Republic of Namibia

REPORT of the AUDITOR-GENERAL on the ACCOUNTS of the DEVELOPMENT FUND of NAMIBIA for the financial year ended 31 MARCH 2002

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. 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	-	Statement of changes in equity
Annexure D	-	Cash-flow statement
Annexure E	-	Notes to the financial statements
Annexure F	-	Development loans
Annexure G	-	Detailed Income Statement
Annexure H	-	Accounting Policies
Annexure I	-	Control Board's report

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 the responsibility of the Auditor-General 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 his opinion to the National Assembly.

The audit as carried out by the Office of the Auditor-General, 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 J - Balance sheet
Annexure K - Income statement
Annexure L - Cash-flow statement
Annexure M - Notes to the financial statements

4.2 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 N - Balance sheet
Annexure O - Income statement
Annexure P - Cash-flow statement
Annexure Q - Notes to the financial statements

4.3 Caprivi sugar project

The Development Fund of Namibia was requested to receive and administer the funds of the Caprivi Sugar Project in February 2001 by the Ministry of Agriculture, Water and Rural Development. The amount involved is N$ 600 000. The Fund's responsibility is to make regular payments to the consultants working on the project. These payments are made by the Fund on instruction and certification of the Ministry of Agriculture, Water and Rural Development.

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

Annexure R	-	Balance sheet
Annexure S	-	Income statement
Annexure T	-	Cash flow statement
Annexure U	-	Notes to the financial statements

5. ACKNOWLEDGEMENT

The co-operation and assistance of the management and staff of the Fund during the audit is appreciated.

6. 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, May 2004

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

DEVELOPMENT FUND OF NAMIBIA

BALANCE SHEET AT 31 MARCH 2002

	Notes	2002	2001
		N$	N$
ASSETS			
Non-current assets		**101 638 679**	**110 906 125**
Property, plant & equipment	5	3 738 727	4 261 370
Investments	6	11 686 009	11 691 158
Loans and advances	7	86 213 943	94 953 597
Current assets		**96 633 666**	**56 729 505**
Funds on call and on deposit		94 422 069	54 560 023
Accounts receivable		1 084 387	295 175
Bank balances and cash		1 127 210	1 874 307
Total assets		**198 272 345**	**167 635 630**
EQUITY AND LIABILITIES			
Capital and reserves		**193 182 785**	**162 961 505**
Development Fund	8	70 000 000	70 000 000
General Reserve	9	123 182 785	92 961 505
Current liabilities		**5 089 560**	**4 674 125**
Accounts payable		66 706	88 949
Capitalised interest	10	5 022 854	4 585 176
Total equity and liabilities		**198 272 345**	**167 635 630**

L.S. IPANGELWA
CHAIRMAN OF THE CONTROL BOARD
WINDHOEK

M. SHANJENGANGE
VICE-CHAIRMAN

ANNEXURE B

DEVELOPMENT FUND OF NAMIBIA

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	Notes	2002	2001
		N$	N$
Interest income	1	10 713 545	8 308 691
Non-interest income	2	869 836	285 501
Total income		11 583 381	8 594 192
Doubtful debt provision	3	(12 437 654)	(2 725 989)
Net income/(loss)		(854 273)	5 868 203
Expenses	4	(5 455 147)	(3 953 130)
RETAINED INCOME/(LOSS) FOR THE YEAR		**(6 309 420)**	**1 915 073**

ANNEXURE C

DEVELOPMENT FUND OF NAMIBIA

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	Notes	Retained Income	General Reserve	Development Fund
		N$	N$	N$
Balance at 1 April 2000		-	87 546 432	70 000 000
Refund of ultra vires expenditure			3 500 000	-
Retained income for the year		1 915 073	-	-
Transfer to General Reserve		(1 915 073)	1 915 073	-
Balance at 31 March 2001	8 &9	-	92 961 505	70 000 000
Retained loss for the year		(6 309 420)	-	-
Transfer from General Reserve		6 309 420	(6 309 420)	-
Refund of ultra vires expenditure		-	36 530 700	-
Balance at 31 March 2002	8 & 9	**-**	**123 182 785**	**70 000 000**

ANNEXURE D

DEVELOPMENT FUND OF NAMIBIA

CASH-FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	Notes	2002	2001
		N$	N$
CASH FLOWS FROM OPERATING ACTIVITIES		(6 752 526)	3 533 517
Cash received from customers		12 372 593	8 515 983
Cash paid to customers and employees		19 125 119	4 982 466
Cash generated by operations	11	(6 752 526)	3 533 517
CASH FLOWS FROM INVESTING ACTIVITIES		9 336 776	(10 308 284)
Increase in investments		5 149	(6 195 439)
Increase in loans advanced		8 739 654	(3 664 386)
Proceeds from disposal of assets		611 351	300
Acquisition of property		-	(421 000)
Acquisition of other property, plant and equipment		(19 378)	(27 759)
CASH FLOWS FROM FINANCING ACTIVITIES		36 530 700	3 500 000
Re-imbursement of ultra-vires expenditure		36 530 700	3 500 000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		39 114 950	(3 274 767)
Cash and cash equivalents at the beginning of the year	12	56 434 330	59 709 097
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	**95 549 280**	**56 434 330**

