

**PART 5:**  
**ANNUAL FINANCIAL STATEMENTS**

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## MANAGEMENT REPORT for the year ended 31 March 2004

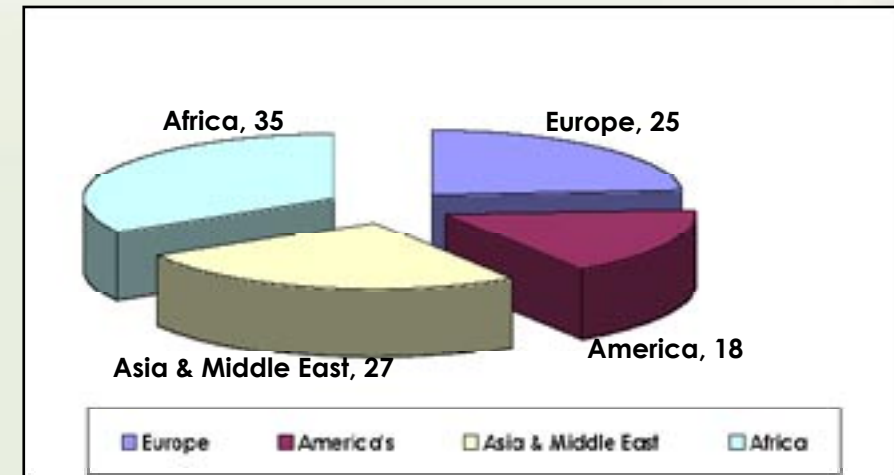
Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

### 1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

#### 1.1 INTRODUCTION

The Department of Foreign Affairs (department) is responsible for the formulation, application and execution of all aspects of South Africa's foreign policy as entrusted to the Minister of Foreign Affairs (minister). Liaison with foreign governments on matters of international relations is conducted through South Africa's accredited representatives. The head of a South African mission abroad acts as the representative of the head of state. During the year under review, the Department increased its foreign representation to one hundred and five missions by opening seven additional missions in Africa and Asia and Middle East regions. The split of the number of Missions per region is as follows:

#### SOUTH AFRICAN MISSIONS



In line with the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended) (PFMA) and the Treasury Regulations, the Department submitted its strategic plan for the medium term expenditure framework (MTEF) period 2003/04 to 2005/06 and identified the following strategic priorities for implementation during the year under review:

- Facilitate South Africa's role as African Union Chair, and its continued role as part of the African Union Troika;
- Implementation of NEPAD;
- Regional integration, with specific reference to SADC and SACU;
- Economic Development and Co-operation;

- Respond to the challenge of unilateralism by ensuring the prominence of multilateralism and respect for the international law;
- Develop a positive image of South Africa and to market South Africa internationally; and
- Provide efficient and effective support services.

In order to align the resources of the Department to its strategic priorities and to enable the Department to comply with the new monitoring, evaluation and reporting processes introduced by government, the programmes are structured as follows:

- *Administration* provides for the overall policy development, execution and management of the Department.
- *Foreign Relations* involve the promotion of relations with countries, and participation in international organisations and institutions, in pursuit of South Africa's national values and international relations objectives.
- *Public Diplomacy and Protocol* promotes South Africa's foreign policy objectives; both domestically and internationally, project a positive image of South Africa and Africa, and provide protocol services.
- *Foreign Properties* provide secure, economical housing and office accommodation to all staff members abroad and maintain immovable property abroad.

- *Auxiliary and Associated Services* provide for the payment of membership fees to international organisations, transfer payments and support services for all officials on transfer abroad, and make provision for the inauguration of the President of South Africa when required.

This report seeks to assist in measuring the extent to which the Department's resources allocated for the 2003/04 financial year were utilised in terms of the PFMA.

## 1.2 REVENUE

During the year under review, the Department received total revenue of **R2, 382** billion made up of voted funds and non-voted funds, however reduced to **R2, 026** billion as a result of a transaction processed by National Treasury. The detailed explanation is as follows: -

### (i) Annual Appropriation – R2, 329 billion

The Department received a budget allocation of R2, 329 billion for the 2003/04 financial year after adjustment estimates, which showed a 6, 09 % decrease as against the budget allocated for the 2002/03 financial year. The budget decrease of R151 million can be attributed to both the strengthening of the rand against the major currencies and funding which were received for specific projects in the previous financial year. In view of the appreciation of the rand, National Treasury revised the foreign exchange forecast against the major currencies.

The new rates resulted in the reduction of the budget by R 114 million. As reported in the last financial year, the Department received additional funding for specific projects, which were regarded as once off, i.e.:

- inaugural summit of the AU;
- South Africa's term as chairperson of the AU;
- the establishment of the Democratic Republic of the Congo (DRC) secretariat; and
- the Commonwealth Fund for Technical Co-operation,

The total cost of the above projects was approximately R62 million.

Considering the above-mentioned items, the departmental budget for 2003/04 has a slight increase as against the previous year.

#### (ii) Drawings debited by National Treasury – R 356 million

The bulk of expenditure for the Department is incurred abroad through our Missions in different currencies. Due to non-availability of on-line financial system, the recording of expenditure has a time lag of up to three months as the process is done manually. Therefore, the financial information recorded on Basic Accounting System (BAS) during a financial year always reflects under-expenditure due to non-capturing of information. However, the Department rectified the problem by implementing the new financial system as from December 2003 on

a phased approach. It is planned that the system will be fully operational by end October 2005.

During January 2004, National Treasury observed that the Department was under-spending based on information reflected on BAS. This resulted in National Treasury suspending the amount of R 356 million in lieu of envisaged savings. As mentioned above, the Department was actually not saving at this rate. Therefore the actual savings amounted to R161 million, taking into account the rollovers amount of R39 million. The Department will approach National Treasury to return back the amount in respect of the actual expenditure incurred.

#### (iii) Other revenue to be surrendered – R 53 million

Other revenue relates to revenue received in respect of *ad hoc* activities, as the Department does not have any income-generating programmes. The missions in other countries are allowed to reclaim value-added tax (VAT). During the year under review an amount R7 million was received in respect of VAT claims and R14 million is in respect of proceeds from sale of equipment, interest received, stale cheques written back, etc., detailed in note 2 to the income statement.

Furthermore an amount of R 32 million relates to the exchange rate difference which was corrected during the current financial year.

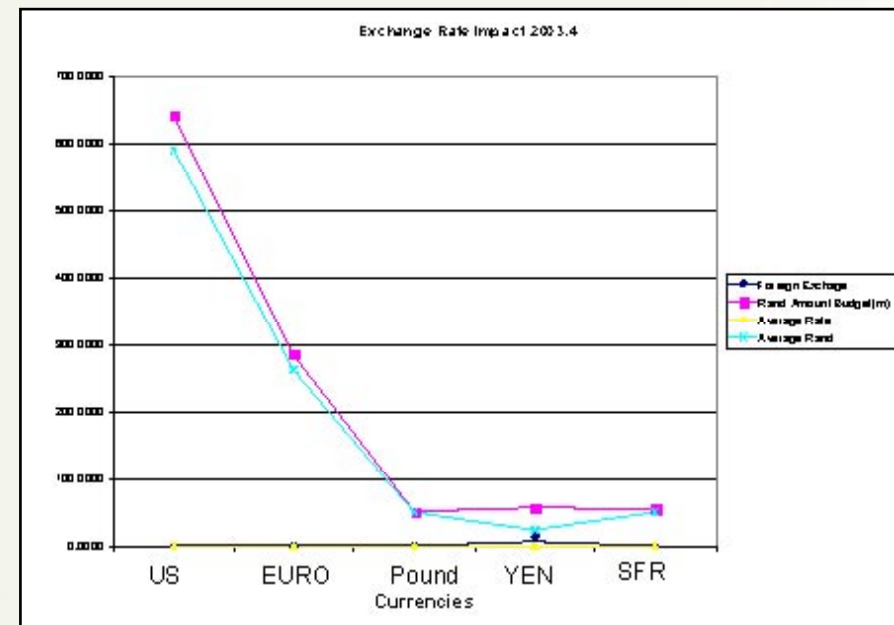
### 1.3 EXPENDITURE

#### Spending trends

South Africa maintains diplomatic relations with countries and organisations through 105 missions located throughout the world. Therefore the bulk of its expenditure is incurred in foreign currencies. This poses a major risk with regard to budgetary controls as the Department has no control over the fluctuation of the Rand against major foreign currencies. Due to this unpredictable or uncontrolled situation, the Department can either overspend or underspend its budget. However, the Department has reached an understanding with the National Treasury to use the fixed exchange rates determined by the treasury for budget purposes. Therefore, if there is a difference between the actual performance of the Rand and the budgeted rate, the allocated budget is adjusted accordingly. In the event of a depreciation of the Rand (lower than the fixed rate determined by the National Treasury) the adjustment estimate process is the only avenue available for the Department to be provided with resources to compensate for exchange rate losses. During the year under review, the Rand performed fairly well as against major foreign currencies and during the adjustment estimates the budget for the Department was reduced with R114 million. However, should either depreciation or appreciation of the Rand takes place after the adjustment estimate process, the Department has to fund such losses from within its allocated resources or reflect such savings. The Rand continued to appreciate and National Treasury due to

anticipated huge savings as explained in note 1.2 (ii) above, debited the PMG account with an amount of R356 million.

As shown in the graph below the budget exchange rate has been higher than the average spot rate, and the spot rate at which we bought dollars has also been lower: -



As mentioned above, considering the operations of the Department, its expenditure is affected by foreign exchange fluctuations. The recent movements of the rand have therefore had a major impact. Over the years the expenditure on the vote as a whole has been increasing by an annual average of 5%. However, there was a considerable jump during the 2001/02 financial year of approximately 27% compared to previous

financial years as well as an increase of 14.73% in the 2002/03 financial year. During the year under review, the expenditure has decreased by 10.70 % as against the previous year. This decrease can largely be attributed to the strengthening of the Rand as mentioned above. During the budget process the following rates for major currencies were used:

Currencies	Budget Foreign Currency	Budget Foreign Exchange Rate	Budget Rand Amount	Average Foreign Exchange Rate	Average Rand Value	Foreign Exchange Rate Savings
	Million		R' 000		R' 000	R' 000
US \$	81	7.91	641	7.27	589	52
EUROS	31	9.19	285	8.46	262	23
POUND	4	13.00	52	12.34	49	3
YEN	384	0.15	57	15.69	24	33
SFR	9	6.08	55	5.47	49	6
<b>TOTAL</b>			<b>1 090</b>		<b>973</b>	<b>117</b>

In overall, the Department has recorded savings amounting to R199,8 million, as shown in the graph below and the major decrease is in programme 2 (Foreign Relations), and programme 4 (Foreign Properties):

ANALYSIS OF UNDER/ (OVER) EXPENDITURE PER PROGRAMME				
PROGRAMME DESCRIPTION	VOTED 2003/04	ACTUAL EXPENDITURE	SAVINGS (EXCESS)	EXPENDITURE as % of
	R'000	R'000	R'000	VOTE
1: Administration	209 358	203 677	5 681	97.28 %
2: Foreign Relations	1 549 387	1 391 974	157 413	89.84 %
3: Public Diplomacy and Protocol	79 638	78 645	993	98.75 %
4: Foreign Properties	113 414	77 602	35 812	68.42 %
5: Auxiliary Services	376 778	376 778	0	100 %
6: Special Functions	4	4	0	100 %
<b>TOTAL</b>	<b>2 328 579</b>	<b>2 128 680</b>	<b>199 899</b>	<b>91.42 %</b>

During the year under review, the Department utilised 91, 42 % of the total budget allocated for the 2003/04 financial year, which compares favourably to the 94, 34 % spent during the last financial year. However, adding the R117 million savings as a result of the exchange rate and R39 million which has been requested for the rollover, the Department spending is approximately 98 %. The under/ (over) expenditure can be attributed to the following reasons:

#### (i) Programme 2: Foreign Relations

As mentioned above, the bulk of expenditure for the Department is incurred abroad through our Missions in different currencies. The savings reported are largely due to the favourable fluctuation of the rand. It is important to report that in terms of our understanding with National Treasury, savings realised as result of foreign exchange rate are not for the utilisation by the Department. In addition, the Department together with the Department of Public Service Administration was mandated by Cabinet to implement a Foreign Service Dispensation (allowances for employees serving abroad) that would be fair, affordable and equitable. During the year under review, the agreement which was signed in the last financial year was renegotiated with the implementation date of 1<sup>st</sup> December 2003. Therefore, there has been savings for the period of nine months estimated at R 37 million. On further analysis of the expenditure, it has been established that the major contributors are Personnel (allowances of transferred staff and local recruited personnel salaries) and Land and Buildings (rental for

office and residential accommodation). The Department has maintained the same level of posts in our missions as in 2002/03, 512 posts were filled as against 506 in 2003/04. However, the expenditure in respect of these standard items was R1, 131 billion in 2002/03 as against R 977 million in 2003/04, which showed a decrease of R 154 million.

The Department was engaged in a project to open some missions during the year under review, however due to lengthy process they were not completed. An amount of R15 million can therefore be regarded as committed.

#### (ii) Programme 4: Foreign Properties

The Department had major capital projects underway, i.e. the refurbishment and adaptation of the Chancery and Diplomatic Village in Kinshasa DRC, the construction of Chancery in Berlin, the acquisition of land in Abuja, Nigeria, and refurbishment in Copenhagen and Maputo.

With regard to Kinshasa and Berlin projects, the completion certificate was issued on 9 March 2004. However, there were still issues outstanding which affected the issuing of the final accounts. Every effort was made to settle the outstanding accounts amounting to R9 million before the end of the financial year. Furthermore, the Department was unable to finalise other projects, which amounted to R14 million. In addition, the capital budget for 2003/04 financial year for programme 4 was not split between current and capital. However, the



reporting of the expenditure in BAS was classified between current and capital. Therefore the current expenditure was reflecting an over expenditure, whilst capital expenditure reflecting a saving. Due to the principle that the saving on capital budget cannot be used to defray over expenditure on current expenditure, the Department had to effect the virement of funds from programme 2. This resulted to an increase in the capital budget by R12 million. In the light of the above, there are no savings realised in programme 4.

The Department has already received approval for the roll-over of funds to the amount of R23 million from the National Treasury in respect of these projects.

## 2. OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments primarily arise from obligations undertaken by South Africa at international, regional and sub-regional multilateral levels. The payments, which are made by the Department, generally take the form of: -

- Membership dues to organisations such as the UN, the AU, the SADC, the Commonwealth, etc.
- Contributions to peacekeeping operations of the UN.
- Meetings of state (parties to international treaties) of which South Africa is a member, and in which South Africa has participated.
- Voluntary pledges that South Africa has made to international organisations for the purpose of humanitarian

assistance, technical assistance, etc.

In the context of the UN, South Africa's assessed contributions to the regular budget are calculated at 0,41% of the total budget, while peacekeeping contributions are calculated at a 'developing country discounted rate' of 20% of 0,41% of the total cost of each specific UN peacekeeping operation. Contributions to other UN organisations, treaty bodies, etc. are determined on the basis of the calculation for South Africa's contribution to the UN regular budget as adjusted to the membership of the particular organisation or body. With regard to the AU, the Executive Council adopted the new scale of assessment and South Africa's scale of assessment increased to 8.25%.

For the implementation of NEPAD, which is a pledge by African leaders to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development and, at the same time, to participate actively in the world economy and body politic, the Development Bank of Southern Africa (DBSA) was requested to establish and host NEPAD secretariat. The South African contribution to the NEPAD secretariat is channelled through the Department of Foreign Affairs.

During June 2002, the World Food Programme (WFP) conducted an assessment on behalf of the UN and quantified the amount of emergency food assistance that was needed to avert widespread deaths through starvation. The WFP then

issued an international appeal on behalf of the UN for assistance to deal with food shortages across the world. South Africa, at the SADC Summit in Luanda committed to contribute 100 000 tons of maize to be delivered to the WFP for distribution to SADC countries. In consultation with the Department of Agriculture, an annual contribution is transferred to the UN.

