REPUBLIC OF NAMIBIA

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NAMIBIA DEVELOPMENT CORPORATION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

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REPUBLIC OF NAMIBIA

TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Namibia Development Corporation for the financial year ended 31 March 2009, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

JUNIAS ETUNA KANDJEKE

WINDHOEK, JUNE 2011 **AUDITOR-GENERAL**

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE NAMIBIAN DEVELOPMENT CORPORATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. INTRODUCTION

The accounts of the Namibia Development Corporation, for the year ended 31 March 2009 are being reported on in accordance with the provisions set out in hereinafter referred to as the Act. The main objectives of the Board are stated in Section 3 of the Act.

The firm EDB & Associates of Windhoek has been appointed in terms of Section 17, of the Act, to audit the accounts of the Namibia Development Corporation on behalf, of the Auditor-General and under his supervision.

Figures in the report are rounded off to the nearest Namibian Dollar.

2. FINANCIAL STATEMENTS

The Board's annual financial statements were submitted to me by the Board in compliance with Section 17(3), of the Act. The audited financial statements are in agreement with the general ledger and are filed in the Office of the Auditor-General. The abridged balance sheet, Annexure A, is a true reflection of the original.

The following Annexures are also attached to this report:

Annexure B: Income statement
Annexure C: Statement of changes and equity
Annexure D: Cash flow statement
Annexure E: Notes to the financial statements

The Board of the Namibian Development Corporation 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 independed opinion, based on the audit, on 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 said firm, included:

a) Examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements,

b) Assessment of the significant estimates and judgements made by the Board of Directors of the Board in preparation of the financial statements and whether the accounting policies are appropriate to the Board'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 misstatement, whether caused by error, fraud or other irregularities;

- In all material respects, the expenditure and income have been applied; and

- The financial transactions conform to the authorities which govern them.

NAMIBIA DEVELOPMENT CORPORATION

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

GENERAL REVIEW

Objectives of the Namibia Development Corporation

The Corporation was established in terms of the Namibia Development Corporation Act, Act 18 of 1993, to promote, develop and support all sectors of the Namibian economic empowerment of its people in conformity with the development strategies and policies of the Government of the Republic of Namibia through inter alia:

a) promoting employment in both the formal and informal sectors;

b) promoting and encouraging sustainable local and foreign investment;

c) promoting trade, both nationally and internationally;

d) promoting and encouraging training and productivity;

e) promoting ecologically sound development;

f) promoting import substitution where economically viable;

g) promoting economic activities which add value to local and imported resources;

h) promoting forward and backward linkages between all sectors of the economy;

i) promoting Namibia entrepreneurship through the stimulation of small and informal economic activities;

j) developing, with the participation of the private sector, commercially viable enterprises or projects;

k) acting as agent for the Government and its institutions in the promotion of enterprises or the implementation of development schemes; and

l) co-ordinating with other development agencies and institutions in order to facilitate co-operation and encouragement of an interdisciplinary and multidisciplinary approach.

In order to realise its objectives, the Corporation has adopted the following mission statement:

"Our mission is to be the leading, innovative and competitive development agency by offering financial and other advisory services on an economically viable and sustainable basis, excellent professional and effective services to our clients and earning reasonable profit in order to efficiently meet our commitment towards the socio-economic upliftment of our people".

NAMIBIA DEVELOPMENT CORPORATION

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

NATURE OF BUSINESS

In order to meet its objectives, the principal activities of the Corporation include the provision of finance, business advice and premises to prospective and existing enterprises. The Corporation also provides management services to other subsidiaries and divisions within the Group.

COUNTRY OF REGISTRATION OR DOMICILE:	Namibia
REGISTERED ADDRESS	Development Centre 11 Goethe Street Windhoek Namibia
POSTAL ADDRESS	Private Bag 13252 Windhoek Namibia
ULTIMATE SHAREHOLDER	Government of the Republic of Namibia
MAIN BANKERS	Bank Windhoek Limited
COMPANY SECRETARY	E van der Berg

DIRECTORS	J. Nekwaya	Chairman
	PF de Wet	Acting Managing Director
	M.S. Semi	
	M.S. Haipinge	
	R. Namoya-Jacobs	
	Ex officio directors;	
	Dr. M Lindeque	Permanent Secretary: Trade and Industry
	C. Schlettwein	Permanent Secretary: Finance
	A. Ndishishi	Permanent Secretary: Agriculture, Water and Rural Development
	J. Iita	Permanent Secretary: Mines and Energy
	M. Shivute	Permanent Secretary: National Planning

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

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Approval and statement of responsibility

The Directors are required by the Namibia Development Corporation Act to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statement fairly present the state of affairs of the Corporation 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 the Namibia Development Corporation Act. The Auditor-General is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the requirements of the Namibia Development Corporation Act, 1993 (Act 18 of 1993) and are based upon appropriate accounting policies consistently applied and supported by reasonable prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the Corporation and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors 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 Corporation and all employees are required to maintain the highest ethical standards in ensuring the corporation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Corporation is on identifying, managing and monitoring all known forms of risk across the Corporation. While operating risk cannot be fully eliminated, the Corporation endeavors 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 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 Corporation's cash flow forecast for the year to 31 March 2009 and, in the light of this review and the current financial position, they are satisfied that the Corporation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Auditor-General is responsible for the independently reviewing and reporting on the corporations financial statements. The financial statements have been examined by the Auditor-General and his report is presented on pages 8 – 14.

The financial statements set out on pages 18 to 43, which have been prepared on the going concern basis, were approved and authorised for issue by the Board of Directors and are signed on their behalf by:

J. Nekwaya	**P de Wet**
Chairperson	**Acting Managing Director**

**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE
NAMIBIA DEVELOPMENT CORPORATION**

The annual financial statements have been audited in terms of Section 22 of the Namibia Development Corporation Act, 1993 (Act 18 of 1993) and Section 25(1)(b) of the State Finance Act, 1991 (Act 31 of 1991). This report on the annual financial statements of the Namibia Development Corporation set out on pages 13 – 31 for the year ended 31 March 2009 is submitted in terms of Section 27(1) of the State Finance Act, 1991. The firm EDB & Associates Chartered Accountants (Namibia) in Windhoek has been appointed in terms of Section 26(2) of the State Finance Act to audit the annual financial statements on behalf of the Auditor-General and under his supervision. These financial statements are the responsibility of the Corporation's directors.

