"All the news and all the views. All the time and as it happens!"

The Trustco Times

International Edition

ANNUAL REPORT 2007 | TRUSTCO GROUP HOLDINGS Ltd Registration No 2003/058 | Windhoek, THURSDAY 28 JUNE 2007

Trustco true to its word - again!

In less than one year since its listing on the national bourse, Trustco Group Holdings Ltd created a renewed interest in the Namibian Stock Exchange (NSX), in particular, and among Namibians, in general, says chairman, Adv Theo Frank SC and Group CEO, Quinton van Rooyen.

Trustco endeavours to enhance the course of, and to maximize returns from, domestic and regional economic transformation.

Our key objective is the creation of a substantial and sustainable base of human and financial capital among Namibians. In turn, this will help sustain the impetus of economic growth and global competitiveness vital to both superior investment performance and to the broader prospects of Namibia. All our efforts are geared at reducing poverty in Namibia, Yet again, Trustco has done its part, says the duo.

The outlook for the country's economy looks positive indeed for the foreseeable future, the duo said. "As a committed corporate citizen, Trustco will continue to make good faith interventions to growth and transformation in Namibia. This will help in empowering the poor and creating a truly productive economy. We are confident that, by doing this, we can ensure that Namibia will become a winning and prosperous nation for all", according to Frank and Van Rooyen.

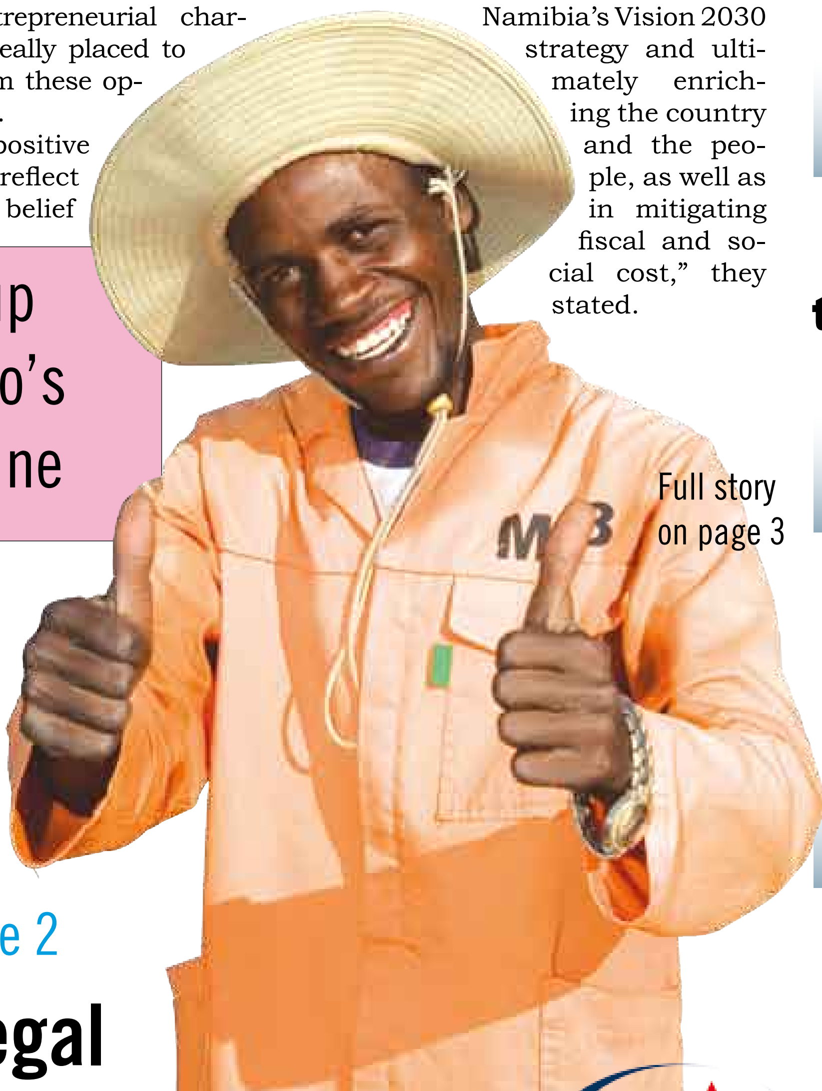
The demand for a diverse array of services for the knowledge-hungry population needs to be further stimulated. Trustco, with its strong entrepreneurial character, is ideally placed to benefit from these opportunities.

The positive results reflect Trustco's belief that the strengthening of the domestic private sector is an important factor to ensure sustained economic growth, by contributing to output and by creating new jobs.

"Our role is therefore not only important in growth and transformation; it is also a way of ensuring that we work towards a common objective of realizing Namibia's Vision 2030 strategy and ultimately enriching the country and the people, as well as in mitigating fiscal and social cost," they stated.

Thumbs up for Trustco's bottom line

Full story on page 3



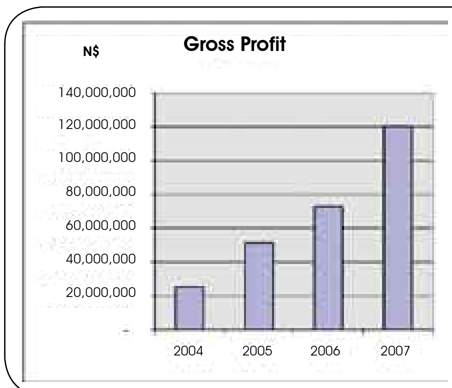
A whole lot of learning going on

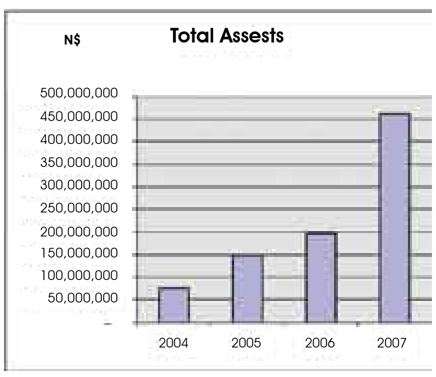
Full story on page 2

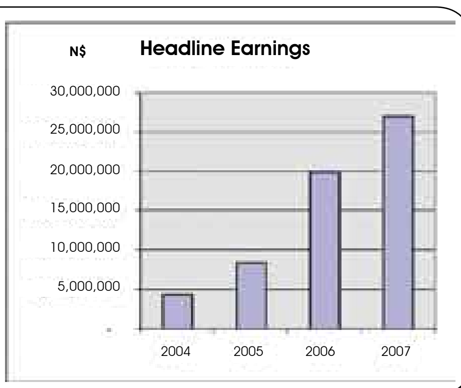
Legal Shield leads legal insurance industry

Full story on page 4

TRUSTCO oshili nawa







***Revenue increased by 46.15% to N$193.18 million**

***Attributable earnings increased by 29.91%**

Head office costs reduced from 10.58% to 5.66%

***Profit after tax increased by 26.52%**

***Headline Earnings increased by 34.97%**

***NAV per share increased by 63.82% to 101.9c**

INSIDE STORY:

HOT FIGURES AND COOL BOTTOM LINES!

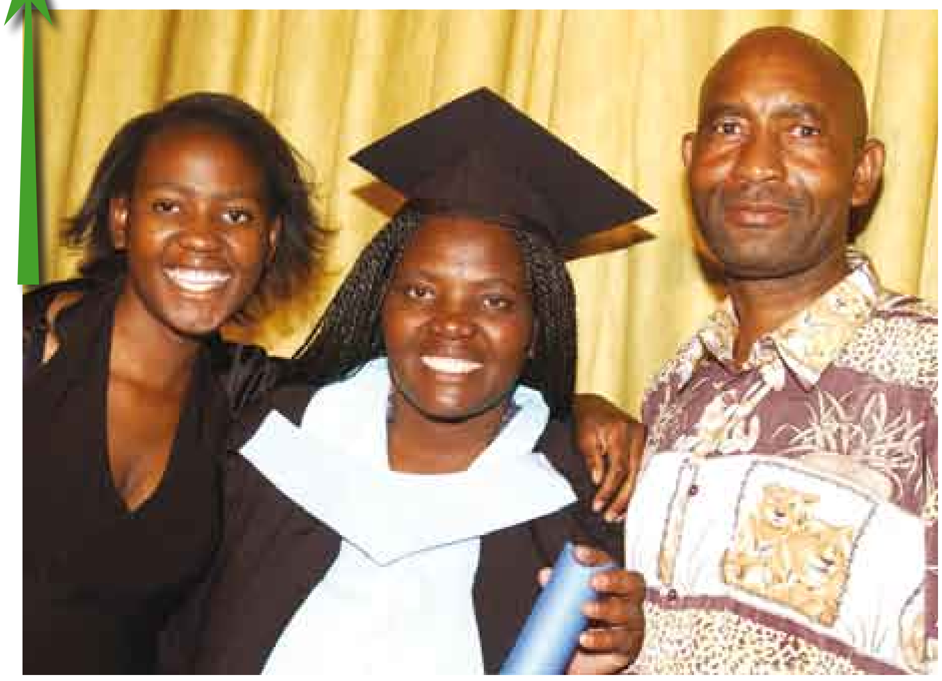
SEE ALL THE HOTTEST NUMBERS ON PG. 12

A whole lot of learning going on

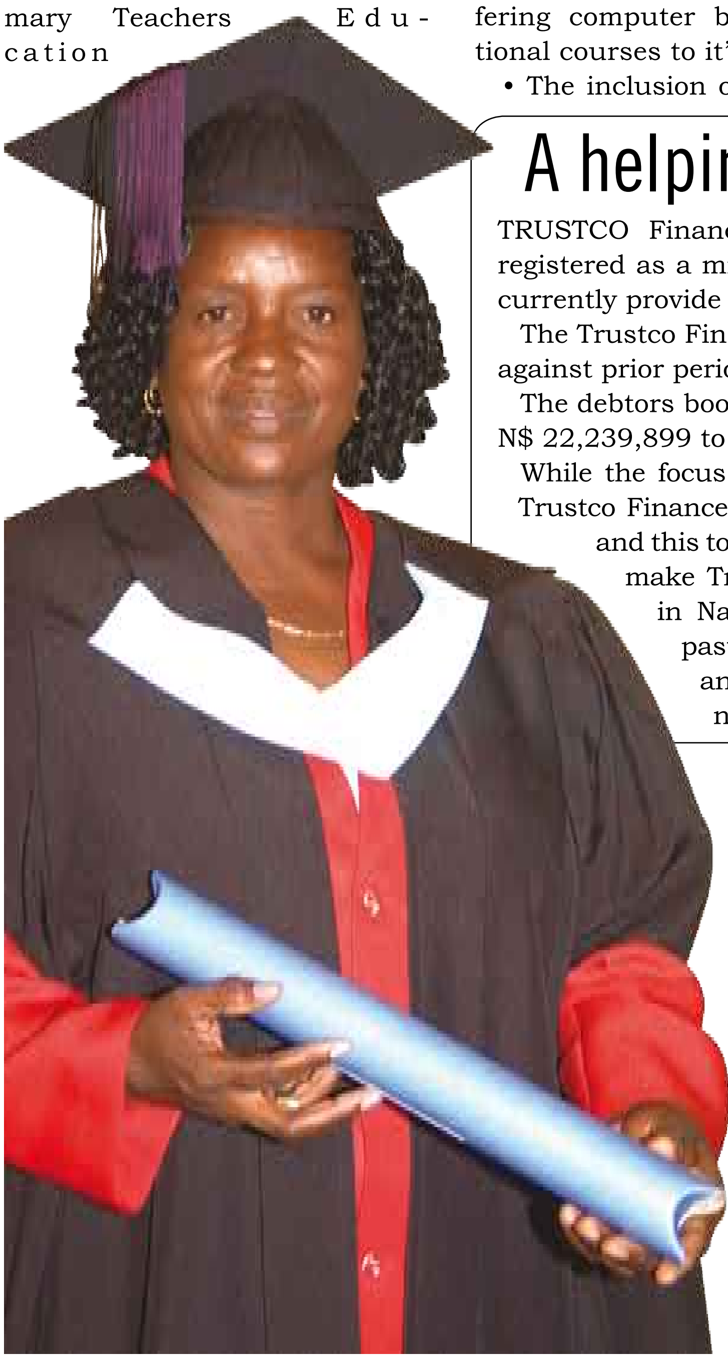
THE Institute for Open Learning (IOL), has shown tremendous growth of 102% on top line revenue over prior period. This growth can be attributed to the following:

- Introduction of five regional offices throughout Namibia - Katima Mulilo, Rundu, Walvis Bay, Ongwediva and Keetmanshoop.
- IOL's student base increased from 8 200 to 11 536.
- The introduction of "IOL Learn" - live broadcasting and contact sessions presented via Namibia Broadcasting Corporation (NBC) of 1 hour/5days a week of current curriculum programs, to ensure that "classes" become accessible to all students throughout Namibia studying through IOL. Students now just have to "tune in" to gain access to interactive classes.
- Introduction of ICDL programs and operating a full training centre in Ongwediva.
- Accreditation of the Junior Primary Teachers Education Diploma (JPTED) and Senior Primary Teachers Education Diploma (SPTED) by the NQA, addressing more than 6 000 unqualified teachers in Namibia, aiming at providing better qualified teachers at grass roots level, which is primary education - where the future leaders of tomorrow are.
- IOL also recently started offering computer based educational courses to it's students.
- The inclusion of 8 additional short courses promises to extend the reach of the educational services provided even further.

According to IOL CEO Nick Hearn, Future developments include other core areas apart from education, continuing accreditation of more courses and improving the geographical footprint of IOL, supplying quality education, which is accessible to all.



There can never be any better value to life than achieving your educational dreams.



A helping hand for all

TRUSTCO Finance, established to provide student loans and registered as a micro-lender and therefore regulated by NAMFISA currently provide student loans to 94% of IOL students.

The Trustco Finance debtor's book showed a tremendous growth against prior period in excess of 212%.

The debtors book in comparison to March 2006, has grown from N$ 22,239,899 to N$69,410,785.

While the focus remains on educational loans, plans to expand Trustco Finance loans to other areas are in the planning stages and this together with the growth in IOL explained above, will make Trustco Finance one of the premier micro-lenders in Namibia. Even though the net margins over the past two year period were exceptional, Management anticipates revenue to grow above average over the next two years.

Teachers' Education Diplomas

The introduction of the Junior Primary Teachers Education Diploma as well as the Senior Primary Teachers Education Diploma and their subsequent accreditation by the National Qualifications Authority (NQA) has given hope for the development of the Namibian educational sector. The programs enhanced the skills of over 6000 unqualified teachers upon its inception. The aim is the provision of better qualified teachers at grassroots level where the minds of the country's future leaders are being moulded on a day-to-day basis. Both the JPTED and the SPTED programs were well received by the Namibian National Teachers Union (NANTU) as well as the Teachers Union of Namibia (TUN) with many teachers bettering their education with these courses.

IOL Institute for Open Learning (Pty) Ltd

IOL in General

The Institute for Open Learning has shown tremendous growth of over 102% on top line revenue over the prior period. This growth can be attributed to the fact that the institute has embarked on a strategy of "life long leadership" targeting not only grade 12's but also school leaving grade 10's offering certificate level courses through to diplomas and subsequently post graduate degrees. Eight additional short courses have been introduced and this, according to IOL Managing Director, Nick Hearn, promises to extend the reach of the educational services provided by the Trustco educational entity.

ICDL

To some the term ICDL might stand for the 'Interdisciplinary Council on Developmental and Learning Disorders' while to others it might represent the 'International Children's Digital Library'.

To Namibians, however, the aforementioned term stands unerringly for one thing: The **International Computer Driving License**. The recently launched Institute of Open Learning (IOL) ICDL course has received an enormous welcome from various spheres of the Namibian society. To date the course has seen a significant increase in its student numbers showing potential for even further future growth.

The program is operating a full training centre in the northern town of Ongwediva and is in the process of developing the same infrastructure in Windhoek.

Trustco true to it's word - again!

From the Front Page

Education and Financial Services

"The free-to-air channel, IOL Learn was launched and new courses introduced.

The establishment of additional branches within Namibia resulted in a healthy growth, albeit from a small base.

Revenue grew by 101.8 percent whilst net profit after tax grew by 21.5 percent over the prior period."

The Education and Financial Services division has proven to be one of Trustco's lynchpins this year.

The Education and Financial Services division comprises of the Institute for Open Learning (IOL) and Trustco Finance that are complementary of each other in order to boost the quality of education and on-the-job training in Namibia.

Through its lifelong education strategy, the IOL has managed to offer the gift of education to those who would not otherwise be in a position to accomplish their dream due to some reason or another.

Courses offered range from general certificates to diplomas and post graduate degrees.

During the past year, there was an increased interest in the International Computer Driving License (ICDL) and the teachers' diplomas. With the view that students are assisted by a loan service through Trustco Finance, it is now possible that students can accomplish their dreams while financing their studies at an affordable rate.

Insurance

The insurance division, Legal Shield, was a significant contributor to the company's revenue base.

Performance for the year in this division was driven by an increase in the policy holder base, a reduction in expenses paid and an increase in the premiums received.

The overall resultant growth in revenue was measured at 31.2 percent gross as compared to the previous year with a net profit after-tax of 10.0 percent when compared to the year prior.

Wholesale, development & management services

"The strong growth in revenue is primarily due to the introduction of new businesses: SMS, printing press, aircraft charter and fleet management. The underperforming net profit of this sector is primarily due to the printing press only being fully operational from March 2007, SMS underperforming versus expectations," says Frank and Van Rooyen.

Operational costs at head office have decreased by 21.9 percent, primarily attributable to the Group's attention to cost saving exercises, benefits from long term, favourable financial instruments and the restructuring of the Group. Head office requirements, however resulted in higher costs but as a percentage of total revenue, decreased to 5.7 percent from 10.6 percent from 2006.

Important assets

"The most important asset in the Group remains the well-motivated and progressive staff compliment. The Board and management team alone could never have achieved these results.

"Much emphasis was placed on restructuring during the past financial year. Focus has already shifted towards responsible and sustainable growth," says Frank and Van Rooyen.

Hage Geingob retired from the Board and Trustco wishes to thank him for his valuable input. The Board will also expand in the future to accommodate any new markets Trustco invests in.

The Board welcomes Gordon Walters and Andimba Toivo ya Toivo to the Oshili Nawa Group.

Trustco is involved with various national charities and extends its reach to help the needy in all regions of Namibia.
Winna Mariba recently made a generous donation to the Hope House Refuge for Kids in Walvis Bay.

Lafrenz development project a major property boost for Windhoek

PLANS for the establishment of Windhoek's residential property development at Lafrenz, utilising state-of-the-art technology, is still on the cards and earmarked for next year. This will be one of the country's biggest property developments to date.

One of the most exciting new projects on the horizon for Trustco Properties is the development of 1800 residential units over the next 10 years in Lafrenz. This development is planned on 360 hectares of unspoiled land towards the north of Windhoek, a mere 15 kilometers from the Windhoek CBD.

The concept of the new development is the first of its kind in Namibia and will provide medium-income housing in a secure area with access to shops, schools, business facilities as well as recreational and sports facilities within walking distance of all homes.

The expected launch of the project is towards the first quarter of 2008 and infrastructure development is ongoing.

With several exciting property projects in the early planning stages, we believe that property development will remain one of the trademark features of the Trustco Group in future.

Property remains one of Namibia's ever growing and popular investment options.

Trustco Properties has been making sound investments in the ever escalating property market since its inception in 1992.

With the remarkable growth of the Group, challenges arose to provide office space for the growing Trustco staff compliment.

After initially renting office space in Oshakati, the group acquired ideal business premises in Ongwediva for the Trustco Far-North office in August 2006. A few months of renovations transformed this ordinary structure into an independent regional office the group can truly be proud of. In the last year four additional regional offices were opened in Keetmanshoop, Rundu, Katima Mulilo and Walvis Bay, making Trustco and its subsidiaries more accessible than ever before. Sizeable property investments are foreseen for the near future.

