Republic of Namibia

REPORT of the AUDITOR GENERAL
on the ACCOUNTS of the DEVELOPMENT FUND of NAMIBIA
for the financial year ended 31 MARCH 2001

1. INTRODUCTION

1.1 Establishment and objectives

1.1.1 **Establishment:** The Development Fund (hereinafter referred to as the Fund) was instituted in terms of the Development Fund of SWA/Namibia Act, 1987 (Act 29 of 1987) referred to as the "Act" in this report. The Fund originated from an amount of N$ 40 million donated by the Government of Namibia for the purpose as mentioned in the Act. The Fund is under no obligation to repay any amounts to the donor.

1.1.2 **Objectives:** The objectives of the Fund are:

"(a) to contribute maximally to the promotion of the economic and socio-economic development of Namibia in its broadest sense by allocating its finance in accordance with economic rationale and principles with due attention to socio-economic needs especially in rural, communal farming and the small business and industrial sectors, and the need to increase productivity and thus raise the standard of life of the people in the less developed areas;

(b) to finance defined projects and programmes considered to be economically viable in the long-term and designed to achieve objective (a), mainly in the form of loans on reasonable terms and so as to ensure that the capital of the Fund is maintained and the continuity of the Fund is assured;

(c) to provide or arrange for technical assistance, guidance and training in the identification, preparation, appraisal, evaluation, financing, implementation and management of developmental actions as well as the study of priorities and the formulation of specific projects, needs or proposals, whether on its own initiative or when so requested and on terms and conditions to be decided by the Control Board;

(d) to co-operate and co-ordinate its activities with other public or private entities actively involved in the economic development of Namibia as well as with national or international agencies or institutions supplying capital and other resources for economic development in Namibia;

(e) to determine the appropriate terms and conditions for financing projects and programmes;

(f) to assist with the implementation of defined and approved projects or programmes on an agency basis where this is requested and the necessary funds are provided;

(g) to participate in or guarantee loans from outside parties for approved projects and programmes, provided the conditions of any such loan meet the criteria determined in terms of paragraph (e); and

(h) to co-operate with other countries in projects concerning the joint utilization of resources."

1.2 Auditing

The auditing was carried out in terms of Section 9(2) of the Development Fund of SWA/Namibia Act, 1987 (Act 29 of 1987).

2. FINANCIAL STATEMENTS

2.1 The statements of the Fund, as published in the report, are true reproductions of the originals signed by the Chairman and Vice-chairman of the Control Board. The statements, which were checked and are in accordance with the ledger, comprise of the following annexures:

Annexure A	-	Balance sheet
Annexure B	-	Income statement
Annexure C	-	Cash-flow statement
Annexure D	-	Notes to the financial statements
Annexure E	-	Development loans

3. SCOPE OF THE AUDIT

The Control Board of the Fund is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions. It is my responsibility to form an independent opinion, based on the audit, of those statements and on the regularity of the financial transactions included in them and to report my opinion to the National Assembly.

The audit as carried out by my Office, included:

(a) examination on a test basis of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements,

(b) assessment of the significant estimates and judgements made by the Control Board of the Fund in the preparation of the financial statements and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed, and

(c) evaluation of the overall adequacy of the presentation of information in the financial statements.

The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:

- the financial statements are free from material mis-statement, whether caused by error, fraud or other irregularity;
- in all material respect, the expenditure and income have been applied to the purposes intended; and
- the financial transactions conform to the authorities which govern them.

4. AUDIT OBSERVATIONS

4.1 Shadikongoro Irrigation Project

In terms of Cabinet decision 31/10.11.198/007 the Development Fund of Namibia has been requested to administer the funds of the Project. It has further been decided that the executing institution is the Ministry of Agriculture, Water and Rural Development. The project consists of 230 hectares of land under irrigation and 200 hectares for dry land crop farming. The objectives are to settle 18 farmers (ex-PLAN members) on irrigation plots approximately 10 hectares each and 18 local farmers on 10 hectare plots for dry land crop farming.

An initial grant of N$ 4 500 000 has been paid by the Government towards the project which is intended to become self supporting with this capital injection. No further grants are intended.

The Development Fund is responsible to transfer funds to an operational bank account upon recommendations of the Steering Committee as and when required. Disbursements made from this bank account are not subject to the control of the Development Fund but are audited separately by a private audit firm appointed by the Auditor General.

The financial statements of the project are attached in the following annexures:

Annexure F - Balance sheet
Annexure G - Income statement
Annexure H - Cash-flow statement
Annexure I - Notes to the financial statements

5. Lüderitz Waterfront Development Project

Cabinet authorised the Ministry of Finance to investigate financial options (decision no. 8th/08.04.97/001) for the above-mentioned project. The Control Board of the Development Fund agreed to administer the funds of the project.

The objectives of the project are to realize the potential of the Lüderitz Waterfront as a recreation and tourist destination and a social focus of activities for the town. A feasibility study carried out earlier concluded that such a development is viable on certain conditions.

The Government of Namibia initially transferred N$ 22 million to the Development Fund for the purpose of the project. The implementation body consists of a Steering Committee of six members of which the Permanent Secretary of Finance is the chairperson. The financial statements are attached in the following annexures:

Annexure J - Balance sheet
Annexure K - Income statement
Annexure L - Cash-flow statement
Annexure M - Notes to the financial statements

6. ACKNOWLEDGEMENT

I express my sincere thanks and appreciation to the staff of the Fund for their co-operation during the audit.

7. AUDIT OPINION

The accounts published in this report, which I am required to audit in terms of the Act, have been examined and I certify, as a result of my audit, that in my opinion the accounts and books of the Fund have been compiled according to standard accounting practices and are a fair reflection of the year's financial transactions and position of the Fund.

