)**
Profit attributable to members of the parent entity	-	-	-	-	-	-	6,387	6,387
Total comprehensive income for the period	**-**	**(5,040)**	**-**	**-**	**341**	**-**	**6,387**	**1,688**
Treasury shares	246	-	(246)	-	-	-	-	-
Recognition of share-based payments	-	-	(32)	-	-	-	-	(32)
Issue of shares under employee share plan	225	-	(225)	-	-	-	259	259
Foreign currency movements	-	-	-	-	-	583	-	583
Dividends paid	-	-	-	-	-	-	(5,825)	(5,825)
Balance at 31 August 2011	**103,154**	**(4,918)**	**1,796**	**655**	**-**	**583**	**9,407**	**110,677**

The accompanying notes on pages 15 to 21 form part of the financial statements.

THE TRUST COMPANY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 AUGUST 2011

	Note	Half year ended	
		31-Aug-11	31-Aug-10
		$'000	$'000
Cash flows from operating activities			
Receipts from customers		**43,679**	28,152
Payments to suppliers and employees		**(34,909)**	(22,905)
Acquisition costs paid		**(1,055)**	-
Redundancy expenses paid		**(251)**	(19)
Other transformation expenses paid		**(565)**	(2,048)
Townsville fraud - cash (paid)/received		**(56)**	205
Claim recoveries received		**841**	-
Financing expenses paid		**(371)**	-
Income tax paid		**(3,094)**	(1,965)
Net cash provided by operating activities		**4,219**	1,420
Cash flows from investing activities			
Payments on purchase of investments		**(31,647)**	-
Proceeds from sale of property, plant and equipment		**3**	-
Payments for property, plant and equipment		**(3,525)**	(478)
Proceeds from repayment of client loans		**20**	-
Loans made to clients		**(17)**	-
Dividends received		**597**	597
Interest received		**699**	664
Net cash (used in)/provided by investing activities		**(33,870)**	783
Cash flows from financing activities			
Proceeds from bank loan		**12,500**	**-**
Proceeds from issue of shares		**225**	**-**
Dividends paid - members of the parent entity			
Ordinary dividends		**(5,825)**	(5,340)
Net cash provided by/(used in) financing activities		**6,900**	(5,340)
Net decrease in cash and cash equivalents		**(22,751)**	(3,137)
Cash and cash equivalents at the beginning of the financial half year		**37,395**	39,471
Effects of exchange rate changes on the balance of cash held in foreign currencies		**107**	**-**
Cash and cash equivalents at the end of the financial half year		**14,751**	36,334

The accompanying notes on pages 15 to 21 form part of the financial statements.

1. Significant accounting policies

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the Group's financial report for the year ended 28 February 2011.

The Trust Company is a public company listed on the Australian Securities Exchange (code: TRU), incorporated in Australia and operating in Australia, New Zealand and Singapore.

The registered office of The Trust Company is: Level 15, 20 Bond Street, Sydney, NSW 2000.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 28 February 2011 with the exception of:

- AASB 9 'Financial Instruments'. Effective for annual reporting periods beginning on or after 1 January 2013. Management have made the decision to early adopt AASB 9 'Financial Instruments' as of 1 March 2011 (refer to Note 4 for the impact of this adoption).

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. Other than the adoption of AASB 9, the adoption of these new and revised Standards and Interpretations has not resulted in changes to the presentation of the financial statements.

At the date of authorisation of the financial report, all other relevant Standards and Interpretations that were in issue but not yet effective are not expected to have a material impact on the financial report of the Group. Management have not yet assesed which of these are likely to be relevant to the Group.

2. Segment reporting

Product and services from which reportable segments derive their revenues

Corporate Services

The Trust Company’s Corporate Services include Property & Infrastructure Custody, Responsible Entity, Superannuation, Compliance, Structured Finance and REIT Trustee Services to institutions.

Personal Services

The Trust Company’s Personal Clients Services help people to protect their wealth and allow it to be passed on to future generations. They offer wide-ranging advice and expertise in estate planning and administration, financial planning, personal trusts and wealth management. All these services are designed to help people enjoy today and plan for tomorrow. Philanthropy Services offered include setting up charitable structures, advising on taxation and charitable vehicles, funds management and assistance selecting charitable projects.