The Dolphin View luxury apartments, managed by Trustco, under final construction in Langstrand

Residential portfolio

Apart from commercial office space for Trustco staff and other corporate tenants, Trustco also has an impressive portfolio of residential properties, mainly in the Windhoek area. These properties range from exclusive homes in the high profile Kiekebusch Estate to more affordable accommodation in Pioneers Park. The Trustco Property portfolio is valued in excess of N$120 million with property acquisitions of more than N$10 million in the past financial year. The total Property portfolio grew by 12% in 2006/2007.

For future expansion, Trustco envisages continued investments in residential and commercial properties both locally and in the SADC region. Entry into the lucrative South African market has been achieved during the past financial year.

Sonny Boy, Quinton and theDogg

street cred

How do you communicate to the masses?

The Trustco Group has over the past few years developed a niché in communicating with Namibia at large with the Winna Mariba television show.

Many popular artists and personalities, like megastar Gazza, paid visits to the Winna Mariba studios over the years.

theDogg and Sonny Boy recently paid a visit to the Trustco Head Office and performed a few of their hit songs for the staff.

The artists gave Trustco MD Quinton van Rooyen quick pointers on hiphop gestures and slang, raising his "Tura' street cred some points.

Gazza and Mia

Keeping you covered!

Legal Shield leads legal insurance industry

LEGAL SHIELD HOLDINGS (PTY) LTD, operating in both the Short Term and Long Term Insurance market, again achieved significant growth during the current financial year.

Legal Shield staff around the country is ready to assist

Legal Shield Life Ltd

The Life Insurance company is responsible for the development and marketing of funeral insurance products. It also underwrites death benefits offered by the short term insurer, Legal Shield.

The policy has proven to be popular and finds favour in particular with persons who desire to have extended family members covered.

During the current year, the existing funeral products were extended to include a much more affordable policy available to single persons.

Underwriting agreements were also entered into with the Institute for Open Learning and Trustco Finance (Pty) Ltd which provides death benefits to its students and clients. The particular agreements resulted in a healthy business accrual with a significant contribution to the company's successful performance during the current year.

Legal Shield Life Ltd has applied for a Life license (all classes) and once granted will enter the Life market with a range of affordable and unique products.

Legal Shield Namibia Ltd

The existing Legal Shield short term products still prove to be in high demand resulting in the company maintaining its position as Namibia's number one legal insurer. Existing cover in terms of the Legal Shield policy will further be extended in due course which should render the policy even more attractive to existing and potential policy holders.

Legal Shield Ltd also expanded its Short Term business by entering into Credit Insurance agreements with selected companies which in return have actively contributed to a successful financial year.

In conclusion the Insurance Group is looking ahead to yet another profitable year.

The popular PC Winna Mariba is back and in all Trustco Regional offices!

Spreading out to the regions

SIX years ago a small Legal Shield office was established in the town of Oshakati.

In recent years it has grown to a well-established business unit of Trustco with a staff compliment of over 80 employees. Trustco clearly indicated its commitment towards members and students in the rural areas by the establishing of their own office building in Ongwediva.

The office offers full support on all Trustco products & services and is an important Trustco business unit that contributes extensively towards Trustco business as a whole.

Trustco has also established an IOL –e-learning training centre at its office centre in Ongwediva. This centre will offer students the opportunity to acquire the internationally recognized ICDL qualification or to become computer literate. In addition it will also offer e-learning based courses and offer support to existing IOL students.

Trustco Walvis Bay staff ready to assist all members of Legal Shield and IOL students

In recent months Trustco offices were established in a number of main towns around the country. Trustco opened regional offices in Walvis Bay, Keetmanshoop, Katima & Rundu. These offices are fully functional service centers equipped with trained Trustco staff to provide Trustco services and products to residents of the towns.

The offices provide full support to IOL students and Legal Shield members alike. The centers are also fully independent business units, sales teams operate in and around the towns to introduce and market the full range of Legal Shield and IOL products.

Trustco Tourism flies the company's flag up on high

TRUSTCO Tourism continues to excel within the company and has contributed immensely to the growth of the whole enterprise through its various divisions of Iitumba Restaurant, Café Society and Trustco Air Services

Iitumba Restaurant and Adventure centre has suddenly become a place for more than just a "weekend afternoon away from home" – it is now an adventure centre for business people, tourists and the general public, thanks to Trustco Tourism's drive to make the venue accessible to all.

Trustco Tourism's feat of excellence was crowned at the recently held 2007 Namibia Tourism Expo when Trustco Tourism walked away with a Gold Award in the Category of Tour Operators, Travel Agencies and Tourism Activities. Managing Director of Trustco Tourism, Dirk Kleinschmidt, said Iitumba had come tops in this division.

"At our bush boma we offer the meatiest experience you've ever seen. The food is prepared over an open fire and you can enjoy different kinds of African meat and cuisine," said Kleinschmidt.

"Iitumba has a service orientated philosophy that allows it to exceed your expectations time and again. Whether it is adventure-related experiences, teambuilding, functions or events, it will ensure your objectives are met every time. Our Adventure Centre is accessible by car only a few minutes from town," he adds.

Iitumba is situated at the foot of the Auas Mountains just outside the city of Windhoek. With its well-known rustic atmosphere and surrounded by tranquility, one would not have the slightest idea that they are just three kilometers outside Namibia's capital. Iitumba caters for bush conferences, and the restaurant can cater for up to 160 delegates. Conference packages can include outdoor activities and fun-based tasks where we effect the cohesiveness of teams. Activities range from the physical to innovative and mental challenges.

"Our newly acquired laser guns give a new meaning to the word FUN. Just like PAINTBALL but without the paint and pain factor. An exciting variance is the strategic game that can be played by corporations and organizations alike," he adds.

Kleinschmidt applauded this as a team effort by the division to excel beyond expectations as outlined in the teambuilding activities of companies and organizations.

"With you, we take an in depth look at the constitution of your team, your requirements and objectives, we then tailor specific interventions that allow you to achieve these objectives. Some of the goals achieved are: Understanding team dynamics; achieving objectives; developing team strategies and creative thinking. The training also includes conflict management, developing relations in the team environment, creating communication platforms and problem solving."

Other activities at the Iitumba site include quad bikes, laser guns and driver training. This course caters for the advanced on and off-road driver using the various terrains that surround the centre. This facility will be launched mid-July.

"With a wealth of experience our team will set the tone with a theory session and then familiarize you with vehicle dynamics and driving techniques. More advanced courses will deal with recovery techniques and GPS navigation. Trailer driving and vehicle parking are aspects that add value to any expedition," said Kleinschmidt.

Another new and exciting activity at the venue is a magnificent site for vehicle launches to enable car manufacturing and distribution companies to unveil their new vehicles to the press, key clients and the public.

Trustco Air Services

Trustco Air Services was established when the company invested in two twin-piston Aero Star aircraft which provide charter services to clients and staff throughout the Southern African region. The latest edition to Trustco Air is the two newly acquired luxurious Pilatus PC 12's. The Pilatus PC-12's are like no other aircraft made today. Its remarkable combination of features is simply not available in other aircraft. For the passengers it means that the aircraft is ready to go anywhere where they want in first-class comfort and safety.

The charter service has proven to be extremely popular, with a flight schedule booked out months in advance. We expect this division to show strong growth and plans for its expansion are already under way.

Flying at 30,000 feet at 450 km/h, passengers can fly in extreme luxury to destinations anywhere in Namibia and the SADC countries.

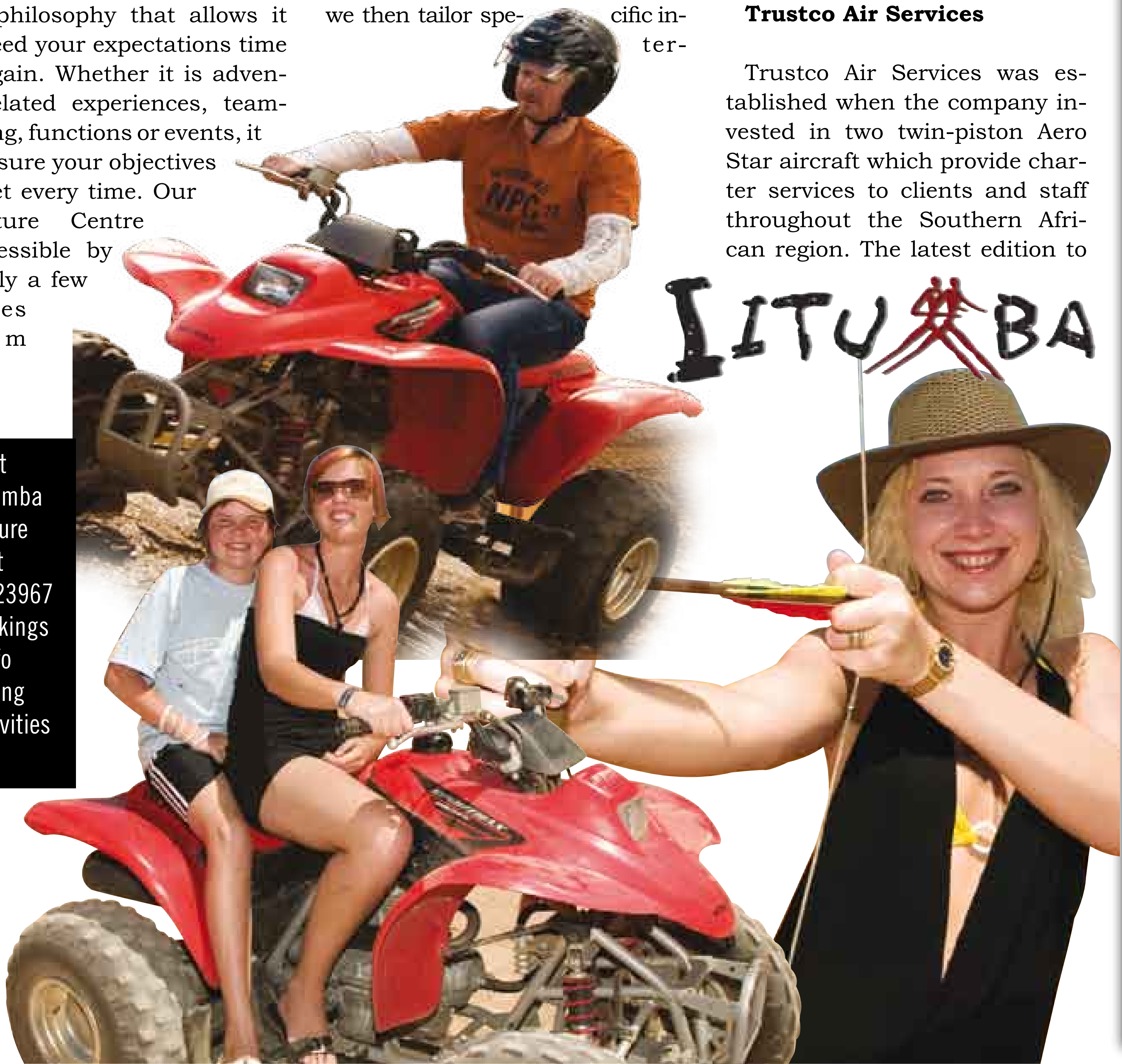
Café Society

With our head office situated outside the central business district it was decided to invest in a café to provide staff with easy access to food and drinks during office hours. The restaurant has expanded its core business and now attracts corporate clientele that frequent the café for power lunches and breakfasts.

The restaurant is open from 6am till late Monday through to Friday and offers special value-for-money meals each day. The restaurant also does outside catering and can be booked for private functions utilizing both the interior and outside seating facilities. Special food platters can be arranged for office functions as well.

Newly appointed manager, Maryke Pheiffer also provides hygiene tips and a recipe every week in the Informanté. At the end of each month there is a live music band or musical performance by various Namibian artists.

"Having a full restaurant and liquor license means that Café Society is able to offer all alcoholic and non-alcoholic beverages that can be found elsewhere. With a staff complement that includes 1 head chef, 2 cooks, 2 cleaners and 4 waitresses, the restaurant is fully equipped to meet the demands of any good food and beverages requirements," said Pheiffer.



Contact the Iitumba Adventure staff at 0811223967 for bookings and info regarding all activities

Winna Mariba

In the fast moving industry of information technology Winna Mariba 777 has established itself as a major player within the SMS service industry in Namibia!

As a service that has been introduced less than a year ago the public interest with regard to Winna Mariba 777 has shown a steady growth. Cellphones proved to be more than just a device for person to person communication. The thousands of dollars that Winna Mariba 777 gives away on a weekly basis is proof how simple and effective this service is, hence the expression " let your fingers do the talking"!

Peek inside the matrix

IT the heartbeat of operations

IN typical Trustco style we continue to develop and strive toward excellence. It is no surprise that we embraced technology to help us work smarter and in so doing we are continually looking at our systems and services to continue reaching new heights.

Early this year (2007) we started to roll out a new Information Technology (IT) Server infrastructure to extend our ever growing IT needs, and further upgraded our existing infrastructure. We extended our infrastructure to cover 3 new branches (Keetmanshoop, Walvis Bay and Swakopmund) in the last few months allowing them to securely and fully integrate with our "Main Servers".

We have also migrated our Oshakati office to a new office in Ongwediva, with re-modeling and re-cabling of everything.

State-of-the-art, digital telephone systems were installed at all the branches to provide integrated telephony and technology on a common digital plane across heterogeneous network structures. This we continue to pursue.

Our in-house development teams have been very busy providing additional functionality into our already established systems to further align them to best suit the businesses, with tighter integration with 3rd parties and streamlining common cross company data centrally.

For loyal members, we have developed an ALL NEW famous Winna Mariba. This is where members of Legal Shield and Institute of Open Learning can show their skill and play the game monthly at our various supporting branches.

The IT department is also instrumental in managing and developing the following pioneering technologies:

Short-message-service (SMS) Technology

The idea and development of the software was done in Namibia. Using high performance connectivity and database integration, it gives true meaning to 'information at your fingertips' as well as allowing SMS game shows such as Winna Mariba, but more importantly it provides a method to promote the Group's products through SMS marketing. The effect of this will be cost-effective and efficient marketing coupled with the generation of income.

Database Technology

The Group currently utilises over five large and secure databases, all produced in-house. The IOL Student Administration system manages all student details from registration to examination marks. This system also ties in with another database, the Trustco Finance Loan Book database, which manages all student loans. Furthermore a large database containing confidential information of all Legal Shield clients keeps the insurance services running smoothly. To reduce redundancy we have the central information database which houses all common information across the other databases. Finally, a biometric database controls access to the head office premises by means of a finger-print access control system.

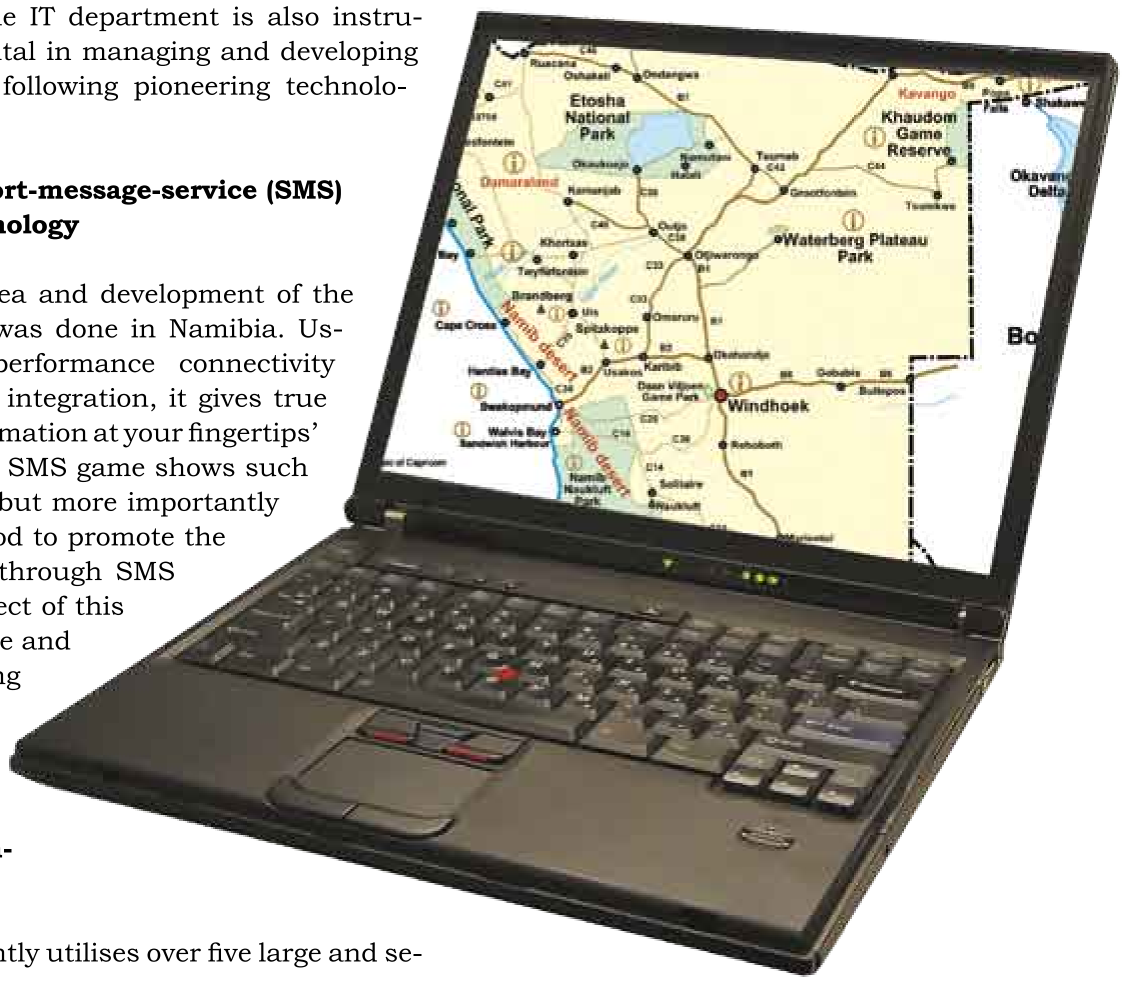
Security

Trustco Group invested in a fully integrated finger printing system.

Turnstiles are a new feature at the main entrance which control walk-ins and the flow thereof. We have an integrated CCTV system which covers all areas of our (now three) buildings.

Backups

Backups form part of an essential role of our business model. We recently improved the way we achieve this by adding snapshots to remote locations. This aids the business continuity aspects by enabling us to be better prepared to recover from potential disasters that may occur.



Informanté:
Positively changing Namibia's news frontier

HAVING won the PMR Golden Arrow Award for the Best Community Newspaper this year, Informanté is Namibia's most in demand weekly, judging by its relevance and much talked about issues in the general public and social circles.

Informanté is fast emerging as a specialist publication in Namibia, with a reputation for being first with the news on significant political, economic and social development issues across the country.

The weekly newspaper has succeeded in extrapolating tabloid news into serious news-analytical coverage, justifying its relevance to readers from all walks and sectors of society.

The newspaper was started as a tool to market Trustco Group products and was published bi-monthly.

However, Trustco management soon realised there was a lack of incisive investigative journalism in the country and decided to re-launch the paper to carve out a niche for itself as a formidable well-researched investigative journalism weekly publication. Consequently, over the past few months, Informanté has become a leader in the weekly publications and an appealing and essential read in the market, in terms of news content and analysis.

The paper covers a broad spectrum target audience that covers all ages, sexes and races across the Namibian divide.

The emergence of multiple media platforms due to advancement in ICTs meant that the traditional press had to think of new and creative ways of sustenance in order to retain their readerships.

In this regard, Informanté staff conducted their own research into the possibility of establishing a tabloid or 'compact' form of newspaper. A comparative analysis showed that tabloids had gained 70% of the South African newspaper market - this after tabloids had controlled only 3% a few years previously.

