



African Renaissance and International Co-operation Fund

Contents

Accounting Officer's letter	2
Report of the Accounting Officer	3 – 6
Report of the Auditor General	7 – 8
Accounting Policies and Related Matters	9 – 10
Statement of Financial Performance	11
Statement of Financial Position	12
Statement of Changes in Net Assets	13
Cash Flow Statement	14
Notes to the Annual Financial Statements	15 – 16
Annexure 1	17
Annexure 2	17
Annexure 3	18



Accounting Officer's letter

Submission of the African Renaissance and International Co-operation Fund to the Executive Authority

To the Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma, I have the honour of presenting the 2005/06 Annual Report of the African Renaissance and International Co-operation Fund.



Dr Ayanda Ntsaluba
Director-General:
Department of Foreign Affairs

AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND

REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2006

Report by the Accounting Officer to the executive authority and Parliament of the Republic of South Africa.

1. INTRODUCTION

The African Renaissance and International Co-operation Fund (hereafter referred to as the Fund) was established in terms of section 2(1) of the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000) and is under the control of the Director-General: Foreign Affairs (DG). The current Act replaced the former Economic Co-operation Promotion Loan Fund Act, 1968 (Act No. 68 of 1968) that was repealed on 22 January 2001. The report covers the activities of the Fund during the 2005/2006 financial year in terms of the objectives and goals of the Act.

2. PURPOSE OF THE FUND

The purpose of the Fund is to promote economic co-operation between the Republic of South Africa and other countries by granting loans and/or rendering of other financial assistance in respect of development projects in such countries. Therefore, the Fund will enable the South African government to identify and fund, in a proactive way:

- co-operation between the Republic of South Africa and other countries, in particular African countries;
- promotion of democracy and good governance;
- prevention and resolution of conflict;
- socio-economic development and integration;
- humanitarian assistance; and
- human resource development.

Loans or other financial assistance are granted in accordance with an agreement entered into by the country in question and the Minister of Foreign Affairs (hereafter referred to as the Minister). Assistance granted is subject to such terms and conditions as may be agreed upon by that country and the Minister, acting in each case in consultation with the Minister of Finance.

An Advisory Committee has been established to manage the Fund and to also make recommendations to the Minister and the Minister of Finance on the disbursement of funds through loans or other financial assistance. The Advisory Committee consists of the following members:

- the director-general of Foreign Affairs or the delegate of the director-general.
- three officers of the department appointed by the Minister.
- two officers of the Department of Finance appointed by the Minister of Finance.

3. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

3.1 Income

In terms of the Act, the fund amongst other sources consists of money appropriated by Parliament for the fund. During the year, under review, a transfer payment of R100 million was effected by the Department of Foreign Affairs to the fund.

The interest received from investments relates to the amount deposited with the Corporation for Public Deposits in the South African Reserve Bank.

3.2 Expenditure

During the year under review, an amount of approximately R59,9 million was utilised to fund the following projects:

(a) Assistance to the Government of the National Transitional Government of Liberia – R25, 8 million

The 1996 ECOWAS-brokered peace agreements (Abuja I AND II) enabled the holding of the 1997 elections after nearly a decade of civil conflict and called for the establishment of a climate of national reconciliation in Liberia and the integration of all armed forces into one national army. However, the reluctance to implement the Abuja agreements resulted in the conflict between national forces and armed groups, and violent stand-offs between these forces led to negotiations in Accra, Ghana, resulting in a Comprehensive Peace Agreement being signed in 2003. The agreement paved way for the installation of a National Transitional Government (NTGL)



under the chairmanship of Mr Charles Gyude Bryant. The NTGL has overseen the transitional period, which culminated in elections held on 11 October 2005, with a hand-over to the elected government in December 2005. The NTGL's efforts have been supported by the United Nation's Mission in Liberia (UNMIL).

Key efforts have focussed on the entire process of disarmament and demobilisation, as well as preparing for credible elections. The socio-economic situation in Liberia is disastrous, with no reconstruction having taken place since the 1997 elections. Effective distribution of energy and water is absent even in the capital, Monrovia, and no new investment by the country has taken place since the end of the civil war. The health system has virtually collapsed and communication systems are essentially limited to the use of satellite telephones. It is in this environment that approximately one hundred thousand (100 000) demobilised fighters have to be integrated into civil society and successful elections held.