WINDHOEK, November 2002

DR FANUEL TJINGAETE
AUDITOR GENERAL

ANNEXURE A

DEVELOPMENT FUND OF NAMIBIA

BALANCE SHEET AT 31 MARCH 2001

	Notes	2001	2000
		N$	N$
CAPITAL EMPLOYED			
Development Fund	1	70 000 000	70 000 000
General Reserve	2	92 961 505	87 546 432
		162 961 505	**157 546 432**
EMPLOYMENT OF CAPITAL			
Land and buildings	3	3 977 504	3 556 504
Other assets	4	283 866	402 007
Investments	5	11 691 158	5 495 719
Loans	6	94 953 597	91 289 211
Net Current Assets		52 055 380	56 802 991
Current assets		56 729 505	60 082 481
Funds on call and deposit	5	54 560 023	58 272 795
Bank balance and cash		1 874 307	1 436 302
Accounts receivable	7	295 175	373 384
Less: Current liabilities		4 674 125	3 279 490
Accounts payable		88 949	80 077
Capitalised interest	8	4 585 176	3 199 413
		162 961 505	**157 546 432**

L.S. IPANGELWA
CHAIRMAN OF THE CONTROL BOARD
WINDHOEK

M. SHANJENGANGE
VICE-CHAIRPERSON

ANNEXURE B

DEVELOPMENT FUND OF NAMIBIA
INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

	Note	2001	2000
		N$	N$
REVENUE		**8 594 192**	**10 222 065**
Interest received	9	8 308 691	9 942 901
Administration fees		30 000	30 000
Bad debts recovered		4 000	–
Profit on disposal of fixed assets		101	20 484
Rent received		251 400	228 680
OPERATING COSTS		**6 679 119**	**5 352 777**
Advertising and marketing		114 754	223 772
Audit fees		27 000	20 000
Bad debts - Provision	10	2 725 989	288 113
Bank service charges		12 351	11 668
Building levies and maintenance		113 917	111 455
Donation		–	5 000
Computer software		2 028	45 386
Conferences and workshops		13 700	34 232
Control Board expenses		169 120	170 672
Depreciation		145 701	166 236
Entertainment		–	1 509
Housing subsidies		244 654	309 147
Insurance		65 983	50 672
Legal fees		127 560	87 823
Maintenance of equipment		19 283	18 045
Medical aid		131 413	127 065
Miscellaneous expenses		18 043	21 009
Motor vehicle expenses		47 663	74 221
Office equipment rent		36 896	44 302
Office rent		41 638	40 321
Pension Fund		208 317	198 148
Personnel recruitment		–	57 352
Postage and delivery		1 512	1 544
Printing		4 014	26 064
Professional fees		56 146	108 620
Project preparation costs		–	184 367
Salaries and wages		2 050 108	2 588 147
Secretarial fees		22 561	12 279
Social Security		4 008	4 446
Stationery		34 680	32 065
Subscriptions		24 411	20 581
Telephone		106 594	106 092
Travel and subsistence		109 075	162 424
NET INCOME FOR THE YEAR TRANSFERRED TO GENERAL RESERVE		**1 915 073**	**4 869 288**

ANNEXURE C

DEVELOPMENT FUND OF NAMIBIA

CASH-FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

	Notes	2001	2000
		N$	N$
CASH-FLOW FROM OPERATING ACTIVITIES			
Cash generated by operations	12	3 533 517	7 319 366
CASH-FLOW FROM INVESTING ACTIVITIES			
(Increase)/decrease in investments		(6 195 439)	(3 265 019)
(Increase)/decrease in loans advanced		(3 664 386)	(19 925 706)
Proceeds from disposal of assets		300	96 810
Acquisition of property		(421 000)	(287 160)
Acquisition of fixed assets		(27 759)	(119 960)
Net cash inflow from investing activities		(10 308 284)	(23 501 035)
CASH-FLOW FROM FINANCING ACTIVITIES			
Re-imbursement of ultra-vires expenditure		3 500 000	17 969 300
Net cash outflow from financing activities		3 500 000	17 969 300
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3 274 767)	1 473 941
Cash and cash equivalents at the beginning of the year	13	59 709 097	58 235 156
Cash and cash equivalents at the end of the year	13	**56 434 330**	**59 709 097**

ANNEXURE D

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies, which have been consistently applied in all material respects.

1.1 Fixed assets
Fixed assets are stated at historical cost to the Fund, less accumulated depreciation.

Depreciation is calculated on historical cost using the straight line method over the estimated useful lives of the assets. The recorded value of these depreciated assets is periodically compared to the anticipated recoverable amount if the assets were to be sold. Where an asset's recorded value has declined below the recoverable amount, and decline is expected to be of a permanent nature, the decline is recognised as an expense. To determine the recoverable amount expected future cash-flows are discounted to their present values.

Major improvements to buildings, computer equipment and plant and machinery are capitalised. Repairs and maintenance are expenses when incurred.

1.2 Investments
Investments are stated at cost less any provisions for permanent diminution in value.

1.3. Deferred taxation
No deferred taxation is provided for as the Fund is exempted from income taxation in terms of Act 29 of 1987.

1.4 Doubtful loans
Loans are stated after deduction of amounts, which, in the opinion of the members of the Control Board, are required as a specific and general provision. Specific provisions are made against identified doubtful loans. In addition a general provision is maintained to cover potential losses, which, although not specifically identified, may be present in the Fund's portfolio of loans. The aggregate provisions which are made during the year, less amounts released and recoveries of loans previously written off, are charged to the income statement.

Accrual of interest on a loan is suspended when a specific provision is made, or when, in other cases, its recovery is doubtful. Irrecoverable loans are written off when the extent of the loss has been confirmed.