In addition, one of the key challenges facing South Africa is to continue to bridge the South-North divide and strengthen South-South co-operation. The Cabinet identified the need for creating partnerships with countries of the South. The Department has actively pursued this objective with India and Brazil and Cabinet approved the establishment of the Joint Trilateral Commission.

The India, Brazil and South Africa (IBSA) Forum was established on 6 June 2003 in terms of the Brasilia Declaration following a meeting of Foreign Ministers. The purpose of the IBSA is to bring together "... the three countries with vibrant democracies, from three regions of the developing world, active on the global scale with the aim of examining themes on the international agenda and those of mutual interest". To implement the programmes emerging out of the Joint Trilateral Commission, the three countries agreed to establish a fund, which is administered through UNDP.

With regard to accountability, these organisations and institutions prepare detailed financial statements which are subject to auditing and public scrutiny.

### 3. SERVICES RENDERED BY THE DEPARTMENT

#### (i) Consular services

Consular services reflect the mandate of the South African government to provide assistance and protection to its citizen's abroad. Consular matters can be summarised as services provided by the Department in terms of the 1963 Vienna Convention on Consular Relations.

Consular services rendered to the public include visitation of injured, hospitalised and detained/imprisoned South African citizens abroad. These consular services involve mission personnel abroad having to travel to destinations where these services have to be rendered. During the year under review, the Department was involved in a number of cases pertaining to South African citizens detained abroad (statistics at present: approximately 800 detainees/prisoners)

#### (ii) Agency services

Agency services are services rendered on behalf of other government departments, which are either not represented abroad or only represented at some missions. These departments include Home Affairs, Justice, Welfare, Transport, Agriculture, the South African Revenue Services and Trade and Industry. The directorate primarily supports the Department of Home Affairs with services that include passport processing, visas, work and study permits. Where the services being ren-

dered require a fee, collection and payment are managed according to the relevant department's requirements and in accordance with treasury guidelines and regulations.

In addition, the Department is the custodian of the QED payroll system, which is used to process allowances payable to transferred officials, including those of other departments. This service to other departments takes place on an agency basis. The Department therefore incurs the expenditure on a recoverable basis.

#### (iii) Legalisation functions

A large percentage of the work at head office involves the legalisation/authentication of official documents for use abroad. The documents are either affixed to an Apostille (where countries are party to the Hague Convention of 1961) or to a Certificate of Authentication. Between 1 000 and 1 200 documents are handled/processed by the legalisation section per month.

#### (iv) African Renaissance and International Co-operation Fund

The Department, in consultation with the National Treasury, is also responsible for the administration of the African Renaissance and International Co-operation Fund (fund).

The fund is under the control of the Director-General: Foreign Affairs who, as the accounting officer, keep records and accounts of all payments into and out of the fund. An Advisory

Committee was appointed to make recommendations to the Ministers of Foreign Affairs and Finance on the disbursement of funds, as provided for in the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000) (act). Due to the urgency of some of the projects as well as the lengthy process to be followed to finalise the projects, the Department had to utilise its funds on the approval of the director-general or the minister. This is done with a view of claiming it back from the fund once a letter of concurrence has been received from the Minister of Finance. This has resulted in the opening of control accounts (Payables and Receivables) in the books of the Department and the fund. This arrangement poses a risk to the Department, as the amount owed by the fund is not enforceable in the event that the Minister of Finance does not issue the letter of concurrence.

The financial statements of the fund are attached as **Annexure A**.

## 4. CAPACITY CONSTRAINTS

As reported already, the Department is responsible for coordinating and leading the entire spectrum of South Africa's interaction with the world. Its activities are therefore multifunctional, varied and complex. In 2002, the Department engaged in a process to assess the capacity required to fulfil its role as the custodian of South Africa's international relations and obligations, however due to scarce resources, the Department resolved to implement the project in different phases.

Due to the implementation of Resolution No.7, which dealt with the transformation and restructuring of the Public Service, the filling of posts were delayed until the Department complied fully with the provisions of the resolution in July 2003. During the year under review, the Department managed to fill 178 vacant funded posts with the majority of incumbents took their positions on 1<sup>st</sup> February 2004. This will have a major impact in the service delivery levels of the Department.

## 5. CORPORATE GOVERNANCE ARRANGEMENTS

During the year under review year, the Department continued with its endeavours and efforts to subscribe to and comply with the principles of good corporate governance as espoused in persuasive literature and legislation. In pursuance thereof, the Department ensures that its processes and practices are transparent and effective, and the principles of economy, efficiency and effectiveness are adhered to in the acquisition and utilisation of resources. Furthermore, that departmental practices, processes and procedures are benchmarked against international best practice.

### (i) Risk Management Approach

The existence of an adequate and effective system of internal controls is necessary for management and the Department to obtain reasonable insurance that strategic objectives will be accomplished. The Department follows the risk based

approach to internal control systems. During the year under review, business processes were documented and analysed and the risk profile of the Department accordingly updated. A comprehensive risk management strategy has been prepared and approved by the Audit Committee. The risk assessment and analysis plan has been developed by the Forensic Auditing and Risk Management Directorate of the Internal Audit Unit and implementation of the plan will commence in the new financial year.

### (ii) Fraud Prevention Policies

The Fraud Prevention Policy and Strategy were approved by the Audit Committee after extensive review. During the year under review, a Comprehensive Fraud Prevention Implementation Plan was developed. The plan has been reviewed and revised extensively to meet the needs of the Department and the implementation thereof will commence in the new financial year.

Furthermore the Cabinet has approved that a single fraud prevention and anti-corruption hotline be implemented under the jurisdiction of the Public Service Commission. The Department has liaised on a continuous basis with the Public Service Commission to ensure that the fraud hotline caters for the unique needs of the Department of Foreign Affairs. It is envisaged that the fraud hotline will become operative in the new financial year.

### (iii) Internal Audit

The Internal Audit Unit continues to play an important role in the corporate governance mechanism of the Department. During the year under review, the Unit was upgraded from that of Directorate to a Chief Directorate. The Unit is now structured with three Directorates as follows, namely, Internal Auditing, Management Consultancy and Performance Auditing, and Forensic Auditing and Risk Management.

The Internal Audit Unit has conducted several internal audits and investigations within the Department and offered recommendations for improvements in processes and controls to improve the operational performance of the Department. The unit has also embarked on a comprehensive risk assessment exercise for the Department. The unit also played an important role in the implementation of the new Performance Management and Development System in the Department.

## 6. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

The aim of the PFMA is to modernise budget and financial management practices in departments in order to maximise the capacity of departments to deliver services to all their stakeholders (citizens, customers' etc).

The Department has been able to implement the Act in a sequenced and prioritised manner, focussing on reforms on internal processes, practices and policies and embarking on

qualitative implementation as guided by National Treasury (GRAP, Procurement Reforms etc). The following key initiatives were approached in a phased manner and progress made is tabled below as follows:

### (i) Decentralisation

As reported in the previous financial year the Department embarked on a process to decentralise some corporate services function to branch level. During the year under review, the Department managed to select suitable candidates for deployment at Branch level, each branch will have a staff compliment of four officials. These units will also be responsible to co-ordinate the operations of the missions, as the missions report directly to business units in all respects. With this process being completed, and an implementation strategy being developed, the decentralisation process will be implemented in the 2004/05 financial year.

### (ii) Information Communications Technology

The Department identified an urgent need to transform its current ICT infrastructure and to develop common information technology applications, networks, data-bases and security, and network management capabilities to facilitate the achievement of its strategic objectives. To address these gaps the Department commissioned the development of a Master System Plan (MSP). The MSP will guide the Department in positioning itself for the radically new information-based world

where its ICT environment will:

- Allow Missions and Head office to benefit from the new technologies used
- Take full advantage of information access and tools
- Streamline operations to improve service and enhance the productivity of the workforce
- Provide secure yet broad-based access to a large quantity of Internet information while reducing enclaves (or silos)
- Provide flexibility to embrace emerging technologies and respond rapidly to new and changing requirements.

During the year under review, the development of the MSP was completed and is now with SITA for certification. Once certification is completed, the Department will develop a project programme to implement the recommendations of the MSP over the next five years.

Furthermore, the Department has managed to implement the phase 1 of an electronic financial system, which is spreadsheet based at 80% of our missions. This will assist the Department to comply fully with section 32 reporting requirements of the PFMA in the 2004/05 financial year.

### (iii) Financial Training

The changed practices (from a situation that was one-dimensional, financial processes that were generally centrally con-

trolled by prescribed bureaucratic rules and regulations that stifled managerial efficiency, inhibiting innovation and often resulting in poor decision-making) have required finance and non finance departmental staff at senior and lower levels to undergo training. This is to ensure that the quality of management processes improves with the implementation of the Act. Training on the PFMA is an ongoing activity, which has been factored into the Department's overall annual training interventions.

The real challenge facing most departments is the lack of skills of finance officials to implement the PFMA as we migrate towards accrual basis of accounting. In its forward planning strategy, the Department has put processes to address this critical issue.

### (iv) Normative Measures for Financial Management

In line with the national norms and standards as developed by National Treasury, the Department has embarked on reviewing its internal procedures, processes and systems in order to facilitate better performance, measurable outcomes, reformed accounting practices, improved disclosure and reporting and the prudent management of the Department's assets and liabilities. A stable CFO infrastructure is now in place to facilitate a programme of financial management improvement initiatives in the Department.

## 7. PERFORMANCE INFORMATION

The Department has developed its strategic plan for the next MTEF period, which articulates the strategic priorities of the Department. The plan includes all statutory requirements as defined in chapter 5 of the PFMA and chapter 1, part III B of the new Public Service Regulations (2001).

To enhance service delivery and performance, measurable objectives, performance indicators and time frames have been developed.

### (I) Performance management system

The performance management and development system is a management tool for the effective translation of the Departmental goals into actual deliverables in line with its mandate. A departmental policy on performance management has also been developed that is compliant with the regulatory framework that governs performance management at all levels in the public service.

It is an on-going process between the supervisor and the official that involves establishing clear targets and expectations, evaluating performance and taking constructive measures. All employees of the Department are required to have a performance agreement.

### (II) Systems of implementation and monitoring

The minister, deputy-minister and director-general monitor the implementation of policy and the strategic plan by ambassadors at missions abroad and by senior officials of the Department. Branches of the Department and the programme managers at chief director level determine regional priorities and objectives, which are aligned to the Department's strategic plan and priorities. Directorates and missions abroad implement business plans, which are country and region-specific. This operational level monitors implementation performance through a system of quarterly reports to head office on progress, supported by weekly and regular interaction and reports on the substance of the set objectives. The monitoring of progress and performance is further enhanced by the following systems:

- Head office business unit business plans and quarterly reports;
- Mission business plans and quarterly reports;
- Six-monthly reviews of the operating environment and priorities;
- A performance management system at all levels; and
- A departmental in-house six-monthly/annual strategic review.

These systems are further integrated and co-ordinated by a process of departmental management committees to ensure a coherent and focused approach.

## 8. NEW/PROPOSED ACTIVITIES

As reported in the last financial year, the Department embarked on a process to secure a new head office premises in consultation with the Department of Public Works and National Treasury. During the 2003/04 financial year, the project was registered with National Treasury as a possible Public Private Partnership (PPP). In accordance with Treasury Regulation 16, a dedicated departmental project officer was appointed to oversee and manage the development, structuring and eventual implementation of the project and a Transaction Advisory team was appointed to assist and advise the Department throughout the process. The Transaction Advisory team comprises of a number of firms who work collectively under a single contract to the Department and is responsible for the detailed financial, technical, legal and BEE work required for sourcing the building through the PPP process.

A detailed feasibility study is presently being conducted which focuses, *inter alia*, on the Departmental strategic objectives, needs analysis, options analysis, site selection, BEE objectives and institutional capacity to implement a project of this nature. The results of the feasibility study will be submitted to National Treasury for evaluation in accordance with the criteria of affordability, value for money and appropriate risk transfer and it is anticipated that this report will be finalised by the end of July 2004 for onward submission to National Treasury for their approval.

Once the project receive Treasury Approval 1, the procurement phase will commence and progress through RFQ, RFP and negotiations stages to the ultimate signing of the concession agreement and commencement of construction. It is still anticipated that the new Head Office for the Department of Foreign Affairs would be ready for occupation by the end of 2006 calendar year.

## 9. FOREIGN CURRENCY SYSTEM

The Department incurs the bulk of its expenditure in various currencies through its missions abroad. The Department developed a Foreign Currency System (FCS) to:

- (i) record funds transferred to missions;
- (ii) record expenditure incurred by missions in various currencies; and
- (iii) convert such expenditure into RSA Rands.

The design of the system was informed by the cash basis of accounting. The FCS was developed during the 1980's and it is unable to meet all the changes required for the implementation of the PFMA. The development of this system was necessitated by the fact that FMS/BAS could not manage multiple bank accounts as well as various foreign currencies. The only control account, which interfaces with BAS, is the FCS-Interface Account that deals with the expenditure incurred at the missions. This is due to the fact that it was not a requirement for the Appropriation Account Statement to report Assets and Li-



abilities. The system at the time was compliant with the reporting requirements.

To transfer the funds abroad, an agreement was reached between National Treasury and DFA to open a second PMG Account number 8033-128-9 at the South African Reserve Bank. Funds are transferred to the missions through commercial banks. Once the amount is transferred, the Commercial Bank is reimbursed through the PMG Account 8033-128-9. The amount transferred to the mission is regarded as an advance in both the Mission books of account and the FCS. The bank PMG Account 8033-128-9 will in turn be overdrawn by the same amount. Once the Mission spends the money, the expenditure is processed to the FCS, which interfaces with BAS. It is only at this point that the amount is taken out of the Departmental PMG Account to reimburse the PMG Account 8033-128-9. Amounts not spent remain in the Mission bank Account and the PMG Account 8033-128-9 should reflect an overdraft of the same amount. Therefore, in theory the cash book balances in the missions should equal the value of overdraft in the PMG Account 8033-128-9. In terms of the PFMA reporting requirements, the balances in the missions have to be reported as an asset and the overdraft in the PMG Account 8033-128-9 as a liability. The net effect of these two control accounts in the balance sheet of the Department will be zero. However, these accounts will always not balance due to the timing difference between:

(i) transferring funds spent in the Missions for a particular month into PMG Account 8033-128-9, which amount is

reflected as payable in BAS-FCS Interface Account; and  
(ii) funds transferred from the PMG Account 8033-128-9 but not yet received in the missions.

These accounts are currently reflecting the following reconciled balances:

PMG Account 8033-128-9	R 487 153
BAS-FCS Interface Account	( R 424 703 )
<b>Overdraft</b>	<b>( R 62 451 )</b>
Cash book balance (missions) & Funds in transit	<u>R 74 034</u>
<b>Difference</b>	<b><u>R 11 583</u></b>

Although these accounts are showing a difference of R 11 583 million, the management considered it prudent to reflect all assets and liabilities in its financial statements. There has been no recording of funds transferred to the missions or cash balances in the Missions on BAS. This resulted in all the control accounts that deal with the cash transactions not to interface with BAS hence no reconciliation of these control accounts took place.

With the implementation of the PFMA the Department acknowledges the fact that all assets and liabilities have to be reported on the Annual Financial Statements. In this regard, the Department has put processes and systems in place to finalise the reconciliation of these accounts. The Department managed to quantify the differences in the FCS-BAS Interface

Account and BAS-FCS Interface Account, FCS Suspense Account, cash book balances between Head Office and the Missions, and the FCS Orders Payable Account. However, management believes that all its expenditure has been accounted for and all treasury regulations regarding the surrendering of unexpended funds have been complied with.