This is due to changing reading habits, lower production costs and the rise of citizen journalism.

Furthermore, due to Namibia's unemployment rate, Informanté adopted a free newspaper model, thereby providing access to information to every Namibian citizen regardless of whether they can afford to buy a paper or not.

As an upmarket quality tabloid, Informanté's target audience comprises of the mid-market, down market (sensational reader) and the unemployed or poor. In other words, Informanté caters for all across the board to give truly Namibian representation.

Informanté's influence can be felt across the whole Namibian spectrum. The premise on which Informanté was re-launched was to be first with the news and provide its readers with in-depth and incisive news analysis, thereby positioning it as a serious agenda-setter on issues of national importance.

In fact, Informanté seeks to set an agenda by unravelling the hidden stories to allow readers to read between the lines. Sources behind our news are authoritative and highly impeccable and the paper continues to build on its reputation as a trusted and compulsory 'must read' for key decision and policy makers.

While being viewed by some sections of society as a hardcore tabloid newspaper, the stories are of high quality and the presentation is appealing and simple. The Informanté editorial policy purposely chose this accessible presentation in order to accommodate as wide a range of tastes as possible, including that of an ordinary high-school or university student who normally is not interested in hardcore political news.

In line with its growth and positioning strategy, Informanté has strengthened its business section to optimally accommodate the economics coverage needs of corporate Namibia. In this regard, the business section has assumed a new identity, providing detailed and focused financial reporting, economic analysis – coverage and analysis of the money markets, as well as regional economic issues.

The business section also provides general corporate/business news and corporate profiling with a bias to enhance and highlight effective corporate governance. The section also provides investigative financial reporting.

Other sections that are popular with the general public include sports, arts and entertainment, motoring (Speed) and Coastal.

Informanté has shown tremendous growth on all fronts. Its editorial content, which initially focused on the growth momentum of the holding company, has gradually taken on a national flair, carrying stories and analyses that matter to the broader Namibian society. Its advertising content, likewise, now consists of a broad array of companies and organisations, confirming that the paper has indeed developed into a valuable medium for advertisers. On the distribution front, Informanté is now available in almost all urban areas in Namibia. An agreement has been made with Nampost so that the paper reaches each and every corner of the country where there is a post office. Apart from this, distribution points have been clearly established, at places where the red Informanté basket is available.

Circulation still remains high, 70,000 copies weekly translating to over 280,000 copies monthly.

The catch line: "You conceal. We reveal" still remains the newspaper's slogan.

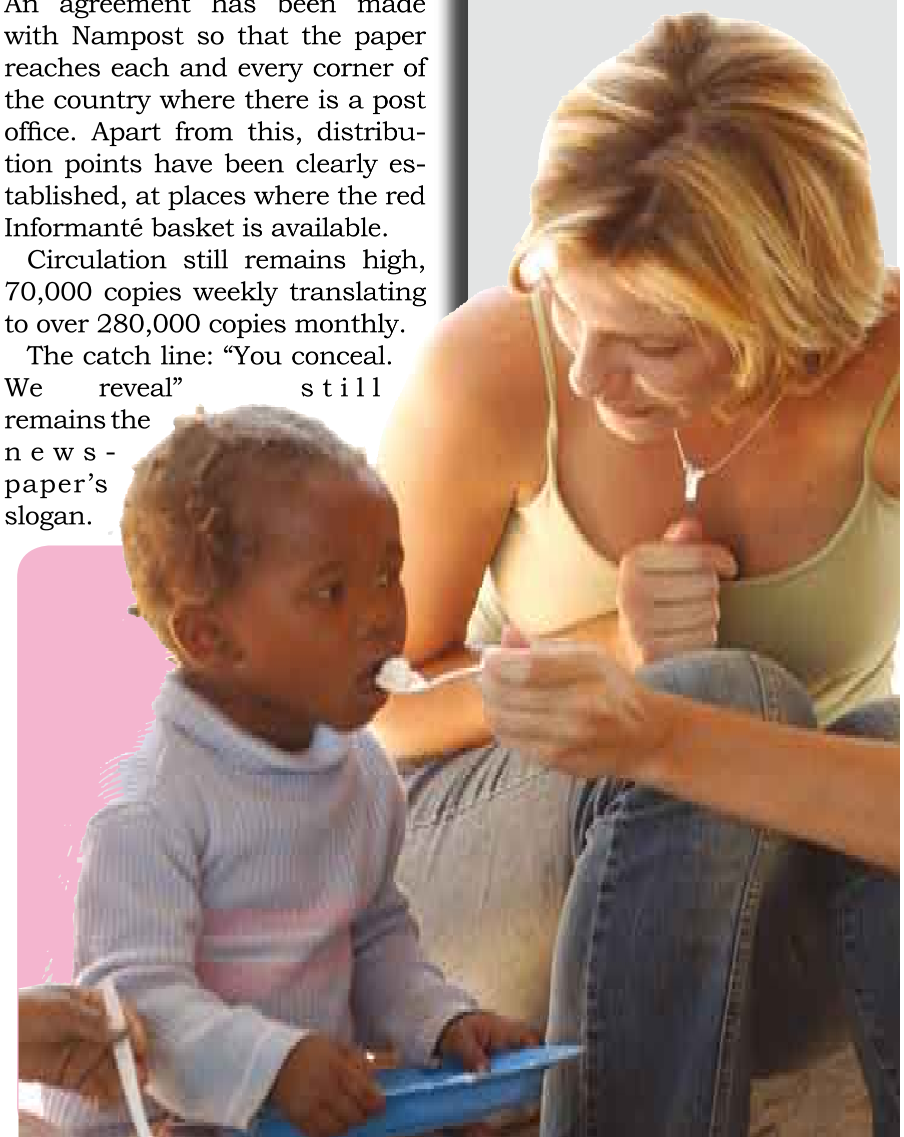
Free Press Printers

In less than a year the Free Press Printers has established itself as a major player within the printing industry. The level of brand recognition of the Free Press Printers is proof that this business unit took some major strides in only a few months to be recognized as a competitive business unit within the industry! Multiple publications are being printed on a weekly basis of which the Informanté and The Namibian form the core clients.

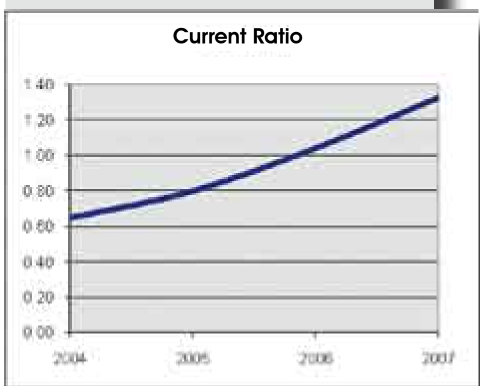
Our printing quality is proof of our continued quest for perfection and quality service.

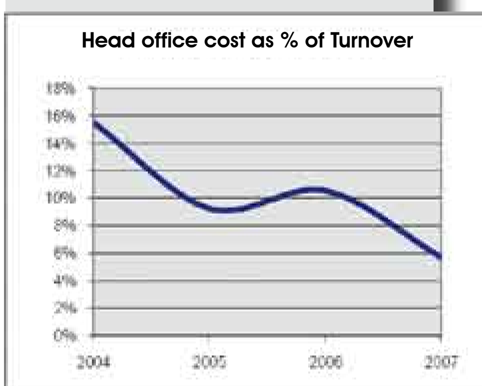
Management is confident that the future of the press is bright and alive with opportunity.

Caring for the young: Our future growth depends on today's achievements



Addendum for comparison





BALANCE SHEET

at 31 March 2007

	12 Months 31/03/07 Audited	Group 12 Months 31/03/06 Unaudited Prospectus	12 Months 31/03/06 Unaudited Restated	12 Months 31/03/05 Audited TGI	12 Months 31/03/04 Audited TGI
	N$'000	N$'000	N$'000	N$'000	N$'000
ASSETS					
Non-current assets					
Property, plant and equipment	125 217	55 703	72 445	54 674	49 213
Investment properties	32 627	20 840	13 843	35 195	-
Preference shares	-	125 000	-	-	-
Intangible assets	12 688	10 397	10 397	26 877	-
Investments	136 490	-	-	-	100
Deferred taxation	7 994	3 860	3 860	2 182	-
Educational loans advanced	40 074	10 191	10 191	3 032	-
Related party loans	-	16 897	16 897	-	-
Total non-current assets	355 090	242 888	127 632	121 959	49 313
Current assets					
Amount due by related party	1 544	-	12 534	-	10 290
Short-term portion of educational loans advanced	23 773	9 799	9 799	14	-
Inventories	30 818	25 570	25 725	6 362	1 445
Trade and other receivables	24 279	3 378	3 430	2 113	3 742
Taxation	121	483	482	362	-
Cash and cash equivalents	27 580	175 751	16 042	18 067	10 740
Total current assets	108 115	214 980	68 011	26 918	26 217
Total assets	463 205	457 868	195 644	148 877	75 530
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	96 869	211 814	-	-	-
Contingency reserve	(357)	-	4 973	4 154	-
Revaluation reserve	7 513	-	9 188	8 451	6 692
Distributable reserves	33 221	-	54 530	26 339	285
	137 246	211 814	68 691	38 944	6 977
Minority interest	(1 372)	-	(405)	2 674	3 499
Total capital and reserves	135 874	211 814	68 286	41 618	10 476
Non-current liabilities					
Long term liabilities	216 726	173 757	53 173	51 239	33 005
Other liabilities	2 920	-	-	-	-
Deferred tax	21 091	13 623	15 400	10 160	5 267
Policy Holder liability under insurance contracts	1 727	2 500	2 499	2 595	3 201
Employee Fund	-	2 088	2 088	2 039	-
Total non-current liabilities	242 464	192 340	73 531	73 542	41 472
Trade and other payables	40 568	26 553	26 589	12 723	6 899
Current portion of long-term debt	9 281	10 042	10 119	9 286	7 171
Current portion of other liabilities	1 803				
Technical provisions	11 596	8 691	8 691	7 031	2 261
Provisions	-	-	-	-	-
Bank overdraft	21 334	8 243	8 243	4 676	7 106
Total current liabilities	84 866	53 714	53 826	33 716	23 582
Total equity and liabilities	463 205	457 868	195 644	148 876	75 530

INCOME STATEMENTS

for the year ended 31 March 2007

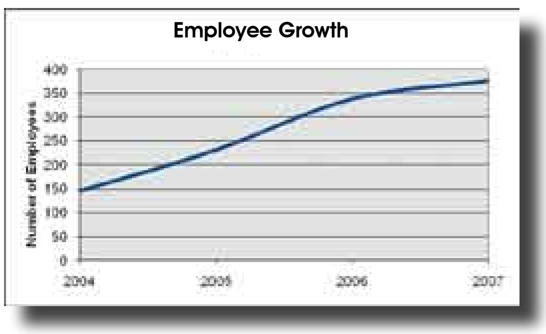
	12 Months 31/03/07 Audited	Group 12 Months 31/03/07 Unaudited Prospectus	12 Months 31/03/06 Unaudited Restated	12 Months 31/03/05 Audited TGI	12 Months 31/03/04 Audited TGI
	N$'000	N$'000	N$'000	N$'000	N$'000
Revenue	193 184	195 728	132 181	101 590	43 500
Cost of sales	(72 511)	(70 467)	(59 655)	(50 604)	-
Gross profit	120 673	125 261	72 525	50 986	43 500
Other income	5 008	-	1 946	3 646	3 553
	125 681	125 261	74 471	54 631	47 054
Administration expenses	(93 924)	(78 807)	(50 879)	(45 538)	(38 840)
Profit before investment income, fair value adjustments and finance cost	31 757	46 454	23 592	9 093	8 214
Investment revenue	14 104	893	797	3 394	-
Profit before finance costs and fair value adjustments	45 861	47 347	24 390	12 488	8 214
Fair value adjustment	9 694	4 503	9 883	13 567	-
Finance costs	(24 756)	(3 459)	(6 332)	(4 779)	(1 473)
Profit before taxation	30 799	48 390	27 940	21 276	6 740
Taxation	692	(7 270)	(3 049)	1 535	1 539
Profit for the year	31 491	41 120	24 891	22 811	8 279
Minority interest	1 372	-	405	(872)	(230)
Net profit for the year	32 863	41 120	25 296	21 939	8 049
Attributable to:					
Equity holders of the parent	32 863	39 560	25 296	21 939	8 049
Minority interest	(1 372)	1 560	(405)	872	230
	31 491	41 120	24 891	22 811	8 279
Earnings per shares:					
Basic earnings per share	28.6	29.8	23.1	20.0	7.4
Headline earnings per share	23.4	26.4	18.2	7.7	3.9
Weighted number of shares in issue	114 757	132 863	109 425	109 425	109 425

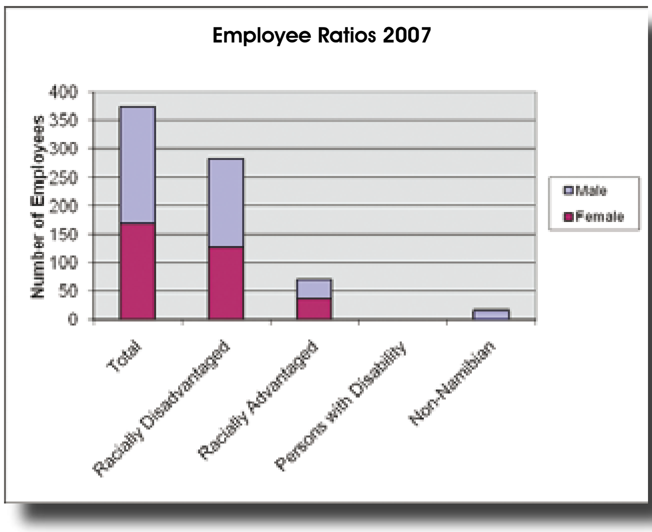
Cash Flow Statements

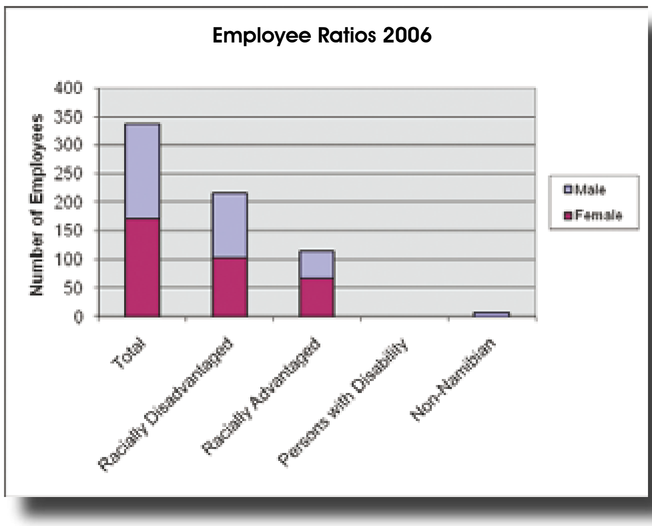
for the year ended 31 March 2007

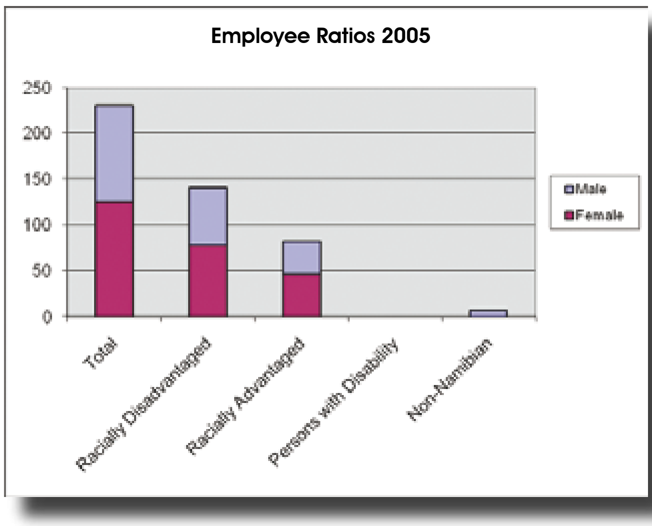
	Note	12 Months 31/03/07 Audited	Group 12 Months 31/03/06 Unaudited Prospectus	12 Months 31/03/06 Unaudited Restated	12 Months 31/03/05 Audited TGI	12 Months 31/03/04 Audited TGI
		N$'000	N$'000	N$'000	N$'000	N$'000
Cash flow from operating activities						
Cash generated from / (absorbed by) operations		32 817		61 994	17 756	8 246
Interest received		3 820		797	3 394	1 482
Dividends received		10 241		-	-	-
Finance costs		(24 755)		(6 447)	(4 779)	(2 955)
Taxation paid		314		64	(506)	(713)
Net cash flow from operating activities		22 437	-	56 408	15 865	6 060
Cash flow from investing activities						
Expenditure to maintain operating capacity						
Additions to property, plant and equipment		(55 067)		(30 824)	(3 227)	(8 339)
Additions to Intangible assets		(2 693)		(359)	(6 016)	-
Additions to investment property		(9 089)		-	(4 946)	-
Proceeds on sale of property, plant and equipment		14 350		7 194	1 327	1 721
Additions to investments		(136 492)		-	100	2 258
Investment in subsidiaries		-				
Cash flow on subsidiary acquired		-		-	(8 381)	-
Loans advanced		(43 857)		(16 944)	-	-
Net cash flow from investing activities		(232 848)	-	(40 933)	(21 144)	(4 359)
Cash flow from financing activities						
(Decrease) / Increase in shareholders' loans		-		(7 137)	6 839	-
Long term liabilities raised		167 886		3 704	5 547	6 913
Advances to related parties		15 512		(17 587)	-	(8 111)
Decrease / (increase) in Policy holder under insurance contracts		(772)		(95)	54	-
Proceeds from issue of shares		28 319		-	-	-
Decrease in employee fund		(2 088)		49	2 595	-
Net cash flow from financing activities		208 857	-	(21 066)	15 035	(1 197)
Net change in cash and cash equivalents		(1 553)		(5 591)	9 757	503
Cash and cash equivalents at beginning of year		7 799		13 390	3 633	3 130
Cash and cash equivalents at end of year		6 246	-	7 799	13 390	3 633

	12 Months 31/03/07 Audited	Group 12 Months 31/03/06 Unaudited Prospectus	12 Months 31/03/06 Unaudited Restated	12 Months 31/03/05 Audited TGI	12 Months 31/03/04 Audited TGI
Earnings per share and headline earnings per share					
Earnings for the purposes of basic earnings per share being the profit attributable to ordinary shareholders.	32 863	39 560	25 296	21 939	8 049
Adjustments:	(5 972)	(4 503)	(5 373)	(13 519)	(3 746)
- Loss / (profit) on sale of property, plant and equipment	328	-	1 051	48	(551)
- Fair value adjustments on investment properties	(6 301)	(4 503)	(6 424)	(13 567)	(3 195)
Headline earnings	26 891	35 057	19 923	8 419	4 304
Weighted number of ordinary shares:	114 757	132 863	109 425	109 425	109 425
Basic earnings per share (cents)	28.6	29.8	23.1	20.0	7.4
Headline earnings per share (cents)	23.4	26.4	18.2	7.7	3.9
Segment results					
Revenue					
Insurance related services	68 085	72 509	51 891	49 603	27 338
Educational and financial services	48 195	38 207	23 879	2 987	-
Property holding and rental income	9 782	11 414	7 971	5 953	3 434
Wholesale, development, printing and management services	67 125	73 598	48 440	43 047	12 728
	193 187	195 728	132 181	101 590	43 500
Net profit / (loss) after tax					
Insurance related services	21 902	21 972	19 914	19 372	11 417
Educational and financial services	18 707	16 032	15 398	219	-
Property holding and rental income	1 211	1 594	1 040	1 779	1 132
Wholesale, development, printing and management services	2 235	10 970	2 935	9 947	2 229
	44 055	50 567	39 286	31 317	14 778
Head office costs not distributed to group of company's	(11 192)	(11 007)	(13 990)	(9 378)	(6 731)
	32 863	39 560	25 296	21 939	8 049