1. SCOPE

The Corporation's Directors are 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, on 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 said firm, was conducted in accordance with International Standards on Auditing. Those standards required that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

2. AUDIT OBSERVATION

2.1 General comment

While the prior year year's management letter indicated poor management and internal controls, and while staff shortages are to blame to a large extent, one still would reasonably have expected that the prior year management letter's recommendations would have been attempted to be implemented. Management should however be compliment as during the year under review it was evident that improvements were made on prior year reported areas.

Furthermore, we noted with concern that the preparation, review and clearing of a number of control account reconciliations have not been performed consistently and timeously throughout the year. This is of concern, as management control is dependent upon accurate and timely reconciliation of all control accounts. We wish to highlight the importance of the preparation and effective review of reconciliations as well as follow up of reconciling items as a control so as to ensure:

- The early detection of errors and, in some cases, fraud; and
- The accuracy of management information.

2.2 Prior year's management report

Our review of the prior year report indicates that there are still a number of items that have not been adequately addressed yet. Those items which have been re-reported have been indicated by means of an asterisk (*).

2.3 Operating results and going concern

The continued operating losses for the past years raise significant doubt on the Corporation ability to continue as going concern.

Financial year	Operating loss
31 March 2006	N$ 15,4 million
31 March 2007	N$ 3,0 million
31 March 2008	N$ 10,7 million
31 March 2009	N$ 3,8 million

This equate to an average monthly loss of just over N$ 635 000 (2008: N$ 800 000) per one month which is not sustainable, however it's evident that this was improved on compared to prior year.

The accumulutated loss as at year-end of 2009, show an accumulated loss of N$ 280 million, indicating that the above displayed losses is accumulating over a long and protracted period.

These operating losses have eroded the equity base in totality with the only positive item being the revaluation surpluses.

Furthermore, it is worth noting that given the state of the Corporation's balance sheet, future commercial insolvency and financial distress are possible.

Prior year's audit report

For the past years, independent auditors have disclaimed or qualified their audit which indicates significant concerns over the reasonableness of the annual financial statements as prepared by the Board of Directors, this year however given the internal control improvements, an unqualified report is issued.

2.4 Special funds (*)

Special funds administered by the Corporation on behalf of the relevant Ministry or other bodies are significant. Each fund has its own peculiar specifications with respect to the way in which the funds are to be managed and utilized stipulated by an agreement signed between an NDC representative and the relevant Ministry. It was further noted that not all these special funds had agreements in place or could be provided. As a result, the auditors could not verify the completeness, existence and accuracy of the transactions in the special funds, nor could they verify the completeness of the balance of special funds.

Due to the significance of this matte, the Auditor-General has to qualify his opinion on special funds.

2.5 Share Capital (*)

As reported in prior year a confirmation of the contributions made from the Ministry of Trade and Industry could not be obtained yet, resulting in the auditors not being able to verify the completeness, existence, accuracy and valuation of the issued shared capital.

2.6 Improper segregation of duties (*)

As reported in prior year, it was observed that a number of key senior and other accounting positions were vacant during the year. The reason for this was that as a result of a Cabinet's decision to close the operations of the NDC, no vacancies could have been filled. This decision was later rescinded.

The timely filling of key positions is essential as it has a serious detrimental impact on the segregation of duties and can result in an breakdown of important internal controls, which are necessary to properly safeguard the assets of the Corporation.

Duties in the Finance department are not properly segregated amongst the staff. Incompatible functions of initiation, recording, checking and approval are being performed by same individuals. There is no clear cut of duties for some staff members though they have job descriptions, which still need to be revised. This is a lack of segregation of duties, which could result in financial losses to the enterprise.

2.7 Compliance with Namibia Development Corporations Act

According to the Namibia Development Corporation Act, Act no. 18 of 1993, the following non compliances are notified:

1) Section 8, "Subject to the provision of section 10, a Director appointed under paragraph (b) of subsection (2) of section 5 shall hold for such period, being not more than three years, as may be specified by the Minister at the time of his or her appointment, and shall be eligible for re-appointment".

2) Section 15(4), “”The board shall not appoint any person to hold the office of Managing Director to terminate the services of any person holding that office without the prior approval of the Minister".

Although a letter dated 9 February 2004, authorizing extension of the tenure of Directors until to date of announcement of the dissolution of the NDC, and after a Cabinet's rescind of the latter decision on 2 October 2008, no documentary proof could be provided that Directors' terms were since extended or that they were in-fact re-appointed.

No supporting evidence could be provided to confirm that the appointment of the acting Managing Director to the office of the managing director was approved by the Minister.

Due to the significance of this matter, the Auditor-General has to qualify his opinion.

2.8 Compliances with the State-owned Enterprise Governance Act

As reported in prior year, according to the State-owned Enterprise Act (Act no. 2 of 2006), Part 1, a state-owned company means a company incorporated under the Companies Act 1973, (Act no. 61 of 1973) in which the State is the sole or majority shareholder, as listed in Schedule 1 of the Act. In the SOE Act, although wholly owned, the NDC is not identified as a state-owned enterprise.

Due to the significance of this matter, the Auditor-General has to qualify his opinion.

2.9 Loan from the Government of the Republic of Namibia (*)

As reported in prior years, the Corporation received a loan of N$ 4 845 million (RMBY 6,400 million) in 1998 from the Government of the Republic of Namibia for acquiring a stake in Southern Africa Tractor Manufacturing (PTY) Ltd (SATM). To date, no repayments have bee made to the Government of the Republic of Namibia.