The pledging of donor aid to the reconstruction process in Liberia, estimated at US \$ 520 million, has fallen short by approximately one-third (US\$ 174 million). However, a challenge remained of integrating a number of military formations into a single national army for Liberia. Clearly, in all respects, the numbers of fighters who were formally disarmed by UNMIL cannot all be accommodated into a new national army. Shortfall of funding poses a risk to NTGL in its efforts to create a stable environment for the elections to be held in Liberia. Furthermore, the National Election Commission of Liberia, while receiving some assistance from the UN, was expected to develop and implement an infrastructure to support planned elections that were held in October 2005.

The purpose of the project was to contribute towards the establishment of stability in Liberia and by extension, in West Africa as a whole, given that the instability has impacted heavily on other countries in the region. The funding was to be utilised for the disarmament process as well as holding of successful elections.

(b) Humanitarian Assistance to the Western Sahara – R 10, 0 million

Western Sahara, which is located in the north west of the

African continent, remains as the last of the African states yet to be de-colonised. In the mid-seventies Spain withdrew from its former colony of Western Sahara and relinquished administrative control to Morocco and Mauritania who among them divided the country equally into a Moroccan controlled north and Mauritanian controlled south. The Sahrawi liberation movement, Polisario, began militarily resisting the Mauritanian and Moroccan claims on what it perceived as its territories. After some spectacular military successes by Polisario the Mauritanian government withdrew from their occupied part of Western Sahara relinquishing all future claims to the territories. Morocco then occupied the Mauritanian half of the territory and staged the 'Green March' led by the former Moroccan King Hassan. POLISARIO continued its military campaign for independence and in 1981 the UN together with the Organisation of African Unity (OAU) agreed on a Settlement Plan that would allow for a referendum.

The UN led referendum process failed in staging a referendum when Morocco officially declared that it would not participate in any solution that suggest the possibility of future self-determination for the territories. This resulted in a massive concentration of refugees across the border in Algeria. The Sahrawi refugees have been accommodated in four camps near the town of Tindouf, South West of Algeria since 1975. These camps are situated in a harsh desert environment characterised by high summer temperatures, low rainfall, severe cold winters and little productive soil.

The impasse that remains between Morocco and the Sahrawi Arab Democratic Republic (SADR) continues to be the single most divisive factor in the region and the key factor in preventing the Arab Magreb Union (AMU) from progressing. Western Sahara or the Sahrawi Arab Democratic Republic (SADR) which enjoys full membership status in the African Union was recognised by South Africa in November 2004.

An interdepartmental task team consisting of Departments of Foreign Affairs, Health and Social Development was mandated to perform a situational assessment of the refugee camps in Tindouf. This was done in consultation with the UN partner agencies currently active in the refugee camps with the view to co-ordinate efforts and complement activities in order to avoid unnecessary duplication. Based on the assessment results, South Africa identified projects, which will contribute to

the wellbeing of the Sahrawi people, particularly women and children in terms of food and nutrition, health, water and sanitation needs. Three projects of co-operation were therefore identified for implementation, namely Health (R 3 million), Food and Nutrition (R2 million), Water and Sanitation (R5 million).

(c) Pre-election Support Programme for the Democratic Republic of Congo (DRC) – R 22, 4 million

As reported in the previous year, South Africa, over the past several years has been one of the leading regional and global partners actively facilitating and supporting the peace process in the DRC. South Africa's efforts to assist the DRC on its road to peace culminated in the signing in Pretoria of the Global and All- Inclusive Agreement between the belligerents in December 2002 and the endorsement thereof at the final session of the Inter-Congolese Dialogue at Sun City in April 2003. In terms of this agreement, the parties involved committed, amongst others, to the establishment of a representative transitional government and the holding of elections by June 2005, which has been postponed to June 2006.

The transitional government was established in May 2003 and five institutions in support of democracy: The Independent Electoral Commission, Higher Media Authority, The Commission for Truth and Reconciliation, The Commission for Ethics and Struggle against Corruption, and The National Observatory for Human Rights, were officially established on 28 August 2003. In May 2004, President Joseph Kabila announced his roadmap of actions to be implemented by the transitional government to take the country to elections and the country's constitution was launched in Kinshasa on 16 May 2005 and paved the way for the adoption of an electoral law.