ANNEXURE E

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	2002	2001
	N$	N$
1. INTEREST INCOME		
Investments, funds on call and on deposit	7 242 026	4 922 917
Development loans	3 385 355	3 265 079
- Direct interest	2 574 892	2 979 775
- Transferred from capitalised interest	810 463	285 304
Other loans	86 164	120 695
	10 713 545	**8 308 691**
2. NON-INTEREST INCOME		
Administration fees	-	30 000
Bad debts recovered	401 445	4 000
Profit on disposal of property, plant and equipment	190 351	101
Rent received	278 040	251 400
	869 836	**285 501**
3. DOUBTFUL DEBT PROVISION		
Balance at the beginning of the year	1 535 815	3 074 030
Amounts written off	-	(4 264 204)
Charge to income statement	12 437 654	2 725 989
Balance at the end of the year	13 973 469	1 535 815
Analysis		
Specific provision	13 219 868	-
General provision	753 601	1 535 815
	13 973 469	**1 535 815**

ANNEXURE E

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002 (continued)

	2002	2001
	N$	N$
4. OPERATING EXPENDITURE		
Operating costs are stated after taking the following into account:		
Auditors' remuneration		
- Audit fees	-	27 000
Depreciation	121 022	145 701
Directors' remuneration:		
- Fees for services as directors	55 080	91 500
- Expenses	39 330	77 620
Operating lease charges		
- Office equipment	41 622	36 896
- Land and buildings	15 943	41 638
Staff costs	3 168 245	2 638 500
Other expenses	2 013 905	894 275
	5 455 147	**3 953 130**

ANNEXURE E

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002 (continued)

5. PROPERTY, PLANT & EQUIPMENT

Summary of Property, plant & equipment	**Cost**	**Accumulated depreciation**	**Net book value**
2002	N$	N$	N$
Land and buildings	3 556 504	-	3 556 504
Motor vehicles	359 865	316 266	43 599
Furniture & equipment	256 751	161 422	95 329
Computer equipment	232 497	189 202	43 295
	405 617	666 890	3 738 727
2001			
Land and buildings	3 977 504	-	3 977 504
Motor vehicles	359 865	268 779	91 086
Furniture & equipment	259 611	136 175	123 436
Computer equipment	213 119	143 774	69 345
	4 810 099	548 728	4 261 371

Movement in property, plant & equipment	**Land and buildings**	**Motor vehicles**	**Furniture & equipment**	**Computer equipment**	**Total**
	N$	N$	N$	N$	N$
Cost					
Balance as at 1 April 2001	3 977 504	359 865	259 611	213 119	4 810 099
Additions during the year	-	-	-	19 378	19 378
Disposals during the year	(421 000)	-	(2 860)	-	(423 860)
Balance as at 31 March 2002	3 556 504	359 865	256 751	232 497	4 405 617
Accumulated depreciation					
Balance as at 1 April 2001	-	268 779	136 175	143 774	548 728
Additions during the year	-	47 487	28 107	45 428	121 022
Disposals during the year	-	-	(2 860)	-	(2 860)
Balance as at 31 March 2002	-	316 266	161 422	189 202	666 890
Net book value					
Balance as at 1 April 2001	3 977 504	91 086	123 435	69 345	4 261 370
Balance as at 31 March 2002	**3 556 504**	**43 599**	**95 329**	**43 295**	**3 738 727**

ANNEXURE E

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002 (continued)

	2002 Shares at cost N$	2001 Shares at cost N$
6. INVESTMENTS		
Unlisted		
Namfair	11 486 009	11 491 158
Mineral marketing	200 000	200 000
	11 686 009	**11 691 158**
Directors' valuation	**11 686 009**	**11 691 158**

7. LOANS & ADVANCES

Summary of loans	**Capital and earned interest**	**Capitalised interest**	**Provision for doubtful debts**	**Total**
2002	N$	N$	N$	N$
Development loans	84 478 831	5 022 853	(13 973 469)	75 528 215
SME loans	6 531 205	-	-	6 531 205
Other loans	654 523	-	-	654 523
Guarantee program	3 500 000	-	-	3 500 000
Total	95 164 559	5 022 853	(13 973 469)	86 213 943
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
Total	91 904 236	4 585 176	(1 535 815)	94 953 597

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 of 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 E

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002 (continued)