The following is an analysis of the Group's revenue and profit by reportable segment:

2. Segment reporting (cont'd)

	Corporate Services Half year ended		Personal Services Half year ended		Total Half year ended	
	31-Aug-11	31-Aug-10	**31-Aug-11**	31-Aug-10	**31-Aug-11**	31-Aug-10
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Segment revenue						
Fee and commission income	**14,820**	10,761	**24,710**	15,981	**39,530**	26,742
Unallocated fee and commission income	**-**	-	**-**	-	**471**	446
Segment revenue	**14,820**	10,761	**24,710**	15,981	**40,001**	27,188
Dividend income					**597**	716
Interest income					**608**	978
Consolidated revenue					**41,206**	28,882
Segment profit						
Segment profit before reconciling items below	**4,780**	2,233	**3,483**	4,271	**8,262**	6,504
Dividend income					**597**	716
Interest income					**608**	978
Interest expense					**(371)**	-
Depreciation and amortisation expense					**(1,038)**	(525)
Other recoveries					**841**	-
Profit before income tax					**8,899**	7,673
Income tax expense					**(2,512)**	(2,194)
Profit for the year					**6,387**	5,479

	Australia Half year ended		New Zealand Half year ended		Total Half year ended	
	31-Aug-11	31-Aug-10	**31-Aug-11**	31-Aug-10	**31-Aug-11**	31-Aug-10
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Segment revenue						
Fee and commission income	**25,920**	27,188	**14,081**	-	**40,001**	27,188
Unallocated fee and commission income	**-**	-	**-**	-	**-**	-
Segment revenue	**25,920**	27,188	**14,081**	-	**40,001**	27,188
Dividend income					**597**	716
Interest income					**608**	978
Consolidated revenue					**41,206**	28,882
Segment profit						
Segment profit before reconciling items below	**4,639**	6,504	**3,623**	-	**8,262**	6,504
Dividend income					**597**	716
Interest income					**608**	978
Interest expense					**(371)**	-
Depreciation and amortisation expense					**(1,038)**	(525)
Other recoveries					**841**	-
Profit before income tax					**8,899**	7,673
Income tax expense					**(2,512)**	(2,194)
Profit for the year					**6,387**	5,479

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 AUGUST 2011

2. Segment reporting (cont'd)

The revenue reported above represents revenue generated from external customers. Intersegment sales during the period were transacted at no cost.

Segment profit represents profit earned by each segment after allocation of central administration costs.

	Consolidated assets	
	31-Aug-11	31-Aug-10
Non-current assets excluding deferred tax assets	**$000**	$000
Australia	**64,626**	66,540
New Zealand	**31,981**	-
	96,607	66,540

3. Current trade and other receivables

	31-Aug-11	28-Feb-11
	$'000	$'000
Current		
Trade receivables	**16,043**	12,277
Allowance for doubtful debts	**(227)**	(232)
	15,816	12,045
Receivable relating to Townsville fraud	**1,960**	1,825
Other receivables and prepayments	**2,731**	721
Total current trade and other receivables	**20,507**	14,591

4. Other non-current financial assets

Available-for-sale investments carried at fair value		
Shares in non-related corporations at fair value	**14,924**	19,964
Total other non-current financial assets	**14,924**	19,964

Fair value disclosure by fair value hierarchy level

		Fair value measurement at end of the reporting period using:		
	31-Aug-11	**Level 1***	**Level 2***	**Level 3***
	$'000	**$'000**	**$'000**	**$'000**
Available-for-sale investments carried at fair value				
Shares in non-related corporations at fair value	**14,924**	14,924	-	-
Total	**14,924**	**14,924**	**-**	**-**
	28-Feb-11	**Level 1***	**Level 2***	**Level 3***
	$'000	**$'000**	**$'000**	**$'000**
Available-for-sale investments carried at fair value				
Shares in non-related corporations at fair value	**19,964**	-	-	19,964
Total	**19,964**	**-**	**-**	**19,964**

4. Other non-current financial assets (cont'd)

* Level 1 - Fair value based on quoted prices in active markets.
* Level 2 - Fair value based on inputs other than quoted prices.
* Level 3 - Fair value not based on observable market data.