The overall objective of the project is capacitate the DRC government and agencies on issues of governance and the establishment of institutions with a view to promote integration, peace and stability, thereby creating an atmosphere conducive to the holding of elections. The following projects have been funded:

- Electoral Technical Assistance Project - R11 million
- South Africa's Observer Mission- R10 million, and
- Developing a governance framework (DPSA) – R1, 4 million.

(d) High-level Commission on the War on Terrorism in Africa – R1,7 million

The Africa Institute of South Africa (AISA) identified a need to establish a high-level commission on " Terrorism, Africa and the War on Terror ". For this project AISA adopted the definition of Terrorism according to the terms of international law that is, targeting of civilian population is a terrorist act irrespective of who is doing it or what their motivation is. In this light, the Algiers Convention adopted by the AU is very specific that all acts of terrorism need to be discouraged. Terrorism challenges the rule of law, trampling on human rights and destroying civil society. Recent years have been characterised by calls in the international community for widespread counter-terrorism measures. The threat of terrorism has different sources and guises for each state and region, and needs to be assessed on an individual basis in order to be combated effectively on a global level.

The African continent has been targeted by a number of domestic and transnational terrorist groups with differing political and ideological agendas. Although the African Union has adopted an anti-terrorism convention and joined the international counter-terrorism effort, the different states' economic, regional, cultural, ethnic, and religious differences have complicated the process of identifying and applying concrete Pan-African policies on the issue.

The Commission seeks to address the roots and effects of terrorism and anti-terrorism measures in each region of Africa and the continent as a whole with the objective of determining viable counter-terrorism policies. The Commission will consist of five influential African public figures: a politician, a diplomat, a senior military player, a businessperson, and an academic. The main thrust of the Commission will be to sanction research, undertake field-based assessments of specific themes, and hold events with African partner institutions, such as monthly symposia and outreach activities. In summary, the Commission's objectives are:

- To propose an African perspective on terrorism and the war on terror
- To propose possible policy responses
- To reflect on continental anti-terrorism efforts, including the implementation of relevant regional and international instruments

- To generate public debate and dialogue on the continent on terrorism and the war on terror
- To explore how African states can contribute to international anti-terrorism efforts

3.3 Loans

During the year under review, no loans were issued (Annexure 3). As reported in the previous year, the conversion of non-recoverable loans to grants was being pursued, since the Minister in consultation with the Minister of Finance has in terms of the Act, the prerogative to convert loans to grants. A decision has now been taken by the Advisory Committee to recommend for the writing-off the loans of the previous defunct Economic Co-operation Promotion Loan Fund Act, 1968 (Act No. 68 of 1968) and in this regard a proposal has been submitted to the Minister of Finance. Furthermore, since approval has not yet been received from the Minister of Finance, additional provision for impairment has been made for the balance of the loans to the value of R33 million.

3.4 Payables

Included in payables is the amount of R48 million, which relates to the amounts paid from the departmental funds whilst waiting for concurrence from the Minister of Finance. This is due to the lengthy process to be followed in obtaining concurrence from the Ministry of Finance. Therefore, due to the urgency of some of the projects, departmental funds were utilised to facilitate the implementation of the projects.

Furthermore, as reported in the last financial year, payables include an amount of R30 million, which were paid for the Africa Cup of Nations Soccer Tournament in Mali. Sports and Recreation South Africa, through a trust account, managed this project. The Minister of Finance was unable to issue a letter of concurrence for the expenditure incurred until the account was fully audited. The Office of the Auditor-General was mandated to carry such audit, which is not as yet finalised.

4. SCOPA Resolutions

The table below summarises the Standing Committee on Public Accounts (SCOPA) resolutions under implementation, as contained in SCOPA seventy-seventh report, 2003 on the report of the Auditor-General on the financial statements of

the African Renaissance Fund and International Co-operation Fund for the year ended 31 March 2002 [RP206/2002]:

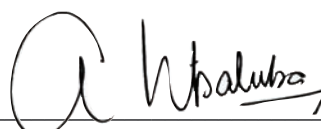
Reference to previous audit report and SCOPA resolutions	Subject	Findings in progress
Resolution – audit report 2001/02	Long-term loans	The resolution is under implementation.
The Committee recommends that the department submits a report to Parliament within 60 days after the tabling of this report in Parliament indicating the age analysis of the various loans, and the nature of the measures it has taken or intends taking to recover the instalments in arrears.		Please refer to paragraph 3.3 of the Accounting Officer's report.