7. LOANS & ADVANCES (CONTINUED)

Movement in loans	Development loans	SME loans	Other loans	Guarantee program	Total
	N$	N$	N$	N$	N$
Capital and earned interest					
Balance as at 1 April 2001	84 202 458	7 903 595	883 359	3 500 000	96 489 412
Loans advanced	9 459 725	-	-	-	9 459 725
Direct interest charged	2 574 892	-	86 164	311 308	2 972 364
Interest capitalised	1 248 141	-	-	-	1 248 141
Interest written off	-	-	-	-	-
Loans written off	-	-	-	-	-
Loans transferred	-	-	-	-	-
Loans repaid	(7 983 532)	(1 372 390)	(315 000)	(311 308)	(9 982 230)
Balance as at 31 March 2002	89 501 684	6 531 205	654 523	3 500 000	100 187 412
Capitalised interest					
Balance as at 1 April 2001	4 585 175	-	-	-	4 585 175
Interest capitalised	1 248 141	-	-	-	1 248 141
Interest transferred to income statement	(810 463)	-	-	-	(810 463)
Interest written off	-	-	-	-	-
Balance as at 31 March 2002	5 022 853	-	-	-	5 022 853
Provision for doubtful debts					
Balance as at 1 April 2001	(1 535 815)	-	-	-	(1 535 815)
Provisions raised	(12 437 654)	-	-	-	(12 437 654)
Provisions released	-	-	-	-	-
Balance as at 31 March 2002	(13 973 469)	-	-	-	(13 973 469)
Totals					
Balance as at 1 April 2001	82 666 643	7 903 595	883 359	3 500 000	94 953 597
Balance as at 31 March 2002	75 528 215	6 531 205	654 523	3 500 000	86 213 943

ANNEXURE E

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002 (continued)

	2002	2001
	N$	N$
7. LOANS & ADVANCES (CONTINUED)		
Sector analysis		
Tourism	14 582 283	11 812 203
Manufacturing and commerce	33 346 104	34 464 622
Individuals	2 044 102	1 514 307
Other services	50 214 923	48 698 280
	100 187 412	**96 489 412**
Maturity analysis		
Maturing within 1 year	12 225 774	18 179 423
Maturing after 1 year but within 5 years	56 599 450	47 712 985
Maturing after 5 years	31 362 188	30 597 004
	100 187 412	**96 489 412**
The maturity analysis is based on the remaining years to maturity from the balance sheet date.		
8. DEVELOPMENT FUND		
Balance at the end of the year	**70 000 000**	**70 000 000**
The Development Fund consists of grants received from the Government of Namibia, and does not constitute a liability.		
9. GENERAL RESERVE		
Balance at the beginning of the year	92 961 505	87 546 432
Re-imbursement of ultra-vires expenditure	36 530 700	3 500 000
Transfer from income statement	(6 309 420)	1 915 073
Balance at end of year	**123 182 785**	**92 961 505**
10. CAPITALISED INTEREST		
Balance as at 1 April 2001	4 585 176	3 199 413
Interest capitalized	1 248 141	1 844 682
Interest written off	-	(173 615)
Interest transferred to income statement	(810 463)	(285 304)
Balance as at 31 March 2002	**5 022 854**	**4 585 176**

ANNEXURE E

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002 (continued)

	2002	2001
	N$	N$
11. CASH GENERATED BY OPERATIONS		
Net income for the year is reconciled to cash generated by operations as follows:		
Net income for the year	(6 309 420)	1 915 073
Adjusted for:		
Depreciation	121 022	145 701
Profit on disposal of fixed assets	(190 351)	(101)
Capitalised interest	437 678	1 385 763
Working capital changes	(811 455)	87 081
Decrease/(increase) in accounts receivable	(789 212)	78 209
(Decrease)/increase in accounts payable	(22 243)	8 872
Cash generated by operations	**(6 752 526)**	**3 533 517**
12. 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	94 422 069	54 560 023
Bank balances and cash	1 127 210	1 874 307
	95 549 279	**56 434 330**
13. COMMITTMENTS		
Commitments in respect of project loans:		
Commitments in respect of loan agreements concluded but not fully disbursed	1 707 629	2 924 265
Commitments in respect of loan agreements approved by the Fund and still under consideration by the prospective borrowers	-	**5 930 207**
Total commitments	**1 707 629**	**8 854 472**

ANNEXURE E

DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002 (continued)

14. TAXATION

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

15. COMPARATIVE FIGURES

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

ANNEXURE F

STATE OF LOANS
Development loans

The following statement reflects the state of development loans in force as at 31 March 2002