Level 1 represents the Group's holding in Equity Trustees Limited. For the current year, it has been determined that fair value is best determined by the price listed on the Australian Securities Exchange of $12.50 per share. For the comparative period, a DCF model was used to calculate fair value.

Level 3 represents the Group's holding in Equity Trustees Limited. In the prior reporting period, the fair value of $16.72 per share has been determined using a discounted cash flow valuation model. The market price of these shares listed on the Australian Securities Exchange as at 28 February 2011 was $16.30 per share.

Level 3 financial assets	**31-Aug-11**	28-Feb-11
	$'000	$'000
Opening balance	**19,964**	20,243
Change in fair value of opening balance due to change in accounting policy	**(501)**	-
Change in fair value of investment during the half year	**(4,539)**	(279)
Closing balance (Level 1 financial asset as at 31 August 2011)	**14,924**	19,964

5. Indemnities	**31-Aug-11**	28-Feb-11
	$'000	$'000
Indemnity receivable (i)	**6,641**	**-**
Indemnity payable (i)	**6,641**	**-**

(i) The indemnities receivable and payable concern certain indemnity arrangements that have been agreed between The Trust Company and Suncorp Group New Zealand Limited. These indemnities relate to certain Group Investment Funds and certain Specified Client Matters, which were agreed as part of the acquisition of Guardian Trust by The Trust Company.

6. Dividends	**Half year ended**		Half year ended	
	31-Aug-11	**31-Aug-11**	31-Aug-10	31-Aug-10
	Cents per share	**Total $'000**	Cents per share	Total $'000
Recognised amounts				
Fully paid ordinary shares				
Final dividend paid on 16 May 2011 (prior year 25 May 2010) Fully franked at 30% (prior year fully franked at 30%)	**18.0**	**5,825**	16.5	5,340
Total dividends for the financial half year	**18.0**	**5,825**	16.5	5,340
Unrecognised amounts				
Fully paid ordinary shares				
Interim dividend to be paid on 14 December 2011 (prior year 11 November 2010) 30%)	**17.0**	**5,509**	17.0	5,502

7. Borrowings	31-Aug-11 $'000	28-Feb-11 $'000
Loan facility (i)	12,500	-
	12,500	-

(i) On the 15th June 2011, a three year loan facility was entered into with a limit of $15 million. On the 30th June 2011, $12.5 million was drawn down. The weighted average interest rate for the half year ending 31 August 2011 is 7.23%.

8. Contingent liabilities and contingent assets

(a) Contingent liabilities	31-Aug-11 $'000	28-Feb-11 $'000
Aggregate contingent liabilities at the balance sheet date comprised the following:		
Bank guarantee and performance bonds in favour of the Australian Securities and Investments Commission in relation to AFS licences	**1,020**	1,020
Undertaking supporting the AFS licence requirements for subsidiaries	**35,000**	35,000
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
Bank guarantee issued in respect of the lease of premises at 20 Bond Street, Sydney	**1,356**	1,356
Total contingent liabilities	**43,376**	43,376

The Group, given the nature of its business, can receive claims for breach of duty from time to time. Where necessary, the Group has provided for potential litigation claims. The Group is not currently engaged in any litigation or claim in its personal capacity which is likely to have a materially adverse effect on the business, financial condition or operating results of the Group. Where some loss in the Group's personal capacity is probable and can be reliably estimated an appropriate provision has been made of the likely amount of each claim on an individual basis. The amount provided for each claim is reviewed by management regularly. Sufficient professional indemnity insurance cover is held to meet any potential liabilities that may arise. As at 31 August 2011 there are outstanding professional indemnity notifications of circumstances and claims which have not already been provided for which liability may arise with respect to controlled entities. The potential liability in respect of such matters is not capable of being quantified at 31 August 2011.The Group has rights of recovery under insurance policies and contractual indemnity provisions for any potential liability that may arise.