1.4. Revenue
Revenue comprises interest earned on loans and grants from funding agencies other than the Government of the Republic of Namibia.

Certain agreements for development loans provide for a moratorium period in respect of the payment of interest. During this period, interest is capitalised and becomes payable together with the loan over the contract period. Interest so capitalised is transferred to income as interest received when it becomes due and payable. Interest charged outside the moratorium period is capitalised and transferred directly to the income statement.

ANNEXURE D

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001(continued)

		2001	**2000**
		N$	N$
1.	**DEVELOPMENT FUND**		
	Balance at 31 March 2001	**70 000 000**	**70 000 000**

The Development Fund consists of grants received from the Government of Namibia which do not constitute a liability.

		2001	**2000**
2.	**GENERAL RESERVE**		
	Opening balance 1 April 2000	87 546 432	64 707 844
	Re-imbursement of ultra-vires expenditure	3 500 000	17 969 300
	Plus: Net income of the Fund transferred	1 915 073	4 869 288
	Closing balance 31 March 2001	**92 961 505**	**87 546 432**
3.	**LAND & BUILDINGS**		
	Opening balance 1 April 2000	3 556 504	3 269 344
	Additions during the year	421 000	–
	Plus: Improvements	-	287 160
	Plus: Closing balance	**3 977 504**	**3 556 504**

ANNEXURE D

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001(continued)

4. FIXED ASSETS

Summary of fixed assets	**Cost**	**Accumulated depreciation**	**Net book value**
2001	N$	N$	N$
Motor vehicles	359 865	268 779	91 086
Furniture & equipment	259 610	136 175	123 435
Computer equipment	213 119	143 774	69 345
Total	**832 594**	**548 728**	**283 866**
2000			
Motor vehicles	359 865	200 887	158 978
Furniture & equipment	257 407	106 721	150 686
Computer equipment	236 286	143 943	92 343
Total	**853 558**	**451 551**	**402 007**

Movement of fixed assets	**Motor vehicles**	**Furniture & Equipment**	**Computer equipment**	**Total**
Cost	N$	N$	N$	N$
Balance as at 1 April 2000	359 865	257 407	236 286	853 558
Additions during the year	–	3 303	24 456	27 759
Disposals during the year	–	(1 100)	(47 623)	(48 723)
Balance as at 31 March 2001	359 865	259 610	213 119	832 594
Accumulated depreciation				
Balance as at 1 April 2000	200 887	106 721	143 943	451 551
Depreciation for the year	67 892	30 361	47 448	145 701
Disposals during the year		(907)	(47 617)	(48 524)
Balance as at 31 March 2001	268 779	136 175	143 774	548 728
Net Book Value				
Balance as at 1 April 2000	**158 978**	**150 686**	**92 343**	**402 007**
Balance as at 31 March 2001	**91 086**	**123 435**	**69 345**	**283 866**

ANNEXURE D

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001 (continued)

5. INVESTMENTS

	2001	2000
	N$	N$
5.1 Long term		
Namfair	11 491 158	5 295 719
Mineral marketing	200 000	200 000
	11 691 158	**5 495 719**
5.2 Short term		
Fixed deposits	53 228 551	51 436 924
Fuel deposits	1 919	2 332 445
Call accounts	1 329 553	3 942 582
Guarantee	–	558 425
Other deposits	–	2 419
	54 560 023	**58 272 795**
	66 251 181	**63 768 514**

6. LOANS

Summary of loans	Capital and Interest earned	Capitalised interest	Provision for doubtful debts	Total
	N$	N$	N$	N$
2001				
Development loans	79 617 282	4 585 176	(1 535 815)	82 666 643
SME loans	7 903 595	–	–	7 903 595
Other loans	883 359	–	–	883 359
Guarantee program	3 500 000	–	–	3 500 000
	91 904 236	**4 585 176**	**(1 535 815)**	**94 953 597**
			–	

Included in the SME loans are unknown payments to the amount of N$ 15 934.64.

Summary of loans	Capital and Interest earned	Capitalised interest	Provision for doubtful debts	Total
2000				
Development loans	75 408 990	3 199 413	(3 074 030)	75 534 373
SME loans	11 172 219	–	–	11 172 219
Other loans	1 082 619	–	–	1 082 619
Guarantee program	3 500 000	–	–	3 500 000
	91 163 828	**3 199 413**	**(3 074 030)**	**91 289 211**

Development loans are loans exceeding N$ 100 000 which are granted in the normal course of business. Interest rates payable on these loans range between 2% and 15%.

SME loans are loans less than N$ 100 000 which are granted in the normal course of business. Interest rates payable on these loans range between 4% and 15%.

ANNEXURE D

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001 (continued)

	2001	2000
	N$	N$
7. ACCOUNTS RECEIVABLE		
Accrued interest on investments	274 096	355 073
Sundry debtors	–	6 920
S&T advances	21 079	11 391
	295 175	**373 384**
8. CAPITALISED INTEREST		
Balance as at 1 April 2000	3 199 413	1 794 403
Interest capitalised	1 844 682	1 561 855
Interest written off	(173 615)	–
Interest transferred to Income Statement	(285 304)	(156 845)
Balance at 31 March 2001	**4 585 176**	**3 199 413**
9. REVENUE		
Interest received		
Investments, funds on call account and on deposit	4 922 917	7 455 003
Development loans	3 265 079	2 365 973
- Direct interest	2 979 775	2 209 128
- Transferred from capitalised interest	285 304	156 845
Other loans	120 694.63	121 925
	8 308 691	9 942 901
Administration fee	30 000	30 000
Profit on disposal of fixed assets	101	20 484
Bad debts recovered	4 000	
Rent received	251 400	228 680
	8 594 192	**10 222 065**
10. DOUBTFUL DEBT PROVISION		
Opening balance	3 074 030	2 911 887
Amounts written off	(4 264 204)	(125 970)
Charge to Income Statement	2 725 989	288 113
Closing balance	**1 535 815**	**3 074 030**
Analysis		
Specific provision	–	2 219 842
General provision	1 535 815	854 188
	1 535 815	**3 074 030**

