“We will have a South Africa which will live in peace with its neighbours and with the rest of the world. It will base its foreign relations on mutually advantageous assistance among the peoples of the world.”

OR Tambo in 1976
<table>
<thead>
<tr>
<th>TABLE OF CONTENT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>African Renaissance and International Co-operation Fund</td>
<td></td>
</tr>
<tr>
<td>for the year ended 31 March 2010</td>
<td></td>
</tr>
<tr>
<td>Accounting Officer's Report for year ended 31 March 2010</td>
<td>5-6</td>
</tr>
<tr>
<td>Performance Information</td>
<td>7</td>
</tr>
<tr>
<td>Accounting Policies and Related Matters</td>
<td>8-9</td>
</tr>
<tr>
<td>Report of the Auditor-General</td>
<td>10-11</td>
</tr>
<tr>
<td>Statement of Financial Performance</td>
<td>12</td>
</tr>
<tr>
<td>Statement of Financial Position</td>
<td>12</td>
</tr>
<tr>
<td>Statement of Changes in Net Assets</td>
<td>13</td>
</tr>
<tr>
<td>Cash Flow Statement</td>
<td>13</td>
</tr>
<tr>
<td>Notes to the Annual Financial Statements</td>
<td>14-15</td>
</tr>
<tr>
<td>Schedule 1 - Payables</td>
<td>16</td>
</tr>
<tr>
<td>Schedule 2 - Receivables</td>
<td>16</td>
</tr>
</tbody>
</table>
ACCOUNTING OFFICER’S REPORT for the year ended 31 March 2010

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 (henceforth referred to as the Fund) was established in terms of section 2(1) of the Act in the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000) and is under the control of the Director-General: Department of International Relations and Co-operation (DIRCO). The current Fund replaced the former Economic Co-operation Promotion Loan Fund Act, 1988 (Act No. 68 of 1988) that was repealed on 22 January 2001. The report covers the activities of the Fund during the 2009/2010 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 International Relations and Cooperation (henceforth 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 International Relations and Cooperation or the delegate of the Director-General;
- three officers of the department appointed by the Minister;
- two officers of the National Treasury appointed by the Minister of Finance.

3. RELATED PARTIES

Due to the urgency of some of the projects as well as the lengthy process to be undertaken, the Minister replaced the former Economic Co-operation Promotion Loan Fund Act, 1988 (Act No. 68 of 1988) that was repealed on 22 January 2001. The report covers the activities of the Fund during the 2009/2010 financial year in terms of the objectives and goals of the Act.

4. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

4.1 Income

In terms of the Act, income, amongst other sources, consists of money appropriated by Parliament for the Fund. During the year under review, an amount of R631.4 million was appropriated and subsequently transferred by the Department of International Relations and Cooperation to the Fund.

The interest received of R34 million from investments relates to the amount deposited with the Corporation for Public Deposits in the South African Reserve Bank.

4.2 Expenditure

During the year under review an amount of R321.4 million was approved to fund the following projects:


The South African Government made available an amount of R4 million towards South Africa’s participation in the African Union (AU) Observer Mission in respect of April 2010 general elections in Sudan. The observation of the election process is important to South Africa, in ensuring that the precepts of the Declaration on Elections, Democracy and Good Governance in Africa are adhered to. South Africa deployed 36 officials/observers to form part of the AU Observer Mission. The R4 million covered mainly accommodation, transport, S&T allowance, vaccination, stationery, general equipment and communications.

b) Cuban Medical Brigade in Sierra Leone – R244 million

The South African government contributed R244 million to fund 20 Cuban doctors in a project to offer medical services to the Sierra Leone Government for a period of three years. The assistance to the Sierra Leone Government operated through the trilateral agreement between South Africa, Cuba and Sierra Leone. The project would be undertaken within a signed Agreement of Understanding (MOU) between South Africa and Sierra Leone. The funds will be transferred in three instalments of R83,000,000 over three years subject to annual reviews.

c) the establishment of the African Ombudsman Research Centre (AORC) – R3 million

A contribution of R3 million has been granted to the South African Office of the Public Protector for the establishment of an African Research Centre at the University of Kaseta-Natal. The AORC will serve as a focal point for Ombudsman Offices in Africa in coordination of activities in supporting Ombudsman offices in Africa. It will provide information and training, as well as liaison with all stakeholders charged with the responsibility of promoting and protecting good governance and the upholding of human rights in Africa and the World. The funds will be disbursed in two tranches of R1.5 million per annum.

d) Zimbabwe Economic Recovery Programme – R300 million

The South African government contributed R300 million towards supporting the economic recovery programme in Zimbabwe. The decision to provide this funding was informed by the financing gap identified in the revised budget tabled by the Zimbabwean Minister of Finance in March 2009. The disbursement of the funds is managed through a Short Term Support Agreement that has been entered between the two governments in May 2009.