Loan	Balance as at 31/03/2001	New loans	Transferred or written off	Direct interest	Deferred interest	Repayments	Balance as at 31/03/2002	Amount last paid	Date of last payment	Deferred interest
	N$	N$	N$	N$	N$	N$	N$	N$	N$	N$
G O Honsbein	143 114.82	-	-	-	-	-	143 114.82	25 000.00	1-Jul-98	2 699.69
Hospitality Centre	28 079.30	-	-	205.27	-	(28 284.57)	-	23 784.57	5-Jun-01	-
Jumbo Charcoal	193 244.13	-	-	7 300.00	-	(27 254.00)	173 290.13	2 274.00	15-Mar-02	-
Namibia Meat	870 057.22	-	-	31 270.81	-	(180 140.34)	721 187.69	90 070.17	4-Feb-02	-
Omaheke Joinery	179 638.08	-	-	6 048.04	-	(33 100.00)	152 586.12	6 620.00	1-Mar-02	-
PSF Training	117 589.39	-	-	-	-	-	117 589.39	13 897.51	30-Mar-98	9 295.50
Northern Protein	1 127 242.87	-	-	3 706.00	-	(61 434.68)	1 069 514.19	61 434.68	20-Sep-01	-
Namibia Bricks	249 480.93	-	-	1 670.55	-	-	251 151.48	7 191.02	2-Mar-01	-
Rehoboth FSP	269 582.32	-	-	4 554.79	-	(60 558.16)	213 578.95	30 279.08	11-Oct-01	-
PSF Regional Centre	24 046.92	-	-	-	-	(13 846.63)	10 200.29	13 846.63	30-May-01	
N H E	6 519 254.39	-	-	127 968.17	-	(306 883.93)	6 340 338.63	306 883.93	30-Sep-01	-
Fishcor	25 000 000.00	-	-	-	-	(3 469 300.00)	21 530 700.00	-		-
Oshihadila(Nest) 1	2 843 287.58	-	-	130 329.38	-	-	2 973 616.96	10 000.00	28-Feb-01	439 663.55
Oshihadila(Nest) 2	3 603 732.87	-	-	-	112 465.76	-	3 716 198.63	-		1 216 198.63
Zenith Apoteka	101 420.27	-	-	9 615.59	-	(84 220.32)	26 815.54	7 018.36	1-Mar-02	-
Reho Abattoir	1 076 928.72	-	-	102 692.88	-	(302 692.88)	876 928.72	148 846.44	1-Mar-02	-
Northern Foam	499 271.66	-	-	-	-	-	499 271.66	11 931.76	1-Apr-99	5 522.71
BushMaster	156 855.11	-	-	10 905.40	-	(74 759.02)	93 001.49	15 000.00	6-Feb-02	-
Chem Paints	207 043.46	-	-	16 824.22	-	(46 963.63)	176 904.05	5 000.00	13-Feb-02	-
Ootanga Oil	82 359.86	-	-	6 402.64	-	(26 100.00)	62 662.50	10 000.00	12-Feb-02	-
Nam. Aerial Chem.	565 783.76	-	-	-	-	(420.00)	565 363.76	420.00	10-Sep-01	13 407.64
Naruseb Print	119 795.38	-	-	-	-	-	119 795.38	-		-

Loan	Balance as at 31/03/2001	New loans	Transferred or written off	Direct interest	Deferred interest	Repayments	Balance as at 31/03/2002	Amount last paid	Date of last payment	Deferred interest
	N$	N$	N$	N$	N$	N$	N$	N$	N$	N$
Meroro Bricks	340 804.93	-	-	-	-	-	340 804.93			2 999.79
Late Success	167 682.72	-	-	-	-	-	167 682.72	3 443.74	11-Jan-99	6 178.06
Omaheke Building	108 985.48	-	-	-	-	(1 000.00)	107 985.48	1 000.00	7-May-01	3 540.55
Rehoboth Distrub.	299 361.65	-	-	-	-	-	299 361.65	5 570.00	9-Nov-98	13 023.86
Nam-Jet Services	160 626.59	-	-	11 384.40	-	(66 240.00)	105 770.99	5 520.00	6-Mar-02	-
Master Kookie	378 533.96	-	-	31 349.46	-	(75 751.36)	334 132.06	10 000.00	11-Mar-02	-
Oshana Tiffany	2 418 846.19	-	-	-	-	-	2 418 846.19			244 093.53
Otjituuo Service S.	148 030.67	-	-	10 803.19	-	(58 300.00)	100 533.86	4 500.00	25-Mar-02	
SK Holdings	191 288.46	-	-	19 901.12	-	(58 595.76)	152 593.82	4 882.98	7-Mar-02	-
Chembassy	79 410.95	-	-	5 838.01	-	(28 000.00)	57 248.96	3 000.00	25-Mar-02	-
Northern Printers	649 273.41	1 708.17	-	54 255.04	-	(88 500.00)	616 736.62	15 000.00	24-Jan-02	11 606.39
Ehafo Trust	752 073.23	-	-	44 639.98	-	(44 270.88)	752 442.33	44 270.88	8-Jun-01	3 010.86
Namibia Security	1 323 688.31	-	-	13 599.54	-	-	1 337 287.85			22 373.96
Transmillennium	1 016 448.39	-	-	-	-	(3 540.00)	1 012 908.39	1 770.00	27-Feb-02	79 212.32
Rolltex	1 691 532.19	-	-	-	-	(70 000.00)	1 621 532.19	10 000.00	28-Feb-02	-
Njangula Security	384 965.22	-	-	32 711.33	-	(43 000.54)	374 676.01	20 000.00	4-Feb-02	-
Mubasen	370 263.13	4 640.25	-	28 599.85	-	(141 840.00)	261 663.23	14 230.00	5-Mar-02	
Oshikuku Bakery	255 487.74	-	-	14 650.21	-	(16 256.00)	253 881.95	2 000.00	13-Mar-02	18 770.42
Namib Graphics	5 246 800.68	-	-	396 253.84	-	(541 556.66)	5 101 497.86	82 860.00	19-Sep-01	255 816.26
Expo Studio	958 738.37	-	-	75 081.32	-	(185 280.38)	848 539.31	74 162.50	5-Nov-01	-
Katutura S/Station	21 158.74	-	-	220.97	-	(21 379.71)	-	10 328.38	16-May-01	
New Age Company	164 168.38	-	-	13 505.29	-	(29 937.00)	147 736.67	4 479.00	1-Feb-02	
Cinema Paradiso	1 939 371.11	-	-	119 175.42	-	(10 000.00)	2 048 546.53	10 000.00	2-Aug-01	260 442.25
Nation Press	237 735.66	-	-	12 339.81	-	(27 903.81)	222 171.66	3 479.06	27-Feb-02	-
Whk Automotive	1 184 552.50	-	-	74 978.25	-	(135 000.00)	1 124 530.75	15 000.00	18-Feb-02	-