ANNEXURE D

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001 (continued)

	2001	**2000**
	N$	N$

11. OPERATING COSTS

Operating costs are stated after taking the following into account:

Auditor's remuneration		
- Audit fees	27 000	20 000
Depreciation	145 701	166 236
Operating lease payments		
- Office equipment	36 896	44 301
- Land and buildings	41 638	34 647
	251 235	**265 184**

12. CASH GENERATED BY OPERATIONS

Net income for the year is reconciled to cash generated by operations as follows:

Net income for the year	1 915 073	4 869 288
Adjusted for:		
Depreciation	145 701	166 236
Profit on disposal of fixed assets	(101)	(20 484)
Capitalised interest	1 385 763	1 405 010
Working capital changes	87 081	585 626
Decrease/(increase) in accounts receivable	78 209	593 377
Increase/(decrease) in accounts payable	8 872	(7 751)
	3 533 517	**7 005 676**

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash-flow statement comprise the following balance sheet amounts:

Funds on call and on deposit	54 560 023	58 272 795
Bank balances and cash	1 874 307	1 436 302
	56 434 330	**59 709 097**

ANNEXURE D

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001 (continued)

	2001	**2000**
	N$	N$

14. CONTROL BOARD MEMBERS' EMOLUMENTS

Fees	91 500	123 771
Travelling & accommodation	77 620	46 901
	169 120	**170 672**

15. COMMITMENTS

Commitments in respect of projects loans:

Commitments in respect of loan agreements concluded but not fully disbursed	2 924 265	4 777 828
Commitments in respect of loan agreements approved by the Fund and still under consideration by the prospective borrowers	5 930 207	6 022 551
	8 854 472	**10 800 379**

16. LIABILITY FOR NORMAL INCOME TAX

No provision is made for income tax as the Development Fund is exempted therefrom in terms of Act 29 of 1987.

17. COMPARATIVE FIGURES

Comparative figures are restated where necessary to afford a proper comparison.

STATE OF LOANS **ANNEXURE E**

Development loans

The following statement reflects the state of loans in force as at 31 March 2001.

							Interest charged		Repayments	Balance on 31 March 2001	
Description	**Loans committed & approved**	**Interest rate**	**Period**	**Balance 1 April 2000**	**New loans**	**Loans written-off**	**Direct**	**Deferred**	**Capital**	**Capital**	**Deferred**
	N$	%		N$	N$	N$	N$	N$	N$	N$	N$
Bornit Scrap	20 000	4	5	7 039.03	-	6639.03	-	-	400.00	-	-
G O Honsbein	250 000	4	5	148 912.66	-	-	(5 797.84)	-	-	143 114.82	2 699.69
Goldcraft	300 000	4	5	325 072.17	-	325 072.17	-	-	-	-	-
Hospitality Training	150 000	4	5	85 318.30	-	-	2 761.00	-	(60 000.00)	28 079.30	-
Jumbo	232 000	4	5	205 231.52	-	-	7 876.61	-	(19 864.00)	193 244.13	-
Mineral Marketing	100 000	4	5	1 056 899.84	-	1 056 899.84	-	-	-	-	-
Namibia Meat	1 500 000	4	10	1 013 794.18	-	-	36 403.38	-	(180 140.34)	870 057.22	16 641.95
Omaheke Joinery	500 000	4	10	179 638.08	-	-		-	-	179 638.08	-
Bush Utlilisation	1 500 000	4	5	1 464 870.56	-	1 494 248.24	29 377.68	-	-	-	-
PSF Training	250 000	4	5	117 589.39	-	-	-	-	-	117 589.39	9 295.50
African Challenge	60 000	4	5	56 258.44	-	(56 258.44)	-	-	-	-	-
Sikenata M M	60 000	4	5	64 698.12	-	(64 698.12)	1 947.78	(1 947.78)	-	-	-
Pacific Best	635 000	4	5	716 914.26	-	(716 914.26)	-	-	-	-	-
Northern Protein Supplies	1 200 000	4	5	1 164 394.43	-	-	42 056.35	-	(79 207.91)	1 127 242.87	24 217.86
Namibia Bricks Enterprise	350 000	4	5	324 427.72	-	-	11 345.45	-	(86 292.24)	249 480.93	-
Rehoboth FSP	1 180 000	2	10	324 318.16	-	-	5 822.32	-	(60 558.16)	269 582.32	21 114.98
PSF Regional Centres	176 000	4	15	24 046.92	-	-	-	-	-	24 046.92	-
NHE	10 000 000	2	20	6 995 481.90	-	-	137 540.35	-	(613 767.86)	6 519 254.39	117 423.52
Fishcor	25 000 000	-	-	25 000 000.00	-	-	-	-	-	25 000 000.00	-
Oshihadila 1	2 500 000	prime -6	9	2 940 668.10	-	-	271 262.59	-	(368 643.11)	2 843 287.58	439 663.55
Oshihadila 2	2 500 000	prime -6	6	3 366 232.88	-	-	-	237 499.99	-	3 603 732.87	1 103 732.87
Reho-Line	457 000	15	5	441 133.11	-	441 133.11	-	-	-	-	-
Zenith Apoteka	270 000	15	5	171 613.54	-	-	21 045.41	-	(91 238.68)	101 420.27	-
Oshihadila 2	2 500 000	prime -6	6	3 366 232.88	-	-	-	237 499.99	-	3 603 732.87	1 103 732.87
Reho-Line	457 000	15	5	441 133.11	-	441 133.11	-	-	-	-	-
Zenith Apoteka	270 000	15	5	171 613.54	-	-	21 045.41	-	(91 238.68)	101 420.27	-
Reho Abattoir	2 000 000	10	10	1 445 775.16	-	-	123 217	-	(492 064.08)	1 076 928.72	-
Nothern Namibia Foam	445 000	prime -3	5	499 271.66	-	-	-	-	-	499 271.66	5 522.71
Bushmaster	275 000	prime -6	5	244 091.03	3 487.00	-	19 372.54	-	(110 095.46)	156 855.11	6 336.81
Chem Paints	223 236	prime -6	5	221 511.60	2 992.50	-	20 530.44	-	(37 991.08)	207 043.46	6 982.46
Ootanga Oil	150 000	prime -6	5	103 340.86	-	-	9 219.00	-	(30 200.00)	82 359.86	-