The terms and conditions of agreements have effect on current and future obligations, rights and responsibilities of the contracting parties and it is thus vital to not only have the relevant documentation in place for reference purposes, but also disclose any non-payment appropriately.

The Corporation non-payment on the loan is a direct breach of Section 6.1 of the on-lending agreement and have attracted unnecessary interest which considering the financial performance of the Corporation should have been prevented.

Due to the significance of this matter, the Auditor-General cannot express an opinion on the Corporation's government loan.

2.10 Related party loan accounts (*)

It was evident from the audit that most related party loan accounts appear to be stagnant although some have been transferred back to the line Ministry. These circumstances raise the risk of possible non-recoverability in cases where the NDC is owed. Also, this would affect future cash flow and might portray a distorted view of the assets valuation.

Due to the significance of this matter, the Auditor-General cannot express an opinion on related party loans.

2.11 Inventory

The audit revealed that provision for obsolete, slow-moving and damaged inventory are not constantly and periodically reviewed and updated especially on stationary items which represent a significant amount. If provision is not regularly updated it might create an incorrect valuation of inventory on the balances.

The audit also found that fuel stock on the system was also not updated with the physically quantities meaning fuel shortages were not taken into account.

Due to the significance of this matter, the Auditor-General cannot express an opinion on the inventories.

2.12 Live stock (*)

On performing a roll-back, using the full cattle count that was conducted during July 2009, to those figures given by the Corporation on 31 March 2009 a loss of N$ 902 400 was encountered. This loss excludes incorporated monthly losses reported in cattle. This situation and loan of livestock controls contribute to the Corporation annual losses.

Due to the significance of this matter, the Auditor-General cannot express an opinion on the inventories.

2.13 Loans advances – trade debtors (*)

As mentioned in the previous reports the magnitude of provisions in previous years in respect of loans advanced, highlighted serious concerns on the internal control over these assets of the Corporation. It appears as if all projects have been closed down as no or few business was transacted between the parties for the year under review.

2.14 Leases

Our comparison of the lease debtors' ledger balance to the rental system revealed a difference of N$ 25 482. Also the auditors discussions with the responsible personnel indicated difficulties being experienced with the rental system and an excel spreadsheet are being used, to control and record amounts due by debtors.

Due to the significance of this matter, the Auditor-General cannot express an opinion on leases.

2.15 Suspense sundry – receipts

Accounted for under accounts suspense sundry receipts is an amount of N$ 1 302 million (2008: N$1 270 million) in credit , related to unallocated receipts (payments) of debtors. These receipts relate mainly to prior years and can lead to a payment revolt by debtors, if statement does not properly reflect their payments. Its however apparent from a detailed review that a substantial amount of these receipts dated back to 5 years and more.

Due to the significance of this matter, the Auditor-General cannot express an opinion on suspense sundry-receipts.

2.16 Sundry debtors

As reported in prior year, amounts totaling to N$ 4 874 477 (2008: N$ 4 868 273) included in sundry debtors have been outstanding for over 4 years. Some of the relevant debtors are:

Debtor	Debt
Eloolo vleis	N$ 2 185 165
Erundu Slaghuis	N$ 1 035 598
Ngwezi Slaghuis	N$ 545 279
Rundu Vleis	N$ 270 707
Komeho Slaghuis	N$ 186 878
J13/110 Kavango FSP	N$ 176 653
J13/112 Caprivi FSP	N$ 62 777
City of Windhoek	N$ 97 750

Due to the nature of the debts, the debtor description and the long outstanding period, the recoverability of these items are questionable.

Due to the significance of this matter, the Auditor-General cannot express an opinion on sundry debtors.

2.17 Sales dates and Grapes

The Corporation entered into a marketing and technical agreement with PA Karsten Investment Namibia (PTY) Ltd to market dates and grapes at Nature Fruit Farms. All sales and directs costs are managed and recorded by Karsten, which head office is in South Africa.

The audit revealed that, except for a summary of the sales and direct costs on dates and grapes, no supporting documentation relating thereto were kept at the NDC offices for verification by the auditors. The auditors were therefore unable to verify the occurrence, completeness, accuracy and classification of sales and direct expenses from dates and grapes amounting to N$ 2 280 030 and N$ 4 197 562 respectively.

Due to the lack of such important documentation it may be difficult for management to reconcile the figure provided by Karsten.

Due to the significance of this matter, the Auditor-General cannot express an opinion on sale dates and grapes.

2.18 PAYE

The auditors observed that PAYE currently are not being calculated and updated on a monthly basis but rather on a quarterly and annual base. Any changes within the three months affecting the taxable salary of an employee would thus not be updated.

Although the above is mainly due to the small number of staff in the HR department and the fact that PAYE is calculated manually. This practice may lead fluctuations in personnel net pay and may unnecessary result in disputes from personnel members.

Due to the significance of this matter, the Auditor-General cannot express an opinion on PAYE.

2.19 Employees not taking leave – (Excessive leave days)

Admittedly, as a result of staff shortages, employees were not be able to take leave during the annual leave cycles, but the practice of taking leave should be encouraged in line with the spirit of the Labour Act (Act no. 11 of 2008, section 23 (5). The following employee's current levels of accrued leave are excessive and not in line with the prescribed 132 days stated in the HR policies;

Employee no. 19021 135 day leave accrued

It is a fact that fraud risk increases significantly under circumstances when employees are not encouraged to take leave appropriately or are unwilling to take leave.

Due to the significance of this matter, the Auditor-General cannot express an opinion on employees not taking leave.

2.20 Offshore development Corporation (PTY) Ltd (*)

No provision is made for accrued interest on the capital balance held by ODC.

Management has provided for the full capital amount of N$ 55 373 million held at ODC in 2005, as a result of the uncertainty surrounding the recoverability of this amount.

The auditors could not obtain a confirmation of the balance from ODC at the time of the audit.

2.21 Value added tax

It was noted that VAT input were claimed on special funded projects. In terms of the VAT Act of 2000, these funds can be classified as grant income and thus deemed as no supply (exempt income). As such, no input VAT deductions are allowed. False, misleading and incorrect disclosure of information on VAT returns could attract unnecessary penalties and interest.