Furthermore, the Department is in the process of replacing the FCS and in the design of the new system the number of control accounts will be reviewed with the aim of reducing them. The Department will also consult National Treasury to provide guidelines to regulate the whole process of the transferring the funds abroad. The Department is also investigating the possibility of establishing the Treasury Management unit, which will be responsible for the entire process of transferring funds to the missions.

#### 10. OVERDRAFT ACCOUNT (PMG Account 8033- 128-9)

As indicated above, the Department is operating an overdraft account (PMG Account 8033 –128 –9) in the Reserve Bank to transfer funds to missions abroad. This account is cleared by means of a departmental transfer between the Rand and foreign currency Paymaster-General account. As soon as an accounting month is closed-off on the FCS, a payment advice is completed which debits this account and clears it off. The balance is due to a timing difference, as the amount will be cleared in the next financial year. At the end of financial year,

the Department had an overdraft balance of R487 million in this account as disclosed in note 13.2 of the Annual Financial Statements. The BAS/ FCS interface account reflected a balance of R424 703 million, which represents the double entry (interface) of all transactions processed in foreign currencies.

Therefore, taking into account the above the Department has an actual overdraft of R62 million as shown below:-

PMG Account 8033-128-9	R 487 153
BAS/FCS Interface Account	<u>R 424 703</u>
<b>Overdraft</b>	<b>R 62 451</b>

In theory, the overdraft amount of R62 million should represent the cash book balances in the Missions.

#### 11. CASH AND CASH EQUIVALENTS

The amount of R76,8 million reported under Cash and Cash Equivalents note 13.1 of the Annual Financial Statements includes R74 million which relates to the cash book balances and funds in transit in respect of the missions and is split as follows: -

Cash book balances (Missions)	R 68 433
Funds in transit	<u>R 5 601</u>
<b>Total</b>	<b>R 74 034</b>

## 12. PAYABLE OTHER

The amount of R11,6 million included under payables other, note 19.2 of the Annual Financial Statements, relates to unrec- onciled deference between the overdraft in PMG 8033-128-9 (R62,451m) and the cash book balances in the Mission and funds in transit ( R74,034m). As reported in note 9 above, the Department is in the process of reconciling and finalising these control accounts.

## 13. RECEIVABLES

The bulk of the amounts owing by other departments relate to foreign allowances and accommodation expenses in re- spect of employees of partner departments. In this regard, the Department incurs the expenditure on a recoverable ba- sis. However, due to the lack of on-line financial systems, the Department is facing difficulties to forward claims to partner departments on a monthly basis. This situation severely im- pacts on the cash-flow management of the Department. The Department has put some processes to deal with this matter, including requesting departments to pay their accounts in advance. However, it is important to report that despite man- agement's proactive efforts in the expeditious settlement of inter-departmental claims, by establishing a process to deal with disputed amounts; it is disheartening to note that this mat- ter has not yielded the desired results. In addition, the Depart- ment approached, National Treasury with a proposal to allow

other departments to administer their foreign transactions. The National Treasury is still investigating the best way to deal with the matter.

Although the Department has an agreed process with the De- partments to verify the debts, it would be prudent to make a provision, as other departments may in some cases be proved to be correct, hence a provision of R50 million was made. Dur- ing the year under review, the inter-departmental receivables amounted to R205 million. The Departments confirmed an amount of R48 million, which leaves a balance of R157 mil- lion as unconfirmed amount. However, an amount of R84 mil- lion was received as advance payments and the advance amount has not yet been utilised to offset the debt.

## 14. CONTINGENCY LIABILITIES

### (i) Housing and motor finance guarantees

This relates to the financial guarantees made to commercial banks in respect of employees when they purchase a dwell- ing or a vehicle in terms of the housing policy or motor finance scheme. In the event that an employee fails to meet his/her obligations to the bank, the Department either deduct the amount in instalments from that employee's salary or against his/her pension. In addition, if the employee resigns from the service, the Department notifies the bank concerned and ter- minates the guarantee.

### (ii) Financial guarantees

The Department of Water Affairs and the Lesotho Highlands Development Authority, through the Departments of Foreign Affairs of the respective countries, entered into a water treaty agreement in terms of which the Lesotho Highlands Development Authority was to supply water to South Africa.

In order for the Lesotho Highlands Development Authority to meet this challenge, it had to improve its infrastructure. They then applied for a loan from the Development Bank of South Africa. As part of the agreement, the Department stood surety for the loan. It is important to report that all the repayments have been kept up to date.

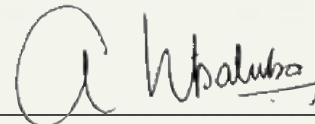
### Approval

The financial position of the Department as at 31 March 2004 and the results of its operations are set out in the attached financial statements:

- Appropriation statement
- Notes to the appropriation statement

- Income statement
- Balance sheet
- Statement of changes in net assets/equity
- Cash flow statement
- Notes to the annual financial statements
- Disclosure notes to the annual financial statements
- Statement of financial guarantees – Annexure 1
- Statement of payables – Annexure 2
- Statement of receivables – Annexure 3
- Physical assets movement schedule – Annexure 4
- Intangible asset movement schedule – Annexure 5

The above-mentioned financial statements set out on pages 21 to 74 have been approved by the accounting officer.



**Dr. A Ntsaluba**  
**Director-General:**  
**Department of Foreign Affairs**

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE DEPARTMENT OF FOREIGN AFFAIRS – VOTE 3 for the year ended 31 March 2004

### 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 21 to 74, for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

### 2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. 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.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

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

### 3. QUALIFICATION

#### 3.1 Foreign Currency System unreconciled difference

The department incurs the majority of its expenditure in other currencies through its missions abroad. Historically, the department maintained a second paymaster-general account to transfer funds to missions abroad for this purpose.

According to notes 19.2 and 19.4 there is an unreconciled difference of R11,583 million between the net overdraft in this paymaster-general account of R62,451 million (total of the overdraft on this paymaster-general account of R487,154 million, as per note 13.2 less the Basic Accounting System-Foreign Currency System (BAS-FCS) interface of R424,703 million) and the cash at missions and funds in transit totalling R74,034 million, as per note 13.1. This difference has accumulated over several years. The identification of the this difference should be viewed in the context of the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and ongoing new government accounting practice to improve the preparation and presentation of the financial statements.

These accounts were not reconciled on a periodical basis for several years mainly due to a shortage of staff. The department is reconciling the related FCS control accounts to resolve the unreconciled difference. In an effort to improve control over the transfer of funds to missions and the recording of the related expenditure, the department plans to replace the FCS with a new system. This system is planned to also reduce the number of control accounts involved. The National Treasury is being consulted on guidelines to regulate the transfer of funds to missions abroad.

#### 4. AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matter referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the Department of Foreign Affairs at 31 March 2004 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended.

#### 5. EMPHASIS OF MATTER

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

##### 5.1 Receivables - interdepartmental balances

As reported in the previous audit report and as disclosed in note 14, as well as in annex two to the financial statements, the accounts receivable include an amount of R205,665 million owed

by other departments. The bulk of these outstanding amounts relate to the payment of foreign allowances and accommodation expenses on behalf of other departments and are being disputed.

Confirmations received from some of the departments indicated that the differences might be in excess of R157 million (2002/03: R150 million) on interdepartmental balances disclosed on their financial statements. The total amount of differences is unknown. During the year, the department received advance payments of R84 million, which have not yet been utilised to offset the amounts owing. The department had continued with its efforts to resolve the amounts owing by the other departments through the agreed-upon process to verify the disputed amounts.

##### 5.2 Payables – African Renaissance and International Co-operation Fund

As reported in the previous year's audit report, the amount of R29,862 million relating to the African Renaissance and International Co-operation Fund in respect of the Africa Cup of Nations remained outstanding. The department effected these payments through a suspense account to the Mali Trust for the Twenty-third Africa Cup of Nations soccer tournament on behalf of the African Renaissance and International Co-operation Fund (fund). However, these payments had not been made in accordance with the requirements of section 5 of the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000) and require, *inter alia*, regularisation by the advisory committee of the fund and the Minister of Finance. The department intends to approach the Minister of Finance to obtain the

necessary letters of concurrence to transfer the amount from the fund to the department.

### 5.3 Areas for improvement in internal controls

#### 5.3.1 Reconciliations and the clearing of suspense accounts

Since the migration from the Financial Management System (FMS) to the Basic Accounting System (BAS) on 1 April 2003, the department has experienced backlogs of up to three months in the capturing of expenditure incurred by the missions. This situation resulted, *inter alia*, from the technical problems associated with the implementation of BAS over which the department had limited control, as well as staff shortages.

Evidence could not be furnished that key reconciliations, for example between the BAS-FCS accounts, FCS suspense accounts and the FCS orders payable accounts have been performed on a periodical basis. Furthermore, evidence could not be furnished to confirm the regular clearance of suspense and clearing accounts such as the FCS suspense account (debit balance of R299.9 million), FCS orders payable (credit balance of R10.9 million) and missions disallowance account (credit balance of R15.4 million). Although policies and procedures existed in this regard, these were not always followed by the relevant personnel. The shortage of staff also contributed to the fact that the reconciliations were not performed regularly.

In addition, the department could not follow-up the recoverability of various long-outstanding receivables and rental deposits due to a shortage of staff.

#### 5.3.2 Management of fixed assets

Annex four to the financial statements reflects the value of fixed assets of R366.5 million held by the department. While the values per the annex agree with the capital expenditure per the income statement, the department did not have adequate systems in place to ensure that a complete and accurate listing of fixed assets was maintained. A series of lists and spreadsheets is used to maintain control over computer equipment and transport assets, while the LOGIS system is used to maintain control over furniture and office equipment. Furthermore, the assets situated at one of the buildings have not been captured on the LOGIS system. Assets disposed off have also not been updated on the LOGIS system. According to the department, the main cause of these shortcomings relates to staff shortages.

#### 5.4 A follow-up information systems audit of the general controls

The findings mentioned below, which arose from a follow-up information systems audit of the general controls, indicated that although some controls were in place, areas for improvement still existed in the general control environment as a whole. This was due to the fact that the management processes in the information technology (IT) environment were largely still *ad hoc* and unorganised. The findings included the following main areas for improvement:

- The department had not conducted and/or updated its risk assessment in terms of Treasury Regulation 27.2.1 to identify the emerging risks of the department for the financial period under review.
- A formal IT security policy still did not exist.

- Although formal change control standards and procedures existed, they were outdated.
- The user account management procedures that were used did not include all the measures required to establish adequate user account management procedures.
- The approved network and Internet usage policies were not in place, which presented difficulties to effectively manage the use of networks.
- Authorised disaster recovery and business continuity plans still did not exist. The off-site backup arrangements for certain offices were not adequate as a backup tape register was not maintained and no system and application software was retained at these off-site locations. Furthermore, no formal standards and procedures for the testing of backups had been implemented.
- Various areas for improvement were identified with regard to logical access control.
- Adequate segregation of duties still did not exist within the IT environment.

### 5.5 Resubmission of the financial statements

In terms of section 40(1)(c) of the PFMA, the accounting officer must submit financial statements within two months after the end of the financial year.

The financial statements were submitted on 31 May 2003, but were subsequently withdrawn due to the department's concerted efforts to complete the reconciliation of the paymaster-general and BAS-FCS interface accounts referred to in paragraph 3.1 above. In order to improve the disclosure in this regard, the finan-

cial statements were resubmitted on 30 July 2004 and intensive efforts to resolve the differences have continued since then.

The resubmission of the financial statements is regarded as a late submission in terms of the PFMA.

### 5.6 Follow-up of recommendations made by the Standing Committee on Public Accounts

I have followed-up on the action taken by the department to implement the recommendations made by the Standing Committee on Public Accounts (SCOPA) in respect of the financial period ending 31 March 2002. The resolutions in respect of the 2002/03 financial period were not available at the time of finalising the audit.

The two recommendations made by SCOPA for the financial period ending 31 March 2002, which related to interdepartmental balances and computer audit, had been partially implemented.

## 6. APPRECIATION

The assistance rendered by the staff of the Department of Foreign Affairs during the audit is sincerely appreciated.



**S A Fakie**  
**Auditor-General**



## STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS FOR THE YEAR ENDED 31 MARCH 2004

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended) (act), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the act and the Division of Revenue Act, 2002 (Act No. 5 of 2002).

### 1. BASIS OF PREPARATION

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

### 2. REVENUE

Voted funds are the amounts appropriated to the Department in accordance with the final budget known as the Adjusted Estimates of National Expenditure. Unexpended voted funds are surrendered to the National Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the Department and then transferred to the National Revenue Fund.

### 3. DONOR AID

Donor aid is recognised in the income statement in accordance with the cash basis of accounting.

### 4. CURRENT EXPENDITURE

Current expenditure is recognised in the income statement when the payment is made.

### 5. UNAUTHORISED, IRREGULAR, AND FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorised expenditure means:

- The overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act,
- the State Tender Board Act, or any regulations made in terms of this act, or any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure must be recovered from the official (a debtor account should be raised), or the vote if responsibility cannot be determined.

## 6. DEBTS WRITTEN OFF

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of surplus funds available to the Department. No provision is made for irrecoverable amounts.

## 7. CAPITAL EXPENDITURE

Expenditure for physical items on hand on 31 March 2004 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement.

## 10. RECEIVABLES

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

## 11. PAYABLES

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the Provincial/National Revenue Fund or another party.

## 12. PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

## 13. LEASE COMMITMENTS

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

## 14. ACCRUALS

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year-end, or where the goods/services have been delivered, and an invoice is on hand but remains unpaid at year-end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed.

## 15. EMPLOYEE BENEFITS

### Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

### Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

### Retirement benefits

The Department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the De-

partment. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

#### Medical benefits

The Department provides medical benefits to its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the Department.

Retirement medical benefits for retired members are expensed when the payment is made to the fund.

### 16. CAPITALISATION RESERVE

The capitalisation reserve represents an amount equal to the value of the investments and/or loans capitalised for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

### 17. RECOVERABLE REVENUE

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous

years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue Fund as and when the repayment is received.

### 18. COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. 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.

### 19. EXPENDITURE INCURRED ABROAD IN FOREIGN CURRENCY

For expenditure incurred at missions abroad, the Rand value of cost is determined by the spot rate of exchange upon transfer of funds and the cost incurred in foreign currency. Mission cashbook balances are re-valued using daily spot rate of exchange upon each transfer of funds. Transactions processed against balance sheet items, at missions abroad are valued at historical rate of exchange.