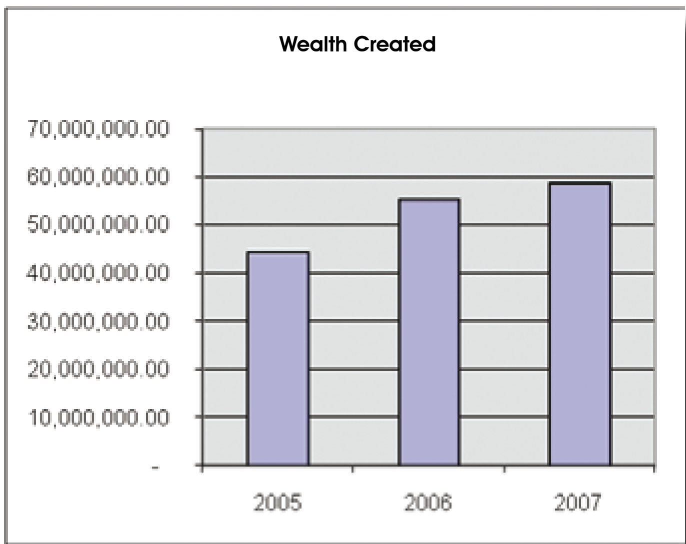


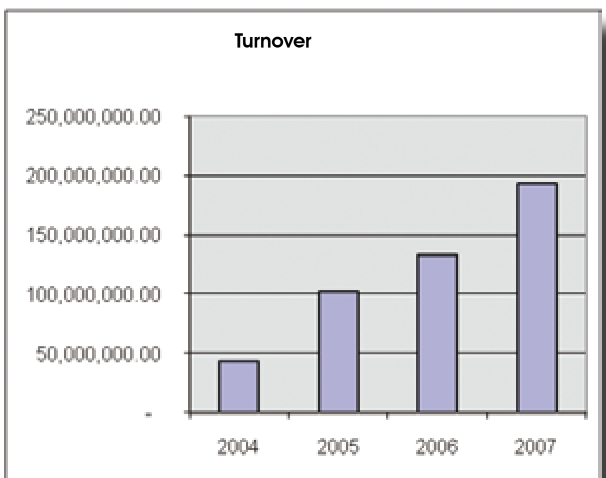
Summary of Statistics	12 Months 31/03/07 Audited	12 Months 31/03/07 Unaudited Prospectus	12 Months 31/03/06 Unaudited Restated	12 Months 31/03/05 Audited TGI	12 Months 31/03/04 Audited TGI
Ordinary Share Performance					
Weighted average number of shares ('000)	114 757	132 863	109 425	109 425	109 425
Earnings per ordinary share (cents)	28.6	29.8	23.1	20.0	7.4
Headline earnings per ordinary share (cents)	23.4	26.4	18.2	7.7	3.9
Dividends per ordinary share (cents)	2.5	-	-	-	-
Dividend cover (times)	11.5	-	-	-	-
Net asset value per ordinary share (cents)	101.9	135.5	62.2	37.9	9.5
Profitability and Asset Management					
Operating margin (%)	62.5	N/A	54.9	50.2	100.0
Return on total assets (%)	10.0	N/A	14.7	19.6	10.7
Return on ordinary shareholders funds (%)	32.2	N/A	46.0	84.2	76.8
Liquidity and Leverage					
Total liabilities to shareholder funds	2.3	N/A	1.6	2.3	5.7
Financial gearing ratio	0.8	N/A	1.0	1.6	4.5
Interest cover	1.9	N/A	4.1	5.3	5.5
Current ratio	1.3	N/A	1.3	0.8	1.1

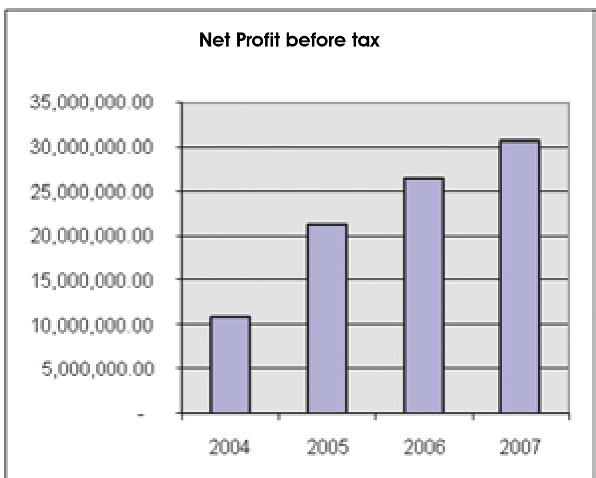
Statements Of Movement In Equity

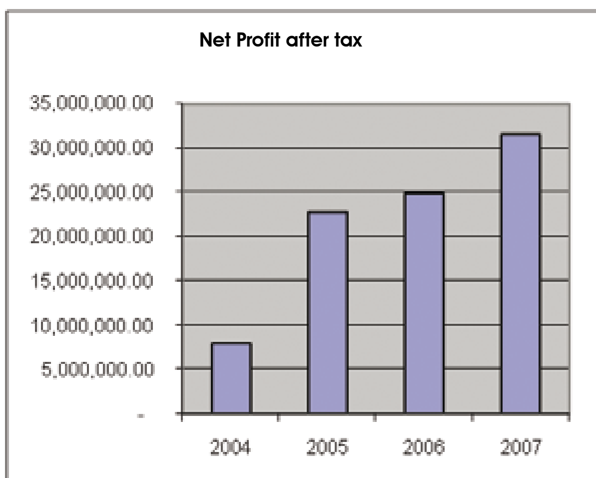
for the year ended 31 March 2007

		Group	
	12 Months 31/03/07 Audited	12 Months 31/03/06 Unaudited Prospectus	12 Months 31/03/06 Unaudited Restated
	N$'000	N$'000	N$'000
Balance at beginning of period as restated	68 549	67 814	42 426
Profit for the year per the income statement	31 491	41 120	24 891
Revaluation of property, plant and equipment	7 513	-	4 501
Deferred taxation on revaluation	-	-	(858)
Shares issued	73 371	144 000	-
Staff share incentive scheme	(45 051)	-	-
Purchase of Minority Interest	-	-	(2 674)
Balance at end of period	135 874	252 934	68 286
Comprising:			
Stated share capital	96 869	211 814	-
Distributable reserves	33 221	41 120	54 530
Revaluation reserves	7 513	-	9 188
Contingency reserve	(357)	-	4 973
Minority interest	(1 372)	-	(405)
	135 874	252 934	68 286

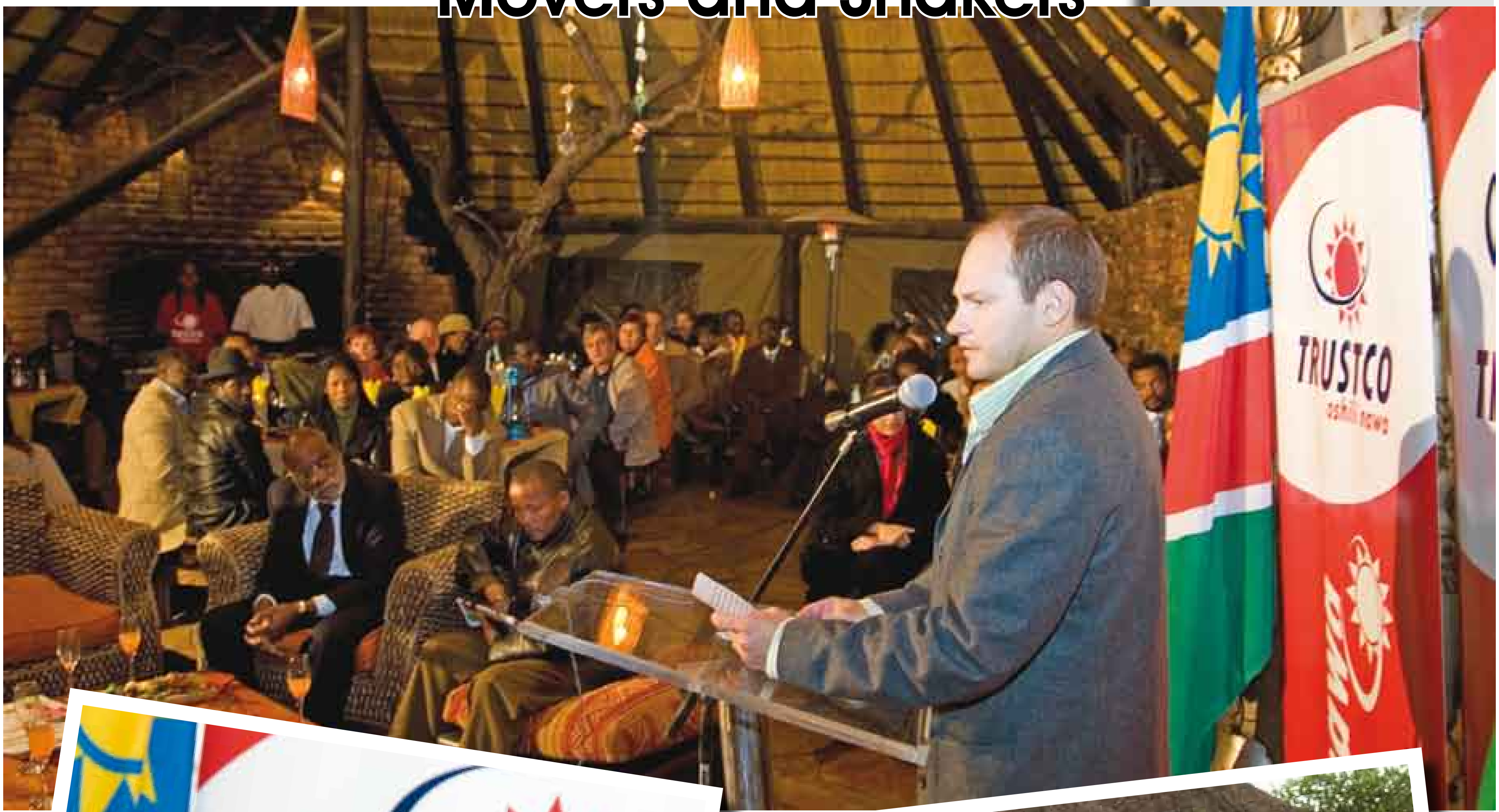




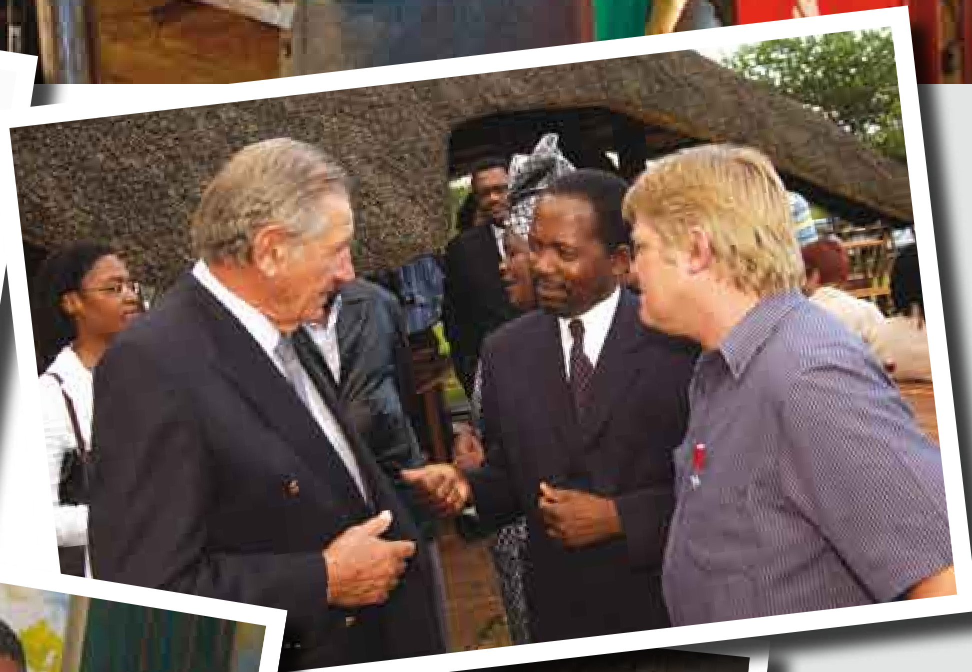




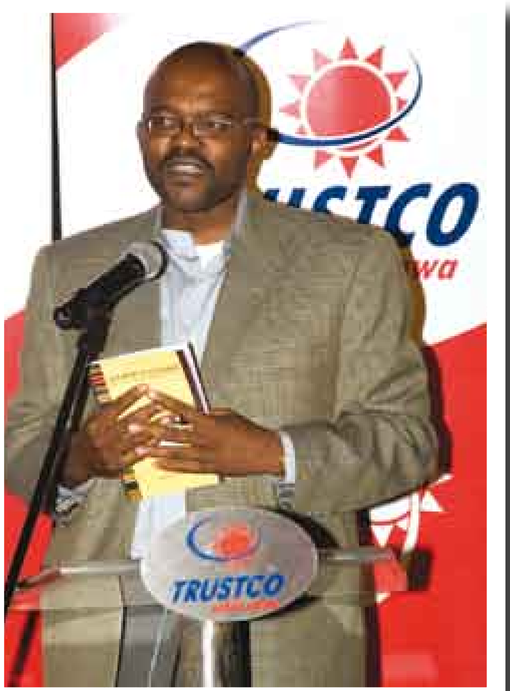
Trustco rubs shoulders with Namibia's Movers and Shakers



Remembering the past
Hitjevi Veii delivers his address at the launch of Matthew //Gowaseb's book, Triumph of Courage



Trusting in the future
Trustco presented Hage Geingob with a family portrait at the launch of his doctoral thesis.



Trusting in the future
Matthew //Gowaseb presents his latest publication, Triumph of Courage, at the Iitumba Restaurant.

Former opponents engage

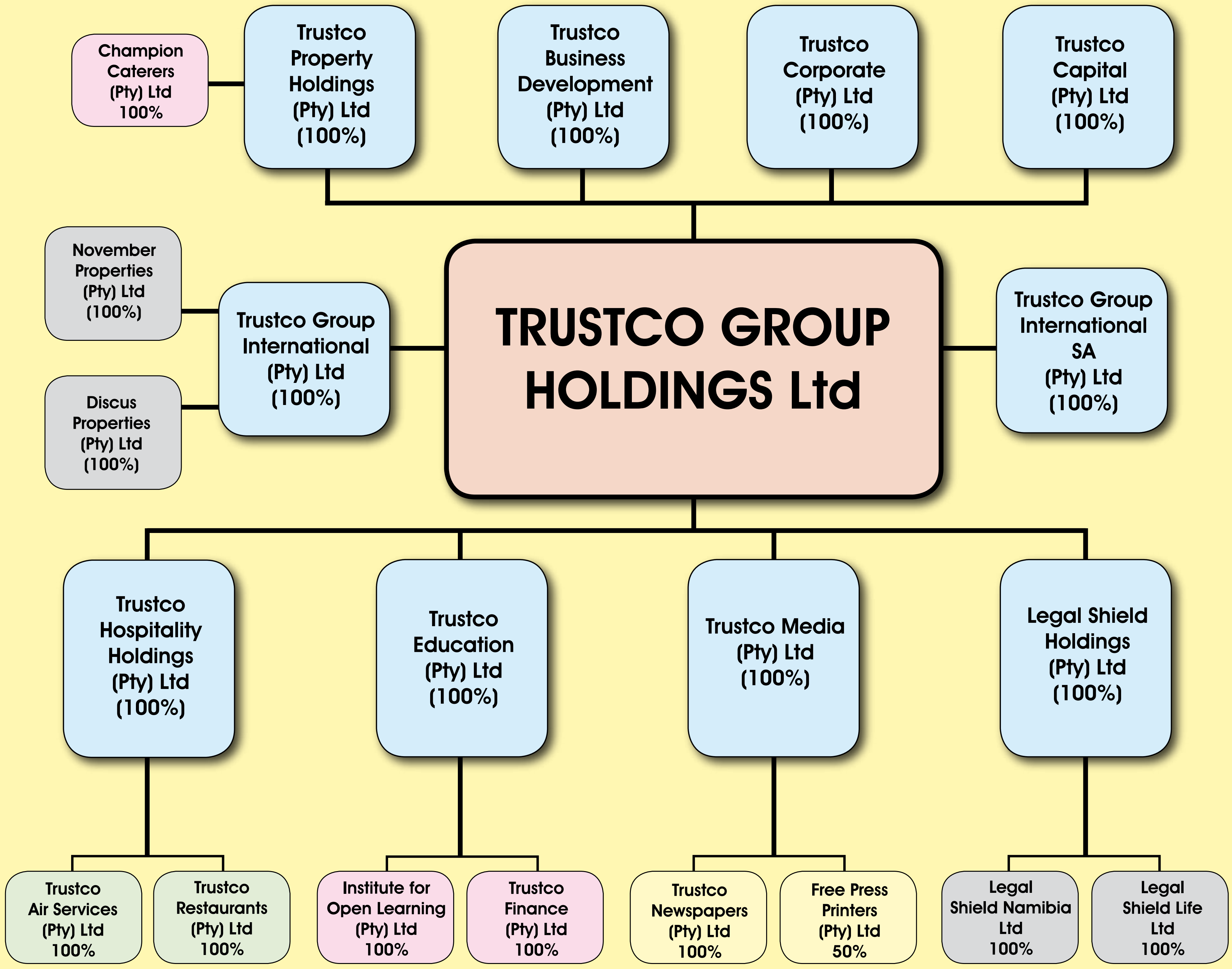
Dirk Mudge (photo above), Frans Kapofi and Chris Jacobi with Pendukeni Iithana (in the background) in conversation at Trustco's Iitumba restaurant at the launch of first Prime Minister, and Trustco Group Holdings Board Member Hage Geingob's doctoral thesis. Geingob (left) mingled with his guests and is seen talking to Botswana Ambassador to Namibia, Norman Moleboge.

The Informanté History Series is aimed at celebrating the unsung Namibian heroes. Trustco believes that courage and strength is necessary if life is to be preserved and Namibians are to live together in safety and comfort.

Throughout history, when strong leaders appeared, they helped their compatriots to make themselves more at ease in the world. Sometimes they did this by simply making their countrymen and women feel comfortable and secure.

Trustco recognises that courage, innovation and efficient service delivery are qualities which ultimately result in success. They also recognise that it is through selfless sacrifices of gallant patriots that Namibians are able to live in peace, prosperity and harmony.

Significant subsidiaries



RULES FOR STAFF SHARE INCENTIVE SCHEME

1. These rules and any subsequent amendment thereof must be adopted by a resolution of shareholders in general meeting.

2. The rules shall be incorporated in and form part of the Trust Deed in terms of which the Scheme is created.

3. Share option units shall be allocated, at a value determined by the Group CEO after consultation with the Executive Committee and shall be redeemed, by the Trustees acting on the recommendation of the Group CEO after consultation with the Executive committee of the company provided that no employee shall at any time be the holder of units which in the aggregate exceeds 10 percent of the total number of units. Share options for members of the Group Exco shall be determined by the Remuneration Committee of the Board in consultation with the Group CEO and allocated by the Trustees.

4. Share options shall be divided into units each unit being equal to one ordinary share in the Company.

5. The value of a share option unit shall be the difference between the price at which the share option unit was allocated and the stated price of the Company's ordinary shares on the Namibian Stock Exchange on the date the option is redeemed.

6. An employee who is dismissed for reasons of dishonesty or corruption in relation to the company's affairs or business shall forfeit any benefit he /she accrued in terms of this Scheme.

7. An employee whose services are terminated within one year of appointment or who is dismissed within that period shall forfeit any benefits he/she accrued in terms of this scheme.