Apart from the above-mentioned, there have been no other SCOPA resolutions since the 2001-02 audit report.

The financial position of the African Renaissance and International Co-operation Fund as at 31 March 2006 and the results of its operations are set out in the attached annual financial statements:

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Changes in Net Assets
- Cash Flow Statement
- Notes to the Annual Financial Statements
- Annexure 1
- Annexure 2
- Annexure 3

The accounting officer has approved the above-mentioned financial statements.



Dr A Ntsaluba
Director-General: Department of Foreign Affairs
Date: 31 May 2006

REPORT OF THE AUDITOR-GENERAL TO MEMBERS OF PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND FOR THE YEAR ENDED 31 MARCH 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 9 to 18, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004), section 55(1)(c) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), as amended and section 6(1) of the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000). These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

3. BASIS OF ACCOUNTING

The fund's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as described in note 1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the African Renaissance and International Co-operation Fund at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury of South Africa, as described in note 1 to the financial statements, and in the manner required by the Public Finance Management Act.

5. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

5.1 Payables

Payables, as disclosed in note 3 to the financial statements, include an amount of R13.1 million in respect of transfer payments, consisting of R10 million humanitarian assistance paid to Western Sahara, R1.7 million paid towards the establishment of a high-level commission on the war on terrorism in Africa and R1.4 million paid for the development of a governance framework for the Democratic Republic of the Congo.

These payments were not made in terms of section 5 of the African Renaissance and International Co-operation Fund Act, 2000, which requires, inter alia, regularisation by the Ministers of Foreign Affairs and Finance, respectively. Contrary to the requirements of the act, these payments were not approved by the Minister of Foreign Affairs and made without the concurrence of the Minister of Finance.

5.2 Payables – twenty-third Africa Cup of Nations soccer tournament

As reported in the previous years' audit report, the payables as per note 3 to the financial statements included a series of payments totalling R29.9 million, which the Department of Foreign Affairs had effected in 2002 on behalf of the fund to the Mali Trust Fund to enable the hosting of the twenty-third Africa Cup of Nations soccer tournament. At that time, the Mali Trust Fund had been managed by Sports and Recreation South Africa.

The total payment of R29.9 million exceeded the initial amount pledged and contrary to section 5 of the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000), these payments have not been regularised by the advisory committee. Concurrence by the Minister of Finance was also not obtained. According to the Department of Foreign Affairs, the Minister of Finance remained unable to issue a letter of concurrence for the expenditure incurred on behalf of the fund until the accounts of the Mali Trust Fund have been audited.

5.3 Performance information

The fund does not have an effective information management system to facilitate the monitoring, evaluation and reporting on its performance information. Consequently, the fund did

not submit its performance information for auditing within the stipulated timeframe, as required by the National Treasury Guide for the Preparation of Annual Reports.

6. APPRECIATION

The assistance rendered by the staff of the fund during the audit is sincerely appreciated.



S Cele
for Auditor-General

Pretoria
31 July 2006



AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2006

1. Basis of accounting

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP	Replaced Statement of GAAP
GRAP 1: Presentation of financial statements	AC101: Presentation of financial statements
GRAP 2: Cash flow statement	AC118: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	AC103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

1. Terminology differences:

Standard of GRAP	Replaced Statement of GAAP
Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit for the period	Profit/loss for the period
Accumulated surplus/deficit	Retained earnings
Contributions from owners	Shared capital
Distribution from owners	Dividends
Reporting date	Balance sheet date

2. The cash flow statement can only be prepared in accordance with the direct method.

3. Specific information such as:

- receivables from non-exchange transactions, including taxes and transfers;
- taxes and transfers payable;
- trade and other payables from non-exchange transactions; must be presented separately on the statement of financial position

4. The amount and nature of any restrictions and cash balances is required to be disclosed.

Paragraph 11 – 15 of GRAP 1 has not been implemented as the budget reporting standard is in the process of being developed by the international and local standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect fair presentation.

2. Revenue

Revenue from state contributions and interest from investments is accounted for on the accrual basis of accounting. Interest on loans is brought into account in the year in which it is capitalised or accrued. Interest on loans is calculated bi-annually in arrears on the balance outstanding, and where withdrawals were made during the period, from the date of each withdrawal. In accordance with international practice interest is calculated on the basis of a 360 day year, consisting of 12 months of 30 days each. Interest is not charged on instalments in arrears.