4.3 Payables

Payables are as a result of projects that were recommended by the Advisory Committee but the funds were not yet disbursed to the projects at year end. DIRCO pays the payables as a result of payments made by the Department of International Relations and Cooperation for the approved projects on behalf of the Fund, however at year end these funds were not yet refunded to the Department.

4.3.1 African Cup of Nations – Mali 2002

In prior years, an amount of R29,042 million was included in the Payables as an amount payable to the Department of International Relations and Cooperation. The amount was expensed in the 2002/03 financial year of DIRCO.

4.4 SADPA

One of the priority objectives of the South African Government is the consolidation of its international assistance. Consequently cabinet approved the establishment of the South African Development Partnership Agency. The development of a framework commenced during 2009/10 financial year and it is envisaged that this task will be completed during the 2010/11 financial year. It is also envisaged that the SADPA will replace the African Renaissance and International Co-operation Fund.

5. SCOPA RESOLUTIONS

There are no outstanding SCOPA resolutions.

The financial position of the African Renaissance and International Co-operation Fund Act as at 31 March 2010 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
- Schedule 1 – Payables
- Schedule 2 – Receivables

The Accounting Officer has approved the above-mentioned financial statements.

Dr A Ntsaluba
Director-General: International Relations and Cooperation
Date: 28 July 2010
### AFRICAN RENAISSANCE ANNUAL PERFORMANCE ASSESSMENT

<table>
<thead>
<tr>
<th>SUB-PROGRAMMES/OBJECTIVES</th>
<th>OUTPUT/SUPPORTS</th>
<th>OUTPUT PERFORMANCE MEASURES/SERVICE DELIVERY INDICATORS</th>
<th>ACTUAL PERFORMANCE AGAINST TARGET</th>
<th>ACTUAL PERFORMANCE AGAINST TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target/Measure</td>
<td>Actual/Achieved/Not Achieved/Way Forward</td>
</tr>
</tbody>
</table>

#### To support the promotion of democracy in South Africa and its principles in identified African countries

- **Assisted countries with the establishment of the Office of the African Renaissance Research Centre at the University of the Witwatersrand.**
- **Approved R20 million for the establishment of the African Renaissance Research Centre at the University of Johannesburg.**
- **The Office of the African Renaissance Research Centre at the University of the Witwatersrand was established.**
- **The project proposal to the ARF was approved.**

#### To support the implementation of bilateral agreements between South Africa and partner countries/areas within areas of development

- **Funding approved for the implementation of the projects: Sudan Medical Brigade in Sera-Leone.**
- **Approved R14 million for the funding of a Cuban Medical Brigade in Sera-Leone.**
- **The Cuba Medical Brigade in Sera-Leone.**
- **The project proposal to the ARF was approved.**

#### To support the promotion of disaster relief in Africa

- **Provided funding for the Cuban Medical Brigade in Sera-Leone.**
- **Approved R24 million for the Cuban Medical Brigade in Sera-Leone.**
- **Provided funding for the Cuban Medical Brigade in Sera-Leone.**
- **The project proposal to the ARF was approved.**

#### To support the development of skills and capacity in the identified African countries

- **Implement the USAID-Gates project in the Sudan.**
- **Continue to train Government of South Sudan officials in administration.**
- **The project proposal to the ARF was approved.**
- **The project proposal to the ARF was approved.**

#### To provide support to the establishment of the Office of the African Renaissance

- **Approved R3 million for the establishment of the Office of the African Renaissance at the University of Pretoria.**
- **The project proposal to the ARF was approved.**
- **The project proposal to the ARF was approved.**
- **The project proposal to the ARF was approved.**

#### To provide funding for the implementation of the projects:

- **Promote the implementation of bilateral agreements between South Africa and partner countries/areas within areas of development.**
- **Global Education Project.**
- **Provide funding for the implementation of bilateral projects: Cuban Medical Brigade in Sera-Leone.**
- **Approved R14 million for the funding of a Cuban Medical Brigade in Sera-Leone.**

#### Statement of accounting policies and related matters for the ended 31 March 2010

**1. Basis of preparation**

The annual financial statements have been prepared in accordance with the effective standards of Generally Recognized Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board.