2.22 Directors fees

As reported in prior year, the auditors were unable to obtain the approved board sitting allowance rates from the Ministry payable to the Board of Directors. The current monthly amount of N$ 500 for the board members and N$750 for the chairperson were stemming from prior years.

3. ACKNOWLEDGEMENT

The assistance and co-operation given by the management and staff of the Corporation during the audit is appreciated.

4. EMPHASIS OF MATTER

Without further qualifying my opinion above, I draw attention to the note on going concern in the Directors' report, wherein the Directors state that the corporation has an accumulated loss of N$ 280 525 million (2008: N$ 276 949 million) and that the ability of the Corporation to continue as a going concern is dependent on continued financial support from the Government of the Republic of Namibia.

5. CERTAIN SUBSIDIARIES EXCLUDED GROUP ANNUAL FINANCIAL STATEMENTS

Without further qualifying my opinion above, I concur with the decision of the Directors not to deal with certain subsidiaries in the group annual financial statements, for the reasons given in note 4 to the director's report.

WINDHOEK, JUNE 2011

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

NAMIBIA DEVELOPMENT CORPORATION

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report for the year ended 31 March 2009. This report forms part of the audited financial statements.

1. Business and operations

The Corporation's 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, other than as disclosed in this report.

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

2. Financial results

The results of the Corporation and the state of its affairs are set out in the attached financial statements and do not, in our opinion, require further comments.

3. Going concern

The Directors draw attention to the fact that at 31 March 2009, the Corporation had an accumulated loss of N$ 280 525 million (2008: N$ 276 949 million).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Corporation to continue as a going concern is dependent on continued financial support by the Government of the Republic of Namibia.

4. Subsidiaries and associated companies

Name and nature of business	Issued	% Held		Shares		Year
	capital	2009	2008	2009	2008	end
Direct subsidiaries						
Dittmarschen Development (Pty) Ltd	100	100	100	100	100	31 March
Nauasport Poultry (Pty) Ltd	2 200		*		*	
Amalgamated Commercial Holdings (Pty) Ltd	20 000 000		*		*	
Okatana Filling Station (Pty) Ltd	20 000	51	51	10 200	10 200	31 March
Owambo Koeldrank Fabriek (Pty) Ltd	2	100	100	2	2	31 March
Naute Fruit Farms (Pty) Ltd	100	100	100	100	100	31 March
Namibia Agriculutural Development (Pty) Ltd	100	100	100	100	100	31 March
				10 502	**10 502**	
Pupkewitz Motors (North) (Pty) Ltd	7 500 000	40	40	3 000 000	3 000 000	28/02/2008
Namibia Pipe Manufactures (Pty) Ltd	24 400 000	30	30	7 320 000	7 320 000	
SA Tractors Manufactures (Pty) Ltd	100	40	40	40	40	
Namibia Beverages Partnership	-	29	29	-	-	31/12/2007
Total				**10 320 040**	**10 320 040**	

* Company was deregistered.

All other joint ventures have a 31 March year end.

As a result of the re-integration process of Amalgamated Commercial Holdings (Pty) Ltd and the Corporation in the 2002 financial year, the following subsidiaries, Okatana Filling Station (Pty) Ltd, Okakarara Filling Station (Pty) Ltd, and Owambo Koeldrank Fabriek (Pty) Ltd, were transferred and incorporated as investments in the books of the Namibia Development Corporation.

The investment of the Corporation in subsidiaries, represent insignificant amount, and therefore it was not considered necessary to prepare consolidated annual financial statements.

5. Share Capital

There was no change in issued share capital during the year.

6. Property, plant and equipment

There have been changes in the values of property, plant and equipment during the year which can be classified as follows:

	2009	2008
	N$'000	N$'000
Additions to property, plant and equipment	132	48
Revaluation of property, plant and equipment	-	70
Disposal of property, plant and equipment	(134)	(168)

There were no changes in the policy relating to their use.

7. Review of cash flow forecast

In response to the going concern observation, the Directors have reviewed the Corporation's cash flow forecast for the 2009/2010 financial year and, in the light of this review and the current financial position, they are satisfied that the Corporation has or has access to adequate resources to continue in operational existence for the foreseeable future.

8. Events subsequent to the year end

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report, other than as disclosed in this report.

9. Company Secretary

The company secretary of the Corporation is A van der Berg, whose business and postal addresses are:

NDC Building
11 Goethe Street
Windhoek
Namibia

Private Bag 13252
Windhoek, Namibia

NAMIBIA DEVELOPMENT CORPORATION
BALANCE SHEET
AT 31 MARCH 2009

	Notes	2009 N$'000	2008 N$'000
ASSETS			
Non-current assets		**180 874**	**189 820**
Property, plant and equipment	2	122 008	130 436
Investment in subsidiaries	3	1 196	2 435
Investment in associates joint ventures	4	57 181	55 948
Productive livestock	5	357	1 276
Loans advanced	6	132	(275)
Current assets		**61 277**	**43 159**
Inventories	7	32 760	35 817
Trade and other receivables	8	2 122	1 612
Funds on deposit	9	26 394	5 730
Total assets		**242 151**	**232 979**
EQUITY AND LIABILITIES			
Capital and reserves		**106 269**	**109 845**
Issued capital	11	232 435	232 435
Non distributable reserve	12	154 359	154 359
Accumulated loss		(280 525)	(276 949)
Non-current liabilities		**97 095**	**76 461**
Special funds	13	63 600	42 966
Interest bearing borrowings	14	-	-
Employee benefits	15	33 495	33 495
Current liabilities		**38 787**	**46 673**
Trade and other payables	16	3 468	2 674
Current portion of interest bearing borrowings	14	6 231	11 730
Related party loans	17	20 924	20 645
Bank overdraft	10	8 163	11 624
Total equity and liabilities		**242 151**	**232 979**