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2004

Programme

		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>1.</b>	<b>Programme 1</b>	<b>209,358</b>	-	<b>209,358</b>	<b>203,677</b>	<b>5,681</b>	<b>97</b>	<b>181,543</b>	<b>180,327</b>
	Current	188,379	-	188,379	187,391	988	99	151,732	173,582
	Capital	20,979	-	20,979	16,286	4,693	78	29,811	6,745
<b>2.</b>	<b>Programme 2</b>	<b>1,589,373</b>	<b>39,986</b>	<b>1,549,387</b>	<b>1,391,974</b>	<b>157,413</b>	<b>90</b>	<b>1,746,047</b>	<b>1,641,203</b>
	Current	1,505,176	40,634	1,464,542	1,307,130	157,412	89	1,644,178	1,547,569
	Capital	84,197	648	84,845	84,845	0	100	101,869	93,634
<b>3.</b>	<b>Programme 3</b>	<b>62,857</b>	<b>16,781</b>	<b>79,638</b>	<b>78,645</b>	<b>993</b>	<b>99</b>	<b>55,070</b>	<b>61,949</b>
	Current	61,387	16,781	78,168	78,168	-	100	55,031	60,641
	Capital	1,470	-	1,470	477	993	32	39	1,308
<b>4.</b>	<b>Programme 4</b>	<b>101,381</b>	<b>12,033</b>	<b>113,414</b>	<b>77,602</b>	<b>35,812</b>	<b>68</b>	<b>131,156</b>	<b>87,700</b>
	Current	-	12,729	12,729	12,729	0	100	-	17
	Capital	101,381	-696	100,685	64,873	35,812	64	131,156	87,683
<b>5.</b>	<b>Programme 5</b>	<b>365,610</b>	<b>11,168</b>	<b>376,778</b>	<b>376,778</b>	-	<b>100</b>	<b>365,807</b>	<b>365,571</b>
	Current	365,610	11,120	376,730	376,730	-	100	365,807	365,565
	Capital	-	48	48	48	-	-	-	6
<b>6.</b>	<b>Special Functions</b>	-	<b>4</b>	<b>4</b>	<b>4</b>	-	<b>100</b>	-	<b>2,651</b>
	Current	-	4	4	4	-	100	-	2,651
<b>7.</b>	<b>Repeat for all programmes</b>	<b>2,328,579</b>	-	<b>2,328,579</b>	<b>2,128,680</b>	<b>199,899</b>	<b>91</b>	<b>2,479,623</b>	<b>2,339,401</b>
	Current	2,120,552	-	2,120,552	1,962,151	158,401	93	2,216,748	2,150,025
	Capital	208,027	-	208,027	166,529	41,498	80	262,875	189,376
<b>Total</b>		<b>2,328,579</b>	-	<b>2,328,579</b>	<b>2,128,680</b>	<b>199,899</b>	<b>91</b>	<b>2,479,623</b>	<b>2,339,401</b>

**APPROPRIATION STATEMENT  
for the year ended 31 March 2004**

Direct charge against the National Revenue Fund		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
List all direct charges against the National Revenue Fund		2,328,579	-	2,328,579	2,128,680	199,899	91	2,479,623	2,339,401
<b>Total</b>		<b>2,328,579</b>	<b>-</b>	<b>2,328,579</b>	<b>2,128,680</b>	<b>199,899</b>	<b>91</b>	<b>2,479,623</b>	<b>2,339,401</b>
Economic classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>		<b>2,120,552</b>	<b>-4</b>	<b>2,120,548</b>	<b>1,962,147</b>	<b>158,401</b>	<b>93</b>	<b>2,224,286</b>	<b>2,132,856</b>
Personnel		1,227,721	-	1,227,721	953,354	274,367	78	1,161,639	1,069,382
Transfer payments		306,673	8,883	315,556	315,556	-	100	317,807	310,813
Other		586,158	-8,887	577,271	693,237	-115,966	120	744,840	752,661
<b>Capital</b>		<b>208,027</b>	<b>-</b>	<b>208,027</b>	<b>166,529</b>	<b>41,498</b>	<b>80</b>	<b>255,337</b>	<b>203,894</b>
Transfer payments		-	-	-	-	-	-	-	-
Acquisition of capital assets		208,027	-	208,027	166,529	41,498	80	255,337	203,894
<b>Special Functions</b>		<b>-</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>2,651</b>
Current		-	4	4	4	0	-	-	2,651
<b>Total</b>		<b>2,328,579</b>	<b>-</b>	<b>2,328,579</b>	<b>2,128,680</b>	<b>199,899</b>	<b>91</b>	<b>2,479,623</b>	<b>2,339,401</b>

Standard item classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
	Personnel	1,227,721	-	1,227,721	953,354	274,367	78	1,155,823	1,069,382
	Administrative	242,907	-	242,907	352,810	(109,903)	145	342,045	405,426
	Inventories	32,627	(4)	32,623	34,237	(1,614)	105	30,718	35,522
	Equipment	82,215	696	82,911	84,092	(1,181)	101	104,670	78,893
	Land and buildings	265,849	(24,545)	241,304	225,224	16,080	93	324,369	206,206
	Professional and special services	159,515	12,729	172,244	148,975	23,269	86	191,347	215,111
	Transfer payments	306,673	8,883	315,556	315,556	-	100	317,307	310,813
	Miscellaneous	11,072	2,241	13,313	14,432	(1,119)	108	13,344	18,048
<b>Total</b>		<b>2,328,579</b>	<b>-</b>	<b>2,328,579</b>	<b>2,128,680</b>	<b>199,899</b>	<b>91</b>	<b>2,479,623</b>	<b>2,339,401</b>

**DETAIL PER PROGRAMME 1  
for the year ended 31 March 2004**

Programme per subprogramme		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>1.1</b>	<b>S/P 1: Minister</b>	<b>749</b>	-	<b>749</b>	<b>809</b>	<b>(60)</b>	<b>108</b>	<b>160,649</b>	<b>160,711</b>
	Current	749	-	749	809	(60)	108	138,375	154,283
	Capital	-	-	-	-	-	-	22,274	6,428
<b>1.2</b>	<b>S/P 2: Deputy Minister</b>	<b>610</b>	-	<b>610</b>	<b>958</b>	<b>(348)</b>	<b>157</b>	-	<b>10,860</b>
	Current	610	-	610	958	(348)	157	-	10,854
	Capital	-	-	-	-	-	-	-	6
<b>1.3</b>	<b>S/P 3: Management</b>	<b>10,192</b>	-	<b>10,192</b>	<b>24,961</b>	<b>(14,769)</b>	<b>245</b>	<b>3,786</b>	<b>4,235</b>
	Current	10,192	-	10,192	24,156	(13,964)	237	3,786	4,235
	Capital	-	-	-	805	(805)	-	-	-
<b>1.4</b>	<b>S/P 4: Corp Serv</b>	<b>197,407</b>	-	<b>197,407</b>	<b>176,377</b>	<b>21,030</b>	<b>89</b>	<b>17,108</b>	<b>4,517</b>
	Current	176,828	-	176,828	161,468	15,360	91	9,571	4,206
	Capital	20,579	-	20,579	14,909	5,670	72	7,537	311
<b>1.5</b>	<b>S/P 5: Gov M/Transp</b>	<b>400</b>	-	<b>400</b>	<b>572</b>	<b>(172)</b>	<b>143</b>	-	-
	Current	-	-	-	-	-	-	-	-
	Capital	400	-	400	572	(172)	143	-	-
<b>1.6</b>	<b>S/P 6: Statutory</b>	-	-	-	-	-	-	-	<b>4</b>
	Current	-	-	-	-	-	-	-	4
	Capital	-	-	-	-	-	-	-	-
<b>Total</b>		<b>209,358</b>	-	<b>209,358</b>	<b>203,677</b>	<b>5,681</b>	<b>97</b>	<b>181,543</b>	<b>180,327</b>



**DETAIL PER PROGRAMME 1  
for the year ended 31 March 2004**

Economic classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
	<b>Current</b>	<b>188,379</b>	-	<b>188,379</b>	<b>187,391</b>	<b>988</b>	<b>99</b>	<b>159,269</b>	<b>159,064</b>
	Personnel	128,051	-	128,051	108,714	19,337	85	104,960	93,893
	Transfer payments	-	-	-	-	-	-	-	-
	Other	60,328	-	60,328	78,677	(18,349)	130	54,309	65,171
	<b>Capital</b>	<b>20,979</b>	-	<b>20,979</b>	<b>16,286</b>	<b>4,693</b>	<b>78</b>	<b>22,274</b>	<b>21,263</b>
	Transfer payments	-	-	-	-	-	-	-	-
	Acquisition of capital assets	20,979	-	20,979	16,286	4,693	78	22,274	21,263
<b>Total</b>		<b>209,358</b>	-	<b>209,358</b>	<b>203,677</b>	<b>5,681</b>	<b>97</b>	<b>181,543</b>	<b>180,327</b>
Standard item classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
	Personnel	128,051	-	128,051	108,714	19,337	85	104,960	93,893
	Administration	33,219	-	33,219	49,764	(16,545)	150	32,616	41,890
	Inventories	3,755	-	3,755	5,597	(1,842)	149	3,882	5,465
	Equipment	25,004	-	25,004	14,834	10,170	59	24,026	16,899
	Land and buildings	-	-	-	-	-	-	-	-
	Professional and special services	19,318	-	19,318	24,121	(4,803)	125	14,390	21,624
	Transfer payments	-	-	-	-	-	-	-	-
	Miscellaneous	11	-	11	647	(636)	5,882	1,669	556
<b>Total</b>		<b>209,358</b>	-	<b>209,358</b>	<b>203,677</b>	<b>5,681</b>	<b>97</b>	<b>181,543</b>	<b>180,327</b>

**DETAIL PER PROGRAMME 2  
for the year ended 31 March 2004**

Programme per subprogramme		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>2.1</b>	<b>S/P 1: African &amp; M/East</b>	<b>556,661</b>	<b>(39,110)</b>	<b>517,551</b>	<b>483,045</b>	<b>34,506</b>	<b>93.33</b>	<b>577,541</b>	<b>556,410</b>
	Current	526,853	(39,758)	487,095	438,718	48,378	90	530,320	521,805
	Capital	29,808	648	30,456	44,328	-13,872	146	47,221	34,605
<b>2.2</b>	<b>S/P 2: America-Caribbean</b>	<b>259,115</b>	<b>-</b>	<b>259,115</b>	<b>202,478</b>	<b>56,637</b>	<b>78</b>	<b>298,094</b>	<b>248,207</b>
	Current	245,644	-	245,644	194,506	51,138	79	284,590	237,435
	Capital	13,471	-	13,471	7,972	5,499	59	13,504	10,772
<b>2.3</b>	<b>S/P 3: Asia-Australia</b>	<b>223,509</b>	<b>-</b>	<b>223,509</b>	<b>184,722</b>	<b>38,787</b>	<b>83</b>	<b>224,463</b>	<b>220,762</b>
	Current	215,386	-	215,386	175,834	39,552	82	215,588	212,979
	Capital	8,123	-	8,123	8,888	-765	109	8,875	7,783
<b>2.4</b>	<b>S/P 4: Europe</b>	<b>413,467</b>	<b>(876)</b>	<b>412,591</b>	<b>403,156</b>	<b>9,435</b>	<b>98</b>	<b>476,159</b>	<b>470,617</b>
	Current	386,998	(876)	386,122	383,679	2,443	99	448,178	435,810
	Capital	26,469	-	26,469	19,477	6,992	74	27,981	34,807
<b>2.5</b>	<b>S/P 5: Multi(Dev&amp;Coop)</b>	<b>111,267</b>	<b>-</b>	<b>111,267</b>	<b>14,726</b>	<b>96,541</b>	<b>13</b>	<b>13,185</b>	<b>14,279</b>
	Current	108,503	-	108,503	14,495	94,008	13	13,181	12,319
	Capital	2,764	-	2,764	231	2,533	8	4	1,960
<b>2.6</b>	<b>S/P 6: Multi (Sec Gov)</b>	<b>25,354</b>	<b>-</b>	<b>25,354</b>	<b>103,847</b>	<b>-78,493</b>	<b>410</b>	<b>156,605</b>	<b>130,928</b>
	Current	21,792	-	21,792	99,898	-78,106	458	152,321	127,221
	Capital	3,562	-	3,562	3,949	-387	111	4,284	3,707
<b>Total</b>		<b>1,589,373</b>	<b>(39,986)</b>	<b>1,549,387</b>	<b>1,391,974</b>	<b>157,413</b>	<b>90</b>	<b>1,746,047</b>	<b>1,641,203</b>

**DETAIL PER PROGRAMME 2**  
**for the year ended 31 March 2004**

Economic classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>		<b>1,505,176</b>	<b>(40,634)</b>	<b>1,464,542</b>	<b>1,307,130</b>	<b>157,412</b>	<b>89</b>	<b>1,644,179</b>	<b>1,547,569</b>
	Personnel	1,062,521	-	1,062,521	814,717	247,804	77	1,026,612	947,500
	Transfer payments	-	-	-	-	-	-	-	-
	Other	442,655	(40,634)	402,021	492,413	(90,392)	122	617,567	600,069
<b>Capital</b>		<b>84,197</b>	<b>648</b>	<b>84,845</b>	<b>84,845</b>	<b>-</b>	<b>100</b>	<b>101,868</b>	<b>93,634</b>
	Transfer payments	-	-	-	-	-	-	-	-
	Acquisition of capital assets	84,197	648	84,845	84,845	-	100	101,868	93,634
<b>Total</b>		<b>1,589,373</b>	<b>(39,986)</b>	<b>1,549,387</b>	<b>1,391,974</b>	<b>157,412</b>	<b>90</b>	<b>1,746,047</b>	<b>1,641,203</b>
Standard item classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
	Personnel	1,062,521	-	1,062,521	814,717	247,804	77	1,027,626	947,500
	Administration	139,137	(15,905)	123,232	214,915	-91,683	174	255,513	301,838
	Inventories	26,896	(880)	26,016	23,215	2,801	89	29,658	26,739
	Equipment	55,643	648	56,291	62,049	-5,758	110	63,484	57,230
	Land and buildings	190,746	(23,849)	166,897	162,073	4,824	97	202,066	183,566
	Professional and special services	112,091	-	112,091	114,546	-2,455	102	166,631	123,596
	Transfer payments	-	-	-	-	-	-	-	-
	Miscellaneous	2,339	-	2,339	459	1,880	20	1,069	734
<b>Total</b>		<b>1,589,373</b>	<b>(39,986)</b>	<b>1,549,387</b>	<b>1,391,974</b>	<b>157,413</b>	<b>90</b>	<b>1,746,047</b>	<b>1,641,203</b>

**DETAIL PER PROGRAMME 3  
for the year ended 31 March 2004**

Programme per subprogramme		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>3.1</b>	<b>S/P 1: Protocol Matters</b>	<b>43,225</b>	<b>876</b>	<b>44,101</b>	<b>50,909</b>	<b>-6,808</b>	<b>115</b>	<b>38,425</b>	<b>46,918</b>
	Current	42,036	876	42,912	50,533	-7,621	117.76	38,425	46,459
	Capital	1,189	-	1,189	376	813	32	-	459
<b>3.2</b>	<b>S/P 2: Public Diplomacy</b>	<b>19,632</b>	<b>-</b>	<b>19,632</b>	<b>17,615</b>	<b>2,017</b>	<b>90</b>	<b>16,645</b>	<b>15,031</b>
	Current	19,351	-	19,351	17,514	1,837	91	16,606	14,182
	Capital	281	-	281	101	180	36	39	849
<b>3.2</b>	<b>S/P 3: Presidential Inauguration</b>	<b>-</b>	<b>15,905</b>	<b>15,905</b>	<b>10,121</b>	<b>5,784</b>	<b>64</b>	<b>-</b>	<b>-</b>
	Current	-	15,905	15,905	10,121	5,784	64	-	-
	Capital	-	-	-	-	-	-	-	-
<b>Total</b>		<b>62,857</b>	<b>16,781</b>	<b>79,638</b>	<b>78,645</b>	<b>993</b>	<b>98.75</b>	<b>55,070</b>	<b>61,949</b>
Economic classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
	<b>Current</b>	<b>61,387</b>		<b>78,168</b>	<b>78,168</b>	<b>-0</b>	<b>100.00</b>	<b>55,031</b>	<b>60,641</b>
	Personnel	37,149		37,149	29,923	7,226	81	30,067	27,956
	Transfer payments	-	<b>16,781</b>	-	-	-	-	-	-
	Other	24,238	-	41,019	48,263	-7,244	<b>118</b>	24,964	32,685
	<b>Capital</b>	<b>1,470</b>	16,781	<b>1,470</b>	<b>477</b>	<b>993</b>	<b>32</b>	<b>39</b>	<b>1,308</b>
	Transfer payments	-	-	-	-	-	-	-	-
	Acquisition of capital assets	1,470	-	1,470	477	993	32	39	1,308
<b>Total</b>		<b>62,857</b>	<b>16,781</b>	<b>79,638</b>	<b>78,645</b>	<b>993</b>	<b>99</b>	<b>55,070</b>	<b>61,949</b>