(continued)

Loan	Balance as at 31/03/2001	New loans	Transferred or written off	Direct interest	Deferred interest	Repayments	Balance as at 31/03/2002	Amount last paid	Date of last payment	Deferred interest
	N$	N$	N$	N$	N$	N$	N$	N$	N$	N$
Omukumo Fishing	1 352 109.00	24 603.62	-	83 853.43	-	-	1 460 566.05	45 000.00	26-Mar-01	147 524.19
Northern Foam 2	159 976.58	-	-	-	-	-	159 976.58			
Hasho Dry Cleaner	322 807.15	-	-	19 140.00	-	(25 000.00)	316 947.15	3 500.00	10-Jan-02	12 305.91
MHI Music	991 468.34	-	-	61 023.37	-	-	1 052 491.71	26 358.00	12-Dec-00	64 219.73
Namib Graphics 2	117 819.39	-	-	7 554.73	-	(32 530.00)	92 844.12	3 253.00	19-Sep-01	
New Dimension	132 809.27	-	-	-	-	-	132 809.27			2 932.21
Rolltex 2	200 295.28	-	-	-	-	-	200 295.28			
Kapya Block	255 584.75	-	-	27 297.75	-	(64 080.00)	218 802.50	5 340.00	4-Mar-02	-
DS Shimwino	704 673.78	-	-	7 239.80	-	-	711 913.58			42 681.01
Eco Fish Farms	2 197 460.66	-	-	238 396.60	-	(295 960.05)	2 139 897.21	59 192.01	5-Mar-02	-
Tses Bakery	22 087.58	-	-	2 226.16	-	(6 435.00)	17 878.74	715.00	18-Feb-02	
Pandu Hotel	3 625 808.19	-	-	49 358.03	314 198.66	-	3 989 364.88			940 006.85
Namibia Burial	690 655.94	49 100.00	-	75 986.54	-	(192 954.20)	622 788.28	2 250.00	11-Mar-02	
Omaruru Dampf	285 813.98	303 687.00	-	68 533.50	-	(45 300.00)	612 734.48	7 000.00	9-Nov-01	-
Ongozi Lodge	4 494.72	395 933.17	-	16 271.35	23 730.32	-	440 429.56			24 158.54
Chembassy 2	25 240.76	-	-	2 388.65	-	(12 000.00)	15 629.41	2 000.00	25-Mar-02	
Versatile Prints	312 425.32	-	-	5 921.01	-	(40 000.00)	278 346.33	5 000.00	28-Mar-02	-
Tele 2	3 890 839.01	285 862.50	-	86 105.57	356 558.30	(96 321.00)	4 523 044.38	96 321.00	19-Mar-02	691 937.75
Aim Publications	718 547.04	-	-	63 905.49	-	(401 076.00)	381 376.53	33 423.00	6-Mar-02	-
BM Funeral	7 262.85	881 396.54	-	-	42 204.53	-	930 863.92			42 589.38
Elfratho Funeral	459 571.79	5 900.00	-	56 437.51	-	(54 000.00)	467 909.30	27 000.00	14-Mar-02	-
Katutura S/S 2	149 935.35	-	-	15 293.43	-	(50 402.93)	114 825.85	4 140.00	1-Mar-02	-
Oanib Tours	331 029.59	381 355.09	-	-	52 687.95	-	765 072.63			74 895.61
Dr Nakashololo	258 784.15	-	-	26 726.67	-	(83 928.00)	201 582.82	6 456.00	28-Mar-02	-
Omaruru Dampf 2	21 530.66	-	-	1 582.25	-	(15 000.00)	8 112.91	3 000.00	9-Nov-01	
Dr Gonteb - Loan	110 391.53	38 052.45	-	15 476.27	-	(14 930.00)	148 990.25	3 500.00	17-Sep-01	-
Dr Gonteb - Suspen.	106 665.91	-	-	11 816.63	-	(14 958.24)	103 524.30	3 500.00	17-Sep-01	-

(continued)