**1.1 The cash flow statement can only be prepared in accordance with the direct method**

**1.2 Specific information has been presented separately on the statement of financial position such as:**

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

**1.3 Amount and nature of any restrictions and cash balances are required.**

1.4 The following GRAP Standards have been approved but are not yet effective:

#### STANDARD OF GRAP

- **1.1 The cash flow statement can only be prepared in accordance with the direct method.**
- **1.2 Specific information has been presented separately on the statement of financial position such as:**
- **1.3 Amount and nature of any restrictions and cash balances are required.**
- **1.4 The following GRAP Standards have been approved but are not yet effective:**

<table>
<thead>
<tr>
<th>STANDARD OF GRAP</th>
<th>EFFECTIVE DATE OF STANDARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRAP 19 - Segment Reporting</td>
<td>Unspecified</td>
</tr>
<tr>
<td>GRAP 21 - Determination of fair-value generating assets</td>
<td>Unspecified</td>
</tr>
<tr>
<td>GRAP 22 - Revenue from non-exchange transactions (Taxes and Transfers)</td>
<td>2 April 2010</td>
</tr>
<tr>
<td>GRAP 23 - Appropriation of Surplus Information in Financial Statements</td>
<td>1 April 2010</td>
</tr>
<tr>
<td>GRAP 24 - Employee Benefits</td>
<td>1 April 2011</td>
</tr>
<tr>
<td>GRAP 25 - Impairment of Cash-generating Assets</td>
<td>1 April 2010</td>
</tr>
<tr>
<td>GRAP 26 - Financial Instruments</td>
<td>1 April 2011</td>
</tr>
</tbody>
</table>

2. **SIGNIFICANT ACCOUNTING POLICIES**

2.1 Going concern

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

2.2 Currency

These financial statements are presented in South African Rand since that is the functional currency in which the entity’s transactions are denominated.

3. **REVENUE**

Revenue from state contributions and interest from investments is accounted for on the accrual basis. Interest on loans is brought into account in the year in which it is capitalized or accrued. Interest on loans is calculated on a monthly basis; interest is charged on amounts outstanding, and where withdrawals were made during the period, interest is charged on amounts outstanding.

4. **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. Where necessary figures included in prior year financial statements are redrafted to ensure compliance with the requirements of the standards.

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 any outstanding debts owed to the previous Economic Co-operation Promotion Loans Fund.

6. **FINANCIAL INSTRUMENTS**

The funds’ 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 assistance of the agreement or arrangement entered into.

The main financial liabilities of the Fund are amounts due to the Department of International Relations and Cooperation for loans that are accruing according to agreements and statements issued by 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 Cooperation 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.

8. ROUNDING

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R’000).

9. RELATED PARTY TRANSACTIONS

Related party is the Department of International Relations and Cooperation that controls the Fund in making financial and operating decisions. Specific information with regards to the department’s transactions is included in the disclosure notes.

10. SUBSEQUENT EVENTS

There have been no significant subsequent events after year end that impacts on the financial statements.


REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the African Renaissance and International Co-operation Fund, which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 16.

Accounting Officer’s responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (G RéAP) and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General’s responsibility

As required by section 188 of the Constitution of South Africa 1996 (Act No.108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAAct) and section 6(1) of the African Renaissance and International Co-operation Fund Act, 2000 (Act No 51 of 2000), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 for the year ended 31 March 2010, and its financial performance and its cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice and in the manner required by the PFMA.

Emphasis of matter

I draw attention to the matter below. My opinion is not modified in respect of this matter:
Restatement of corresponding figures

As disclosed in note 13 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of misstatements to payables and receivables in the financial statements of the African Renaissance and International Cooperation Fund.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PPA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009 I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

Findings

Predetermined Objectives

No matters to report.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2010

<table>
<thead>
<tr>
<th>Notes</th>
<th>Restated 2008/09</th>
<th>Restated 2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers and Subsidies Received 1</td>
<td>665,256</td>
<td>745,099</td>
</tr>
<tr>
<td>Other income 2</td>
<td>53,885</td>
<td>46,174</td>
</tr>
<tr>
<td>Total revenue</td>
<td>719,141</td>
<td>791,273</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local and foreign aid assistance 4</td>
<td>(331,000)</td>
<td>(475,600)</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>(331,000)</td>
<td>(475,600)</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>334,256</td>
<td>269,499</td>
</tr>
</tbody>
</table>