8. In cases of dismissal or termination other than those mentioned in paragraph 6 or 7 above or upon retirement, the Trustees will redeem the share option units held by the Employee and pay to the Employee the value of the share option units. The share option units so redeemed shall be allocated to the pool of unissued units for future allocation.

9. Any employee to whom share options were allocated may request that the options issued be redeemed but subject thereto that every such request shall be considered and decided upon by Exco and confirmed by the Trustees.

TRUSTCO GROUP HOLDINGS LTD

Registration Number 2003/058

FORM OF PROXY

I/We …………………………………………………………………………………………

being member/s of Trustco Group Holdings Limited and holding shares entitling me/us to
………. votes (1 vote per share) do hereby appoint

…………………………….. of …………………………………. or failing him/her
…………………………….. of …………………………………. or failing him/her
…………………………….. of …………………………………. or failing him/her

the Chairman of the meeting as my proxy to vote for me/us on my/our behalf at the annual general meeting to be held at 3rd floor boardroom, Trustco House, 2 Keller Street, Windhoek on 15 August 2007, or any adjournment thereof, and at the special general meeting to be held at the same venue directly after the annual general meeting, in accordance with the instructions reflected below.

Signed at …………………………….. on this ………… day of ………………… 2007.

Address ………………………………………

Signature …………………………………….

Mark with an X which ever is appropriate. Unless otherwise directed, the proxy will vote or abstain, as he/she deems fit in respect of the members' total holdings. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak, and on a poll, vote in their stead. A proxy need not be a member of the Company. Kindly complete and return the form to the Transfer Secretaries, PO Box 2401, Windhoek by 10:00 on 13 August 2007.

	I/We desire to vote as follows	**Vote For**	**Vote Against**	**Abstain**
	Ordinary Resolutions			
1	Receipt and adoption of the annual financial statements for the year ended 31 March 2007.			
2	Approval of the director's remuneration.			
3	Re-appointment of Adv T Frank as director.			
4	Re-appointment of V de Klerk as director.			
5	Re-appointment of D Namwandi as director.			
6	Re-appointment of M Nashandi as director.			
7	Re-appointment of G Walters as director.			
8	Re-appointment of AH Toivo ya Toivo as director.			
9	Authorise the director's to approve the auditors remuneration.			
10	Re-elect BDO Spencer Namibia as auditors.			
11	Placing of unissued shares under control of the directors.			
	Special Resolutions			
1	Delete retirement age of 65 years from the articles of the company.			
2	Approve the rules of the Staff Share Incentive Scheme Trust.			

There is never an end to the excitement of appearing on television! Children all over the country admire the Winna Mariba TV Show and can never contain themselves when the cameras turn their way.

Education still remains one of our greatest assets.

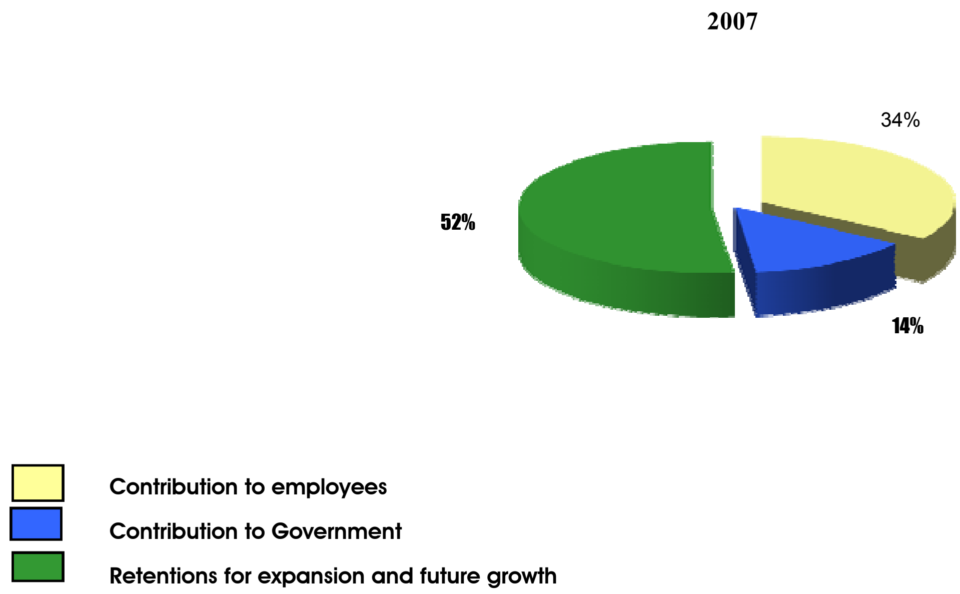
Value Added Statement

Value Added created by Trustco Group Holdings Ltd and its subsidiary companies

Value added is the wealth created by Trustco Group Holdings Ltd and its subsidiaries through the sale of products and provision of services, as follows:

		2007 N$,000
- Revenue from all operations		221 990
- Purchase and other direct cost of services		(147 465)
Wealth created		**74 525**
Distribution of Wealth created by Trustco Group of Companies:		
Employee compensation		
- Salaries, wages and other benefits	34%	25 651
Government		
- Taxation (PAYE, Income Tax, etc.)	14%	10 264
Retention for expansion and future growth	52%	38 610
- Distributable reserves		31 491
- Depreciation and amortisation		7 118
	100%	74 525

ALLOCATION OF VALUE ADDED



The popular PC Winna Mariba game has been re-established in all the regional Trustco offices and head office in Windhoek. Policy holders of any Legal Shield product and students of IOL can visit the offices for a monthly go at the game.

TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia
Registration No 2003/058

Contents

Docter Khumalo and Amos Shiyuka relaxing at Café Society and enjoying a copy of the Informanté.

Shareholders' Diary

Financial year end	31 March
Publication of annual report	29 June
First annual general meeting	15 August

Corporate Profile

Trustco Group Holdings Limited is primarily an investment company and through its subsidiaries, property, property development, aircraft charter services, management services, short- and long term insurance business, consulting services, educational- and financial services.

Financial Highlights

	2 007 N$'000
Income Statement	
Net income before taxation	30 799
Net income after taxation	31 491
Net income attributable to shareholders	32 863
Balance Sheet	
Total assets	463 206
Shareholders' funds	135 874
Basic earnings per share (cents)	28.6
Headline earnings per share (cents)	23.4
Net asset value per share (cents)	101.79

Directorate and Administration

Directors		**Appointed**
Adv TJ Frank SC	Chairperson	22 August 2006
M. Nashandi		22 August 2006
Dr D Namwandi		22 August 2006
V. de Klerk		22 August 2006
Dr H Geingob		Retired 13 March 2007
Q. van Rooyen	Managing Director	13 October 2003
F.J. Abrahams	Financial Director	22 August 2006
G. Walters		1 June 2007

Auditors
BDO Spencer Steward
Chartered Accountants (Namibia)

Bankers
Bank Windhoek Limited
First National Bank of Namibia Limited
Nedbank Namibia Limited
Standard Bank Namibia Limited

Company Secretary
Gary Spinas 22 August 2006

Business Address
Trustco House
2 Keller Street
Windhoek
Republic of Namibia

Postal Address
P O Box 11363
Windhoek
Republic of Namibia

Quinton van Rooyen
Group CEO
(Group Exco)

Timo Amuenje
Supervisor Legal Shield Sales

Janene Paulsen
Supervisor Legal Shield Debtors

Notice of Meeting

Notice is hereby given that the annual meeting of shareholders will be held in the 3rd floor boardroom, Trustco House, 2 Keller Street, Windhoek on 15 August 2007 at 10h00 for the following purposes:

1. To receive, consider and adopt the annual financial statements for the year ended 31 March 2007.
2. To elect directors for the ensuing year.
3. To fix the remuneration of the directors for the year ended 31 March 2007.
4. To place the authorised but unissued share capital under the control of the directors, subject to the provisions of the Companies Act, 1973, until the next annual general meeting.
5. To delete the restriction of directors retiring once they reach the age of 65 years from the companys' articles.
6. To approve the rules of the Staff Share Incentive Scheme Trust, as listed on page 12.
7. To approve any other matters at an AGM

By order of the Board.

G Spinas
Secretary

Windhoek
26 June 2007

STATEMENT OF RESPONSIBILITY AND APPROVAL OF ANNUAL FINANCIAL STATEMENTS BY THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2007

The directors are required by the Namibian Companies Act, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company and its subsidiaries as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and in the manner as required by the Companies Act of Namibia, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and its subsidiaries and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and its subsidiaries and all employees are required to maintain the highest ethical standards in ensuring the company and its subsidiaries business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2008 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 18 to 44, which have been prepared on the going concern basis, were approved by the board on 26 June 2007 and were signed on its behalf by:

Adv. TJ Frank SC
Chairperson

Q. van Rooyen
Managing Director

Windhoek
26 June 2007

BDO Spencer Steward (Namibia)
Chartered Accountants

P.O. Box 2184, 61 Bismarck Street
WINDHOEK, NAMIBIA
Telephone 061-224125, Telefax 061-236518
Email: info@bdo.com.na

P.O. Box 4353, 168 Sam Nujoma Drive
WALVIS BAY, NAMIBIA
Telephone 064 -209881, Telefax 064 -209882
Email: info@bdo.com.na

REPORT OF THE INDEPENDENT AUDITORS

to the shareholders of Trustco Group Holdings Limited

We have audited the accompanying annual financial statements and group annual financial statements of Trustco Group Holdings Limited, which comprise the balance sheet as at 31 March 2007, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 18 to 44.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of Namibia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company and the group as of 31 March 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of Namibia.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the note in the report of the directors on Micro Lending, which details the status of Trustco Finance (Proprietary) Limited (a subsidiary of the company) as a micro lender.

BDO Spencer Steward (Namibia)

BDO Spencer Steward (Namibia)
Registered Auditors

26 June 2007
Windhoek

R Celliers (Managing Partner)
M E M Nel
L Celliers
C Celliers
W G Carr (Associate)

TRUSTCO
oshili nawa

The Egoli cast paid Trustco head office a visit when shooting scenes in Namibia.

REPORT OF THE DIRECTORS

for the year ended 31 March 2007

The directors present their report with the audited annual financial statements of the company and of the group for the year ended 31 March 2007.

NON-CURRENT ASSETS

The majority of property, plant and equipment disposed as indicated per note 2 were effected on 1 April 2006 in terms of the pre-listing agreement with the shareholder of Trustco Group International (Pty) Ltd.

SHARE CAPITAL

The company listed on the Namibian Stock Exchange on 27 September 2006 and an analysis of its shareholders is reflected on page 20.

The effective issued ordinary shares at 31 March 2007 therefore amounted to 120 117 440 shares.

FINANCIAL RESULTS

The financial results of the company and group for the year under review are reflected in the annual financial statements set out on page 21 onwards.

The consolidated income statements are set out on page 22 onwards. The extent to which the various segments of the group contributed to the assets employed, turnover and net income/(loss) after tax, was as follows:

	Total assets 2007 N$'000	Turnover 2007 N$'000	Net profit / (loss) after tax 2007 N$'000
Insurance related services	32 917	68 085	21 902
Educational and financial services	76 041	48 195	18 707
Property holding and rental income	66 027	9 782	1 211
Wholesale, development, media, tourism and management services	106 288	67 122	863
Investment related services	181 933		
Head office costs not reallocated	-	-	(10 931)
	463 205	**193 184**	**31 491**

ACQUISITIONS

The company purchased a 100% interest in Trustco Group International (Pty) Ltd, the previous holding company of the group, on 1 April 2007.

The company also purchased the following subsidiaries, due to a restructuring of the group:

- Legal Shield Holdings (Pty) Ltd
- Trustco Education (Pty) Ltd
- Trustco Media (Pty) Ltd
- Trustco Capital (Pty) Ltd
- Trustco Corporate (Pty) Ltd
- Trustco Business Development (Pty) Ltd
- Trustco Tourism Holdings (Pty) Ltd
- Trustco Group International (Pty) Ltd
- Trustco Group International (SA) (Pty) Ltd
- Trustco Properties (Pty) Ltd

Two property owning subsidiaries, Foxtrot Properties (Pty) Ltd and Golf Properties (Pty) Ltd, were disposed at net book value at 1 April 2006 in terms of the pre-listing agreement with the shareholder of Trustco Group International (Pty) Ltd.

Refer to notes 5 and 35.4 for further details.

SHAREHOLDERS' VALUE

Based on the quality of earnings, shareholders value for 2007 is N$135.8 million. The directors are confident that this value will show substantial growth for the foreseeable future and beyond.

DIRECTORATE AND APPRECIATION

The board of directors is reflected on page15. The only change during the year was the retirement of Dr H Geingob on 13 March 2007.

The company is fortunate to have an energetic management team to lead the Group forward. The directors, management and staff of the various companies in the Group have all played a crucial role in the year under review. We would like to thank each individual and team for their contributions this year.

MICRO LENDING

The judgement by the High Court of Namibia in favour of Trustco Finance (Pty) Ltd confirming its status as a micro lender has been heard on appeal on 4 October 2006. While the company is awaiting a ruling, it is augmenting its internal controls and operations to fully comply with the micro lenders Act

All micro lenders in Namibia, with a deduction code facilities granted by the Ministry of Finance, have 5 year contracts which expire on 31 August 2007. The industry is in consultation with the Ministry for the renewal of these facilities.

The board of directors are confident of the positive outcome of the above.

INFORMATION TECHNOLOGY

An independent review of all the self-developed operational systems utilised within the group was conducted during the year under review. A clean report was received for all such systems.

DIVIDENDS

An ordinary dividend of 2.5 cents which equates to N$ 3.3 million has been recommended by the board of directors on 26 June 2007. Date of payment: 28 September 2007.

EVENTS SUBSEQUENT TO YEAR END

The directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or the annual financial statements or the consolidated annual financial statements that would affect significantly the operations of the company or the group or the results of those operations.

THE YEAR AHEAD

We continue to explore new growth opportunities and remain confident about the future. To this end the group may embark on further capital raising excercises and acquisitions.

CORPORATE GOVERNANCE

Trustco Group Holdings Ltd and its subsidiaries (the group) are committed to the principles of openness, integrity and accountability as advocated in the King Report on Corporate Governance.

Accordingly, the directors endorse and during the period under review, have applied the Code of Corporate Practices and Conduct as set out in the King Report. In supporting the Code the directors recognize the need to conduct the business of the enterprise with integrity and in accordance with generally accepted corporate practices. Monitoring the group's compliance with the Code forms part of the mandate of the Group's Audit Committee.

Application

Although the Code is generally applied to all entities in the group, it is specifically and in all respects adopted in all national and international operating entities of the nature and size identified in the King Report.

Boards of directors

All companies within the group have unitary board structures. The boards meet regularly, retain full and effective control over the companies concerned and monitor executive management. Each board reserves to itself a range of key decisions to ensure that it retains proper direction and control of the concerned company.

The boards have a strong contingent of experienced directors on each significant entity's board. Directors are appointed for specific terms and re-appointment is not automatic. The board as a whole has been mandated by its shareholders to independantly create wealth for the group as a whole.

There is full disclosure in the notes to the group financial statements of emoluments, including aggregated details, in respect of all the group executive directors.

Company secretary and professional advice

All directors have access to the advice and services of the company secretary, who is responsible to the board for ensuring that board procedures are followed.

All directors are entitled to seek independent professional advice about the affairs of the group at the group's expense.

Audit Committee

The Audit Committe comprises of non-executive directors only and is established by the board of directors. The Audit Committee assists the board in observing its responsibility for ensuring reliable and accurate information regarding its financial affairs and to ensure management and control functions in accordance with good corporate governance on a sustainable basis. The internal and external auditors, whose functions are seperate, have unrestricted access to the committee.

Internal control

The group maintains systems of internal control over financial reporting and safeguarding of assets against unauthorized acquisition, use or disposition, which are designed to provide reasonable assurance to the board of directors regarding the preparation of reliable published financial statements and the safeguarding of the group's assets. The systems include established policies and procedures, and the careful selection, training and development of staff. Management monitor the operation of the internal control system and report findings and recommendations to the board of directors. Corrective actions are taken to address control deficiencies and other opportunities for improving the system as they are identified.

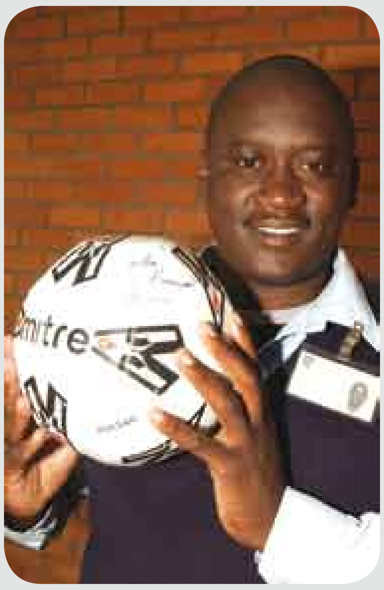
There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of an internal control system can change with circumstances. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of the internal controls, procedures and systems has occurred during the year under review.

Code of ethics

The group Code of Ethics commits the group to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders, including its directors, managers, employees, customers, suppliers, investors, shareholders, society at large as well as competitors. Directors and staff are expected to observe their ethical obligations in such a way as to carry on business only through fair commercial competitive practices

The group's procedure and practices will be reviewed periodically to ensure further compliance with the Code.

The Egoli crew and cast visited the popular Iitumba Bush Boma just outside Windhoek.



Soccer is number one in Namibia and Trustco has sponsored and entertained various sporting personalities.
The company also doesn't forget its loyal supporters. When Dr Khumalo visited the Informanté gave away five signed soccer balls to commemorate this living soccer legend's visit.

Veronica de Klerk
Board Member

André van Zyl
Database Administrator

Analysis of Shareholders
as at 31 March 2007

Range of shareholders	*Number of Shareholders*	*Number of Shares*	*% of Shareholders*	*% of Shares*
1 - 99 Shares	2	151	0.1	-
100 - 499 Shares	2 072	341 842	71.8	0.3
500 - 999 Shares	254	147 942	8.8	0.1
1000 - 1999 Shares	302	355 885	10.5	0.3
2000 - 2999 Shares	67	150 300	2.3	0.1
3000 - 3999 Shares	73	228 600	2.5	0.2
4000 - 4999 Shares	11	47 300	0.4	0.0
5000 - 9999 Shares	34	212 300	1.2	0.2
10000 Shares and Above	69	131 995 980	2.4	98.9
Total Shareholders	2 884		100.0	
Total Number of Shares Issued		133 480 300		100.0

Category				
Corporate Bodies	18	7 645 712	0.6	5.7
Nominee Companies	3	12 683 000	0.1	9.5
Private Individuals	2 857	99 075 128	99.1	74.2
Trusts	6	14 076 460	0.2	10.6
	2 884	133 480 300	100.0	100.0

Large Shareholder - more than 1% of share capital	*Number of Shares*	*% of Shares*
Q van Rooyen	93 249 640	69.86
Trustco Staff Share Incentive Scheme Trust	13 362 860	10.01
Standard Bank Namibia Nominees	12 000 000	8.99
Sanlam Investment Management	4 375 000	3.28
Sanlam Life Namibia Limited	1 431 900	1.07
	124 419 400	93.21

HOLDING COMPANY'S INTEREST IN SUBSIDIARIES

The details of the company's interests in its subsidiaries at 31 March 2007 are as follows:

	Issued share capital 2007 N$	**Company's interest % held 2007 %**	**Company's interest Shares at cost 2007 N$**
Insurance			
Legal Shield Holdings (Pty) Ltd	**100**	**100**	**100**
Educational, Wholesale, Finance, Printing and Fleet Management			
Trustco Education (Pty) Ltd	**100**	**100**	**100**
Trustco Media (Pty) Ltd	**100**	**100**	**100**
Trustco Capital (Pty) Ltd	**100**	**100**	**100**
Trustco Corporate (Pty) Ltd	**100**	**100**	**100**
Trustco Business Development (Pty) Ltd	**100**	**100**	**100**
Trustco Tourism Holdings (Pty) Ltd	**100**	**100**	**100**
Trustco Group International (SA) (Pty) Ltd	**100**	**100**	**100**
Trustco Group International (Pty) Ltd	**100**	**100**	**68 549 357**
Property Holding			
Trustco Properties (Pty) Ltd	**100**	**100**	**100**
			68 550 257

Attributable to Trustco Group Holdings Limited :	**2007 N$**
Aggregate profit after tax	**33 155 650**
Aggregate loss after tax	**(1 372 299)**

The spirit of success has always driven teams at Iitumba Adventures to new heights and woven employees tighter together.
The combination of fun and professional team building excercises, mixed with laughter, blood, sweat and tears, make for an unforgettable experience.