Description	Loans committed & approved	Interest rate	Period	Balance 1 April 2000	New loans	Loans written-off	Interest charged: Direct	Interest charged: Deferred	Repayments: Capital	Balance on 31 March 2001: Capital	Balance on 31 March 2001: Deferred
	N$	%		N$	N$	N$	N$	N$	N$	N$	N$
Namibia Arial Chemicals	466 535	prime -6	5	565 783.76	-	-	-	-	-	565 783.76	13 827.64
Naruseb Printers	165 000	prime -3	5	150 024.75	(27 609.30)		(2 620.07)	-	-	119 795.38	-
Meroro	270 000	prime -6	5	340 804.93	-	-	-	-	-	340 804.93	2 999.79
Late Success	132 206	prime -3	5	167 682.72	-	-	-	-	-	167 682.72	6 178.06
Omaheke Building CC	83 700	15	5	108 985.48	-	-	-	-	-	108 985.48	4 540.55
Rehoboth Distributors.	230 800	prime -3	5	299 361.65	-	-	-	-	-	299 361.65	13 023.86
Nam-Jet Services	190 000	prime -6	5	179 100.37	-	-	15 646.22	-	(34 120.00)	160 626.59	12 249.76
Nawatu Steel	502 935	prime -3	5	608 544.74	(450 000.00)	(158 544.74)	-	-	-	-	-
Oshakati Kookie Shop	362 135	prime -6	5	429 294.86	-	-	39 307.10	-	(90 068.00)	378 533.96	36 594.69
Oshana Tiffany Marble	2 000 000	prime -6	5	2 345 424.79	17 430.50	-	55 990.90	-	-	2 418 846.19	244 093.53
Gobabis Kookie Shop	279 458	prime- 6	5	313 467.81	(122 045.60)	(191 422.21)	-	-	-	-	-
Otjituuo Service Station	170 000	prime -6	5	176 990.28	-	-	15 590.39	-	(44 550.00)	148 030.67	-
SK Holdings	207 701	prime -3	5	219 181.67	-	-	25 819.57	-	(53 712.78)	191 288.46	10 684.85
Chembassy	100 000	prime -6	5	94 387.26	2 466.00	-	8 315.98	-	(25 758.29)	79 410.95	4 117.26
Northern Printers	553 426	prime -6	5	622 877.96	-	-	60 395.45	-	(34 000.00)	649 273.41	36 606.39
Ehafo Tust	871 700	prime -3	5	833 708.15	-	-	95 448.60	-	(177 083.52)	752 073.23	3 010.86
Namibia Security Services	1 123 900	prime -3	5	1 159 231.95	9 949.00	-	154 507.36	-	-	1 323 688.31	22 373.96
Transmillennium	871 000	prime -3	5	1 000 777.80	-	-	31 513.69	-	-15 843.1-	1 016 448.39	82 752.32
Rolltex Namibia	1 632 831	prime -3	5	1 638 842.72	-	-	87 689.47	-	(35 000)	1 691 532.19	45 055.93
Njangula Security Services	362 483	prime -6	5	408 522.61	-	-	18 342.61	-	(41 900.00)	384 965.22	10 096.97
Mubasen Enterprises	716 000	prime -6	5	413 290.17	-	-	35 432.96	-	(78 460.00)	370 263.13	-
Oshikuku Bakery	223 195	prime -6	5	225 970.03	12 274.17	-	5 892.41	17 029.13	(5 678.00)	255 487.74	25 282.67
Namprint (PTY) LTD	4 500 000	prime -3	10	4 996 505.03	36 535.50	-	631 313.15	-	(417 553.00)	5 246 800.68	255 816.26
Expo Studio	1 095 577	prime -3	5	1 037 125.18	-	-	121 613.19	-	(200 000.00)	958 738.37	47 737.39
Katutura Service Station	200 000	prime -3	2	132 539.22	-	-	10 184.08	-	(121 564.56)	21 158.74	-
Nawatu Steel	50 000	Prime	6 months	-53 584.15	-	(53 584.15)	-	-	-	-	-
New Age Company	187 142	prime -6	10	183 636.50	-	-	16 895.88	-	(36 364.00)	164 168.38	-
Cinema Paradiso	2 039 904	prime -6	5	1 397 943.20	351 252.00	-	36 404.96	163 770.95	(10 000.00)	1 939 371.11	260 442.25
Nation Press	264 750	prime -3	5	222 094.91	6 996.50	-	9 444.25	-	(800.00)	237 735.66	15 000.72
Windhoek Automotive	958 611	prime -3	5	1 055 074.74	9 998.75	-	139 479.01	-	(20 000.00)	1 184 552.50	75 113.82
K&A Invest	450 000	prime -3	1	-468 109.02	-	-	-	5 765.54	(473 874.56)	-	-
Omukumo Fishing	1 402 000	prime -3	10	1 343 293.74	-	-	100 624.81	65 690.45	(157 500.00)	1 352 109.00	147 524.19
Northern Namibia Foam	150 000	prime -3	2	159 976.58	-	-	-	-	-	159 976.58	-