3. Comparative figures

The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the Department may reasonably have available for reporting in terms of the Public Finance Management Act.

4. Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised, irregular, and fruitless and wasteful expenditure is treated as a current asset in the statement of financial position until such expenditure is recovered, authorised by Parliament, or set off against future voted funds.

5. Debts written off

In terms of the current Act “the Minister may, in consultation with the Minister of Finance and upon recommendation of the advisory committee, write off or convert to grants any outstanding debts owed to the previous Economic Co-operation Promotions Loans Fund”.

6. Financial Instruments

The Fund’s principal financial assets are Cash and Cash Equivalents, Receivables and Long Term Loans granted to other countries. These financial assets are reported at fair

value at year end as reduced by provision for impairment.

Financial liabilities are classified according to the substance of the agreement or arrangement entered into. The main financial liabilities of the Fund are amounts due to the Department of Foreign Affairs for loans that are awaiting concurrence letters from the Minister of Finance, as well as amounts owed to outside parties in respect of projects approved in terms of the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000)

7. Impairment of assets

The carrying amounts of the Fund’s assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. In arriving at the recoverable amount management uses its judgement. The impairment loss is recognised in the statement of financial performance as an expense whenever the carrying amount of an asset exceeds its estimated recoverable amount.

African Renaissance and International Co-operation Fund
Statement of Financial Performance for the year ended 31 March 2006

	Notes	31/03/2006 R'000	31/03/2005 R'000
Revenue			
Transfers and Subsidies Received	1	100,000	50,000
Other income	2	22,449	19,733
Total revenue		122,449	69,733
Expenditure			
Local and foreign aid assistance paid	3	(59,850)	(54,100)
Other operating expenses	4	(33,186)	(12,983)
Total expenditure		(93,036)	(67,083)
Surplus for the year		29,413	2,650

African Renaissance and International Co-operation Fund
Statement of Financial Position as at 31 March 2006

ASSETS	Notes	31/03/2006 R'000	31/03/2005 R'000
Non-current assets			
Long term loans and advances	5	0	32,138
Current assets			
Trade and other receivables	6	6,670	6,670
Prepayments and advances	7	2,072	2,072
Cash and cash equivalents	8	350,987	308,580
Total assets		359,729	349,460
LIABILITIES			
Current liabilities			
Local and foreign aid assistance payable	3	86,534	105,678
Total liabilities		86,534	105,678
NET ASSETS			
Accumulated Surplus	9	273,195	243,782
Total Net Assets and liabilities		359,729	349,460

African Renaissance and International Co-operation Fund
Statement of Changes in Net Asset for the year ended 31 March 2006

	Notes	31/03/2006 R'000	31/03/2005 R'000
Accumulated Surplus			
Balance at 01 April as originally stated	9	243,782	272,035
Net surplus for the year		29,413	2,650
Prior year adjustments		0	(30,903)
Balance at 31 March 2006		273,195	243,782

African Renaissance and International Co-operation Fund
Cash Flow Statement for the year ended 31 March 2006

	Notes	31/03/2006 R'000	31/03/2005 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Customers		100,000	50,000
Cash paid to suppliers and employees		(80,042)	(1,039)
Cash generated from/(utilised in) operations	10	19,958	48,961
Interest received		22,449	19,733
Net cash inflows/outflows from operating activities		42,407	68,694
Net increase/(decrease) in cash and cash equivalents		42,407	68,694
Cash and cash equivalent at the beginning of the year	8	308,580	239,886
Cash and cash equivalent at end of the year	8	350,987	308,580

African Renaissance and International Co-operation Fund
Notes to the Annual Financial Statements for the year ended 31 March 2006

	Notes	31/03/2006 R'000	31/03/2005 R'000
1. Transfers and subsidies received			
National Departments		100,000	50,000
Total		100,000	50,000
2. Other income			
Interest on loans		1,048	1,039
Interest on investments		21,401	18,694
Total		22,449	19,733
3. Local and foreign aid			
Local and foreign aid assistance payable	Annexure 1	86,534	105,678
Local and foreign aid assistance paid	Annexure 2	(59,850)	(54,100)
4. Other operating expenses			
Impairment of financial assets		33,186	12,983
Total		33,186	12,983
5. Loans			
Non-current loans	Annexure 3	0	32,138
Total		0	32,138
6. Trade and other receivables			
Other receivables		6,670	6,670
Total		6,670	6,670
7. Prepayments and advances			
Prepayments		2,072	2,072
Total		2,072	2,072
8. Cash and cash equivalents			
Cash and balances with banks		350,987	308,580
Total		350,987	308,580
9. Accumulated Surplus			
Accumulated surplus			
Balance at 1 April as originally stated		243,782	272,035
Net surplus for the year		29,413	2,650
Impairment for previous financial years			(30,903)
Total		273,195	243,782