**DETAIL PER PROGRAMME 3**  
**for the year ended 31 March 2004**

Standard item classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
	Personnel	37,149	-	37,149	29,923	7,226	80.55	30,067	27,956
	Administration	11,614	15,905	27,519	30,590	-3,071	111	12,286	13,628
	Inventories	1,976	876	2,852	5,424	-2,572	190	2,078	3,318
	Equipment	1,568	-	1,568	1,921	-353	123	560	1,925
	Land and buildings	-	-	-	-	-	-	-	-
	Professional and special services	1,828	-	1,828	1,213	615	66	1,473	7,679
	Transfer payments	-	-	-	-	-	-	-	-
	Miscellaneous	8,722	-	8,722	9,574	-852	110	8,606	7,443
<b>Total</b>		<b>62,857</b>	<b>16,781</b>	<b>79,638</b>	<b>78,645</b>	<b>993</b>	<b>99</b>	<b>55,070</b>	<b>61,949</b>

**DETAIL PER PROGRAMME 4  
for the year ended 31 March 2004**

Programme per subprogramme		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>4.1</b>	<b>S/P 1: Land,build &amp; struct</b>	<b>101,381</b>	<b>12,033</b>	<b>113,414</b>	<b>77,602</b>	<b>35,812</b>	<b>68</b>	<b>131,156</b>	<b>87,700</b>
	Current	-	12,729	12,729	12,729	0	-	-	17
	Capital	101,381	(696)	100,685	64,873	35,812	64	131,156	87,683
<b>Total</b>		<b>101,381</b>	<b>12,033</b>	<b>113,414</b>	<b>77,602</b>	<b>35,812</b>	<b>68</b>	<b>131,156</b>	<b>87,700</b>
Economic classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
	<b>Current</b>	<b>-</b>	<b>12,729</b>	<b>12,729</b>	<b>12,729</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>17</b>
	Personnel	-	-	-	-	-	-	-	-
	Transfer payments	-	-	-	-	-	-	-	-
	Other	-	12,729	12,729	12,729	0	-	-	17
	<b>Capital</b>	<b>101,381</b>	<b>(696)</b>	<b>100,685</b>	<b>64,873</b>	<b>35,812</b>	<b>64.43</b>	<b>131,156</b>	<b>87,683</b>
	Transfer payments	-	-	-	-	-	-	-	-
	Acquisition of capital assets	101,381	(696)	100,685	64,873	35,812	64.43	131,156	87,683
<b>Total</b>		<b>101,381</b>	<b>12,033</b>	<b>113,414</b>	<b>77,602</b>	<b>35,812</b>	<b>68</b>	<b>131,156</b>	<b>87,700</b>

**DETAIL PER PROGRAMME 4  
for the year ended 31 March 2004**

Standard item classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
	Personnel	-		-	-	-	-	-	-
	Administration	-		-	153	-153	-	-	17
	Inventories	-		-	-	-	-	-	-
	Equipment	-		-	5,240	-5,240	-	-	2,839
	Land and buildings	75,103		74,407	63,151	11,256	85	122,303	22,640
	Professional and special services	26,278		39,007	9,058	29,949	23	8,853	62,204
	Transfer payments	-	(696)	-	-	-	-	-	-
	Miscellaneous	-	12,729	-	-	-	-	-	-
<b>Total</b>		<b>101,381</b>	<b>12,033</b>	<b>113,414</b>	<b>77,602</b>	<b>35,812</b>	<b>68.42</b>	<b>131,156</b>	<b>87,700</b>

**DETAIL PER PROGRAMME 5  
for the year ended 31 March 2004**

Programme per subprogramme		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>5.1</b>	<b>S/P 1: Admin Support</b>	<b>58,937</b>	<b>2,285</b>	<b>61,222</b>	<b>61,223</b>		<b>100</b>	<b>48,000</b>	<b>54,759</b>
	Current	58,937	2,237	61,174	61,175		100.00	48,000	54,753
	Capital	0	48	48	48		-	-	6
<b>5.2</b>	<b>S/P 2: Intern Org</b>	<b>306,673</b>	<b>8,883</b>	<b>315,556</b>	<b>315,555</b>	<b>-1</b>	<b>100</b>	<b>317,807</b>	<b>310,812</b>
	Current	306,673	8,883	315,556	315,555	-1	100	317,807	310,812
	Capital	-	-	-	-	-	-	-	-
<b>5.3</b>	<b>S/P 3: Techn Assistance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Current	-	-	-	-	1	-	-	-
	Capital	-	-	-	-	-	-	-	-
<b>Total</b>		<b>365,610</b>	<b>11,168</b>	<b>376,778</b>	<b>376,778</b>	<b>-</b>	<b>100</b>	<b>365,807</b>	<b>365,571</b>
Economic classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
	<b>Current</b>	<b>365,610</b>	<b>11,120</b>	<b>376,730</b>	<b>376,730</b>	<b>-</b>	<b>100</b>	<b>365,807</b>	<b>365,565</b>
	Personnel	-	-	-	-	-	-	-	33
	Transfer payments	306,673	8,883	315,556	315,556	-	100	317,807	310,813
	Other	58,937	2,237	61,174	61,174	-	100	48,000	54,719
	<b>Capital</b>	<b>-</b>	<b>48</b>	<b>48</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>
	Transfer payments	-	-	-	-	-	-	-	-
	Acquisition of capital assets	-	48	48	48	-	-	-	6
<b>Total</b>		<b>365,610</b>	<b>11,168</b>	<b>376,778</b>	<b>376,778</b>	<b>-</b>	<b>100.00</b>	<b>365,807</b>	<b>365,571</b>



**DETAIL PER PROGRAMME 5  
for the year ended 31 March 2004**

Standard item classification		2003/04					2002/03		
		Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
	Personnel	-		-	-	-	-	-	33
	Administration	58,937	-	58,937	57,388	1,549	97	46,000	48,053
	Inventories	-		-	1	(1)	-	-	-
	Equipment	-	48	48	48	-	-	-	-
	Land and buildings	-		-	-	-	-	-	-
	Professional and special services	-		-	37	(37)	-	-	8
	Transfer payments	306,673	8,883	315,556	315,556	-	100	317,807	310,813
	Miscellaneous	-	2,237	2,237	3,748	(1,511)	-	2,000	6,664
<b>Total</b>		<b>365,610</b>	<b>11,168</b>	<b>376,778</b>	<b>376,778</b>	<b>-</b>	<b>100</b>	<b>365,807</b>	<b>365,571</b>

## NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 MARCH 2004

### 1. Detail of current and capital transfers as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 9 (Transfer payments) and Annexure 1 to the annual financial statements.

### 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

### 3. Detail of special functions (theft and losses)

Detail of these transactions per programme can be viewed in note 11.2 (Details of special functions (theft and losses)) to the annual financial statements.

### 4. Explanations of material variances from Amounts Voted (after virement):

#### 4.1 Per programme:

##### Programme 2: Foreign relations

Savings in this programme are largely due to the favourable fluctuation of the Rand as an amount of approximately R117 million was saved in this regard. In addition, the department implemented the new Foreign Service Dispensation as from 1 December 2003 although it was budgeted for the full

financial year, which has resulted to savings estimated at R37 million. For detailed explanations refer note 1.3 (i) of the Management report.

##### Programme 4: Foreign Properties

Savings in this programme relates to projects which were not finalised during the year under review, as explained in detail in note 1.3 (ii) of the Management report.

#### 4.2 Per standard item:

##### Personnel

Savings in personnel can be attributed to favourable exchange rate fluctuations as the department maintained the same level of filled posts as against the previous year in our missions abroad. In addition, the filling of posts at Head office were delayed due to the implementation of Resolution no 7.

##### Administrative

The over expenditure can be attributed to the increased role and the responsibilities of the department. This relates to operational expenditure incurred for the achievement of our key priorities as detailed in strategic plan.

##### Land and buildings

Savings can be attributed to projects not completed during the year under review as well as foreign exchange rate savings with regard to renting of properties abroad.

**INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)**  
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
<b>REVENUE</b>			
Voted funds		<b>1,972,937</b>	<b>2,450,877</b>
Annual Appropriation	1	2,328,579	2,479,623
Drawings debited by Treasury/ Not drawn by the Department	1	(355,642)	(73,021)
Appropriation for unauthorised expenditure		-	44,275
Other revenue to be surrendered to the revenue fund	2	49,737	66,704
Local and foreign aid assistance (incl. RDP funds)		-	2,966
<b>TOTAL REVENUE</b>		<b>2,022,674</b>	<b>2,520,547</b>
<b>EXPENDITURE</b>			
<b>Current</b>			
Personnel	4	953,354	1,069,382
Administrative		352,810	405,426
Inventories	5	34,237	35,522
Machinery and Equipment	6	10,680	13,592
Land and buildings	7	165,652	183,566
Professional and special services	8	115,430	99,158
Transfer payments	9	315,556	310,813
Miscellaneous	10	14,428	15,397
Special functions: authorised losses	11	4	2,651
Local and foreign aid assistance (incl. RDP funds)		-	111
Unauthorised expenditure approved		-	44,275

**TOTAL CURRENT EXPENDITURE** A **1,962,151** **2,179,893**

**Capital**

Machinery and Equipment	6	73,412	65,301
Land and buildings	7	59,572	22,640
Professional and special services	8	33,545	115,953

**TOTAL CAPITAL EXPENDITURE** B **166,529** **203,894**

**TOTAL EXPENDITURE** A + B **2,128,680** **2,383,787**

**NET SURPLUS /(DEFICIT)** **(106,006)** **136,760**

Add back unauthorised and fruitless and wasteful expenditure disallowed 12 6,879 5,898

**NET SURPLUS /(DEFICIT) FOR THE YEAR** **(99,127)** **142,658**

**Reconciliation of Net Surplus / (Deficit) for the year**

Voted Funds to be surrendered to/ recovered from the Revenue Fund	17	(148,864)	73,098
Other Revenue to be surrendered to the Revenue Fund	18	49,737	66,704
Local and foreign aid assistance (incl. RDP Funds) rolled over		-	2,856

**NET SURPLUS /(DEFICIT) FOR THE YEAR** **(99,127)** **142,658**

**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
at 31 March 2004

<b>ASSETS</b>	<b>Note</b>	<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
<b>Current assets</b>		<b>552,484</b>	<b>365,492</b>
Unauthorised and fruitless and wasteful expenditure	12	19,136	12,257
Cash and cash equivalents	13.1	76,806	292
Receivables	14	455,505	347,677
Loans	15.1	1,037	1,037
Local and foreign aid assistance (including RDP funds) receivable from the RDP fund/donors	3	-	4,229
<b>Non-current assets</b>		<b>52,797</b>	<b>40,503</b>
Receivables	16	18,786	7,421
Loans	15	34,011	33,082
<b>TOTAL ASSETS</b>	<b>A</b>	<b>605,281</b>	<b>405,995</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>560,686</b>	<b>368,019</b>
Voted funds to be surrendered to the Revenue Fund	17	-	73,098
Other Revenue funds to be surrendered to the Revenue Fund	18	40,091	4,868
Payables	19	161,806	198,904
Bank Overdraft	13.2	358,789	91,149
<b>Non-current liabilities</b>		<b>9,238</b>	<b>3,667</b>

Payables	20	<b>9,238</b>	<b>3,667</b>
<b>TOTAL LIABILITIES</b>	<b>B</b>	<b>569,924</b>	<b>371,686</b>
<b>NET ASSETS/LIABILITIES</b>	<b>A - B</b>	<b>35,357</b>	<b>34,309</b>
<b>Represented by:</b>		<b>35,357</b>	<b>34,309</b>
Capitalisation reserve		35,029	34,076
Recoverable revenue		264	233
Local and foreign aid assistance (including RDP funds) rolled over	3	64	-
<b>TOTAL</b>		<b>35,357</b>	<b>34,309</b>

**STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2004**

	Note	2003/04 R'000	2002/03 R'000
<b>Capitalisation reserve</b>			
Opening balance		34,076	30,962
Transfers to Revenue Fund		(3,438)	(4,253)
New debits		4,386	7,206
Transfers		5	161
		<b>35,029</b>	<b>34,076</b>
<b>Recoverable revenue</b>			
Opening balance		233	77
Transfer to Revenue Fund	18	(2)	(31)
Debts raised		33	187
		<b>268</b>	<b>233</b>
<b>Local and foreign aid assistance (including RDP funds) remaining</b>			
Opening balance		-	-
Transfers		-	-
Transfer to / from other reserves	3	64	-
		<b>64</b>	<b>-</b>
<b>TOTAL</b>		<b>35,361</b>	<b>34,309</b>

**CASH FLOW STATEMENT**  
for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flow generated by operating activities	21	33,156	199,839
Cash generated / (utilised) to (increase)/decrease working capital	22	(10,285)	40,080
Voted funds and Revenue funds surrendered	23	(81,714)	(202,532)
<b>Net cash flow available from operating activities</b>		<b>(58,843)</b>	<b>37,387</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(132,984)	(87,941)
Proceeds from sale of equipment	2	701	1,294
Proceeds from sale of land and buildings	2	-	29,466
<b>Net cash flows from operating and investing activities</b>		<b>(191,126)</b>	<b>(19,794)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(191,126)</b>	<b>(19,794)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>(90,857)</b>	<b>(71,063)</b>
<b>Cash and cash equivalents at end of period</b>	13	<b>(281,983)</b>	<b>(90,857)</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 MARCH 2004

**1 Annual Appropriation**

1.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted Funds) and Provincial Departments (Equitable Share):

Programmes	Total Appropriation 2003/04 R'000	Actual Appropriation Received R'000	Variance over/ (under) R'000	Total Appropriation 2002/03 R'000
Programme 1: Administration	209,358	209,358	-	181,543
Programme 2: Foreign Relations	1,573,467	1,217,825	355,642	1,746,047
Programme 3: Public Diplomacy and Protocol	78,762	78,762	-	55,070
Programme 4: Foreign Properties	101,381	101,381	-	131,156
Programme 5: Auxiliary	365,611	365,611	-	365,807
<b>TOTAL</b>	<b>2,328,579</b>	<b>1,972,937</b>	<b>355,642</b>	<b>2,479,623</b>

**2 Other revenue to be surrendered to the revenue fund**

**Description**

Description	2003/04 R'000	2002/03 R'000
Material losses recovered	2.1	- 471
Gifts donations and sponsorships received	2.2	183 25
Cheques written back/stale cheques		170 7,291
Proceeds from sale of equipment		701 1,294
Proceeds from sale of land and buildings		- 29,466
Interest on cash balances		1,376 1,442
VAT repayments		7,297 15,785
Previous years expenditure recovered		32,106 5,046
Other		7,904 5,884
Total revenue collected		<b>49,737 66,704</b>
Less: Own revenue budgeted		
Total other revenue collected		<b>49,737 66,704</b>

**2.1 Material losses recovered**

	2003/04 R'000	2002/03 R'000
<b>Nature of loss recovered</b>		
Departmental debt	-	78
Refunds on lost and stolen cellular phones	-	29
Official vehicles	-	216
Other	-	148
	<b>471</b>	

**2.2 Gifts, donations and sponsorships received by the department**

	2003/04 R'000	2002/03 R'000
<b>Nature of gift, donation and sponsorship</b>		
(Group major categories, but list material items including the name of the organisation)		
Estate Gunter Christ - Germany		17
Donation from Denel		8
Donations received - SA Confrence 2003 London	177	
Donations received - Gaberone	2	
Donations received - Sao Paulo	4	
	<b>183</b>	<b>25</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2004**