Description	Loans committed & approved	Interest rate	Period	Balance 1 April 2000	New loans	Loans written-off	Interest charged		Repayments	Balance on 31 March 2001	
							Direct	Deferred	Capital	Capital	Deferred
	N$	%		N$	N$	N$	N$	N$	N$	N$	N$
Hasho Dry Cleaner	586 808.41	prime -3	5	300 806.45	-	-	32 409.16	5 991.54	(16 400.00)	322 807.15	19 805.91
MHI Music		prime -3	5	1 051 424.66	-	-	103 659.27	20 890.41	(184 506.00)	991 468.34	64 219.73
Namprint (PTY) LTD	230 579.75	prime -3	5	107 171.75	-	-	11 769.78	2 130.86	(3 253.00)	117 819.39	7 300.81
New Dimension	196 336.55	prime -3	5	75 111.47	49 000	-	6 790.51	1 907.29	-	132 809.27	2 932.21
Rolltex Namibia	368 773.30	prime -3	1	190 122.42	-	-	10 172.86	-	-	200 295.28	-
Kapya Block Making	479 975	prime -3	5	211 990.41	65 352.00	-	27 185.73	4 456.61	(53 400.00)	255 584.75	8 071.01
DS Shimwino	472 334.86	prime -3	5	472 334.86	158 200.00	-	40 761.77	33 377.15	-	704 673.78	42 681.01
Eco Fish Farms	2 389 476.95	prime -3	5	393 745.19	1 604 401.27	-	88 747.99	110 566.21	-	2 197 460.66	114 834.45
Tses Bakery	35 088	prime -3	5	25 492.22	-	-	2 484.48	530.88	(6 420.00)	22 087.58	-
Pandu Ondangwa	3 000 000	18	10	3 085 808.22	-	-	-	539 999.97	-	3 625 808.19	625 808.19
Namibia Burial Services	765 000	prime -3	5	428 169.58	288 226.87	-	44 657.72	39 311.92	(109 710.15)	690 655.94	-
Omaruru Dampf Backery	578 913	prime -3	5	202 480.76	381 786.95	-	26 156.27	22 178.19	(346 788.19)	285 813.98	14 422.66
Ongozi Lodge	400 000	prime -3	5	3 062.91	1 013.00	-	-	418.81	-	4 494.72	428.22
Chembassy 2	24 999.99			-	24 999.99	-	1 344.96	1 669.52	2 773.71	25 240.76	-
Versatiloe Prints	279 611.65			-	279 611.95	-	15 666.69	17 146.98	-	312 425.32	17 146.98
Tele 2	3 500 000.00			-	3 500 000.00	-	-	390 839.01	-	3 890 839.01	390 839.01
Aim Publications	749 032.00			-	749 032.00	-	23 020.40	46 763.64	(100 269.00)	718 547.04	41 810.21
BM Funeral	6 878.00			-	6 878.00	-	-	384.85	-	7 262.85	384.85
Elfratho Funeral	412 547.65			-	412 547.65	-	18 339.71	28 684.43	-	459 571.79	28 684.43
Katutura S/S 2	150 000.00			-	150 000.00	-	6 426.81	10 068.52	(16 559.98)	149 935.35	9 338.20
Oanib Tours	308 821.93			-	308 821.93	-	-	22 207.66	-	331 029.59	22 207.66
Dr.Nakashololo	250 000.00			-	250 000.00	-	2 720.69	12 519.46	(6 456.00)	258 784.15	6 063.46
Omaruru Dampf 2	20 078.00			-	20 078.00	-	1 452.66	-	-	21 530.66	-
Dr Gonteb-loan	107 071.24			-	107 071.24	-	-	6 000.29	(2 680.00)	110 391.53	3 320.29
Dr Gonteb Suspension	103 230.48			-	103 230.48	-	1 143.46	5 000.21	(2 708.24)	106 665.91	2 291.97
Marine-Vessel	64 130.16			-	624 130.16	-	38 951.23	-	-	663 081.39	-
Marine Diving	116 720.30			-	116 720.30	-	4 727.79	1 412.18	-	122 860.27	1 412.18
Marine W/C	67 116.25			-	67 116.25	-	3 521.97	297.40	-	70 935.62	297.40
Marine-Loan 4	33 524.48			-	33 524.48	-	954.85	-	-	34 479.33	-
Lancashire Steel	455 668.50			-	455 668.50	-	4 965.06	14 017.40	(3 113.00)	471 537.96	14 017.40
Monarch Car-Loan	295 489.53			-	295 489.53	-	3 218.70	7 690.83	-	306 399.06	7 690.83
Monarch Instalm.	400 000.00			-	400 000.00	-	4 357.10	10 410.97	-	414 768.07	10 410.97
De Wet Oosthuizen	122 045.60			-	122 045.60	-	5 064.98	-	(6 319.98)	120 790.60	-
Marine-Loan 5	71 990.00			-	71 990.00	-	1 889.55	-	-	73 879.55	-
	92 138 466.58			**78 608 403.25**	**10 500 662.87**	**(4 565 414.31)**	**2 979 774.82**	**1 844 681.47**	**(5 165 649.98)**	**84 202 458.12**	**4 585 175.66**

OTHER LOANS

Description	Balance 1 April 2000	Loans paid	Interest levied	Repayments	Balance 31 March 2001
	N$	N$	N$	N$	N$
H.Honeb	7 800			7 800	–
G.Kapolo(new)	–	5 845	–	–	5 845
United Africa*	1 074 819	–	120 695	318 000	877 514
TOTAL	**1 082 619**	**5 845**	**120 695**	**325 800**	**883 359**

* The loan of the Namundjebo family was taken over by United Africa.