African Renaissance and International Co-operation Fund
Notes to the Annual Financial Statements for the year ended 31 March 2006

10. Reconciliation of surplus before Taxation to cash generated from/(utilised in) operations

Surplus before taxation		29,413	2,650
Impairment of financial assets		33,186	12,983
Investment income		(22,449)	(19,733)
Operating cash flows before working capital changes		40,150	(4,100)
Working capital changes		(20,192)	53,061
Cash generated from operations		19,958	48,961

For the purposes of the cash flow statement

Interest received		22,449	19,733
Total		22,449	19,733

African Renaissance and International Co-operation Fund
Annexure to the Annual Financial Statements for the year ended 31 March 2006

Annexure 1 Statement of local and foreign aid assistance payable

	Name of Donor	31/03/2006 R'000	31/03/2005 R'000
Current			
Foreign Aid payable	Department of Foreign Affairs	46,797	51,882
	SA Contribution to AU Peace Fund for Comoros	5,084	5,084
	SA Contribution to Guinea Elections	81	81
	DFA/SPLM/UNISA	303	3,322
	Burundi Peace Process	8,943	8,943
	Zimbabwe Elections	2,226	4,616
	DRC Post Conflict Reconstruction and Development		25,000
	DRC Pre-election Public Support Programme		3,500
	South African Women in Dialogue		3,250
	Sahrawi Humanitarian	10,000	
	Department of Public Service and Administration	1,400	
	AISA	1,700	
	DRC Observer Mission	10,000	
Total Foreign		86,534	105,678
Total foreign aid assistance payable		86,534	105,678

Annexure 2 Statement of local and foreign aid assistance paid

	Name of Donor	31/03/2006 R'000	31/03/2005 R'000
Foreign Aid paid			
Grant	DFA/SPLM/UNISA		7,100
Grant	Burundi Peace Process		10,000
Grant	Isigodlo Trust (SAWID)		3,500
Grant	DRC Pre-Election Process		3,500
Grant	Zimbabwe Observer Mission		5,000
Grant	DRC Post Conflict Reconstruction and Development		25,000
Grant	Africa Institute of South Africa	1,700	
Grant	Liberian Government	25,750	
Grant	Independent Electoral Commission	11,000	
Grant	Sahrawi	10,000	
Grant	DRC Observer Mission	10,000	
Grant	DPSA	1,400	
Total Foreign		59,850	54,100
Total foreign aid assistance paid		59,850	54,100

African Renaissance and International Co-operation Fund
Annexure to the Annual Financial Statements for the year ended 31 March 2006

Annexure 3

	Note	31/03/2006 R'000	31/03/2005 R'000
Granted to Comoros			
Opening Balance		14,415	33,559
Interest Charged		553	542
Provisions		(14,968)	(19,686)
Closing balance		0	14,415
Granted to Gabon			
Opening Balance		2,652	6,273
Provisions		(2,652)	(3,621)
Closing balance		0	2,652
Granted to Lesotho			
Opening Balance		403	952
Provisions		(403)	(549)
Closing balance		0	403
Granted to Mozambique			
Opening Balance		3,538	8,369
Provisions		(3,538)	(4,831)
Closing balance		0	3,538
Granted to Malawi			
Opening Balance		6,150	14,329
Interest Charged		203	219
Provisions		(6,353)	(8,398)
Closing balance		0	6,150
Granted to Paraguay			
Opening Balance		154	365
Provisions		(154)	(210)
Closing balance		0	155
Granted to Central Africa			
Opening Balance		2,809	6,368
Interest Charged		292	278
Provisions		(3,101)	(3,837)
Closing balance		0	2,809
Granted to Swaziland			
Opening Balance		2,016	4,770
Provisions		(2,016)	(2,754)
Closing balance		2,016	2,016
Total Long term Loans		0	32,138