Loan	Balance as at 31/03/2001	New loans	Transferred or written off	Direct interest	Deferred interest	Repayments	Balance as at 31/03/2002	Amount last paid	Date of last payment	Deferred interest
	N$	N$	N$	N$	N$	N$	N$	N$	N$	N$
Marine - Vessel	663 081.39	-	-	34 220.72	-	-	697 302.11			
Marine - Diving	122 860.27	-	-	6 340.66	-	-	129 200.93			1 412.18
Marine - W/C	70 935.62	-	-	3 660.90	-	-	74 596.52			297.40
Marine - Loan 4	34 479.33	-	-	1 779.44	-	-	36 258.77			
Lancashire Steel	471 537.96	-	-	28 516.72	-	(10 479.00)	489 575.68	10 479.00	8-May-01	13 348.03
Monarch Car - Loan	306 399.06	-	-	19 968.43	-	(115 000.00)	211 367.49	30 000.00	28-Sep-01	-
Monarch - Instalm.	414 768.07	-	-	33 659.76	-	-	448 427.83			10 410.97
De Wet Oosthuizen	120 790.60	-	-	12 267.81	-	(47 399.85)	85 658.56	3 159.99	4-Mar-02	
Marine - Loan 5	73 879.55	-	-	3 812.83	-	-	77 692.38			
Otjipiro Waterberg	-	1 352 657.88	-	53 993.97	54 945.61	-	1 461 597.46			54 945.61
PowerForAfrica	-	2 237 964.45	-	-	125 609.67	(3 467.72)	2 360 106.40			125 591.95
Nopasika Electronics	-	2 000 000.00	-		147 068.48		2 147 068.48			147 068.48
AIKE Developm.	-	130 512.34	-	15 355.61			145 867.95			
Otjipiro Lodge 2		630 000.00	-		10 478.16		640 478.16			10 478.16
Gerlynn Properties	-	736 351.40	-	-	8 193.41	-	744 544.81			8 193.41
TOTALS	**84 202 458.12**	**9 459 724.86**	**-**	**2 574 892.36**	**1 248 140.85**	**(7 983 532.25)**	**-89 501 683.94**			**5 022 853.34**
United Africa	877 514.03	-	-	86 163.90	-	(315 000.00)	648 677.93	45 000.00	28-Feb-02	

ANNEXURE G

DEVELOPMENT FUND OF NAMIBIA

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2002

	2002	2001
	N$	N$
REVENUE		
Interest income	10 713 545	8 308 691
Administration fees	-	30 000
Bad debts recovered	401 444	4 000
Profit on the disposal of fixed assets	190 351	101
Rent received	278 040	251 400
Total revenue	**11 583 380**	**8 594 192**
OPERATING COSTS		
Advertising and marketing	17 842	114 754
Audit fees	-	27 000
Bad debts	12 437 654	2 725 989
Bank service charges	13 640	12 351
Building levies and maintenance	126 752	113 917
Donations	2 000	-
Computer software	3 522	2 028
Conferences and workshops	4 670	13 700
Control Board expenses - Fees	55 080	91 500
Control Board expenses - Travelling	39 330	77 620
Depreciation	121 022	145 701
Entertainment	660	-
Housing subsidies	213 858	244 654
Insurance	64 980	65 983
Legal fees	140 160	127 560
Maintenance of equipment	11 188	19 283
Medical aid	134 733	131 413
Miscellaneous expenses	23 499	18 043
Motor vehicle expenses	43 386	47 663
Namibia Development Bank expenses	1 138 468	-
Office equipment rent	41 622	36 896
Office rent, parking & storage space	15 943	41 638
Pension fund	196 709	208 317
Postage and delivery	2 601	1 512
Printing	9 704	4 014
Professional fees	72 653	56 146
Salaries and wages	1 921 913	2 050 108
Secretarial fees	22 077	22 561
Social Security	3 625	4 008
Staff retrenchments	697 407	-
Stationery	35 597	34 680
Subscriptions	26 829	24 411
Telephone	151 427	106 594
Travel and subsistence	102 250	109 075
Total operating costs	**17 892 801**	**6 679 119**
NET INCOME/(LOSS) FOR THE YEAR	**(6 309 421)**	**1 915 073**

ANNEXURE H

DEVELOPMENT FUND OF NAMIBIA

ACCOUNTING POLICIES

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

PROPERTY, PLANT & EQUIPMENT

Property, plant & equipment are depreciated on the straight line basis 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 the decline is expected to be of a permanent nature, the decline is recognised as an expense.

INVESTMENTS

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

DEFERRED TAXATION

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

BAD AND DOUBTFUL LOANS

Loans are stated after deduction of amounts which are required as specific and general provisions. Specific provisions are made against identified doubtful loans including amounts in respect of interest which are not serviced, and are deducted from advances. 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.

REVENUE

Revenue comprises interest earned on loans and grants received 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 income as interest received.

ANNEXURE I

DEVELOPMENT FUND OF NAMIBIA

REPORT OF THE CONTROL BOARD

The directors present their report for the year ended 31 March 2003. This report forms part of the audited financial statements.

1. Business and operations

The Funds' business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

The Government of the Republic of Namibia is in the process of establishing the Development Bank of Namibia (DBN). The DBN will comprise a merger between the Namibia Development Corporation and Development Fund of Namibia. The current status of the process is not yet determined, but the possibility exists that the Board will cease to exist during the financial year ending 31 March 2005 in order for the DBN to commence business. The nature of business of the DBN is similar to those of the two merging enterprises.

There was no major change in the nature of the business.

2. Financial results

The result of the Fund and the state of its affairs are set out in the attached financial statements and do not, in our opinion, require further comment.

The Fund's profit/(loss) on ordinary activities for the year amounted to N$ (6 309 420) million (2001: N$ 1 915 073 million).