BALANCE SHEETS

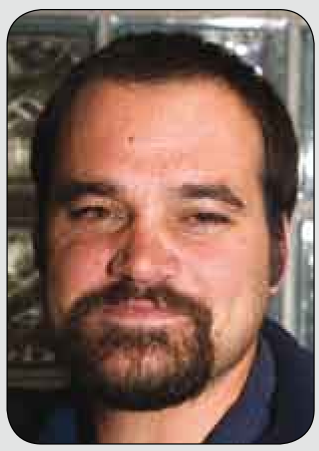
at 31 March 2007

	Note	Group 2007 N$,000	Company 2007 N$,000
ASSETS			
Non-current assets			
Property, plant and equipment	2	125 217	-
Investment properties	3	32 627	-
Intangible assets	4	12 688	-
Investment in subsidiaries	5	-	68 550
Investments	6	136 490	77 893
Deferred taxation	19	7 994	-
Educational loans advanced	7	40 074	-
Amounts due by related parties	8	-	27 944
Total non-current assets		355 090	174 387
Current assets			
Amount due by related party	8	1 544	-
Short-term portion of loans advanced	7	23 773	-
Inventories	9	30 818	-
Trade and other receivables	10	24 279	474
Taxation	11	121	-
Cash and cash equivalents	12	27 580	176
Total current assets		108 115	650
Total assets		463 205	175 037
EQUITY AND LIABILITIES			
Capital and reserves			
Stated share capital	13	96 869	96 869
Policy holders' contingency reserve	14	(357)	-
Revaluation reserve	15	7 513	-
Distributable reserves		33 220	78 053
		137 245	174 922
Minority interest	16	(1 372)	-
Total capital and reserves		135 873	174 922
Non-current liabilities			
Long term liabilities	17	216 727	-
Other liabilities	18	2 920	
Deferred tax	19	21 091	-
Policy holders' liability under insurance contracts	20	1 727	-
Total non-current liabilities		242 465	-
Current liabilities			
Trade and other payables	21	40 568	29
Current portion of long-term liabilities	17	9 281	-
Current portion of other liabilities	18	1 803	
Technical provisions	22	11 596	-
Taxation	11	285	86
Bank overdraft	23	21 334	-
Total current liabilities		84 867	115
Total equity and liabilities		463 205	175 037

Stienie van Rooyen
Tourism/Property
(Group Exco)

Tommie Nampolo
GM Security / OPS

Dirk Kleinschmidt
CEO Trustco Tourism



Rudolf Jacobs
Supervisor General
Maintenance

The Legal Shield Seven-a-side soccer team has fared exceptionally well in various past tournaments, winning both the Alexander Forbes and Top Score cups. Their dedication to the game makes a spot on the team a much coveted achievement in the Legal Shield office.

Income Statements

for the year ended 31 March 2007

	Note	Group 2007 N$,000	Company 2007 N$,000
Revenue	26	193 184	-
Cost of sales		(72 511)	-
Gross profit		120 673	-
Other income		5 008	-
		125 681	-
Administration expenses		(93 882)	(2 966)
Profit/(loss) before investment income, fair value adjustments and finance cost	27	31 799	(2 966)
Investment revenue	30	14 061	81 105
Fair value adjustments	3	9 694	-
Finance costs	31	(24 755)	-
Profit before taxation		30 799	78 140
Taxation	32	692	(86)
Profit for the year		31 491	78 053
Attributable to:			
Equity holders of the parent		32 863	
Minority interest	16	(1 372)	
		31 491	
Earnings per shares:	34		
Basic earnings per share (cents)		28.6	

The spirit of Oshili Nawa is to be found in every corner of Namibian society. Trustco constantly invests in the television and radio broadcast of sport events all over the country. The unifying force of sport brings stability, passion and a fierce winning drive to the people of Namibia.

STATEMENTS OF MOVEMENT IN EQUITY

for the year ended 31 March 2007

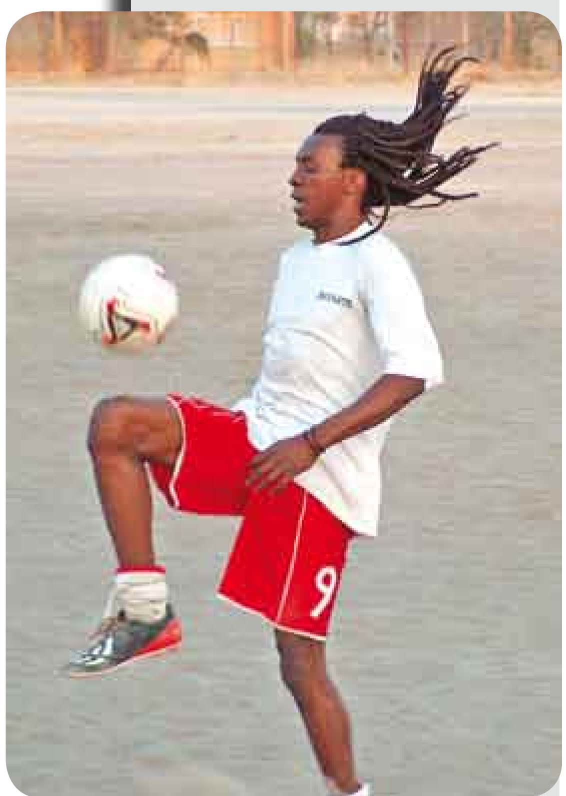
Group

	Share Capital N$,000	Contingency Reserve N$,000	Valuation Reserves N$,000	Distributable Reserves N$,000	Minority Interest N$,000	Total N$,000
Balance at 1 April 2006	**0**	**-**	**-**	**-**	**-**	**0**
Transferred to stated capital	68 549					**68 549**
Profit for the year per the income statement				32 863	(1 372)	**31 491**
Release of pre-listed contingency reserve		(357)		357		**-**
Revaluation of property, plant and equipment			9 884			**9 884**
Deferred taxation on revaluations			(2 371)			**(2 371)**
Public issue of ordinary shares	76 516					**76 516**
Listing costs	(3 145)					**(3 145)**
Transfer to treasury shares of Trustco Staff Share Incentive Scheme Trust	(45 051)					**(45 051)**
Balance at 31 March 2007	**96 869**	**(357)**	**7 513**	**33 220**	**(1 372)**	**135 873**

Company

	Share Capital N$	Distributable Reserves N$	Total N$
Balance at 1 April 2006	**-**	**-**	**-**
Transfer from distributable reserves to capital	68 549		**68 549**
Profit for the year per the income statement		78 053	**78 053**
Public issue of ordinary shares	73 371		**73 371**
Transfer to treasury shares of Trustco Staff Share Incentive Scheme Trust	(45 051)		**(45 051)**
Balance at 31 March 2007	**96 869**	**78 053**	**174 922**

Legal Shield invests in sport development and has in the past made it possible for a team like Oshakati City to attract first rate players and play their way up the Premier League, becoming a force to be reckoned with.



Cash Flow Statements

for the year ended 31 March 2007

	Note	Group 2007 N$,000	Company 2007 N$,000
Cash flow from operating activities			
Cash generated from / (absorbed by) operations	35.1	**30 714**	**(3 413)**
Investment revenue	30	**14 061**	**81 105**
Finance costs	31	**(24 755)**	**-**
Taxation paid	35.2	**314**	**-**
Net cash flow from operating activities		**20 334**	**77 692**
Cash flow from investing activities			
Expenditure to maintain operating capacity			
Additions to property, plant and equipment	2	**(55 065)**	**-**
Additions to investment property	3	**(9 088)**	**-**
Additions to intangible assets	4	**(2 693)**	**-**
Additions to investments		**(136 492)**	**(77 893)**
Proceeds on sale of property, plant and equipment		**14 347**	**-**
Cash flow on purchase of shares in subsidiaries	35.4	**7 799**	**-**
Educational loans advanced	7	**(43 857)**	**-**
Investment in subsidiaries		**(68 550)**	**(68 550)**
Net cash flow from investing activities		**(293 599)**	**(146 443)**
Cash flow from financing activities			
Decrease in policy holder under insurance contracts	20	**(773)**	**-**
Proceeds from shares issued		**96 869**	**141 921**
Loans from/(to) related parties		**15 527**	**(72 994)**
Long term liabilities raised		**167 886**	**-**
Net cash flow from financing activities		**279 510**	**68 927**
Net change in cash and cash equivalents		**6 245**	**176**
Cash and cash equivalents at end of year	35.3	**6 245**	**176**

Many sporting personalities, like Docter Khumalo, have in the past attended functions and hosted events sponsored or initiated by Legal Shield and Trustco.

Notes to the Financial Statements

at 31 March 2007

1 Accounting Policies

The annual financial statements set out on pages 18 to 44 have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner as required by the Companies Act of Namibia.

The annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

Comparative figures have not been reflected as this is the first year of operation for the company.

The principal accounting policies are:

1.1 Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that effect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ form these estimates which may be material to the annual financial statements. Significant judgements include:

Allowances for slow moving, damaged or obsolete inventory

Any inventory that is physically identified as damaged or as obsolete is written down to its net realisable value down when discovered.

Impairment testing

Management used the fair value less cost to sell to determine the recoverable amount of goodwill, intangible assets with an indefinite useful life and identifying assets.

Provisions

Provisions were raised and management determined an estimate based on current and historical information available to them. Technical provisions as per note 22, were raised during the year.

1.2 Underlying concepts

The financial statements are prepared on the going concern basis using accrual accounting.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard or interpretation.

Financial assets and financial liabilities are offset and the net amount reported only when a currently legally enforceable right to set off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively, unless it is impractical to do so, in which case they are applied prospectively.

Changes in accounting estimates are recognised in profit or loss.

Changes in accounting estimates in the current and any future accounting periods are recognised in profit or loss.

Prior period errors are retrospectively restated unless it is impractical to do so, in which case they are applied prospectively.

1.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the company and of its subsidiaries. The results of subsidiaries are included from the effective date of their acquisition until the effective dates of disposal. Unrealised profits, inter-company transactions and inter-company balances within the group are eliminated.

On acquisition the group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value, except for assets classified as held-for-sale, which are recognised at fair value less costs to sell.

The company consolidates its employee share trust as, no employee have a vested right (trust to be approved at AGM), leading to a reduction in equity in the group.

1.4 Revenue recognition

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from property development are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by completion of a physical proportion of the contract work.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at balance sheet date. Stage of completion is determined by the proportion of costs incurred to date bear to the total estimated costs of the transaction.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

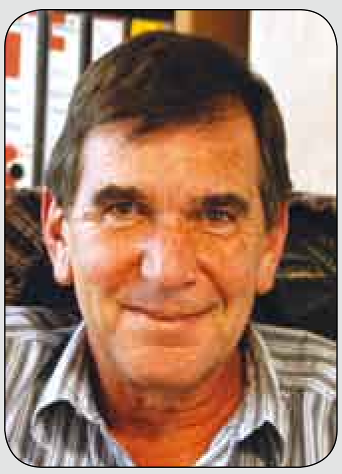
Interest is recognised, in profit or loss, using the effective interest rate method.

The sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer.

George Mbundu
Manager Legal Shield

Corné Powell
CEO New Business Development

Adri Lambert
GM Legal Shield Sales



Kobus Miller
Group Legal
(Group Exco)

1.4 Revenue recognition (continued)

Revenue from services is recognised when the service is rendered. It is probable that the economic benefits associated with the transaction will flow to the group.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

Revenue from rental income is recognised on a straight line basis if there is a fixed escalation, otherwise when the rental becomes due.

1.5 Recognition of assets and liabilities

Assets are only recognised if they meet the definition of an asset, it is probable that future economic benefits associated with the asset will flow to the company and the cost or fair value can be measured reliably.

Liabilities are only recognised if they meet the definition of a liability, it is probable that future economic benefits associated with the liability will flow from the company and the cost or fair value can be measured reliably.

Financial instruments are recognised when the company becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales are recognised using the trade date accounting.

1.6 Derecognition of assets and liabilities

Financial assets or parts thereof are derecognised when the contractual rights to receive cash flows have been transferred or have expired or if substantially all the risks and rewards of ownership have passed.

Where substantially all the risks and rewards of ownership have not been transferred or retained, the financial assets are derecognised if they are no longer controlled. However, if control in this situation is retained, the financial assets are recognised only to the extent of the continuing involvement in those assets.

All other assets are derecognised on disposal or when no future economic benefits are expected from their use or on disposal.

Financial liabilities are derecognised when the relevant obligation has either been discharged or cancelled or has expired.

1.7 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.8 Property, plant and equipment and depreciation

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. Day to day repairs and maintenance to items of property, plant and equipment are not capitalised.

All property, plant and equipment are initially recorded at cost and adjusted for any impairment in value.

Increases in the carrying amounts of land and buildings, machinery and equipment and aircrafts arising on revaluation are credited to revaluation and other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve. All other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the assets (the depreciation charged to the income statement) and depreciation based on the asset's original cost is transferred from revaluation and other reserves to retained earnings.

Depreciation is provided on all property, plant and equipment other than freehold land, to write down their carrying amounts, less residual value, on the straight-line method over their useful lives as follows:

Buildings	50 years
Motor vehicles	8 years
Aircrafts:	
- Engine	1,500 flight hours
- Airframe	18,000 flight hours
- Avionics and equipment	10 years
Office equipment and furniture	6 years
Computer equipment and software	3 to 5 years
Machinery and equipment	6 to 8 years

The depreciable value of buildings is considered to be nil on the basis that it is the group's practise to maintain these buildings in a continual state of sound repair and to extend and improve selected buildings from time to time, resulting in the residual value of these assets exceeding the current carrying values.

The depreciation charge for each period is recognised in profit or loss, unless it is included in the carrying amount of another asset.

Where parts on an item have significant cost, have different useful lives, or patterns in which future economic benefits are expected to be consumed, to the item itself, these parts are depreciated over their estimated useful lives.

The carrying amounts of property, plant and equipment should be assessed for impairment whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. If any such indication exists and where the carrying values amounts the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit or loss. On disposal of revalued assets, amounts in revaluation and other reserves relating to that asset are transferred to retained earnings.

Interest costs on borrowings to finance the construction of qualifying property, plant and equipment are capitalised during the period of time that is required to complete and prepare the property for its intended use, as part of the cost of the asset.

1.9 Investment Properties

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised. Day to day repairs and maintenance to items of investment property are not capitalised.

Investment properties are held to earn rental income or for capital appreciation. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied properties from investment properties.

Investment properties are treated as long-term investments and carried at market value determined annually by external independent professional valuers. Investment properties are not subject to depreciation. Increases and decreases in their carrying amount are recognised in profit or loss for the period.

1.10 Intangible Assets

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Patents and trademarks

Expenditure on acquired patents, trademarks and licences is capitalised and amortised using the straight-line method over their useful lives. Intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Trade marks	25 years
Film project	5 years

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

Where intangible assets are considered to have an indefinite life, impairment tests are performed at least annually.

Capitalised development costs are amortised based on the estimated unit sales over the life cycle of the product, commencing when the product is available for general release to customers.

1.11 Loans to and from related parties

These include loans to subsidiaries and fellow subsidiaries.

These financial assets are available for sale and are carried at cost.

1.12 Investment in subsidiaries

Company annual financial statements

In the company's separate annual financial statements, investments in subsidiaries are carried at cost and are classified as available for sale.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company;
  plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.13 Leases as a lessee

Operating leases

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

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases are recognised as assets and liabilities in the balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value on the minimum lease payments.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

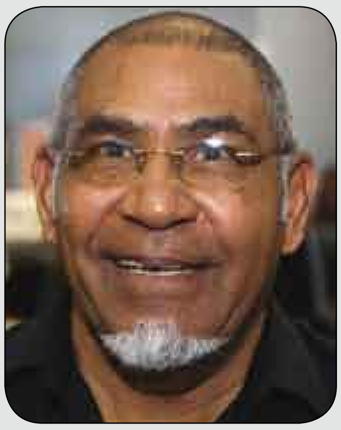
Any initial direct costs are added to the amount recognised as an asset.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period they are incurred.

The Trustco staff enjoy healthy fun and games every Friday morning before work. This envigorates the competitive spirit.

Nick Hearn
CEO IOL / TGF



Attie Mara
GM IOL Student Support

Anne Philander
Supervisor IOL Student Support

Institute for Open Learning (Pty) Ltd

1.14 Leases as a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Income for leases is disclosed under revenue in the income statement.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

1.15 Instalment sale transactions

Finance charges payable on instalment sale transactions for the purchase of fixed assets are accounted for over the period of the agreement by the effective interest rate method and are included with finance costs.

1.16 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Raw materials and consumable stores are valued at average cost.

Finished goods and work in progress are valued at raw material cost plus labour cost and a proportion of manufacturing overhead expenses based on normal capacity.

Merchandise is valued at invoice cost on the first-in-first-out basis.

1.17 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision fo impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the income statement.

1.18 Cash and cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in fair value.

Cash and cash equivalents are measured at fair value.

1.19 Impairment of assets

The company and group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual year and at the same time every year.

If there is any indication that an asset may be impaired, recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss 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 of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.20 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares meet the definition of equity. Incremental cost directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

1.21 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

If deferred taxation arises as part of a business combination, it affects the carrying amount of goodwill.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against

informanté

Many schools across Namibia receive support from Trustco and its subsidiaries.

Trustco invests in the education of Namibia. The daily IOI Learn programme is broadcast on NBC Television and students now just have to "tune in" to gain access to interactive classes.

TRUSTCO oshili nawa

Maria Garises
Manager Legal Shield Sales

Carlo Higgs
Manager CEO Support

Janene van den Heever
CEO Regional Offices

1.22 Taxation (continued)

which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Tax expense

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity, or
- a business combination.

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

1.23 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not be recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

1.24 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.25 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render service that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirements benefit plans are charged as an expense as they fall due.

1.26 Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in Namibian Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each balance sheet date:

- foreign currency monetary items are translated using the closing rate
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date

LegalShield

1.26 Translation of foreign currencies (continued)

of the transaction; and

- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Namibian Dollars by applying to the foreign currency amount the exchange rate between the Namibian Dollar and the foreign currency at the date of the cash flow.

1.27 Goodwill

Goodwill is initially measured at cost, being the excess of the business combination over the company's interest of the net fair value of the identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill, acquired in a business combination, is carried at cost.

The excess of the company’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

Internally generated goodwill is not recognised as an asset.

Goodwill is tested for impairment at least annually.

1.28 Financial instruments

Initial recognition

The company and group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's and group's balance sheet when the company and group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified as at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value.

Financial assets are initially recognised at its fair value on the trade date.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is not recognised for assets carried at cost or amortised cost, other than impairment losses.

Assets carried at fair value: the change in fair value is recognised in profit or loss or in equity, as appropriate.