ANNEXURE B

NAMIBIA DEVELOPMENT CORPORATION

INCOME STATEMENT

for the year ended 31 March 2009

	Notes	2009 N$'000	2008 N$'000
Revenue	1.1	20 016	21 869
Cost of sales		(14 173)	(8 822)
Gross profit		5 843	13 047
Operating costs		(36 488)	(22 934)
Operating (loss) for the year		(30 645)	(9 887)
Net finance costs	2.2	(2 774)	(1 723)
Other income		29 589	829
Net (loss) before taxation		(3 831)	(10 781)
Taxation		-	-
Net (loss) for the year		**(3 831)**	**(10 781)**

ANNEXURE C

NAMIBIA DEVELOPMENT CORPORATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2009

	Share capital	Non - distributable reserves	Accumulated Loss	Total
	N$'000	**N$'000**	**N$'000**	**N$'000**
Balance as at 01 April 2007	232 435	154 429	(266 168)	120 696
Net loss for the year	-	-	(10 781)	(10 781)
Revaluation of property, plant and equipment	-	(70)	-	(70)
Balance as at 01 April 2008	232 435	154 359	(276 949)	109 845
Net loss for the year	-	-	(3 827)	(3 827)
Adjustments and utilisations	-	-	9 651	9 651
Balance as at 31 March 2009	**232 435**	**154 359**	**(271 125)**	**115 669**

ANNEXURE D

NAMIBIA DEVELOPMENT CORPORATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 N$'000	2008 N$'000
Cash flow from operating activities			
Cash receipts from customers		49 605	22 698
Cash paid to suppliers and employees		(29 987)	(31 974)
Cash generated / (utilised) by operations	24.1	19 566	(9 276)
Investment income		112	52
Financing costs		(2 886)	(1 775)
Net cash in (out) flows by operating activities		160792	(10 999)
Cash flows from investing activities			
Property, plant and equipment acquired		(132)	(48)
Productive livestock sold		919	-
Proceeds on disposal of assets		-	327
Profit on sale of property, plant and equipment		-	(159)
Movement in advances		(407)	1 346
Movement in investments		(9 393)	2 560
Movement in related parties		257	(107)
Net cash in flows from investing activities		(8 756)	3 919
Cash flows from financing activities			
Long-term loans (repaid)		(5 499)	(1 250)
Movement in special funds		21 586	60
Net cash in / (out) flow in financing activities		16 087	(1 190)
Net change in cash and cash equivalents		24 124	(8 270)
Balance at the beginning of the year		(5 894)	2 376
Balance at the end of the year	24.2	**18 231**	**(5 894)**

NAMIBIA DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1. Basis of preparation

The financial statements are prepared in accordance with the requirements of the Namibia Development Corporation Act. The following principal accounting policies used by the Corporation have been consistently applied:

1.1 Revenue recognition

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

Revenue from agency commission and royalties are recognised when the sale which gives rise to this revenue takes place.

Grants received comprise amounts received from the Government of the Republic of Namibia.

Interest is recognised on a time proportion basis which takes into account the effective yield on the asset over the period it is expected to be held.

Dividends are recognised when the last date to register for the dividend has passed in respect of listed and un-listed shares.

Management fees are recognised when they become due to the Corporation.

Revenue from rental income is recognised when the rental becomes due.

1.2 Associates

Under the equity method of accounting the Corporation's share of the associate's profit or loss for the year is recognised in the income statement. The Corporation's interest in the associate is carried in the balance sheet at an amount that reflects its share of the associate and includes goodwill on acquisition.

1.3 Joint ventures

A joint venture is a contractual agreement between two or more parties to undertake an economic activity which is under joint control.
Interest in joint venture are stated at fair value, except where there is a permanent decline in value in which case they are written down.

1.4 Investments

Non-current investments are shown at cost and adjustments are made only where in the opinion of the directors, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified. Investments include wholly-owned subsidiaries over which no effective management control is in place. Dividends are accounted for when declared in respect of listed and unlisted shares.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement

1.5 Property, plant and equipment

All property, plant and equipment are initially recoded recorded at cost. Buildings and leasehold property are depreciated. For certain buildings the depreciable value is considered to be nil on the basis that it is the Corporation's practice to maintain these buildings in 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

Land and buildings are subsequently shown at revaluation, based on valuation done by external independent valuers every fourth year, less subsequent depreciation for property , plant and equipment, which is stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation are credited to revaluation and other reserves in shareholders' equity. Decreases that offset previous increases of the same assets are charged against the revaluation reserve. All other decreases are charged against to the income statement.
Impairment losses and reversal of impairment losses are recognised in the income statement.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property plant and equipment are as follows:

Leasehold buildings	2%
Plant and machinery	10%
Motor vehicles	25%
Establishment costs	10%
Buildings	1.50%
Office equipment and furniture	10%

Land is not a depreciated asset and is deemed to have an indefinite life.

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

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 operating profit. On disposal of revalued assets, amount in revaluation and other reserves relating to that asset are transferred to retained earnings.

1.6 Special funds

The Corporation administers certain funds of the Government of the Republic of Namibia which have been earmarked for special purposes. A contract is drawn up whenever a special fund is accepted. The Corporation ensures that funds are credited to a special liability account and duly applied in accordance with the agreement.

The following types of special funds were in existence for the year under review:

High Risk Fund

A revolving fund provided by the Government to the former First National Development Corporation to be used for granting special high risk loans which cannot be met out of the funds of the Corporation in the ordinary course of business.

Repayable to the Government

The Corporation accepts goods from the Government for resale. A special fund is created, equal to the cost of the goods. After the sale of the said goods and recovery of the outstanding debt, the special fund is settled by refunding the Government an amount equal to the cost of the goods.

Other Special Funds

All other funds are credited to a special liability account and disbursed in line with the specific agreement between the Namibia Development Corporation and the Government.

Agency projects

The Corporation administers agency projects on behalf of the Government of the Republic of Namibia. In doing this, the Corporation uses its own resources and all expenditure is recovered from the Government.