2.3 Gifts, donations and sponsorships received in kind excluding RDP funds by the department (Total not included above)	2003/04R'000	2002/03R'000
<b>Nature of gift, donation and sponsorship</b>		
Works of Art, Accomadation and official functions		1,281
Jazz concert - 2 nights holiday, return ticket, artist return ticket, hotel accommodation, dinner,	Uniglobe Travel & Tours Tanzania, Protea Hotels, Air Tanzania, SAA, Royal Palm Hotel, Sea Cliff Hotel, Holiday Inn, Oysterbay Grill	71
Beverages and wine	SAB, Countrywide Wine & Spirit Distr Ltd, KWV International, SAA, Protea Hotel	23
2 metre sliding top freezer	Just Refrigeration Products	5
SA Culinary Week	Grupo Dragados & Acerinox	120
10th Anniversary Celebrations - seats	Mr Robert Grybowski SAA Rep	1
Hotel Accommodation and meals	RISA Charitable Trust	2
Honararium	Rutgers State University of New Jersey	2
Honararium	National Liberty Museum	2
Airtickets	SA & Cathay Pacific South African Tourism	100
	<b>326</b>	<b>1,281</b>

**3 Local and foreign aid assistance (including RDP funds)****3.1 Assistance received in cash**

Name of Donor and purpose	Opening Balance	Depratmental vote (dr)	Expenditure		Closing Balance
			Current	Capital	
<b>Foreign</b>					
Celebrate South Africa	(683)	683	-	-	-
Protocol Training: Spain	64	-	-	-	64
UNDP	(340)	340	-	-	-
Foreign Governments: WCAR	(3,270)	3,270	-	-	-
	<b>(4,229)</b>	<b>4,293</b>	-	-	<b>64</b>

**Analysis of balance**

Amounts owing by the RDP fund/donors

Amounts owing to the RDP fund/donors

Balance remaining

	2003/04 R'000	2002/03 R'000
Amounts owing by the RDP fund/donors	-	4,293
Amounts owing to the RDP fund/donors	(64)	(64)
Balance remaining	<b>(64)</b>	<b>4,229</b>

**4 Personnel****4.1 Current expenditure**

Appropriation to Executive and Legislature

Basic salary costs

Pension contributions

Medical aid contributions

Other salary related costs

	2003/04 R'000	2002/03 R'000
Appropriation to Executive and Legislature	1,767	6,849
Basic salary costs	439,353	485,083
Pension contributions	32,045	28,574
Medical aid contributions	53,866	61,771
Other salary related costs	426,323	487,105
	<b>953,354</b>	<b>1,069,382</b>
<b>Average number of employees (DFA officials)</b>	1,618	1,655
<b>Average number of employees (LRP's at missions)</b>	1,940	1,697
	<b>3,558</b>	<b>3,352</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 MARCH 2004

<b>5 Inventories</b>		<b>2003/04</b>	<b>2002/03</b>
		<b>R'000</b>	<b>R'000</b>
<b>5.1 Current expenditure</b>			
<b>Inventories purchased during the year</b>			
Printing:general		5,421	5,082
Stationary:general		8,764	10,575
Publications		5,647	6,677
Overalls and uniforms		2,578	1,558
Consumables and groceries		3,701	2,773
Household, garden and audio visual		4,759	4,561
Fuel purchases		3,288	4,125
Other stocks		79	171
<b>Total cost of inventories</b>		<b>34,237</b>	<b>35,522</b>
<b>5.2 Inventories on hand at year end</b>	<b>Costing method</b>	<b>2003/04R'000</b>	<b>2002/03R'000</b>
	<b>used</b>		
<b>(for disclosure purposes only)</b>			
E-class on hand	Cost price	<b>1,799</b>	<b>7,931</b>
<b>6 Machinery and equipment</b>		<b>2003/04</b>	<b>2002/03</b>
		<b>R'000</b>	<b>R'000</b>
Current (Rentals, maintenance and sundry)		10,680	13,592
Capital	6.1	73,412	65,301
<b>Total current and capital expenditure</b>		<b>84,092</b>	<b>78,893</b>

**6.1 Capital machinery and equipment analysed as follows:**

	<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
Computer equipment	11,595	15,460
Furniture and office equipment	16,490	28,263
Other machinery and equipment	19,516	3,693
Transport	11,870	11,797
Security equipment	7,212	1,250
Labour Saving Devices	2,126	1,950
Telephone Systems	1,891	2,274
Works of Art	2,712	614
	<b>73,412</b>	<b>65,301</b>

**7 Land and buildings**

	<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
Current expenditure		
Rental official residences and offices	163,429	183,566
Municipal rates and taxes	2,223	
Total current expenditure	<b>165,652</b>	<b>183,566</b>
Capital expenditure	59,572	22,640
Total current and capital expenditure	<b>225,224</b>	<b>206,206</b>

7.1

**7.1 Capital land and building expenditure analysed as follows:**

	<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
Construction office accommodation	55,432	3,816
Construction official housing	4,140	18,824
	<b>59,572</b>	<b>22,640</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 MARCH 2004

<b>8 Professional and special services</b>	<b>2003/04</b>	<b>2002/03</b>
	<b>R'000</b>	<b>R'000</b>
<b>8.1 Current expenditure</b>		
Auditors' remuneration	3,261	4,117
Contractors	20,327	23,712
Consultants and advisory services	7,078	4,254
Commissions and committees	18	2
Computer services	10,738	3,867
Other	74,008	63,206
	<b>115,430</b>	<b>99,158</b>
<b>8.2 Capital expenditure</b>		
Contractors	5,228	16,761
Consultants and advisory services	389	61,684
Computer services	351	1,023
Other	27,577	36,485
	<b>33,545</b>	<b>115,953</b>
<b>Total Professional and special services</b>	<b>148,975</b>	<b>215,111</b>
<b>9 Transfer payments</b>	<b>2003/04R'000</b>	<b>2002/03R'000</b>
African Renaissance Fund	50,000	-
UNDP/ IBSA	679	-
Tribunal of the Law of the Sea	211	-
Manpower: Secondments	-	12
Technical and other assistance	-	2,442
World Food Program	100,000	170,000
Membership Fees: UN	49,157	57,418
United Nations Development Programme	38	5,620
South Centre	1,008	-
Maritime Law Institute	120	120

<b>9cont</b> Humanitarian Aid	6,817	5,858
NEPAD	24,497	19,200
African Union	43,653	11,965
Membership fees: Commonwealth	5,369	16,248
SADC Membership fees	17,847	4,356
UNICEF	210	200
Bureau International Exhibition -Membership fees	28	-
IORARC	49	56
G77 : Economic Cooperation	34	41
African Caribbean and Pacific	2,087	1,875
Comprehensive Test Ban Treaty	2,306	-
Perrez-Guerrero Trust Fund	50	-
UNDP - Local Office Costs (GLOC)	10,997	13,600
Bacterial and toxic weapons convention	-	24
Other International Organizations	-	1,391
UN Technical Cooperation	100	97
UN Human Rights	299	290
<b>Total transfer payments made</b>	<b>315,556</b>	<b>310,813</b>

<b>10</b>	<b>Miscellaneous</b>	<b>2003/04</b>	<b>2002/03</b>
		<b>R'000</b>	<b>R'000</b>
<b>10.1</b>	<b>Current expenditure</b>		
	Recoverable loans and rental deposits	4,386	7,206
	Diplomatic Privilege Act	9,233	7,387
	Gifts by the State Purchased	290	254
	Other	519	550
	<b>Total miscellaneous expenditure</b>	<b>14,428</b>	<b>15,397</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 MARCH 2004

<b>10.2 Gifts, donations and sponsorships made in kind (items expensed in previous periods -Total value not included above)</b>		<b>2003/04</b> <b>R'000</b>	<b>2002/03</b> <b>R'000</b>
Gifts presented to foreign dignitaries and visiting heads of state		<b>87</b>	<b>112</b>
<hr/>			
<b>11 Special functions: Authorised losses</b>		<b>2003/04</b> <b>R'000</b>	<b>2002/03</b> <b>R'000</b>
Other material losses written off in income statement	11.1	4	2,651
		<b>4</b>	<b>2,651</b>
<hr/>			
<b>11.1 Other material losses written off in income statement</b>		<b>2003/04</b> <b>R'000</b>	<b>2002/03</b> <b>R'000</b>
<b>Nature of losses</b>			
New York Settlement of M Kattini		-	2,586
Oslo: Legal fees		-	65
Damaged goods - WSSD		4	-
		<b>4</b>	<b>2,651</b>
<hr/>			
<b>11.2 Details of special functions (theft and losses)</b>		<b>2003/04</b> <b>R'000</b>	<b>2002/03</b> <b>R'000</b>
<b>Per programme</b>			
Programme 2: Foreign Relations		4	2,651
		<b>4</b>	<b>2,651</b>
<hr/>			

**12 Unauthorised and fruitless and wasteful expenditure disallowed**

Unauthorised expenditure

12.2

**2003/04  
R'000****2002/03  
R'000**

19,136

12,257

**19,136****12,257****12.1 Reconciliation of unauthorised expenditure balance**

Opening balance

Unauthorised expenditure current year

Approved by Parliament

Closing balance

**2003/04  
R'000****2002/03  
R'000**

12,257

57,412

6,879

5,898

-

**(51,053)****19,136****12,257****12.2 Unauthorised expenditure****Incident**

Excess Expenditure - 2000/01

Excess Expenditure - 2001/02

Excess Expenditure - 2002/03

**2003/04  
R'000****2002/03  
R'000**

6,359

6,359

5,898

5,898

6,879

-

**19,136****12,257****13 Cash and cash equivalents**

Paymaster General Account

Cash on hand

**2003/04  
R'000****2002/03  
R'000**

(358,789)

(91,149)

76,806

292

**(281,983)****(90,857)****13.1 Cash on Hand**

First National Bank - Deposit Account

Cash at Missions

Cash In Transit

Petty Cash

**2003/04  
R'000****2002/03  
R'000**

2,434

-

68,433

-

5,601

-

338

292

**73****292**



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 MARCH 2004

**13.2 Paymaster General Account**

		2003/04 R'000	2002/03 R'000
Account 8033 1289 (FCS)	19.3	(487,154)	(410,013)
Account 8033 2307		128,365	318,864
		<b>(358,789)</b>	<b>(91,149)</b>

**14 Receivables - current**

		2003/04 R'000	2002/03 R'000
Amounts owing by other departments	Annexure 2 and 14.1	205,665	174,625
Staff debtors	14.2	11,000	11,395
Other debtors	14.3	229,738	158,088
Advances	14.4	9,102	3,569
		<b>455,505</b>	<b>347,677</b>

**14.1 Amounts owing by other departments**

Amount of R50m (2003: R50m) included above may not be recovered, but has not been written off in the income statement.

**14.2 Staff debtors**

	2003/04 R'000	2002/03 R'000
Departmental debt accounts	2,410	2,461
Disallowances	6,291	5,816
Persal Accounts	2,298	1,596
Study Fees/Bursaries	-	1,522
Dishonored cheque	1	-
	<b>11,000</b>	<b>11,395</b>

**14.3 Other debtors**

		2003/04 R'000	2002/03 R'000
Detainees		22	16
Renaissance Fund		-	80,227
Debtors Governments		20,826	24,281
Sundry Debtors		1,228	-
Balance of the Vote	17	142,966	-
Claims recoverable: Institutions		64,696	53,564
		<b>229,738</b>	<b>158,088</b>

**14.4 Advances**

		2003/04 R'000	2002/03 R'000
<b>Nature of advances</b>			
Advance to state departments		4,213	69
Subsistence and transport advances		4,889	3,500
		<b>9,102</b>	<b>3,569</b>

**15 Loans**

		2003/04 R'000	2002/03 R'000
<b>Granted to</b>			
Rental deposits: Residences - Landlords	15.2	11,809	11,524
Rental deposits: Offices - Landlords	15.3	21,716	20,297
Interest Free Motor loans - Junior transferred officials stationed at diplomatic missions.	15.4	1,161	1,736
Interest free loans: other - Schools abroad	15.5	362	562
		<b>35,048</b>	<b>34,119</b>

**15.1 Less amount repayable within 12 months included in current assets**

(1,037)	(1,037)
<b>34,011</b>	<b>33,082</b>

**15.2** This amount represents various payments to landlords abroad for rental deposits in respect of official residences for transferred personnel. These loans are secured by the rental payments to land lords. The rental deposits are refunded at the expiry of the lease.

**15.3** This amount represents various payments to landlords abroad for rental deposits in respect of chanceries for transferred personnel. These loans are secured by the rental payments to land lords. The rental deposits are refunded at the expiry of the lease.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2004**

**15.4** This amount represents various interest free motor loans granted to junior officials abroad to enable them to perform their representation duties abroad. These loans are secured by recovery from the foreign allowances.  
In the event of a resignation, prior to full settlement, the balance will be recovered from the pension benefits.

**15.5** This amount represents various deposits paid to educational institutions abroad to admit transferred officials' children to these schools. Deposits are refunded to the Department when tuition services are terminated.

**16 Receivables – non-current**

Description	2003/04 R'000	2002/03 R'000
Theft & Losses	2,042	1,946
Unsettled claims	10,911	2,550
Logis	857	2,925
Telkom Control	4,341	-
Rate of Exchange	635	-
	<b>18,786</b>	<b>7,421</b>

**17 Voted funds to be surrendered to/recovered from the Revenue Fund**

Description	2003/04 R'000	2002/03 R'000
Opening balance	73,098	135,777
Transfer from income statement	(148,864)	73,098
Paid during the year	(67,200)	(135,777)
Closing balance	<b>(142,966)</b>	<b>73,098</b>

**18 Other revenue funds to be surrendered to the Revenue Fund**

Description	2003/04 R'000	2002/03 R'000
Opening balance	4,868	4,919
Transfer from income statement for revenue to be surrendered	49,737	66,704
Paid during the year	(14,514)	(66,755)
Closing balance	<b>40,091</b>	<b>4,868</b>

**19 Payables - current**

		<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
Amounts owing to other departments	Annexure 3	711	671
Receipts payable to other departments	Annexure 3	34,064	79,428
Advances received	19.1	95,710	60,671
Other payables	19.2	31,321	58,134
		<b>161,806</b>	<b>198,904</b>

**19.1 Advances received**

		<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
Advances Received - State departments		84,423	56,197
Advances Received - State Institutions		11,287	4,297
Other Advances received		-	177
		<b>95,710</b>	<b>60,671</b>

**19.2 Other payables**

		<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
FCS Reconciliation Account	19.4	11,583	-
Persal Accounts		237	7,085
Disallowances		15,422	51,049
Other receipts payable		4,079	-
		<b>31,321</b>	<b>58,134</b>

**19.3 Restatement of previous year's figures**

The R410 013 that was previously reported as part of Other Payables is now reported as Bank Overdraft (refer note 13.2)

**19.4 FCS Reconciliation Account**

This relates to unreconciled difference between the net overdraft on the PMG 8033-128-9 of R62,451m (difference between the PMG overdraft of R487m and the BAS/FCS interface of R424m) and the cash book balance in the missions and funds in transit of R74,034m. The PMG 8033-128-9 is used to transfer funds to missions abroad. The department is in the process of reconciling all FCS control accounts and through this process the unreconciled difference will be resolved.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2004**

<b>20 Payables – non-current</b>	<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
Renaissance Fund	9,238	-
Study Bursaries	-	1,241
Rate of Exchange	-	2,426
	<b>9,238</b>	<b>3,667</b>
<b>21 Net cash flow generated by operating activities</b>	<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
Net surplus as per Income Statement	(99,127)	142,658
Adjusted for items separately disclosed	132,283	57,181
Proceeds from sale of equipment	(701)	(1,294)
Proceeds from sale of land and buildings	-	(29,466)
Capital expenditure	132,984	87,941
	<b>33,156</b>	<b>199,839</b>
Net cash flow generated by operating activities		
<b>22 Cash generated / (utilised) to (increase)/decrease working capital</b>	<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
(Increase) / decrease in receivables – current	33,792	38,411
(Increase) / decrease in receivables – non-current	(11,366)	(3,519)
(Increase) / decrease in prepayments and advances	(5,534)	(11)
(Increase) / decrease in other current assets	3,301	41,997
Increase / (decrease) in payables	(36,049)	(40,067)
Increase / (decrease) in other current liabilities	5,571	3,269
	<b>(10,285)</b>	<b>40,080</b>
<b>23 Voted funds and revenue funds surrendered</b>	<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
Voted funds surrendered	67,200	135,777
Revenue funds surrendered	14,514	66,755
	<b>81,714</b>	<b>202,532</b>