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2010

<table>
<thead>
<tr>
<th>Notes</th>
<th>Restated 2008/09</th>
<th>Restated 2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and Receivables 7</td>
<td>41,282</td>
<td>698,725</td>
</tr>
<tr>
<td>Cash and cash equivalents 8</td>
<td>1,037,857</td>
<td>740,007</td>
</tr>
<tr>
<td>Total current assets</td>
<td>1,079,139</td>
<td>800,250</td>
</tr>
<tr>
<td>Non Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and Receivables 7</td>
<td>345,231</td>
<td>-</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>345,231</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>1,424,370</td>
<td>800,250</td>
</tr>
</tbody>
</table>

LIABILITIES

<table>
<thead>
<tr>
<th>Notes</th>
<th>Restated 2008/09</th>
<th>Restated 2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables 6</td>
<td>36,695</td>
<td>-</td>
</tr>
<tr>
<td>Local and foreign aid assistance payable 5</td>
<td>80,508</td>
<td>462,169</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>117,203</td>
<td>462,169</td>
</tr>
<tr>
<td>Non Current Liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local and foreign aid assistance payable 5</td>
<td>345,231</td>
<td>-</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>345,231</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>463,434</td>
<td>462,169</td>
</tr>
</tbody>
</table>

NET ASSETS

<table>
<thead>
<tr>
<th>Notes</th>
<th>Restated 2008/09</th>
<th>Restated 2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Surplus</td>
<td>593,423</td>
<td>297,862</td>
</tr>
<tr>
<td>TOTAL NET ASSETS AND LIABILITIES</td>
<td>1,067,857</td>
<td>740,007</td>
</tr>
</tbody>
</table>

INTERNAL CONTROL

I consider internal control relevant to my audit of the financial statements and the report on the predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of the internal control. The matters reported are limited to the deficiencies identified during the audit.

Findings

No matters to report.

Pretoria 29 July 2010
CASH FLOW STATEMENT
for the year ended 31 March 2010

Notes
Restated
2008/09
R’000
2009/10
R’000

1. Transfers and subsidies received
National Departments 631,371 698,925
Total 631,371 698,925

2. Other income
Interest on investments 33,885 46,174
Total 33,885 46,174

3. Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance
Net surplus/deficit per the statement of financial performance:
Adjusted for:
Fair value adjustments - -
Impairments recognised / reversed - -
Surplus / deficit on the sale of assets - -
Increase / decreases in provisions - -
Net surplus 334,256 269,499

4. Local and foreign aid
Local and foreign aid assistance approved for the period 331,000 475,600
Total 331,000 475,600

5. Local and foreign aid assistance payable
Current 90,508 442,145
Non-Current 345,231 -
Total 435,739 442,145

6. Trade and other payables
National Treasury: Accumulated surplus (38,695) -
Total (38,695) -

7. Trade and receivables
Current receivables 6,815 -
Total non-current receivables 29,975 41,202
Other receivables 47,803 58,310
Prepayments 2,972 2,972
Total 79,563 62,584

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2010

Notes
Restated
2008/09
R’000
2009/10
R’000

Balance as 1 April 2008 as previously reported 44,965
Correction of prior year error: Saharawi project (2007/08) (35,644)
Correction of prior year error: Aids Capital (2008/09) (20,042)
Balance at 31 March 2009 as restated 11 28,363
Sitereviewed for the year 269,499
Balance as at 31 March 2009 11 297,862
Sitereviewed to the National Treasury 6 (38,695)
Balance as at 31 March 2010 11 593,423

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2010

Notes
Accumulated
Surplus
R’000

Balance as 1 April 2008 as previously reported 44,965
Correction of prior year error: Saharawi project (2007/08) (35,644)
Correction of prior year error: Aids Capital (2008/09) (20,042)
Balance at 31 March 2009 as restated 11 28,363
Sitereviewed for the year 269,499
Balance as at 31 March 2009 11 297,862
Sitereviewed to the National Treasury 6 (38,695)
Balance as at 31 March 2010 11 593,423

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

2008/09
R’000
2009/10
R’000

8. Cash and cash equivalents
Cash and balances with banks 1,631,062 660,726
Total 1,631,062 660,726

9. Cash generated from operations
Surplus before taxation 334,256 269,499
Interest received (33,885) (46,174)
Operating cash flows before working capital changes 300,371 223,325
Working capital changes (999) (37,757)
Net cash flows from operating activities 299,372 185,568

10. Net cash inflows from operating activities
Appropriated and Received 631,371 698,925
Cash payments to projects (331,999) (513,357)
Cash generated from operations 299,372 185,568
Interest received 33,885 46,174
Net cash inflows from operating activities 333,257 231,742