1.7 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on a first in, first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective inventories.

1.8 Livestock

Productive livestock

Productive livestock is stated at market value at the commencement of their productive life cycle, and revalued annually. Market values are obtained from a livestock marketing agency.

Trading livestock

Trading livestock is valued at the net realisable value on balance sheet date. Net realisable value is obtained from a livestock marketing agency.

1.9 Employee Benefits

Defined Contribution Plans

The Corporation provides for retirement benefits of it's staff by way of a pension fund. The contributions by staff members and the Corporation to this fund are in accordance with the fixed scales determined in consultation with the actuaries. The contributions of the Corporation are dealt with as a charge against income in the year of payment.

This fund is appraised every 3 years by an independent actuary and the next appraisal is due in 2010.

Defined benefit plans: Medical post-retirement obligations

The Corporation provides post-retirement medical aid benefits to its retirees. The entitlement to post-retirement medical aid is based on the employee remaining in service up to retirement age and the completion of a minimum service period. Provision is made in respect of the accrued liability for medical aid contributions of current and future pensioners. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology, as prescribed by IAS 19 (post-retirement benefits). Contributions in the future medical aid benefits for pensioners are based on the valuation of the fund and the review of the provision on an annual basis.

Existing employees

Past service costs, experience adjustments, the effects of changes in actuarial assumptions and the effects of plans amendments in respect of existing employees in a defined benefit plan are recognised as an expense or as income systematically over the expected remaining working lives of those employees.

Plan terminations, curtailments and settlements

When it is probable that a defined benefit plan will be terminated or that there will be a curtailment or settlement of the retirement benefits payable under that plan;

(a) resulting increase in the Corporation's retirement benefit cost is recognised as an expense immediately, and

(b) any resulting Gain is recognised as income in the period in which the termination, curtailment or settlement occurs.

Retirement employees

The effects of plan amendments in respect of retired employees in a defined benefit plan are measured as the present value of the effect of the amended benefits, and are recognised as an expense or as income in the period in which the plan amendment is made.

The cost of providing retirement benefits under a defined benefit plan is determined using a projected credit unit valuation method.

1.10 Bad and doubtful debts

Specific provision for bad and doubtful debts is made against identified doubtful advances, including amounts in respect of interest which is not serviced, and this provision is deducted from advances.

1.11 Translation of foreign currencies

Transactions

Foreign currency transactions are recorded, on initial recognition in Namibian Dollar, by applying to the foreign currency amount the exchange rate between the Namibian Dollar and the Foreign currency at the date of the transaction.

At each balance sheet date:

(a) Foreign currency monetary items are reported using the closing rate, and

(b) Non-monetary items which are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on the settlement of monetary items or on reporting on the Corporation's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expenses in the period in which they arise.

1.12 Leased assets

Leases of property, plant and equipment where the company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest bearing borrowings. The interest element of the finance charges is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the estimated useful lives of the assets.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by ways of penalty is recognised as an expense in the period in which termination takes place.

1.13 Deferred tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary differences arise from depreciation on plant and equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

1.14 Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

1.15 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

1.16 Provisions

Provisions are recognized when the company has a present legal constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

1.17 Financial instruments

Financial assets and liabilities are recognised in the Organization's statement of financial position when the organization becomes a party to the contractual provisions of an instrument. All financial instruments are initially measured at fair value. Transaction costs are normally also included in the initial measurement of financial instruments. However, transactions costs incurred on financial assets and liabilities at fair value through profit or loss are not included in the initial measurement, but are expensed. The transactions costs referred to are those incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. For this purpose, transactions costs exclude financing costs and internal administrative costs.

The Organization derecognition principles for financial liabilities hinge on the legal release (extinguishment) of the obligation. Consequently, an financial liability or part thereof would be removed from its statement of financial position only when it is extinguished. The Organization derecognition principles for financial assets are normally triggered when it receives consideration in return for the transfer or sale of all or part of a financial asset.

Impairment losses are recognised on loans and receivables when there is objective evidence of impairment. An impairment loss is recognised in profit or loss when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate of the instrument.

1.18 Offsetting

The net amount on offsets of financial assets and financial liabilities were reported in the organization statement of financial position, where applicable. However this was only done when the organization had legal enforceable right to set off the recognised amounts and intends to settle on a net basis.

2. Property, plant and equipment

	2009			2008		
	Cost/valuation	**Accumulated depreciation**	**Carrying value**	**Cost/valuation**	**Accumulated depreciation**	**Carrying value**
	N$'000	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**
2.1 Owned assets						
Land and buildings	68 391	5 382	63 009	68 391	3 338	65 053
Plant and equipment	11 071	10 362	709	11 090	8 527	2 563
Buildings on leasehold	64 459	6 740	57 719	64 459	2 210	62 249
Establishment cost	4 267	3 696	571	4 267	3 696	571
Closing carrying amount	**148 188**	**26 180**	**122 008**	**148 207**	**17 771**	**130 436**

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

2. Property, plant and equipment (continued)

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

	Carrying value at beginning of year	Additions	Revaluations	Disposal	Reclassification	Depreciation	Carrying value at end of the year
	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	
2009							
Land and buildings	65 053	-	-	-	-	(2 044)	63 009
Plant and equipment	2 563	132	-	(134)	-	(1 844)	709
Buildings on leasehold	62 249	-	-	-	-	(4 530)	57 719
Establishment cost	571	-	-	-	-	-	571
Closing carrying amount	**130 436**	**132**	**-**	**(134)**	**-**	**(8 426)**	**122 008**

		2009	2008
3.	**Investments in subsidiaries**	**N$'000**	**N$'000**
	Unlisted shares at cost	**12 207**	12 207
	Loans to subsidiaries	**(8 758)**	598
	Dittmarschen Poultry (Pty) Ltd	**121**	121
	Nauasport (Pty) Ltd	**263**	263
	Owambo Koeldrankfabriek (Pty) Ltd	**(8 374)**	214
		20 965	12 805
	Less : Provisions	**(10 370)**	(10 370)
		10 595	**2 435**

4. Investment in associates and joint ventures

	2009	2008
Carrying amount of investments	**69 969**	68 728
Loans	**4 558**	4 565
Provisions	**(17 346)**	(17 346)
	57 181	55 948
Less: Associate	**(5 771)**	(3 785)
Closing balance	**51 410**	**52 163**

The investment with Namibia Beverages (Coca-cola), has not been affected with fair value adjustments, considering the latest valuation was done in October 2006. The investment has been pledged as security for the Development Bank of Southern Africa loan stated in note 14.