The Group has provided indemnities to a number of related parties in respect of mortgage funds that it managed. All of the mortgage indemnities have back to back arrangements in place under which the Group is to recover certain losses from Suncorp Mortgage Company NZ Limited.

The Group has entered into an agreement with Suncorp Group New Zealand Limited whereby the Group is indemnified in respect of certain client provisions. Refer to note 9, below.

(b) Townsville fraud

In November 2008, the Company initiated a full review of all 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 loss suffered by affected clients was approximately $9.3m and that the fraudulent activities occurred over 16 years. On 2 December 2008, the Company established a restitution fund 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 $9.3m to those clients. Additionally, the Company has provided for the legal, external accounting and other associated costs required to investigate and rectify the fraud.

8. Contingent liabilities and contingent assets (cont'd)

(b) Townsville fraud (cont'd)

On 2 September 2010, a former employee of the Company, Gary Wilkins, appeared in the District Court at Townsville for sentencing on fraud charges. Wilkins pleaded guilty and was sentenced to a period of imprisonment, with a non parole period, until 2 January 2014. The charge against Wilkins was one count of dishonestly applying funds as an employee between 1987 and 2008.

Like all major financial institutions, the Company carries significant insurance for these types of circumstances. The Company kept its insurer informed of any issues arising from the investigation, and on 2 April 2009, lodged a formal proof of loss claim. The insurer accepted indemnity for the claim and made progress payments of $5.1m in June 2009, $1.2m in August 2009, $1.2m in May 2010 and in October 2011 a final payment of $2m to settle the claim.

(c) Contingent assets

The Group has an admitted claim against FAI General Insurance Company Limited (in liquidation) of $17.0 million. To date, 51.1 cents in the dollar ($8.69m of the admitted $17.0m) has been received in cash in financial years 2007, 2008, 2010, 2011 and 2012.

The scheme administrator has indicated that the estimate of total percentage payout will be between 50 and 60 cents in the dollar but has not provided guidance as to timing of the payments.

The Group has not recognised any receivable in the financial statements due to the uncertainty of timing and quantum of amounts to be received.

The Group has appropriate insurance in place in relation to the damage to its premises arising from the Christchurch earthquake. The Group has made notification to its insurer of the damage to its premises from the earthquake and will continue to liaise with its insurer in relation to its claim.

9. Business combination

Effective from 1 March 2011, the Company gained control of 100% of the equity in The New Zealand Guardian Trust Company Limited, a New Zealand based trustee business, for provisional consideration of $31.8 million. The provisional consideration is subject to variation arising from the final Completion Accounts and any warranty claims.

Details of the provisional purchase consideration, the net assets and goodwill are as follows:

Provisional purchase consideration	**$'000**
Tranche 1 - 1 March 2011	15,771
Tranche 2 - 30 June 2011	16,022
Total provisonal purchase consideration	**31,793**

The unaudited net identifiable assets of The New Zealand Guardian Trust Company Limited as at the date of acquisition are as follows:

Provisional net identifiable assets acquired	2,465
Add: Goodwill and other intangible assets acquired	29,328
	31,793

Although control to govern the financial and operating policies of The New Zealand Guardian Trust Company Limited was achieved on 1 March, 2011, legal ownership of The New Zealand Guardian Trust Company Limited did not transfer to the Company until 14 March, 2011. This was due to a delay in receiving regulatory approval for the acquisition by a local New Zealand authority.

The fair values of the net assets disclosed above have not yet been finalised. As a result, intangible assets acquired have not been separated between goodwill and other intangible assets at the date of this report.

On 30 June 2011, the Company paid the balance of the purchase monies (2nd tranche) on an escrow basis pending finalisation of the Completion Accounts and other matters required to determine the final purchase price, which remains outstanding. Given unanticipated delays in finalising the completion accounts, these monies were released to Suncorp on 29 September 2011.

9. Business combination (cont'd)

The Trust Company continues to manage post-acquisition contractual issues (including any resultant purchase price adjustment) in accordance with the share purchase agreement with Suncorp. See note 8.

10. Subsequent events

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