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2004**

These amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

<b>24</b>	<b>Contingent liabilities</b>			<b>2003/04</b>	<b>2002/03</b>
	<b>Liable to</b>	<b>Nature</b>		<b>R'000</b>	<b>R'000</b>
	Motor vehicle guarantees	Employees	Annexure 1	292	292
	Housing loan guarantees	Employees	Annexure 1	3,627	2,864
	Other guarantees		Annexure 1	192,117	232,466
	Claims		24.1	1,237	1,513
				<b>197,273</b>	<b>237,135</b>
				<b>197,273</b>	<b>237,135</b>
<b>24.1</b>	<b>Claims</b>			<b>2003/04</b>	<b>2002/03</b>
	<b>Liable to</b>			<b>R'000</b>	<b>R'000</b>
	Catlin v Minister of Foreign Affairs			280	280
	Turkey : Madencilik Metal Ticaret Anonim Sirket v Government of South Africa			200	200
	Filippatos v Minister of Foreign Affairs (Lusaka rented property)			-	386
	Fintech v Minister of Foreign Affairs (WCAR conference – accommodation)			-	220
	Smit v Minister of Foreign Affairs			75	75
	Deeb v Minister of Foreign Affairs			252	252
	Jaquet vs Minister of Foreign Affairs (Land court)			30	-
	Rajoo vs Department of Foreign Affairs			400	-
	Drake v Minister of Foreign Affairs			-	100
				<b>1,237</b>	<b>1,513</b>
				<b>1,237</b>	<b>1,513</b>
<b>25</b>	<b>Commitments</b>			<b>2003/04</b>	<b>2002/03</b>
	<b>Capital expenditure</b>			<b>R'000</b>	<b>R'000</b>
	Approved and contracted/ordered		<b>Format</b>	-	72,631
	Approved but not yet contracted			54,049	8,661
	Total Commitments			<b>54,049</b>	<b>81,292</b>
				<b>54,049</b>	<b>81,292</b>

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2004**

<b>26</b>	<b>Accruals</b>				
	<b>Listed by standard Item</b>				
	Administrative			1,339	550
	Inventory			304	31
	Equipment			130	771
	Professional and special services			19	0
				<b>1,792</b>	<b>1,352</b>
<b>26.1</b>	<b>Listed by programme level</b>			<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
	Programme 1: Administration			855	898
	Programme 2: Foreign Relations			301	187
	Programme 3: Public Diplomacy and Protocol			119	267
	Programme 5: Auxiliary			517	0
				<b>1,792</b>	<b>1,352</b>
<b>27</b>	<b>Employee benefits</b>			<b>2003/04R'000</b>	<b>2002/03R'000</b>
	Leave entitlement			4,948	5,770
	Thirteenth cheque			9,331	10,645
	Performance bonus			4,263	2,634
				<b>18,542</b>	<b>19,049</b>
<b>28</b>	<b>Leases</b>			<b>2003/04 R'000</b>	<b>2002/03 R'000</b>
<b>28.1</b>	<b>Operating leases</b>	<b>Property</b>	<b>Equipment</b>	<b>Total</b>	<b>Total</b>
	Name of financial institution				
	Not later than 1 year	215,545	6,198	221,743	222,078
	Later than 1 year and not later than 3 years	180,862	12,338	193,200	187,447
	Later than 3 years	117,419	7,140	124,559	178,734
		<b>513,826</b>	<b>25,676</b>	<b>539,502</b>	<b>588,259</b>

**ANNEXURE 1****STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2004****DOMESTIC/ FOREIGN (provide separate returns)**

Guaranteed institution	Guarantee in respect of	Guaranteed capital amount	Opening balance as at 01/04/2003	Guarantees raised during the year	Guarantees repaid during the year	Guaranteed capital amount outstanding as at 31/03/2004	Guaranteed interest outstanding as from last date of interest until 31/03/2004	Claims paid out during past financial year	Realised losses i.r.o. claims paid out
		R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
<b>Domestic</b>									
Standard Bank	Housing loans	504	495	45		540			
Nedbank Ltd.	Housing loans	378	78	300		378			
Firststrand Bank: FNB	Housing loans	399	400	146		546			
ABSA Bank	Housing loans	690	509	165		673			
Fidelity Bank	Housing loans	46	46	0	46	0			
BOE Bank (NBS Division)	Housing loans	464	363	111		474			
Saambou Bank	Housing loans	896	800		133	667			
Peoples/ Permanent Bank	Housing loans	259	145		81	63			
Old Mutual Bank	Housing loans	23	23	236		259			
VBS	Housing loans	0	0	23		23			
Hlano Fin Services	Housing loans	4	4	0		4			
<b>Total Domestic</b>		<b>3,665</b>	<b>2,864</b>	<b>1,003</b>	<b>260</b>	<b>3,627</b>		<b>0</b>	<b>0</b>
Stannic	Motorfinance	292	292	0	0	292			
<b>Domestic</b>		<b>3,957</b>	<b>3,156</b>	<b>1,003</b>	<b>260</b>	<b>3,919</b>		<b>0</b>	<b>0</b>



Guaranteed institution	Guarantee in respect of	Guaranteed capital amount	Opening balance as at 01/04/2003	Guarantees raised during the year	Guarantees repaid during the year	Guaranteed capital amount outstanding as at 31/03/2004	Guaranteed interest outstanding as from last date of interest until 31/03/2004	Claims paid out during past financial year	Realised losses i.r.o. claims paid out
		R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
<b>Foreign</b>									
South African Development Bank	Lesotho Highlands Development Authority for the northern access road project IHT 02 021	54,045	35,724		7,233	28,492			
South African Development Bank	Lesotho Highlands Development Authority for the northern access road project IHT 02 022	154,279	107,587		17,753	89,834			
South African Development Bank	Lesotho Highlands Development Authority Katze Bridge Project IHT 02 023	2,385	1,419		338	1,081			
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for the northern access road project IHT 01 678	24,805	13,510		3,217	10,293			

Guaranteed institution	Guarantee in respect of	Guaranteed capital amount	Opening balance as at 01/04/2003	Guarantees raised during the year	Guarantees repaid during the year	Guaranteed capital amount outstanding as at 31/03/2004	Guaranteed interest outstanding as from last date of interest until 31/03/2004	Claims paid out during past financial year	Realised losses i.r.o. claims paid out
		R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for Lesotho infrastructure (construction of northern access road project) IHT 02 485	41,600	30,450		5,024	25,425			
South African Development Bank	Loan granted to Lesotho Highlands Authority for Katze-town programme (Project 1) IHC 02 024	21,393	20,128		3,279	16,849			
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for advanced infrastructure. Upgrading of borderpost facilities Maputo and Caledonspoort IHT 02 270/2	7,530	6,135		1,001	5,133			

Guaranteed institution	Guarantee in respect of	Guaranteed capital amount	Opening balance as at 01/04/2003	Guarantees raised during the year	Guarantees repaid during the year	Guaranteed capital amount outstanding as at 31/03/2004	Guaranteed interest outstanding as from last date of interest until 31/03/2004	Claims paid out during past financial year	Realised losses i.r.o. claims paid out
		R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for advanced infrastructure. Upgrading of current roads. IHT 02 214/2	29,059	17,513		2,503	15,009			
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for communication systems IHK 02 653	1,546			0	0			
<b>Total Foreign</b>		<b>336,642</b>	<b>232,466</b>	<b>0</b>	<b>40,348</b>	<b>192,117</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>340,598</b>	<b>235,622</b>	<b>1,003</b>	<b>40,609</b>	<b>196,037</b>	<b>0</b>	<b>0</b>	<b>0</b>

## ANNEXURE 2

### INTER-DEPARTMENTAL RECEIVABLES - CURRENT

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
Eastern Cape	0	102	1,072	1,287
Northern Cape	0	210	469	210
Free State	0	155	613	267
Limpopo	0	1,993	2,617	16
Mpumalanga	0	40	965	1,116
North West	0	1,632.41	1,403	-1
Kwazulu Natal	0	1,614.73	1,091	7
Gauteng	43	145.90	3,896	2,903
Western Cape	0		772	607
Art,culture,	0	-	6,440	3,840
Sc & Technology	0	-	3,597	0
Welfare	406	114	30	-62
Agriculture	0	-	5,002	4,302
Nat Prosec Auth	0	-	190	0
Justice	0	-	1,807	1,482
Public service Administration	186	-	643	567
Housing	583	221	102	5
Public service Comm	0	-	179	376
Environmental Affairs	0	-	1,062	967
Public Works	2,422	-	42,464	37,195
Health	0	-	31,107	12,121
Office of the president	0	1,405	6,182	4,965
Transport	0	304	5,582	161
Minerals and Energy	590	1,749	1,071	218

**ANNEXURE 2****INTER-DEPARTMENTAL RECEIVABLES - CURRENT**

Office for Public Enterprises	0	-1,204	0	12,230
Trade & Industry	18,778	9,555	5,679	18,670
Water Affairs and Forestry	0	1,004	1,234	535
Home Affairs	0		0	267
Labour	21,833	174	0	11,794
Land Affairs	0	-	98	30
National Treasury	0	-	257	216
Finance	0	-	3,880	3,940
Finance pension	2,764	-	507	6,063
Post & Telecommunication	0	816	1,637	1,152
Sport & Recreation	0	-	186	137
South African Comm. Service	0	-	84	24
South African Revenue Service	0		1,211	1,238
Police	0	2,783	13,466	12,023
Education	0	-	84	179
National Defence Force (combined with Acc "A")	0	-	11,126	10,446
Provincial and local affairs	0	17	5	95
Government Printer	101		0	101
Central statistical services	0	-	3	3
Correctional services	0	-	142	102
	0		0	-
<b>TOTAL</b>	<b>47,706</b>	<b>22,829</b>	<b>157,959</b>	<b>151,796</b>

Some Departments made advance payments to the Department of Foreign Affairs to the value of R 84 million. These advance payments have not yet been utilised to offset the debt, therefore taking into account the R 84 million the actual unconfirmed balance is R 73 million.

**ANNEXURE 3****INTER-DEPARTMENTAL PAYABLES - CURRENT**

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
<b>Receipts payable to other departments</b>				
National Departments			33,799	79,428
Mpumalanga			158	
Western Cape			45	
Eastern Cape			14	
Free State			1	
North West			1	
Limpopo			46	
<b>TOTAL</b>	-	-	<b>34,064</b>	<b>79,428</b>
<b>Include all amounts owing to National and Provincial Departments as well as all Public Entities of those Departments</b>				
Department of Finance/Pensions			673,000	671,000
South African Revenue Service			38,000	-
<b>TOTAL</b>	-	-	<b>711,000</b>	<b>671,000</b>

**ANNEXURE 3****INTER-DEPARTMENTAL PAYABLES - CURRENT**

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
<b>Advances received from departments</b>				
Office of Public Service Commission (Con)			265	295
Post & Telecommunication (Con)			278	278
Labour			26,981	17,285
Trade & Industry			5,321	4,992
Mineral & Energy Affairs			146	74
Transport			5,009	453
Health			16,226	2,601
Public Works			19,497	11,545
Housing			650	144
Justice			911	741
Agriculture			1,084	879
Welfare & Population Development			30	29
Art, Culture, Science & Technology			7,516	4,141
Office of the Public Enterprise				12,230
Inland Revenue			510	510
<b>TOTAL</b>			<b>84,424</b>	<b>56,197</b>

**ANNEXURE 4****PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)**

<b>PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04</b>	<b>Opening Balance R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Transfers In R'000</b>	<b>Transfers Out R'000</b>	<b>Closing Balance R'000</b>
<b>LAND AND BUILDINGS</b>	<b>101,085</b>	<b>65,189</b>	-	-	-	<b>166,274</b>
Land	-	-	-	-	-	-
Dwellings	-	-	-	-	-	-
Capital work in Progress	101,085	65,189	-	-	-	166,274
<b>MACHINERY AND EQUIPMENT</b>	<b>101,511</b>	<b>98,751</b>	-	-	-	<b>200,262</b>
Computer equipment	15,185	9,357	-	-	-	24,542
Furniture and office equipment	28,263	16,490	-	-	-	44,753
Other machinery and equipment	46,266	61,034	-	-	-	107,300
Transport assets	11,797	11,870	-	-	-	23,667
	<b>202,596</b>	<b>163,940</b>	-	-	-	<b>366,536</b>

<b>PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03</b>	<b>Opening Balance R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Transfers In R'000</b>	<b>Transfers Out R'000</b>	<b>Closing Balance R'000</b>
<b>LAND AND BUILDINGS</b>	-	<b>101,085</b>	-	-	-	<b>101,085</b>
Land	-	-	-	-	-	-
Dwellings	-	-	-	-	-	-
Capital work in Progress	-	101,085	-	-	-	101,085



**ANNEXURE 4****PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)**

<b>PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04</b>	<b>Opening Balance R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Transfers In R'000</b>	<b>Transfers Out R'000</b>	<b>Closing Balance R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	-	<b>101,511</b>	-	-	-	<b>101,511</b>
Computer equipment	-	15,185				15,185
Furniture and office equipment	-	28,263				28,263
Other machinery and equipment	-	46,266				46,266
Transport assets	-	11,797				11,797
	-	<b>202,596</b>	-	-	-	<b>202,596</b>

**ANNEXURE 5****INTANGIBLE ASSET MOVEMENT SCHEDULE (Not including inventories)**

INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
Computer software	1,298	2,589				3,887
	<b>1,298</b>	<b>2,589</b>	-	-	-	<b>3,887</b>
INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
Computer software	-	1,298				1,298
	-	<b>1,298</b>	-	-	-	-



**ANNEXURE A**  
**AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION**  
Annual Financial Statements for the year ended 31 MARCH 2004

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## **AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND MANAGEMENT REPORT for the year ended 31 March 2004**

**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 2003/2004 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 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;
- the 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 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

#### 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 R 50 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. The decrease in interest earned as compared to last financial year is due to the decrease in the repo rate as determined by South African Reserve Bank.

#### Expenditure

During the year under review, an amount of approximately R62, Million was utilised to fund the following projects:

##### (a) NILISA – R 30 Million

At an Organisation of African Unity Summit in Lusaka in 2001 a tripartite agreement was reached between Nigeria, Libya and South Africa where each would undertake steps aimed at helping Sierra Leone to restore its destroyed infrastructure. Following a fact, finding mission to Sierra Leone, the NILISA initiative was established to undertake identified projects in specific fields such as

education and training, healthcare, housing and shelter, and rehabilitation of schools.

In summary, the purpose of the project is for South Africa, together with its partners, to undertake specific projects in the socio-economic realm in Sierra Leone and which may contribute towards political and social development of Sierra Leone and in this way, address the issues of poverty and underdevelopment. This project is compatible with the South African government's policy principles aimed at promoting stability and security on the African continent as well as the principles of New Programme of African Development.

To ensure the successful implementation of the projects, the principal project will be a joint venture between Sierra Leonean government ministries and agencies operating in conjunction with the South African Embassy in Abidjan. Support will also be given by Head Office and other South African government departments, parastatals or private sector companies where necessary.

To kick start the project an amount of R30 million has been allocated for this purpose.