Associate

At cost less amounts written off

Pupkewitz North Toyota (Pty) Ltd

40% interest in unlisted shares of Pupkewitz North Toyota (Pty) Ltd

Carrying value of investment

	2009 N$'000	2008 N$'000
Shares at cost	**3 000**	3 000
Retained earnings since acquisition	**2 771**	785
	5 771	3 785

Summary financial information of Pupkewitz North Toyota (Pty) Ltd

	2009 N$'000	2008 N$'000
Assets		
Non current	**5 127**	9 150
Current	**17 225**	10 369
	22 352	19 519
Equity and liabilities		
Equity and reserves	**14 429**	12 512
Non current liabilities	**2 336**	579
Current liabilities	**5 587**	6 428
	22 352	19 519
Turnover	**99 085**	106 486
Net profit after tax	**1 916**	1 710

The associate's financial statements of 28 February 2009 are only in draft format and at issue of this Annual Financial Statements, no final version could be obtained.

					2009	2008
					N$'000	N$'000

5 Livestock on hand

	Units	Units	**Average Market Value per unit**	Average Market Value per unit	**Total Market Value**	Total Market Value
	2 009	2 008	**2 009**	2 008	**2 009**	2 008
Productive livestock						
Cows	44	201	5 716	4 264	**252**	857
Bulls	15	56	7 013	7 482	**105**	419
Total productive livestock					**357**	1 276
Trading livestock						
Oxen	534	418	5 000	1 730	**2 670**	723
Cows	5 236	5 318	4 220	4 667	**22 095**	24 818
Bulls	2 259	2 191	3 269	4 357	**7 386**	9 546
Total trading livestock					**32 150**	35 088
					32 507	36 363

6 Loan advanced

	2009	2008
Business loans		
Loans outstanding	**15 784**	16 274
Less: provision for doubtful debts	**(15 659)**	(16 566)
	124	(292)
Staff loans	**8**	17
	132	(275)

		2009	2008
		N$'000	N$'000
7.	**Inventories**		
	The amount attributable to the different categories are as follows:		
	Consumable stores	**638**	730
	Livestock	**32 150**	35 087
		32 788	35 817
	Provision for obsolete stock	**(28)**	-
		32 760	35 817
8.	**Trade and other receivables**		
	Trade debtors	**11 403**	10 193
	Sundry debtors	**4 618**	3 973
	Less: Provision for doubtful debts	**(13 252)**	(12 553)
		2 770	1 612
9.	**Funds on deposit**		
	ODC investment	**55 373**	55 373
	Short term deposit with banks	**26 394**	5 730
		81 767	61 103
	Provision for ODC investment	**(55 373)**	(55 373)
		26 394	5 730

Provision was made on the full amount of capital held by ODC, as there is uncertainty surrounding the recoverability of the capital.

	2009	2008
	N$'000	N$'000

10. Bank balances

Own cash balances	**1 006**	1 355
Bank overdraft	**(9 169)**	(12 979)
	(8 163)	(11 624)

The Corporation has an overdraft facility of N$ 18 000 000 (2008: N$ 18 000 000) with Bank Windhoek Limited and which is secured by a mortgage bond over the remainder of Erf 79, Windhoek.

11. Issued capital

Issued - 232,435,000 (2008: 232,435,000) Ordinary shares of N$ 1.00 each	**232 435**	232 435

The share capital of the Corporation may be increased or decreased by the Government of the Republic of Namibia on recommendation of the Board of Directors. Such capital is divided into ordinary shares of N$ 1 each.

Shares issues are financed with funds granted specifically for that purpose by the Government of the Republic of Namibia.

12. Non-distributable reserve

Balance at beginning of the year	**154 359**	154 429
Movement during year:		
- Realised on disposal of property, plant and equipment	**-**	(70)
Balance at end of the year	**154 359**	154 359
Comprising:		
This reserve arose on the transfer of assets from the former First National Development Corporation in terms of the Namibia Development Corporation Act, 1993.	**66 036**	66 036
Surplus arising from revaluation of freehold land and buildings	**88 323**	88 323
	154 359	154 359

	2009	2008
	N$'000	N$'000
13. Special funds		
High-risk Fund		
Capital	**2 039**	2 039
Other funds		
Government : Investment incentives	**967**	967
Tractor loan scheme	**1 024**	1 024
MTI Renovations	**988**	988
Vendor development program	**5 140**	5 140
SME feasibility studies fund	**4 166**	4 166
Food for work	**(1 384)**	(1 384)
Private sector feasibility studies fund	**9 367**	9 367
SME legal framework - credit guarantee	**(510)**	(510)
SME sourcing program	**8 636**	8 636
Appropriate technology demonstration centre	**2 926**	2 926
Intra-net	**1 200**	1 200
Individuals and non profit organisations	**1 322**	1 322
Agriculture feasibility study fund	**(30)**	(30)
Ex combatants	**39**	39
Special agronomic loans	**364**	363
Small farmers	**1 374**	1 374
Hardap feeder	**232**	232
Enterprise Namibia	**15**	15
Kongo river feasibility study	**1 771**	1 771
Aussenkehr	**4**	4
National sectorial industrial program	**401**	401
Ex combatants 2	**(7)**	(7)
EPZ Industries	**(1 521)**	(1 521)
Cash for work	**49**	49
Walvisbay corridor	**2 480**	2 480
Agro-processing	**3 430**	3 430
SME Clusters	**448**	448
Water Feasibility Study	**(1 974)**	(1 974)
Okarara Workshop	**(18)**	(18)
Solar Fund	**30**	30
Agriculture T06/2008	**1 128**	-
Agriculture T07/2008	**2 205**	-
Aerial spraying of reeds	**1**	-
Dryland cropping programme	**14 355**	-
Auction kraals ancillary works	**(4)**	-
Entrepreneurship development	**3 900**	-
	64 552	42 966