ANNEXURE F

SHADIKONGORO IRRIGATION PROJECT

BALANCE SHEET AT 31 MARCH 2001

	Notes	2001	2000
		N$	N$
CAPITAL EMPLOYED			
Government grant	1	4 500 000	4 500 000
General reserve	2	(2 589 136)	(1 558 259)
		1 910 864	**2 941 741**
EMPLOYMENT OF CAPITAL			
Net current assets		1 910 864	2 941 741
Current assets			
Funds on call and on deposit		1 534 976	2 920 760
Bank balances and cash (Rundu acount)		375 888	-
Interest receivable		-	20 981
		1 910 864	**2 941 741**

ANNEXURE G

SHADIKONGORO IRRIGATION PROJECT
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

	2001	2000
	N$	N$
NET INCOME BEFORE TRANSFERS	**125 205**	**365 032**
REVENUE		
Interest received	165 788	476 362
OPERATING COST	40 583	111 330
Bank charges	219	574
Administration fee	30 000	30 000
Equipment rental	310	1 550
Salaries and wages	10 054	79 206
Transfers	1 156 082	2 048 847
Transfer to Rundu - previous year	1 000 000	500 000
Transfer to Rundu - current year	–	1 386 000
Tranfer to Farm Manager	156 082	162 847
NET INCOME/(LOSS) FOR THE YEAR	**(1 030 877)**	**(1 683 815)**

ANNEXURE H

SHADIKONGORO IRRIGATION PROJECT

CASH-FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

	Notes	2001	2000
			N$
CASH-FLOW FROM OPERATING ACTIVITIES			
Cash generated by operations	4	(1 009 896)	(1 681 742)
CASH-FLOW FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		–	–
CASH-FLOW FROM FINANCING ACTIVITIES			
Government grant received		4 500 000	4 500 000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1 009 896)	(1 681 742)
Cash and cash equivalents at the beginning of the year		2 920 760	4 602 502
Cash and cash equivalents at the end of the year	5	**1 910 864**	**2 920 760**

ANNEXURE I

SHADIKONGORO IRRIGATION PROJECT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

	2001	2000
	N$	N$

1. GOVERNMENT GRANT

Received from the Government of Namibia	**4 500 000**	**4 500 000**

This consists of a grant received from the Government of Namibia and does not constitute a liability.

2. GENERAL RESERVE

Opening balance 01 April 2000	(1 558 259)	125 556
Transfer from income statement	(1 030 877)	(1 683 815)
Closing balance	**(2 589 136)**	**(1 558 259)**

3. FIXED ASSETS

None

4. CASH GENERATED BY OPERATIONS

Net income for the year is reconciled to cash generated by operations as follows:

Net income/(loss) for the year	(1 030 877)	(1 683 815)
Adjusted for:		
Decrease/(increase) in accounts receivable	20 981	2 073
	(1 009 896)	**(1 681 742)**

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash-flow statement comprise the following balance sheet amounts:

Funds on call and on deposit	1 534 976	2 637 900
Bank balances and cash	375 888	282 861
	1 910 864	**2 920 761**

ANNEXURE J

LUDERITZ WATERFRONT

BALANCE SHEET AT 31 MARCH 2001

	Notes	2001	2000
		N$	N$
CAPITAL EMPLOYED			
Government grant	1	22 000 000	22 000 000
General Reserve	2	5 970 203	4 433 577
		27 970 203	**26 433 577**
EMPLOYMENT OF CAPITAL			
Beachfront preparations		5 768 377	712 861
Fixed assets	3	178 878	29 192
Net current assets		**22 022 948**	**25 691 524**
Current assets		22 356 925	26 496 017
Funds on call and deposit		21 769 766	26 367 879
Bank balance and cash		587 159	75 255
Accounts receivable		–	52 883
Less: Current liabilities		333 977	804 493
Accounts payable		333 977	804 493
		27 970 203	**26 433 577**

ANNEXURE K

LUDERITZ WATERFRONT

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

	Notes	2001	2000
		N$	N$
REVENUE		**2 230 275**	**2 817 767**
Interest income		2 215 626	2 807 532
Donations		–	10 235
Other income		14 649	–
OPERATING COSTS		**693 649**	**803 302**
Advertising		–	1 018
Bank charges		4 355	2 341
Computer charges		70	–
Depreciation		23 923	9 504
Entertainment		2 012	14 674
Fuel		2 542	–
Insurance		1 090	828
Legal fees		11 307	–
Membership fees		–	360
Municipal charges		921	–
Miscellaneous expenses		9 893	1 520
Office renovations		31 176	–
Office rent		–	46 550
Office expenses		5 776	–
Postage and delivery		404	468
Printing		5 329	–
Professional fees		171 444	393 284
Salaries and wages		199 140	147 580
Sitting fees-Steering Committee		76 300	40 270
Stationery		11 348	5 360
Vehicle repairs		403	–
Equipment rental		1 909	–
Telephone		12 184	7 673
Travel and accommodation		122 123	131 872
NET INCOME FOR THE YEAR		**1 536 626**	**2 014 465**

ANNEXURE L

LUDERITZ WATERFRONT

CASH-FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

	Notes	2001	2000
		N$	N$
CASH-FLOW FROM OPERATING ACTIVITIES			
Cash generated by operations	4	1 118 993	2 775 579
CASH-FLOW FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		(149 686)	(680)
Beachfront preparation		(5 055 516)	(712 861)
CASH-FLOW FROM FINANCING ACTIVITIES			
Government grant received		-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(4 086 209)	2 062 038
Cash and cash equivalents at beginning of the year		26 443 134	24 381 096
Cash and cash equivalents at end of the year	5	**22 356 925**	**26 443 134**

ANNEXURE M

LUDERITZ WATERFRONT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

	2001	2000
	N$	N$

1. GOVERNMENT GRANT

Received from the Government of Namibia	**22 000 000**	**22 000 000**

This consists of a grant received from the Government of Namibia and does not constitute a liability.