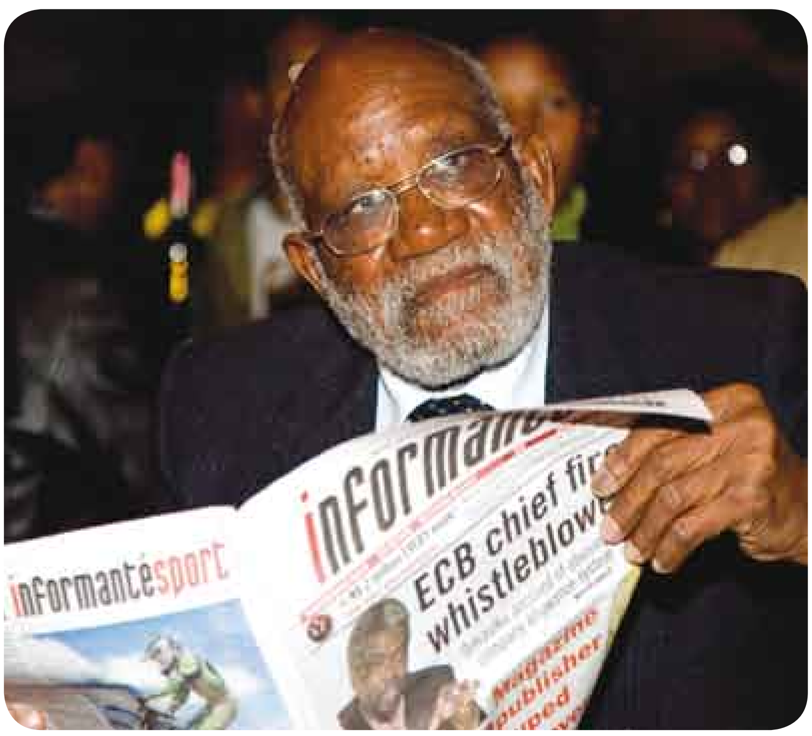
Subsequent measurement

After initial recognition financial assets are measured as follows:

- loans and receivables and held-to-maturity investments are measured at amortised cost using the effective interest method;
- investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost.
- financial assets at fair value through profit and loss and financial assets available for sale are measured at fair value.

After initial recognition financial liabilities are measured as follows:

- financial liabilities at fair value through profit or loss, including derivatives that are liabilities, are measured at fair value.
- other financial liabilities are measured at amortised cost using the effective interest method.



Everybody reads the Informanté!
The newspaper’s influence can be felt across the whole Namibian spectrum. The premise on which Informanté was re-launched was to be first with the news and provide its readers with in-depth and incisive news analysis, thereby positioning it as a serious agenda-setter on issues of national importance.

1.28 Financial instruments (continued)

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.
- A gain or loss on a financial asset or financial liability classified as an available-for-sale financial asset is recognised through profit or loss.
- Financial assets and financial liabilities carried at amortised cost: a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Financial instruments carried on the balance sheet include all financial assets and liabilities.

1.29 Underwriting results

The underwriting results are determined in accordance with International Financial Reporting Standards for insurance companies. The accounting principles are as follows:

Gross written premium

Premiums are recognised in the period during which the risk originates.

Credit insurance revenue

Premiuns are recognised in the period which they become due and payable.

Outstanding claims

Full provision is made for the estimated cost of claims, including administration cost, notified but not settled at the date of the balance sheet.

Provision is also made for the expected cost of claims incurred but not intimated at the date of the balance sheet date.

Provisions for the full expected cost of claims over the period of the insured risk relating to credit insurance, are made in the same period during which the credit insurance premiums are recognized. These provisions are carried forward to subsequent accounting periods as an unexpired risk reserve.

Expenses

All expenses are accounted for as incurred. Appropriate portions of expenses are allocated to underwriting expenses, claims incurred and investment expenses.

1.30 Unearned premium reserve

Provision in respect of premiums written in the current year relating to future periods, is determined for all business on actual monies received in advanced.

1.31 Contingency reserve

The company raises a contingency reserve of 10 % of written premiums less approved reinsurance in accordance with generally accepted insurance industry practice. The contingency reserve is transferred directly from distributable reserves to contingency reserves, and is reflected as a movement in the statement of changes in equity.

1.32 Solvency margin

The solvency margin is a measurement of the financial strength of a short-term insurer. It represents the shareholders' funds, expressed as a percentage of net premium income. This method of measurement is done in accordance with section 20 of the Short-term Insurance Act of 1998.

1.33 Post balance sheet events

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that proved evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of note.

1.34 Construction contracts and receivables

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by completion of a physical proportion of the contract work

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.35 Comparatives

Comparative figures are not reflected as this is company's first set of Annual Financial Statements.

Dianna Aoxamus
Supervisor Frontline / Helpdesk

Jan Jones
Deputy Group CEO
(Group Exco)

Gerhard Barnard
Supervisor Claims

Aristarkus Kaujandjatjike
Operations

2 Property, plant and equipment

Group

	2007		
	Cost / Valuation N$,000	**Accumulated depreciation N$,000**	**Carrying amount N$,000**
Owned assets			
Land & buildings	50 955	-	**50 955**
Computer equipment & software	10 545	(2 974)	**7 571**
Machinery & Equipment	17 267	(1 109)	**16 157**
Motor vehicles	10 628	(777)	**9 852**
Aircrafts	39 729	(1 843)	**37 886**
Office equipment & Furniture	3 211	(415)	**2 796**
	132 335	(7 118)	**125 217**
Capitalised leased assets			
Motor vehicles			**7 645**

The carrying amount of property, plant and equipment can be reconciled as follows:

2007

	Acquired with Subsidiary N$,000	**Revaluations N$,000**	**Additions N$,000**	**Disposals N$,000**	**Depreciation N$,000**	**Carrying amount at year end N$,000**
Owned assets						
Land & buildings	43 704	3 235	9 834	(5 818)		**50 955**
Computer equipment & software	4 396	-	6 150	-	(2 974)	**7 571**
Machinery & Equipment	3 605	403	13 844	(586)	(1 109)	**16 157**
Motor vehicles	9 517	-	6 949	(5 837)	(777)	**9 852**
Aircrafts	16 381	6 513	16 834	-	(1 843)	**37 886**
Office equipment & Furniture	1 757	-	1 455	-	(415)	**2 796**
	79 360	10 152	55 065	(12 242)	(7 118)	**125 217**
Capitalised leased assets						
Motor vehicles						**7 645**

The machinery and equipment was revalued on 31 March 2007 by T Barrett of Grafitec Web Ltd of England. Barrett is not connected to the company and has recent experience in the machinery and equipment being valued.

The company's aeroplanes were valued by S van Staden of Execujet on 26 March 2007 utilising methods detailed in the International Recognised Blue Book for aircraft valuations. Van Staden is not connected to the company and has recent experience in the aeroplanes being valued.

Properties are stated at fair value, which has been determined based on valuations performed by G Hamman and JM Meyer at 31 March 2007 in accordance with International Valuation Standards. Hamman and Meyer are not connected to the company, are qualfied property valuators and have recent experience in location and category of the investment property being valued. The valuation was based on the direct sales comparison method and assumptions on current market conditions.

Certain property, plant and equipment is encumbered as stated in note 17.

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

Institute for Open Learning (Pty) Ltd


Loide Israel
Supervisor UNISA registration


Christo du Raan
Manager IT Legal Shield


Garrett Herman
GM Free Press Printers

Monica Nashandi
Board Member

Floors Abrahams
Group Financial Director
(Group Exco)

Des van Heerden
Supervisor Financial Analyst

	Group 2007 N$'000	Company 2007 N$'000
3 Investment properties		
Fair value	**32 627**	**-**
Balance at beginning of year	**-**	**-**
Additions	**9 088**	**-**
Disposals	**(6 995)**	**-**
Acquired through purchase of subsidiaries	**20 840**	**-**
Fair value adjustments	**9 694**	**-**
Change in use (transferred to property)	**-**	**-**
Balance at end of year	**32 627**	**-**

Investment properties are stated at fair value, which has been determined based on valuations performed by G Hamman, JM Meyer and A de Beer at 31 March 2007 and 10 May 2007 in accordance with International Valuation Standards. Hamman, Meyer and de Beer are not connected to the company, are qualified property valuators and have recent experience in location and category of the investment property being valued. The valuation was based on the direct sales comparison method and assumptions on current market conditions.

The following amounts, included in the Income Statement, relate to this property:

	Group 2007 N$'000	Company 2007 N$'000
Rental income	**9 781**	**-**

Certain investment properties as described above have been mortgaged as security for liabilities described in Note 17.

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

4 Intangible assets

Group	**Cost N$'000**	**2007 Accumulated amortisation N$'000**	**Carrying amount N$'000**
Acquired intangible assets			
Institute of Open Learning	**7 257**	**(290)**	**6 967**
Legal Shield Life	**2 780**	**(111)**	**2 669**
Informante	**1 234**	**-**	**1 234**
IOL Learn	**1 278**	**-**	**1 278**
Film project	**540**	**-**	**540**
	13 089	**(401)**	**12 688**

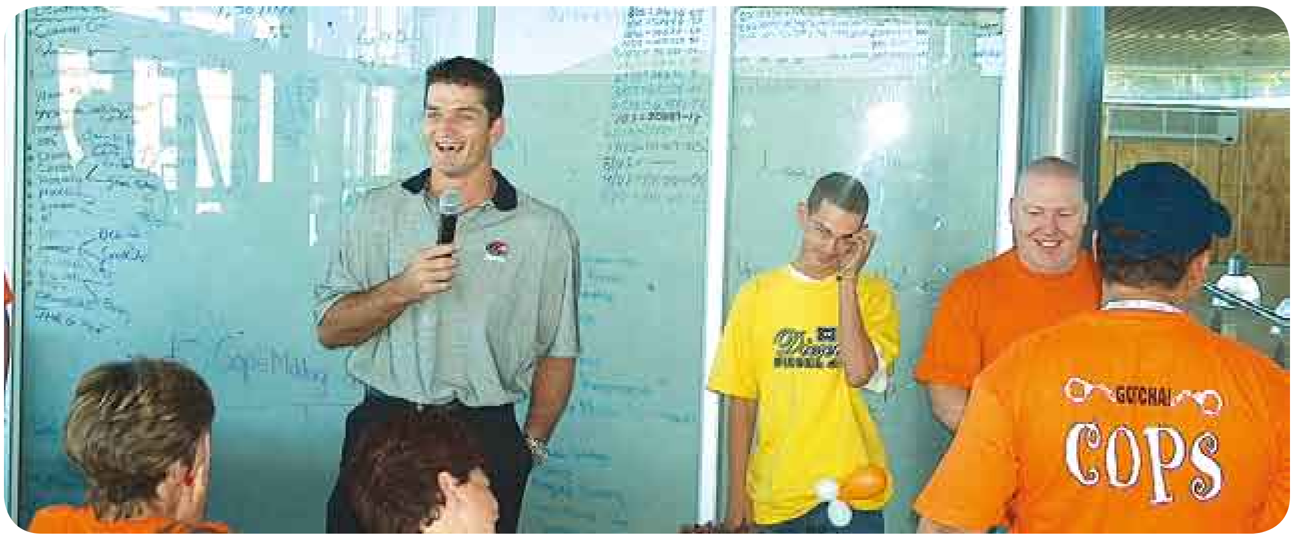
Reconciliation of intangible assets - 2007

	Acquired with Subsidiary N$	**Additions N$**	**Disposals N$**	**Amotisation N$**	**Carrying amount N$**
Institute of Open Learning	**7 257**	**-**	**-**	**(290)**	**6 967**
Legal Shield Life	**2 780**	**-**	**-**	**(111)**	**2 669**
Informante	**-**	**1 234**	**-**	**-**	**1 234**
IOL Learn	**-**	**1 278**	**-**	**-**	**1 278**
Film project	**359**	**181**	**-**	**-**	**540**
	10 396	**2 693**	**-**	**(401)**	**12 688**

The Institute of Open Learning and Legal Shield Life trademark is considered to have a definite life of 25 years. All of these intangible assets have been tested for impairment during the year, and it was found that the recoverable amount exceeds the carrying amount. During the financial year, these trade marks were independantly valued for more than their carrying amount, and as a result no additional adjustment was made to their carrying amounts.

The film project comprise a script for film, that is in the development phase, and as a result no provision was made for amortisation for the current year. The intangible asset was tested for impairment during the year. The amount is considered to be recoverable.

The Informanté and IOL Learn trademarks are currently being developed internally and costs for developing these trade marks will still continue during the 2008 and 2009 financial years. These trademarks were tested for impairment and the amount is considered to be recoverable.



	Group 2007 N$'000	Company 2007 N$'000
5 Investment in Subsidiaries		
Available for sale investments		
Unlisted shares at cost		**68 550**
Legal Shield Holdings (Pty) Ltd		**0**
Trustco Education (Pty) Ltd		**0**
Trustco Media (Pty) Ltd		**0**
Trustco Capital (Pty) Ltd		**0**
Trustco Corporate (Pty) Ltd		**0**
Trustco Business Development (Pty) Ltd		**0**
Trustco Tourism Holdings (Pty) Ltd		**0**
Trustco Group International (Pty) Ltd		**68 550**
Trustco Group International (SA) (Pty) Ltd		**0**
Trustco Properties (Pty) Ltd		**0**
Fair value adjustment		**-**
Unlisted shares at fair value		**68 550**

6 Investments

	Group 2007 N$'000	Company 2007 N$'000
Investments in balanced funds with no specific date of maturity	**136,490**	**77 893**
	136,490	**77,893**

These investments are given as security for certain liabilities as stated in note 17.

7 Educational loans advanced

	Group 2007 N$'000	Company 2007 N$'000
Acquired with subsidiary	**19 990**	**-**
Movement during the year	**43 857**	**-**
	63 847	**-**
Short-term portion	**(23 773)**	
Closing balance	**40 074**	**-**
Current assets	**23 773**	**-**
Non-current assets	**40 074**	**-**
	63 847	**-**

These loans bears interest at rates ranging between 22% and 24.75%, are unsecured and repayable over periods between 12 to 60 months.

8 Amounts due by related parties

	Group 2007 N$'000	Company 2007 N$'000
Trustco Fleet Management (Pty) Ltd	**-**	**1 011**
Trustco Group International (Pty) Ltd	**-**	**23 404**
Trustco Finance (Pty) Ltd	**-**	**770**
Trustco Capital (Pty) Ltd	**-**	**1 669**
Trustco Staff Share Incentive Scheme	**-**	**1 090**
	-	
Bellissima Investments 79 (Pty) Ltd	**1 544**	**-**
	1 544	**27 944**
Non-current assets	**-**	**27 944**
Current assets	**1 544**	**-**

The loan to the Trustco Staff Share Incentive Scheme is secured by the shares held by it in Trustco Group Holdings Ltd. The loan bears interest at 5% per annum. No repayments will be made in the next 12 months. These shares are held in trust by PF Koep & Company until the scheme is approved by the shareholders at the next Annual General Meeting

The other non-current loans are unsecured, bear interest at prime and have no fixed terms of repayment. No repayments will be made in the next 12 months.

The current loan is unsecured, interest free and will be repaid in the next 12 months.

9 Inventories

	Group 2007 N$'000	Company 2007 N$'000
Work in progress	**26 555**	**-**
Finished Goods	**4 263**	**-**
	30 818	**-**

Work in progress

Work in progress of N$ 26 554 514 relates to land in Lafrenz Industry, Windhoek, measuring 368 hectares. The company is in the process preparing the land for development of low cost housing. The property was valued by GS Hamman at 31 March 2007 for N$ 53 million, on the basis of open market value, supported by market evidence, in accordance with International Valuation Standards.

The work in progress described above has been mortgaged as security for the liability described in Note 17.

10 Trade and other receivables

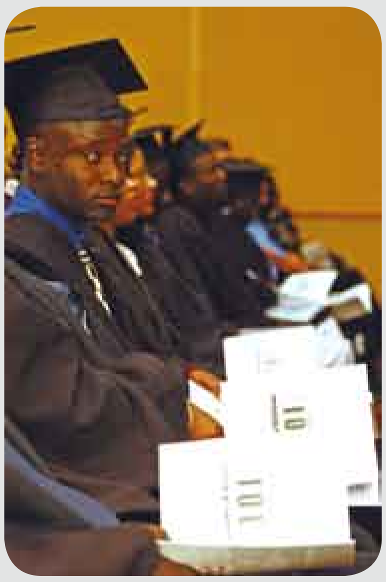
	Group 2007 N$'000	Company 2007 N$'000
Trade debtors	**7 212**	**-**
Value added taxation	**15 404**	**-**
Other	**1 663**	**474**
	24 279	**474**

Adv Theo Frank
Chairman of the Board

Natasja Esterhuizen
Manager Properties

Wolle Ujaha
Legal Shield Supervisor Sales

IOL has also embarked on a strategy of "life long leadership" targeting not only grade 12's but also school leaving grade 10's - offering certificate level courses through to diplomas through to post graduate degrees.



		Group 2007 N$'000	Company 2007 N$'000
11	**Taxation**		
	Receiver of Revenue	(165)	(86)
	Current assets	121	-
	Current liabilities	(285)	(86)
		(165)	(86)
12	**Cash and cash equivalents**		
	Bank account	17 732	176
	Treasury bills and money market unit trusts	9 848	-
		27 580	176
	Current assets	27 580	176
13	**Share Capital**		
	Authorised		
	500 000 000 ordinary shares of no par value	-	-
	Issued		
	133 480 300 ordinary shares of no par value	141 920	141 920
	13 362 860 ordinary shares of no par value - treasury shares	(45 051)	(45 051)
		96 869	96 869

The unissued shares are under the control of the company for which authority is to be sought at the forthcoming annual general meeting to place the shares under the control of the directors.

During the period the company issued 13 362 860 shares to the Trustco Staff Share Incentive Scheme Trust on loan account. The purpose of the issue was to facilitate the employee share scheme to be approved at the forthcoming annual general meeting. In terms of guidance issued by the International Financial reporting Interpretations Committee ("IFRIC"), the issue of shares using the proceeds of a loan made by the share issuer, when the loan is recourse only to the shares, should be treated as an option grant in which options were exercised on the date or dates when the loan was repaid. In light of this, until such time as the share scheme is approved, the shares issued are treated as treasury shares instead of issued shares and a loan to the share trust.

		Group 2007 N$'000	Company 2007 N$'000
14	**Contingency Reserve**		
	Balance at beginning of year	-	
	Movement during the year		
	- Release of pre-listed contingency reserve	(357)	
	Balance at end of year	(357)	-
15	**Revaluation reserve**		
	Movements during the year:		
	Surplus arising from the revaluation of property,		
	plant and equipment	7 513	

	Group 2007 N$'000	Company 2007 N$'000
16 Minority interest		
Movements during the year:		
Issue of preference shares	-	
Share of shares	-	
Share of loss and movement in reserves for the year	(1 372)	
Balance at the end of the year	(1 372)	-

	Group 2007 N$'000	Company 2007 N$'000
17 Long-term liabilities		
Secured		
Mortgage loans	48 706	-
Term loan	135 275	-
Liabilities under instalment sale agreements	41 777	-
	225 758	-
Unsecured		
Long term loans	250	-
	226 008	-
Current portion included under current liabilities	9 281	-
	216 727	-
Current liabilities	9 281	-
Non-current liabilities	216 727	-
	226 008	-

The mortgage loans are secured over land and buildings, inventories and investment properties with a carrying amount of N$ 102 044 832, repayable in monthly instalments up to 20 years of N$ 536 343 including interest at home loan rates ranging between 11,75% and 13,75%.

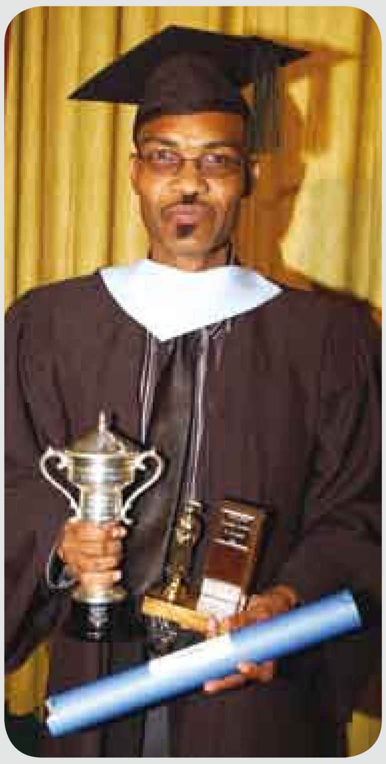
Liabilities under instalment sale agreements are payable over periods from 1 to 5 years at effective interest rates ranging from 11.5% to 13.75% per annum. These liabilities are repayable in monthly instalments of approximately N$ 420 871 and are secured over motor vehicles, aircrafts, computer equipment and printing press with a carrying amount of N$ 52 070 808.