L S IPANGELWA
CHAIRPERSON

M SHANJENGANGE
VICE-CHAIRPERSON

ANNEXURE J

SHADIKONGORO IRRIGATION PROJECT

BALANCE SHEET AT 31 MARCH 2002

	Notes	2002	2001
		N$	N$
CAPITAL EMPLOYED			
Government grant	1	4 500 000	4 500 000
General reserve	2	(2 453 703)	(2 589 136)
Total capital employed		**2 046 297**	**1 910 864**
EMPLOYMENT OF CAPITAL			
Fixed assets	3	-	-
Current assets		2 046 297	1 910 864
Funds on call and on deposit		1 654 008	1 534 976
Bank balance and cash		392 289	375 888
Interest receivable		-	
Current liabilities		-	-
Bank overdraft		-	-
Net current assets		2 046 297	1 910 864
Total employment of capital		**2 046 297**	**1 910 864**

ANNEXURE K

SHADIKONGORO IRRIGATION PROJECT

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	2002	2001
	N$	N$
NET INCOME BEFORE TRANSFERS	135 433	125 205
REVENUE		
	137 735	165 789
Interest income	136 935	165 789
Other income	800	
OPERATING COSTS	2 302	40 583
Bank service charges	69	219
Administration fee	-	30 000
AdvertisementS	1 483	-
Tender fees	750	
Equipment rental	-	310
Salaries and wages	-	10 054
Transfers	-	1 156 082
Transferred to Rundu - previous year	-	1 000 000
Transferred to Rundu - current year	-	-
Transferred to Farm Manager	-	156 082
NET INCOME/(LOSS) FOR THE YEAR	**135 433**	**(1 030 877)**

ANNEXURE L

SHADIKONGORO IRRIGATION PROJECT

CASH-FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	Notes	2002	2001
		N$	N$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	4	135 433	(1 009 896)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Government grant received		-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		135 433	(1 009 896)
Cash and cash equivalents at the beginning of the year	5	1 910 864	2 920 760
Cash and cash equivalents at the end of the year	5	**2 046 297**	**1 910 864**

ANNEXURE M

SHADIKONGORO IRRIGATION PROJECT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	2002	2001
	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 during previous financial years and does not constitute a liability.

2. GENERAL RESERVE		
Balance as at 01 April 2001	(2 589 136)	(1 558 259)
Transfer from income statement	135 433	(1 030 877)
Balance as at 31 March 2002	**(2 453 703)**	**(2 589 136)**
3. CASH GENERATED BY OPERATIONS		
Net income for the year is reconciled to cash generated by operations as follows:		
Net income/(loss) for the year	135 433	(1 030 877)
Adjusted for:		
Decrease/(increase) in interest receivable	-	20 981
Cash generated by operations	**135 433**	**(1 009 896)**
4. 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	1 654 008	1 534 976
Bank balances and cash	392 289	375 888
Cash and cash equivalents	**2 046 297**	**1 910 864**

ANNEXURE N

LÜDERITZ WATERFRONT

BALANCE SHEET AT 31 MARCH 2002

	Notes	2002	2001
		N$	N$
ASSETS			
Non-current assets		**27 223 126**	**5 947 255**
Fixed assets	3	167 937	178 878
Backfront preparations		27 055 189	5 768 377
Current assets		**11 152 590**	**22 356 925**
Funds on call and deposits		9 515 169	21 769 766
Cash on hand and bank		1 637 421	587 159
		38 375 716	**28 304 180**
EQUITY & LIABILITIES			
Accumulated funds		**36 464 234**	**27 970 203**
Government grant	1	32 000 000	22 000 000
General reserve	2	4 464 234	5 970 203
Current liabilities		**1 911 482**	**333 977**
Accounts payable		1 911 482	333 977
		38 375 716	**28 304 180**

ANNEXURE O

LÜDERITZ WATERFRONT

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	2002	2001
	N$	N$
REVENUE	**1 319 731**	**2 230 275**
Interest income	1 247 986	2 215 626
Other income	71 745	14 649
OPERATING COSTS	**2 825 700**	**693 650**
Advertising	83 875	-
Bank service charges	6 724	4 355
Building repairs	12 800	
Computer repairs	-	70
Car wash	1 282	
Depreciation	38 280	23 923
Entertainment	2 347	2 012
Fuel	11 067	2 542
Insurance	52 282	1 090
Interest received	-	-
Membership fees	-	-
Miscellaneous expenses	-	9 893
Municipal charges	3 812	922
Legal fees	-	11 307
Office renovations	-	31 176
Office rent	-	-
Office expenses	36 829	5 776
Postage and delivery	1 884	404
Printing	-	5 329
Professional fees	2 166 745	171 444
Salaries and wages	253 742	199 140
Sitting fees - Steering Committee	31 800	76 300
Stationery	7 500	11 348
Vehicle repairs	1 995	403
Equipment rental	6 588	1 909
Telephone	17 086	12 184
Travel and accommodation	62 038	122 123
Other expenses	27 024	-
NET INCOME/(LOSS) FOR THE YEAR	**(1 505 969)**	**1 536 626**

ANNEXURE P

LÜDERITZ WATERFRONT

CASH-FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	Notes	2002	2001
		N$	N$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	4	109 816	1 142 916
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		(27 339)	(173 609)
Beachfront preparation		(21 286 812)	(5 055 516)
CASH FLOWS FROM FINANCING ACTIVITIES			
Government grant received	1	10 000 000	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(11 204 335)	(4 086 209)
Cash and cash equivalents at the beginning of the year	5	22 356 925	26 443 134
Cash and cash equivalents at the end of the year	5	**11 152 590**	**22 356 925**