11. Accumulated Surplus
Balance at the beginning of the year 297,862 44,965
Correction of prior year error - (25,644)
Balance at the beginning of the year 297,862 19,321
Correction of prior year error - 9,042
As restated 297,862 28,363
Surplus / deficit (593,423) 297,862
Adjustment other payables (38,695)
Total (534,423) 269,499

12. Related party
Department of International Relations and Cooperation 47,408 24,187
Total 47,408 24,187
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2010

13. Prior year error
The annual financial statements have been restated to correct the amounts that were erroneously omitted in payables and receivables. The effect of the restatement is as follows:

<table>
<thead>
<tr>
<th>Effect on opening accumulated surplus</th>
<th>R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in project expense</td>
<td>(16,018)</td>
</tr>
</tbody>
</table>

Effect on prior year deficit

| Increase in Receivables | (6,396) |
| Increase in Payables    | 23,497 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2010

14. Taxation
No provision has been made for taxation, as the Trading Entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act No 58 of 1962).

15. Financial Instruments
The ARF deposits all its cash in reputable financial institution. The ARF exposure to interest rate risk and the effective interest rate on financial instruments at reporting date are as follows:

<table>
<thead>
<tr>
<th>Fixed rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount R’000</td>
</tr>
<tr>
<td>7%</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>0%</td>
</tr>
</tbody>
</table>

16. Notes

Schedule 1: Payables

<table>
<thead>
<tr>
<th>PROJECTS</th>
<th>2008/09</th>
<th>2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owing to DIRCO</td>
<td>86,766</td>
<td>26,884</td>
</tr>
<tr>
<td>Government of Comoros – Electoral assistance project</td>
<td>3,048</td>
<td>3,048</td>
</tr>
<tr>
<td>SADC Observer Mission</td>
<td>10,091</td>
<td>10,091</td>
</tr>
<tr>
<td>Zimbabwe Elections</td>
<td>2,126</td>
<td>2,126</td>
</tr>
<tr>
<td>UNISA/DFA Project</td>
<td>10,654</td>
<td>23,976</td>
</tr>
<tr>
<td>Office of the Facilitator of the Burundian Peace Process</td>
<td>-</td>
<td>7,505</td>
</tr>
<tr>
<td>United Nations Mission (UNMALC/UNPOL) in Liberia for the rebuilding of the Liberian National Police</td>
<td>7,141</td>
<td>7,141</td>
</tr>
<tr>
<td>Seychelles Government – Infrastructure rehabilitation of Seychelles post</td>
<td>20,220</td>
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</tr>
<tr>
<td>Mission to – operation BAHSA</td>
<td>10,938</td>
<td>10,938</td>
</tr>
<tr>
<td>Government of Guinea (Conakry) – Rice Production, Waste Management &amp; Technical Assistance</td>
<td>168,795</td>
<td>173,325</td>
</tr>
<tr>
<td>Justice (Ministry crisis project)</td>
<td>65,000</td>
<td>65,000</td>
</tr>
<tr>
<td>Timbuktu Manuscript project</td>
<td>2,828</td>
<td>23,956</td>
</tr>
<tr>
<td>Cuban Medical Brigade in Sierra Leon</td>
<td>10,806</td>
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<tr>
<td>The establishment of the African Ombudsman Research Centre (AORC)</td>
<td>3,800</td>
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<tr>
<td>Elections in Sudan</td>
<td>4,800</td>
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<tr>
<td>Seychelles</td>
<td>10,000</td>
<td>26,000</td>
</tr>
<tr>
<td>Comoros – support Election Assistance paid to DFA</td>
<td>13,500</td>
<td>23,000</td>
</tr>
<tr>
<td>Government of Uganda – refurbishment and construction of the OR Tambo school of leadership in Kawaweta</td>
<td>3,480</td>
<td>3,480</td>
</tr>
<tr>
<td>Total payables</td>
<td>455,739</td>
<td>445,144</td>
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</table>

Schedule 2: Receivables

<table>
<thead>
<tr>
<th>PROJECTS</th>
<th>2008/09</th>
<th>2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comoros- Support Electoral Assistance</td>
<td>13,483</td>
<td>25,064</td>
</tr>
<tr>
<td>Capital redemption received paid to DFA</td>
<td>5,600</td>
<td>5,600</td>
</tr>
<tr>
<td>Advance paid to DFA</td>
<td>2,073</td>
<td>2,073</td>
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<tr>
<td>Refund Med Transpaid to DFA</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Kawaweta</td>
<td>3,480</td>
<td>3,480</td>
</tr>
<tr>
<td>Seychelles</td>
<td>10,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Total</td>
<td>35,675</td>
<td>41,220</td>
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</tbody>
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