2. GENERAL RESERVE

Balance at 01 April 2000	4 433 577	2 419 112
Plus: Net income for the year	1 536 626	2 014 465
Balance at 31 March 2001	**5 970 203**	**4 433 577**

LUDERITZ WATERFRONT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001 (continued)

3. FIXED ASSETS

Summary of fixed assets	**Cost**	**Accumulated depreciation**	**Net book value**
2001	N$	N$	N$
Furniture & equipment	23 748	6 570	17 178
Motor vehicles	172 658	14 388	158 270
Computer equipment	20 565	17 135	3 430
Total	**216 971**	**38 093**	**178 878**
2000			
Furniture & equipment	22 797	3 889	18 908
Computer equipment	20 565	10 281	10 284
Total	**43 362**	**14 170**	**29 192**

Movement of fixed assets	**Motor vehicle**	**Furniture & equipment**	**Computer equipment**	**Total**
Cost	N$	N$	N$	N$
Balance at 1 April 2000	–	22 797	20 565	43 362
Additions during the year	172 658	951	–	173 609
Balance at 31 March 2001	**172 658**	**23 748**	**20 565**	**216 971**
Accumulated depreciation				
Balance at 1 April 2000	–	3 889	10 281	14 170
Charge for the year	14 388	2 681	6 854	23 923
Balance at 31 March 2001	**14 388**	**6 570**	**17 135**	**38 093**
Net Book Value				
Balance at 1 April 2000	–	18 908	10 284	29 192
Balance at 31 March 2001	**158 270**	**17 178**	**3 430**	**178 878**

LUDERITZ WATERFRONT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001 (continued)

4. CASH GENERATED BY OPERATIONS

	2001	**2000**
	N$	N$
Net income for the year is reconciled to cash generated by operations as follows:		
Net income for the year	1 536 626	2 014 465
Adjusted for: Depreciation	-	9 504
(Increase)/decrease in interest receivable	52 883	(52 883)
Increase/(decrease) in accounts payable	(470 516)	804 493
	1 118 993	**2 775 579**

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash-flow statement comprise the following balance sheet amounts:

Funds on call and on deposit	21 769 766	26 367 879
Bank balances and cash	587 159	75 255
	22 356 925	**26 443 134**

REPORT of the AUDITOR GENERAL
on the ACCOUNTS of the
SOCIO-ECONOMIC INTEGRATION FUND of NAMIBIA
for the year ended 31 March 2001

1. INTRODUCTION

1.1 Establishment

The Socio-economic Integration Fund (SIF) was established on 1 August 1995 per Cabinet decision No. 23/01/08/95/002, which resolved that the above-mentioned Fund be registered at a banking institution in terms of Article 5 of the Development Fund of SWA/Namibia Act, Act 29 of 1987 and be administered by the Development Fund of Namibia in terms of the said Act. The Control Board of the Development Fund should from time to time report to Cabinet on the accounts of the Socio-economic Integration Fund.

1.2 Objectives

The major objective of this Fund is the job and income creation for the unemployed ex-combatants to improve their standard of living through the granting of loans to enable them to establish small businesses. Feasible and financially viable projects should be submitted to the Committee of Deputy Ministers and the Honourable Minister of Higher Education, Vocational Training, Science and Technology who was appointed by Cabinet to co-ordinate all efforts to create employment opportunities for the ex-combatants. Projects then have to be forwarded to the Development Fund for appraisal and recommendations may only be disbursed after approval by Cabinet. Interested parties are also encouraged to contribute to the Socio-economic Integration Fund.

2 FINANCIAL STATEMENTS

2.1 The statements of the Fund, published in the report as Annexures A and B are true reproductions of the originals signed by the Chairman of the Control Board of the Development Fund of Namibia. They were checked and found to be in accordance with the ledger.

2.2 Figures in the financial statements and in the report are rounded off to the nearest Namibian Dollar.

3. ABOLISHMENT OF THE FUND

The funds available in the accounts of S.I.F. were transferred to S.I.PE. on request of the National Planning Commission.

4. ACKNOWLEDGEMENT

I express my sincere thanks and appreciation to the staff of the Fund for their co-operation during the audit.

WINDHOEK, November 2002

DR FANUEL TJINGAETE
AUDITOR GENERAL

ANNEXURE A

SOCIO-ECONOMIC INTEGRATION FUND

BALANCE SHEET AT 31 March

	2001	2000
CAPITAL EMPLOYED		
Accumulated surplus	**–**	**14 585**
EMPLOYMENT OF CAPITAL		
Investments		14 585
Bank account	–	–
	–	**14 585**

L.S. IPANGELWA
CHAIRMAN OF THE CONTROL BOARD
WINDHOEK

ANNEXURE B

SOCIO-ECONOMIC INTEGRATION FUND

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

	2001	2000
	N$	N$
INCOME	–	**887**
Interest	423	887
EXPENDITURE	–	–
Transfer to S.I.P.E	15 008	
Professional fees-DBC Subsidiaries	–	–
Bank charges	–	–
NET (DEFICIT)/SURPLUS	**(14 585)**	**887**
Accumulated surplus - at the beginning of the year	**14 585**	**13 698**
Accumulated surplus at the end of the year	–	**14 585**