ANNEXURE Q

LÜDERITZ WATERFRONT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	2002	2001
	N$	N$
1. GOVERNMENT GRANT		
Received from the Government of Namibia	**32 000 000**	**22 000 000**
This consists of a grant received from the Government of Namibia, and does not constitute a liability.		
2. GENERAL RESERVE		
Balance as at 31 March 2001	5 970 203	4 433 577
Transfer from income statement	(1 505 968)	1 536 626
Balance as at 31 March 2002	**4 464 235**	**5 970 203**

ANNEXURE Q

LÜDERITZ WATERFRONT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002 (continued)

3. FIXED ASSETS

Summary of fixed assets	Cost	Accumulated depreciation	Net book value
	N$	N$	N$
31/03/2002			
Furniture & equipment	51 087	9 767	41 320
Motor vehicle	172 658	46 042	126 616
Computer equipment	20 565	20 564	1
Total	**244 310**	**76 373**	**167 937**
31/03/2001			
Furniture & equipment	23 748	6 570	17 178
Motor vehicle	172 658	14 388	158 270
Computer equipment	20 565	17 135	3 430
Total	**216 971**	**38 093**	**178 878**

Movements in fixed assets	Motor vehicle	Furniture & equipment	Computer equipment	Total
	N$	N$	N$	N$
Cost				
Balance as at 31 March 2001	172 658	23 748	20 565	216 971
Additions during the year		27 339	-	27 339
Balance as at 31 March 2002	**172 658**	**51 087**	**20 565**	**244 310**
Accumulated depreciation				
Balance as at 31 March 2001	14 388	6 570	17 135	38 093
Charge for the year	31 654	3 197	3 429	38 280
Balance as at 31 March 2002	**46 042**	**9 767**	**20 564**	**76 373**
Net book value				
Balance as at 01 April 2001	**158 270**	**17 178**	**3 430**	**178 878**
Balance as at 31 March 2002	**126 616**	**41 320**	**1**	**167 937**

ANNEXURE Q

LÜDERITZ WATERFRONT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002 (continued)

	2002	2001
	N$	N$
4. CASH GENERATED BY OPERATIONS		
Net income for the year is reconciled to cash generated by operations as follows:		
Net income for the year	(1 505 969)	1 536 626
Adjusted for:		
Depreciation	38 280	23 923
(Increase)/decrease in interest receivable	-	52 883
Increase/(decrease) in accounts payable	1 577 505	(470 516)
Cash generated by operations	**109 816**	**1 142 916**
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	9 515 169	21 769 766
Bank balances and cash	1 637 421	587 159
Cash and cash equivalents	**11 152 590**	**22 356 925**

ANNEXURE R

CAPRIVI SUGAR PROJECT

BALANCE SHEET AT 31 MARCH 2002

	Notes	2002	2001
		N$	N$
ASSETS			
Current assets			
Cash on hand and bank	5	4 726 821	6 024 539
		4 726 821	**6 024 539**
EQUITY & LIABILITIES			
General reserve	2	(1 951 335)	26 539
Grant from Government	1	6 678 156	5 998 000
		4 726 821	**6 024 539**

ANNEXURE S

CAPRIVI SUGAR PROJECT

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	2002	2001
	N$	N$
REVENUE		
Interest income	469 641	26 539
EXPENDITURE		
Africa Development Associates payments	2 447 515	-
NET (LOSS)/PROFIT	(1 977 874)	26 539
NET (LOSS)/PROFIT FOR THE YEAR	**(1 977 874)**	**26 539**

ANNEXURE T

CAPRIVI SUGAR PROJECT

CASH-FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	Notes	2002	2001
		N$	N$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	3	(1 977 874)	26 539
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		-	-
CASH FLOWS FROM ACTIVITIES			
Increase in Government grant received		680 156	5 998 000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		1 297 718	6 024 539
Cash and cash equivalents at the beginning of the year	5	6 024 539	-
Cash and cash equivalents at the end of the year	5	**4 726 821**	**6 024 539**

ANNEXURE U

CAPRIVI SUGAR PROJECT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

	2002	2001
	N$	N$
1. GOVERNMENT GRANT		
Received from the Government of Namibia	**6 678 156**	**5 998 000**
This consists of a grant received from the Government of Namibia and does not constitute a liability.		
2. GENERAL RESERVE		
Retained earnings	26 539	26 539
Transfer from income statement	(1 977 874)	-
Balance as at 31 March 2002	**(1 951 335)**	**26 539**
3. CASH GENERATED BY OPERATIONS		
Net income for the year is reconciled to cash generated by operations as follows:		
Net income/(loss) for the year	(1 977 874)	26 539
Adjusted for:		
Decrease/(increase) in interest receivable	-	-
Cash generated by operations	**(1 977 874)**	**26 539**
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	3 564 379	-
Bank balances and cash	1 162 442	6 024 539
Cash and cash equivalents	**4 726 821**	**6 024 539**