The term loan bears interest at 14.7% compounded daily. The loan is secured by the investment as described in note 6 and is repayable in a single payment on 29 July 2016.

Unsecured loans of N$ 250 000 redeemable in 36 instalments of N$ 27 778.

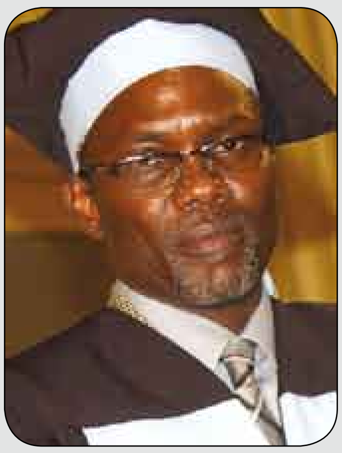
	Group 2007 N$'000	Company 2007 N$'000
18 Other liabilities		
Finance lease obligations		
Minimum lease payments due		
- within one year	2 124	-
- in second to fifth year inclusive	2 998	-
	5 122	-
less: future finance charges	(399)	-
Present value of minimum lease payments	4 723	-
Present value of minimum lease payments due		
- within one year	2 920	-
- in second to fifth year inclusive	1 803	-
	4 723	-
Non-current liabilities	2 920	-
Current liabilities	1 803	-
	4 723	-

Liabilities under finance leases are payable over periods from 1 to 5 years at effective interest rate of 11.5% per annum. These liabilities are repayable in monthly instalments of approximately N$ 281 397 and are secured over motor vehicles and the printing press with a carrying amount of N$ 7 645 175.



Borris Erasmus
Supervisor Claims

Anna Motinga
Manager Group Records



David Namwandi
Board Member

	Group 2007 N$'000	Company 2007 N$'000
19 Deferred taxation		
Net liability acquired with subsidiary purchased	**11 539**	**-**
Movements during the year:		
Liability purchased ex Subsidiaries	**-**	**-**
Revaluation of property, plant and equipment	**2 366**	**-**
Temporary differences	**9 134**	**-**
- Depreciation	**(2 198)**	**-**
- Tax allowances	**8 104**	**-**
- Fair value adjustments	**3 229**	**-**
Tax losses incurred / (utilised)	**(9 943)**	**-**
	13 095	**-**
Capital allowances	**22 857**	**-**
Revaluation of property, plant and equipment	**3 877**	**-**
Unearned premium reserve	**-**	**-**
Assessed losses	**(13 639)**	**-**
	13 095	**-**
Non-current assets	**7 994**	**-**
Non-current liabilities	**21 091**	
	13 095	**-**

Deferred tax assets and liabilities are only offset when the income tax relates to the same legal entity or fiscal authority or they intend to settle the assets and liabilities on a net basis.

	Group 2007 N$'000	Company 2007 N$'000
20 Policy Holder liability under insurance contracts		
Acquired with subsidiary purchased	**2 500**	
Movement during the year	**(773)**	**-**
	1 727	**-**

The policy holder liability under insurance contract was calculated using actuarial valuation methods, and comprise a Deficiency Reserve and IBNR reserve. The Deficiency Reserve is for the rider policies which is calculated using 100% of the premium income for one year from such policies. The IBNR reserve is calculated by projecting the claims, based on actuarial assumptions and valuations, and providing for a reserve equal to three months projected claims.

	Group 2007 N$'000	Company 2007 N$'000
21 Trade and other payables		
Trade creditors	**20 251**	**29**
Accruals and provisions	**4 341**	**-**
Value added tax	**12 078**	**-**
Sundry creditors	**3 898**	**-**
	40 568	**29**

Television personality and legendary Bulls scrumhalf, Joost van der Westhuizen made time to visit his supporters at Trustco and managed to convince some Stormer supporters of........

		Group 2007 N$'000	Company 2007 N$'000
22	**Technical provisions**		
	Outstanding Claims		
	Acquired through purchase of subsidiary	**4 807**	-
	Increase in provisions	**807**	-
	Closing Balance	**5 614**	-
	Gross unearned premiums		
	Acquired through purchase of subsidiary	**3 884**	-
	Increase in provisions	**2 098**	-
	Closing Balance	**5 982**	-
		11 596	-

23 Bank overdraft

The banking facilities of the group of N$ 24,500,000 are secured as follows:

4th and 5th mortgage bonds totalling N$ 7,000,000 over Erf 7490, Windhoek and extended at the lower of the mortgage bonds or 80% for the valuation of N$ 29,349,400, and a cession over the fire policy of N$ 37,500,000;

Cession of the loan account of Q. van Rooyen in the books of the company;

Unlimited surety by Agricultural Export Company (Pty) Ltd dated 19/09/2003;

Unlimited surety by Q van Rooyen dated 19/04/2004;

Unlimited surety by Q van Rooyen and C van Rooyen dated 04/08/1998;

Unlimited surety by Discuss Properties (Pty) Ltd dated 04/09/2003;

Unlimited surety by November Properties (Pty) Ltd dated 04/09/2003;

Unlimited surety by Champion Caterers (Pty) Ltd dated 04/09/2003;

Unlimited surety by Agricultural Export Company (Pty) Ltd dated 04/09/2003.

Unlimited surety by Trustco Group International (Pty) Ltd dated 04/09/2003.

Suertyship for N$16,000,00, N$8,000,000 and N$5,650,000 respectively by Trustco Group International (Pty) Ltd.

Suertyship for N$16,000,00, N$8,000,000 and N$5,650,000 respectively by The Free Press of Namibia (Pty) Ltd.

Power of Attorney for N$8,500,000 and N$2,250,000 respectively over Portion 1 of Portion A of the farm NubuamisNumber 37, Windhoek in the name of Trustco Group International (Pty) Ltd.

Many schools across Namibia has received support from Trustco and its subsidiaries.
Seeing the smiles on children's faces makes all the effort and hard work worthwhile.

Cession of Material Damage over Portion 1 of the farm Nubuamis Number 37, Windhoek in the name of Trustco Group International (pty) Ltd. Insured amount N$19,300,000.

Pledge dated 8 December 2006 over call deposit in the name of Free Press Printers (Pty) Ltd, restricted to N$3,300,000.

	Group	Company
The extent to which the facilities have been utilised:		
Available	**24 500**	-
Utilised	**21 334**	-

Subsequent to year-end Q and C van Rooyen will be released of all personal sureties in favour of the company and its subsidiaries.

24 Contingent liabilities and guarantees

	Group	Company
Legal and consulting fees	**1 000 000**	-

Trustco Group International (Pty) Ltd (TGI) is currently in an arbitration process with the South African Broadcasting Corporation (SABC) because of breach of contract by the SABC. The total estimated legal cost for the arbitration process is approximately N$ 5 000 000, of which N$ 4 000 000 has already been incurred. A ruling was made on 2 April 2007 in favour of TGI by an independant arbitrator. The SABC appealed this ruling. On 12/13 September 2007 the appeal will be heard.

The group has other insignificant pending legal cases for which the total legal cost is estimated to be not more than N$ 100 000.

25 Capital commitments

	Group	Company
Approved by directors but not contracted for:		
Property, plant and equipment	**4 200**	-

It is intended to finance this expenditure, which comprises primarily premises in Walvis Bay and further development in the tourism sector, from existing borrowing facilities and from internally generated funds.

Staff dresses UP
At Trustco, staff never fails to impress... The lighter side of life is captured every Friday, when the two company teams compete against each other.

	Group 2007 N$'000	Company 2007 N$'000
26 Revenue		
Revenue comprises turnover, which excludes value-added tax and represents the invoiced value of goods and services supplied.		
Maize meal products	20 555	-
Commission, development and management fees	28 352	-
Tourism	4 888	-
Printing revenue	6 697	-
Media	2 582	-
SMS revenue	4 048	-
Educational- and financial services	48 195	-
Insurance premiums received - Short-term	45 193	-
- Life	22 892	-
	193 184	-
27 Profit before investment income, fair value adjustments and finance costs		
This is arrived at after taking into account the following :		
Income		
Income from subsidiaries		
- Interest received	2 123	3 212
Net (loss) / profit on disposal of property, plant and equipment	(505)	-
Profit on foreign exchange	667	-
Expenditure		
Depreciation and amortisation		
- Property, Plant and Equipment	7 118	-
Auditors' remuneration		
- Audit fees	503	-
Impairment of intangible assets	401	-
Loss on foreign exchange	(667)	-
Lease Rentals		
- Motor vehicles	3 971	-
- Equipment	950	-
	6 690	-
28 Directors' emoluments		
Short term employee benefits		
Managing director - services	960	960
- fees	40	-
Financial director	386	386
Deputy Managing Director - Trustco Group International(Pty) Ltd	675	-
Director - Trustco Group International(Pty) Ltd	394	-
Director - Trustco Group International(Pty) Ltd	300	-
Managing director - Legal Shield Holdings (Pty) Ltd	351	-
Managing director - Trustco Education (Pty) Ltd	386	-
Managing director - Trustco Tourism Holdings (Pty) Ltd	308	-
Managing director - Trustco Corporate (Pty) Ltd	603	-
Managing director - Trustco Capital (Pty) Ltd	409	-
	4 802	1 346
Non-executive directors		
Chairperson - fees	116	60
Other directors - fees	173	128
	289	188
29 Staff costs		
Salaries and wages	25 386	1 154
Medical aid contribution	176	-
	25 562	1 154
30 Investment revenue		
Interest received		
- Surplus cash	3 820	3 212
Dividends received	10 241	77 893
	14 061	81 105
31 Finance costs		
Long-term finance	19 886	-
Bank overdrafts	2 469	-
Interest - other	2 400	-
	24 755	-

		Group 2007 N$'000	Company 2007 N$'000
32	**Taxation**		
	Namibia normal tax		
	Current taxation	(148)	(86)
	Current year	840	-
		692	(86)
	Reconciliation of the tax expense		
	Namibian normal tax rate	35.0%	35.0%
	Exempt income	-44.4%	-34.9%
	Disallowable expenditure	7.2%	0.0%
		-2.2%	0.1%
	Estimated tax losses:		
	Acquired with purchase of subsidiary	15 158	-
	Incurred	37 078	-
	At end of year	52 235	-
	Utilise to reduce deferred tax	(52 235)	-
	Available for set off against future taxable income	-	-

33 Related parties

	Percentage interest	Sales to related parties	Purchases from related parties
Relationship			
Subsidiaries, refer note 5 for details on direct subsidiaries.			
Other subsidiaries in the group are:			
Legal Shield Life Limited	100%		
Discus Properties (Pty) Ltd	100%		
November Properties (Pty) Ltd	100%		
Agricultural Export Company (Pty) Ltd	100%		
Champion Caterers (Pty) Ltd	100%		
Komada Holdings (Pty) Ltd	100%		
Free Press Printers (Pty) Ltd	50%		
Trustco Air Services (Pty) Ltd	100%		
Trustco Business Consulting (Pty) Ltd	100%		
Microfin Investments (Pty) Ltd	100%		
Trustco Accommodation (Pty) Ltd	100%		
Trustco Restuarants (Pty) Ltd	100%		
Webbiz (Pty) Ltd	100%		
Trustco Media (Pty) Ltd	100%		
Trustco Newspapers (Pty) Ltd	100%		
Institute of Open Learning (Pty) Ltd	100%		
Trustco Fleet Management Services (Pty) Ltd	100%		
Trustco Group International (Pty) Ltd	100%		
Trustco Finance (Pty) Ltd	100%		
Trustco Capital (Pty) Ltd	100%		
Transactions with subsidiaries/related parties			
Interest received			
Trustco Fleet Management Services (Pty) Ltd	100%	317	-
Trustco Group International (Pty) Ltd	100%	1 486	-
Trustco Finance (Pty) Ltd	100%	20	-
Trustco Capital (Pty) Ltd	100%	69	
Trustco Staff Share Incentive Scheme Trust		1 089	
Management fees received			
Bellissima Investments 79 (Pty) Ltd		2 456	

Related party balances

Non-current assets	-	27 944
Non-current liabilities	-	-
	-	27 944

Refer to note 28 for details on key management compensation.
Refer to note 8 for details of amounts outstanding.

		Group 2007 N$'000	Company 2007 N$'000
34	**Earnings per share and headline earnings per share**		
	Earnings for the purposes of basic earnings per share being the profit attributable to ordinary shareholders.	32 863	78 053
	Adjustments net of taxation:	(5 972)	-
	- Loss on sale of property, plant and equipment	328	-
	- Fair value adjustments on investment properties	(6 301)	-
	Headline earnings	26 891	78 053
	Weighted number of ordinary shares '000	114 757	121 420
	Basic earnings per share (cents)	28.64	64.28
	Headline earnings per share (cents)	23.43	64.28

The company and group have no diluted instruments.

35 Cash flow information

35.1 Cash generated by operations

	Group 2007 N$'000	Company 2007 N$'000
Profit on ordinary activities before taxation	30 799	247
Adjustments:		
Depreciation, amortisation and impairment	7 118	-
Investment income	(14 061)	(3 071)
Finance costs	24 755	(141)
equipment	505	-
Fair value adjustment on investment properties	(9 694)	-
Other non-cash items	2 627	-
Changes in working capital:		
Increase in inventories	(4 574)	-
Increase in accounts receivable	(20 736)	(474)
Increase in accounts payable	13 975	26
	30 714	(3 413)

35.2 Taxation paid

	Group 2007 N$'000	Company 2007 N$'000
Acquired with purchase of subsidiary	298	-
Expense for the year	692	-
Change in deferred tax	(511)	-
Outstanding at the end of the year	(165)	-
	314	-

35.3 Cash and cash equivalents

	Group 2007 N$'000	Company 2007 N$'000
Bank balances and cash deposits	17 732	176
Short-term investments (Call deposits)	9 847	-
Bank overdraft	(21 334)	-
	6 245	176

35.4 Subsidiaries purchased

During the year under review the Group acquired subsidiaries as detailed in note 5

The fair value of assets acquired and liabilities assumed were as follows:

	Group 2007 N$'000
Long term liabilities	(64 230)
Policy Holders liability under insurance contracts	(2 500)
Deferred taxation - Debit	3 860
Deferred taxation - Credit	(16 273)
Property Plant and equipment	79 428
Investment Properties	20 840
Taxation	298
Related Party loans - Debit L/T	16 898
Intangible Assets	10 397
Employee fund	(2 088)
Shareholders loan	(372)
Loans Receivable	19 990
Accounts receivable	3 543
Cash and cash equivalents	16 042
Inventories	26 244
Accounts payable	(26 593)
Technical provisions	(8 691)
Bank overdraft	(8 243)
Net assets / (liabilities)	68 550
Minority Interest	-
Cost of control	-
Cost of shares	68 550
Less: Net cash acquired	(7 799)
Cash acquired	(16 042)
Bank overdraft acquired	8 243
Cash flow on acquisition net of cash acquired	60 751

36 Solvency margin

	Group 2007
Solvency margin of Legal Shield Namibia Limited	22.8%

The solvency margin represents shareholders' interest of N$ 10 545 275 expressed as a percentage of net premium income of N$ 46 161 957 for the year under review.

37 Segment results

	Group 2007 N$'000	Company 2007 N$'000
Revenue		
Insurance related services	68 085	-
Educational and financial services	48 195	-
Property holding and rental income	9 782	-
Wholesale, development, media, tourism and management services	67 122	-
	193 184	-
Net profit / (loss) after tax		
Insurance related services	21 902	-
Educational and financial services	18 707	-
Property holding and rental income	1 211	-
Wholesale, development, media, tourism and management services	2 235	-
Investment related services	-	78 053
	44 055	78 053
Head office costs not allocated to subsidiaries	(11 192)	-
	32 863	78 053
Total assets		
Insurance related services	32 917	-
Educational and financial services	76 041	-
Property holding and rental income	66 027	-
Wholesale, development, media, tourism and management services	106 288	-
Investment related services	181 932	175 036
	463 205	175 036
Total liabilities		
Insurance related services	20 100	-
Educational and financial services	20 518	-
Property holding and rental income	43 734	-
Wholesale, development, media, tourism and management services	69 990	-
Investment related services	172 989	113 335
	327 331	113 335

Geographical segments: The company and its subsidiaries is situated in one geographical segment, Namibia, as a result of its operations being in the same economic and political conditions, the proximity of its operations, the special risks associated with the operations, and the same exchange control regulations and underlying currency risks.

Business segments: for management purposes, the company and its subsidiaries is organised into five major operating divisions, namely, insurance related services, educational and financial services, property holdings and rentals, wholesale, development and management services and investment related services. The divisions are the basis on which the company and its subsidiaries reports its primary segment information. The insurance product segment provides a range of legal, medical and funeral related policies. The educational and financial services segment provides educational courses to individuals and financial assistance. The property holding and rental segment owns property and is held to earn rental income. The wholesale, development and management services segment sells various wholesale products to the Namibian consumer market, engaged in property development and provides management services to its subsidiaries. Other operations include development of computer software for own use.

38 Risk management

Liquidity risk

The groups risk to liquidity is a result of funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adquate utilised borrowing facilities are monitored.

Interest rate risk

Deposit and all attract interst at rates that vary with prime. The groups policy is to manage interest rate risk so that flucuations in variable rates do not have a material effect on profits or losses.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year N$'000	Due in one to two years N$'000	Due in two to three years N$'000	Due in three to four years N$'000	Due after five years N$'000
Trade and other receivables - normal credit terms	-	24 278	-	-	-	-
Cash in bank	8.0%	17 671	-	-	-	-
Long term liabilities	12.3%	(11 505)	(11 505)	(10 025)	(10 025)	(182 948)
Financial leases	12.3%	(2 279)	(2 279)	(165)	-	-
Short term investments	8.0%	9 848	-	-	-	-
Long term investments	8.5%	-	-	-	-	136 490
Educational loans advanced	24.8%	23 773	22 681	5 678	5 678	5 678
Trade and other payables - extended credit terms	-	(40 568)	-	-	-	-
Overdraft facilities used	13.8%	(21 334)	-	-	-	-

Fair value interest rate risk

Financial instrument	Current interest rate	Due in less than a year N$'000	Due in one to two years N$'000	Due in two to three years N$'000	Due in three to four years N$'000	Due after five years N$'000
Long term investments	8.5%	-	-	-	-	136 490
Short term investments	8.0%	9 848	-	-	-	-
Cash in bank	8.0%	17 671	-	-	-	-
Overdraft facilities used	13.8%	(21 334)	-	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

Foreign exchange risk

The group reviews its foreign exchange currency exposure, including commitments on an ongoing basis. The group expects its foreign exchange contracts to hedge foreign exchange exposure. No foreign exchange contracts existed at year end which relate to future commitments.

Insurance risk and policies for mitigating insurance risk

The primary activity of the Group relates to the assumption of the risk of loss from events involving persons or organisations. Such risks may relate to legal, salary, funeral, medical, credit and other perils that may arise from an insured event. As such the Group is exposed to the uncertainty surrounding the timing, severity and frequency of claims under insurance contracts.

The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected and that the Group does not charge premiums appropriate for the risk accepted. Insurance events are, by nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques. The Group manages its insurance risk through underwriting limits, approval procedures for new clients, pricing guidelines, centralised management of risk and monitoring of emerging issues.

Concentrations of insurance risk and policies mitigating the concentrations

Within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon the Group's resources. The Group monitors the concentration of risk by class of business. The Group is broadly represented across Namibia and exposures to risks are representative of the economic activity in the various regions. The Group has exposure to lines of insurance business as described in the previous paragraph.

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