	2009	2008
	N$'000	N$'000
Other notes		
14. Interest bearing borrowings		
Development Bank of Southern Africa (DBSA)		
The loan is secured by a pledge of the Corporation's investment, and its right to receive any monies of Namibia Beverages. Capital repayment is due in 16 half yearly installments commencing 1 April 2002. Interest is currently 13.50% per annum and is charged and payable three monthly in arrears.	**-**	5 000
Government of the Republic of Namibia		
The total loan provided is N$ 4,844,814. The loan is repayable in 20 six monthly installments on 30 June and 30 December each year, commencing on 30 June 2002. The loan bears interest at 3.5% per annum. This loan is unsecured.	**6 231**	6 730
	6 231	11 730
Less: Current portion included in current portion of borrowings	**(6 231)**	(11 730)
	-	-

15. Employee benefits

Post-retirement medical aid benefits

The Corporation contributes to a medical aid scheme for retired employees. The liability in respect of future contributions to the scheme in respect of members is valued annually by actuaries.

The latest valuation was carried out on 31 March 2007 by Alexander Forbes Health Care Consultants. The valuation method used was the Projected Unit Credit Method as prescribed by IAS 19 (Employee Benefits). The liability was estimated at N$ 33,495 million. There are no plan assets held against this current valuation.

	2009	2008
Present value of obligation	**33 495**	33 495
The principal assumption used were:		
Discount rate	7.75%	7.75%
Health care inflation	6.75%	6.75%
Average retirement age	65	65

	2009 N$'000	2008 N$'000

16. Trade and other payable

	2009 N$'000	2008 N$'000
Trade creditors	**1 049**	858
Sundry creditors	**2 135**	1 816
	3 184	2 674

17. Related party loans

	2009 N$'000	2008 N$'000
Rural Electrification Project	**293**	298
Omega Irrigation Project	**3 192**	4 042
Date Production Support Program Project	**(2 366)**	(4 233)
Etunda Irrigation	**(3 120)**	3 120
Swartboois Project	**-**	(586)
Orange River Irrigation Project	**12 671**	12 670
Tissue Culture Project	**196**	196
Neu Sommerau	**107**	107
Industrial Park Project	**(29 311)**	(29 311)
Cactus Pear Support	**(4 861)**	(4 559)
Naute Fruit Farms	**(2 467)**	(2 467)
Dittmarchen	**2**	1
Okatana	**17**	2
Group purchasing scheme	**(1 743)**	-
Nauaspoort	**1**	-
Owambo Koeldrank Fabriek	**247**	75
	(20 902)	(20 645)

18. Gross revenue

Gross revenue comprises turnover, which excludes value-added tax and represents the invoiced value of goods, and services supplied, rent and dividends received.

	2009	2008
	N$'000	N$'000
19. Operating loss		
Operating loss is stated after:		
Income		
Profit on disposal of property, plant and equipment	**(13)**	159
Share of profit in joint venture and associate	**10 656**	-
Expenditure		
Depreciation		
- Property, plant and equipment	**8 426**	794
Lease rentals	**63**	130
- Premises	**31**	72
- Equipment	**32**	58
Loss of livestock	**902**	-
Pension contributions	**1 237**	855
20. Investment income		
Interest income		
- Other interest	**112**	52
	112	52
21. Directors' emoluments		
Emoluments paid		
Directors and past directors		
- For services as directors	**23**	34
- Salary and acting allowances of executive director	**717**	897
	740	931
22. Finance cost		
22.1 Long-term loans and Bank overdraft	**2 886**	1 775
	2 886	1 775
22.2 Net finance cost	**(2 774)**	(1 723)

	2009	2008
	N$'000	N$'000

23. Employee costs - salaried staff

	2009	2008
Salaries and wages	**12 457**	8 939
Medical aid cost	**2 618**	2 176
Pension cost	**1 237**	855
	16 312	11 970

24. Notes to the cash flow statement

24.1 Cash utilised in operating activities

	2009	2008
Net (loss) for the year	**(3 827)**	(10 781)
Adjustments for:		
Depreciation	**8 426**	794
Investment income	**(112)**	(52)
Finance costs	**2 886**	1 775
Adjustment to property, plant and equipment	**119**	(70)
Adjustments and utilisations	**9 651**	-
Profit /(loss) on disposals of property, plant and equipment	**13**	(159)
Revaluation surplus realised on disposals of property, plant and equipment	**-**	92
	17 156	(8 402)
Movements in working capital		
Decrease / (increase) in inventories	**3 057**	(102)
(Increase) / decrease in accounts receivable	**(1 157)**	664
Increase / (decrease) in accounts payable	**510**	(1 435)
	19 566	(9 276)

24.2 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:

	2009	2008
Bank balances	**1 006**	1 355
Funds on deposit	**26 394**	5 730
Bank overdraft	**(9 169)**	(12 979)
	18 231	(5 894)

	2009	2008
	N$'000	N$'000

25. Adjustments and utilisations

Profit share from Namibia Beverages 2007 and 2008	**(3 620)**	-
Profit share and distributions from associate	**1 220**	-
Prior year interest on Republic of Namibia loan miscalculated	**711**	-
Prior year interest on DBSA loan not accounted for	**(134)**	-
Prior year grape sales from Karstens	**3 963**	-
Prior year expenses on grape sales from Karstens	**(1 886)**	-
Adjustment opening balances	**(1)**	
Prior year Namibia Beverages distribution incorrectly To Owambo	**9 398**	
	9 651	-