##### (b) RSA/CUBA/Rwanda Trilateral Health Agreement – R 18 Million

The Government of the Republic of Rwanda and the Government of the Republic of Cuba signed a

Memorandum of Understanding (MOU) on Technical Co-operation in the health sector on the 20<sup>th</sup> July 1999, notably regarding the provision of a Cuban Medical Brigade to Rwanda. The implementation of the Cuban-Rwandan MOU hinges on the Government of the Republic of South Africa, through the National Department of Health funding the Cuban Medical Brigade.

The operationalisation of the South African-Rwanda-Cuba Trilateral Agreement project is also in line with the objectives of MOU between South Africa and Rwanda on Institutional Co-operation in the field of health that was signed on 5 December 2002.

There is insufficient quality of health care services and decreasing utilisation levels of services in Rwanda. It is because of these needs that the South Africa-Cuba-Rwanda trilateral co-operation project, which is within the context of the South-South Healthcare Delivery Programme (SSHDP), was established.

At a summit held in Havana, Cuba from 10 to 14 April 2000, South Africa pledged to support the South-South Healthcare Delivery Programme (SSHDP). Cuba offered to provide up to 3 000 doctors for this initiative. South Africa, through the National Department of Health, contributed an amount of R17 984 220 to the South African-Rwanda-Cuba Trilateral project.

#### (c) Guinea-Bissau elections – R 81 000

The Economic and Social Council (ECOSOC) ad hoc advisory group on Guinea-Bissau was established on 25 October 2002, to prepare recommendations for a long-term programme of support for Guinea-Bissau. Among the recommendations contained in the report was a proposal for the establishment of a United Nations Development Programme trust fund to provide emergency financial support for technical assistance, capacity building and preparations for the scheduled 2003 and 2004 elections. In this regard, South Africa made a contribution of R 81 000 for the specific purpose of assisting with the elections.

#### (d) Zimbabwe Elections – R 2 Million

The South African government participated in the observer mission for the 2002 presidential elections in Zimbabwe. Due to an increase in the scope of the project, additional expenses were incurred to ensure that the project was successful.

#### (e) Lesotho Projects – R7 Million

A Joint Bilateral Commission for Cooperation (JBCC) Agreement was signed between South Africa and Lesotho on 19 April 2001, intended to assist Lesotho in graduating out of its classification as Least Developed Country (LDC) within a period of five years.

Following this, a process of implementation commenced

which involved extensive consultations in a series of bilateral meetings between South Africa and Lesotho. A number of projects were identified which would facilitate the objectives of the JBCC Agreement and a donor conference to be hosted by Lesotho was planned to finance these projects. During the year under review, the following two projects were financed through the African Renaissance Fund:

(i) *Geochemical Mapping Project – R 1,3 million*

The objective of the project is to utilise the available stream sediment samples obtained during a UNDP mineral exploration to further analyse for elements not previously examined in order to produce geochemical anomaly maps that can be used for exploration by the private sector. Any economically viable minerals subsequently discovered can be exploited for the benefit of Lesotho.

The Lesotho Department of Mines and Geology has previously worked with the Council for Geo-science of South Africa through the Southern African Development Community (SADC), and therefore the Council has been identified as the appropriate institution for analysing the samples.

The project would involve: sample preparation by crushing and milling; analysis with X-RAY Spectroscopy (XRF) equipment of the samples; and capturing of the data on CD-ROM - the geochemical colour contour maps produced would indicate mineral anomaly areas.

The maps can then be used in the promotion of mineral exploration by private investors and consequently exploitation of any economically viable minerals. During mineral exploitation activities, companies are expected to build access roads that will benefit the surrounding communities. A geologist/geochemist from the Lesotho Department of Mines and Geology would be attached to the project for capacity building.

(ii) *Hydrological Project – R 5,7 million*

This project would enable the Department of Water Affairs – Hydrology Division to efficiently survey, map and take inventory of all water resources of Lesotho, to develop a surface water resources database, and to provide data for use by the Lesotho government, NGOs and individuals involved in water resource development projects. This would be achieved by the installation of modern winches and cableway systems, the maintenance thereof and new digital water level recorders. The project's goals are in accordance with local and international legislation and initiatives relating to sustainable development and poverty alleviation.

The South African Government had already donated four Thalimedes Data loggers, which were accompanied by a copy of Hydras III Software. The project will assist in the installation of water quality, groundwater and surface water instrumentation.



(f) African Union Peace Fund for the Comoros -  
R 5,0 million

After twenty-seven years of Comorain independence and numerous Coups d'Etat, the Comoros has now returned to constitutional order. The election of the President of the Union, as well as the Presidents of the three islands gave a fresh, democratic start to the development of the island group. However, the gains must be consolidated by the parliamentary elections. To facilitate the election of a democratic representative Parliament, strengthening the administrative infrastructure, including security forces and law enforcement and the rebuilding the economic infrastructure of the Union of the Comoros necessitated the establishment of the AU Peace Fund for the Comoros. The South African government made a contribution of R5 million towards the Fund.

### Loans

During the year under review, no loans were issued and the movement is due to the repayments received (Schedule A). As reported, during the last financial year, the bulk of the outstanding loans were not serviced in respect of the defunct Economic Co-operation Promotion Loan Fund. This matter is still being reviewed, since the Minister in consultation with the Minister of Finance has in terms of the act, the prerogative to convert loans to grants. Therefore, during the period under review, no loans were written off and / or converted to grants.

### Payables

Payables relate 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 are utilised to facilitate the implementation of the projects. During the year under review, the Department owes the fund an amount of R63, 7 million (Refer to note 14 & 11) in respect of repayments of the loans. Therefore the balance owed by the Fund is R 49,5 Million Refer to note 7 less the R 62 million).

During the last financial year, the department reported that an amount of R4, 9 million was erroneously paid directly from the Fund as such treated as an irregular expenditure. This matter has now been cleared.

Furthermore, as reported in the last financial year, payables include an amount of R29 million, which was paid for the Mali African Soccer cup. 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 is fully audited. The Office of the Auditor General was mandated to carry such audit, which is not yet finalised. However, an agreement has been reached between the parties involved for a process to be followed to finalise this matter.

The financial position of the African Renaissance and International Co-operation Fund as at 31 March 2004 and the results of its operations are set out in the attached annual financial statements:

- Income statement
- Balance sheet
- Statement of changes in net assets/equity
- Cash flow statement
- Notes to the annual financial statements

The accounting officer has approved the above-mentioned financial statements as set out on pages 9 to 18.



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**Dr A Ntsaluba**  
**Director-General:**  
**Department of Foreign Affairs**

## **REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND for the year ended 31 March 2004**

### **1. AUDIT ASSIGNMENT**

The financial statements as set out on pages 9 to 18, for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

### **2. NATURE AND SCOPE**

The audit was conducted in accordance with Statements of South African Auditing Standards. 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.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

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

### **3. AUDIT OPINION**

In my opinion, the financial statements fairly present, in all material respects, the financial position of the African Renaissance and International Co-operation Fund at 31 March 2004 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended.

### **4. EMPHASIS OF MATTER**

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

#### 4.1 Payables - Department of Foreign Affairs

According to note 6 to the financial statements, payables include an amount of R5.165 million in respect of transfer payments. These transfer payments were made by the Department of Foreign Affairs (department) on behalf of the fund and include R5.084 million paid to the African Union Peace Fund for the Comoros and R0.081 million paid as South Africa's contribution to the Guinea elections. However, these payments have not been made in terms of section 5 of the act and require, *inter alia*, regularisation by the advisory committee and the Minister of Finance. Based on our review of the minutes of the advisory committee meetings held during the year, we noted that no approval had been given in this regard. The department intends to approach the Minister of Finance to obtain the necessary letters of concurrence to transfer the funds from the fund to the department.

#### 4.2 Follow-up of the twenty-third Africa Cup of Nations soccer tournament

As reported in the previous years audit report, payables include an amount of R29 861 680 in respect of the twenty-third Africa Cup of Nations soccer tournament. The department effected these payments on behalf of the fund to the Mali Trust, which had been managed by Sports and Recreation South Africa. However these payments have not been made in terms of section 5 of the act and require, *inter alia*, regularisation by the advisory committee and the Minister of Finance.

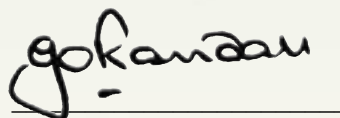
According to the department the Minister of Finance was unable to issue a letter of concurrence for the expenditure incurred until the account of the Mali Trust Fund had been audited. The Office of the Auditor-General was mandated to carry out an audit, which will be finalised in due course.

#### 4.3 Long-term loans

The fund inherited loans from the previous Economic Co-operation Promotion Loan Fund. As previously reported, the instalments in arrears amounted to approximately R44.1 million or 58.6 per cent (2002-03: R39.9 million or 52.4 per cent) of the total amount outstanding for the period under review. Although it seems unlikely that these instalments will be recovered, the department has not taken a decision on this matter.

### 5. APPRECIATION

The assistance rendered by the staff of the African Renaissance and International Co-operation Fund during the audit is sincerely appreciated.



**G O Randall**  
**for Auditor-General**

## **AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2004**

### **1. Basis of accounting**

The financial statements have been, unless otherwise indicated, prepared in accordance with the following policies, which have been applied consistently in all material respects.

However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) and the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the act.

### **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. Investments**

Investments are stated at book value. In terms of the act, surplus moneys are invested with the Corporation for Public Deposits.

### **4. Long-term loans**

Long-term loans are stated at book value and no provision is made for irrecoverable debts.

### **5. 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.

### **6. Unauthorised, irregular, and fruitless and wasteful expenditure**

Unauthorised, irregular, and fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such

expenditure is recovered, authorised by Parliament, or set off against future voted funds.

## **7. 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 Promotions Loans Fund”.

## AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND

### INCOME STATEMENT for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
5			
<b>REVENUE</b>			
Interest on loans	6	991	969
Transfer payment	1	50 000	-
Repayments	4.2	1 020	-
Refund due	11	4 950	-
Interest from Investments	2	24 688	28 080
<b>TOTAL REVENUE</b>		<b>81 649</b>	<b>29 049</b>
<b>EXPENDITURE</b>			
Grants paid	10	62 188	56 918
<b>NET SURPLUS</b>		<b>19 461</b>	<b>(27 869)</b>

## AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND BALANCE SHEET AT 31 MARCH 2004

EMPLOYMENT OF CAPITAL	Note	2004 R'000	2003 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>303 578</b>	<b>260 422</b>
Cash and cash equivalents	3	239 886	256 789
Receivables	4	8 742	-
Refund due	11	4 950	3 633
Transfer payment	1	50 000	-
<b>Non-current assets</b>		<b>74 985</b>	<b>76 011</b>
Long-term loans	6	74 985	76 011
<b>TOTAL ASSETS</b>		<b>378 563</b>	<b>336 433</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>		<b>106 528</b>	<b>83 859</b>
Payables	7	106 528	83 859
<b>TOTAL LIABILITIES</b>		<b>106 528</b>	<b>83 859</b>
<b>TOTAL EQUITY</b>		<b>272 035</b>	<b>252 574</b>
<b>CAPITAL EMPLOYED</b>			
Accumulated funds			
Opening balance	8	252 574	280 443
Net surplus/(deficit)	9	19 461	(27 869)
<b>Closing balance</b>		<b>272 035</b>	<b>252 574</b>
<b>TOTAL EQUITY</b>		<b>272 035</b>	<b>252 574</b>



**AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY for the year ended 31 March 2004**

		<b>2004</b>	<b>2003</b>
<b>Accumulated funds</b>	<b>NOTE</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	9	252 574	280 443
Net surplus for the period	10	19 461	(27 869)
<b>Closing balance</b>		<b>272 035</b>	<b>252 574</b>

**AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND**  
**CASH FLOW STATEMENT for the year ended 31 March 2004**

	Note	2004 R'000	2003 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flow from operating activities	10	(18 920)	21 113
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Repayment of loans/(redemption)	6	2 017	2 017
Net (decrease)/increase in cash and cash equivalents		(16 903)	23 130
<b>Cash and cash equivalents at beginning of year</b>		256 789	233 659
<b>Cash and cash equivalents at end of year</b>		<b>239 886</b>	<b>256 789</b>

## AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2004

	2004 R'000	2003 R'000
<b>1. Transfer payment from Department of Foreign Affairs</b>		
Transfer payment from DFA	50 000	-
<b>2. Interest from Investments</b>		
Corporation for Public Deposit	<b>24 688</b>	<b>28 080</b>
<b>3. Cash and cash equivalents</b>		
Cash in bank	239 886	256 789
<b>Total</b>	<b>239 886</b>	<b>256 789</b>
<b>4. Receivables</b>		
Capital redemptions received	5 650	-
Receivables Other 4.1+4.2	3 092	-
<b>Prepayments and advances</b>		
4.1 Advance paid to Department of Foreign Affairs	2 072	-
4.2 Refund Mali Trust	1 020	-
<b>Total</b>	<b>8 742</b>	-
<b>5. Long-term loans</b>		
Balance at the beginning of the year	76 011	77 059
Plus : Interest capitalised	991	969
Less : Repayments of loans	(2 017)	(2 017)
<b>Balance at the end of the year</b>	<b>74 895</b>	<b>76 011</b>

## AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2004

#### 6. Payables

Department of Foreign Affairs	101 363	83 859
SA contribution to AU Peace Fund for the Comores	5 084	-
SA contribution to Guinea Elections	81	-
	<b>106 528</b>	<b>83 859</b>

#### 7. Accumulated funds

Accumulated funds at the beginning of the year	252 574	280 443
Transfer from the income statement	19 461	(27 869)
<b>Accumulated funds at the end of the year</b>	<b>272 035</b>	<b>252 574</b>

#### 8. Net cash flow from operating activities

	<b>(18 920)</b>	<b>21 113</b>
Net surplus/(deficit) as per income statement	19 461	(27 869)
Adjustments for:		
Changes in working capital:		
- Receivables	(57 986)	(2 017)
Prepayments and advances	(2 072)	-
- Payables	22 668	51 968
Interest capitalised	(991)	(969)

#### 9. Refund due

Due by the Department of Foreign Affairs	4 950	3 633
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#### 10. Grants paid

	<b>62 188</b>	<b>56 918</b>
SA Contribution to AU Peace fund for Guinea Elections	5 165	-
Disbursements	57 023	51 968
Irregular expenditure	-	4 950

**AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND  
PARTICULARS OF LOANS FOR 2003/04**

Project	Total on 31-03-2003	Payments	Total	Capital redemptions (-)	Interest capitalised	Total on 31-03-2004	Interest with redemptions received	Instalments in arrears	Date of instalments in arrears
<b>Comore islands:</b>									
C1 Hotel project	4 343 199.91	-	4 343 199.91	-	-	4 343 199.91	-	3 503 175.12	97.12.31
C3 Hotel project II	26 429 732.14	-	26 429 732.14	-	531 237.44	26 960 969.58	-	16 976 933.22	97.12.31
C13 Housing	2 255 074.23	-	2 255 074.23	-	-	2 255 074.23	-	2 889 666.12	92.06.30
<b>Total Comore islands loans</b>	<b>33 028 006.28</b>	<b>-</b>	<b>33 028 006.28</b>	<b>-</b>	<b>531 237.44</b>	<b>33 559 243.72</b>	<b>-</b>	<b>23 369 774.46</b>	
<b>Gabon</b>									
G15 Airports	82 928.49	-	82 928.49	-	-	82 928.49	-	118 469.25	98.12.31
G16 Agriculture Oga Province	3 603 680.12	-	3 603 680.12	-	-	3 603 680.12	-	5 504 865.74	88.12.31
G17 Erection of structures	2 586 094.54	-	2 586 094.54	-	-	2 586 094.54	-	2 692 072.00	91.06.30
<b>Total Gabon loans</b>	<b>6 272 703.15</b>	<b>-</b>	<b>6 272 703.15</b>	<b>-</b>	<b>-</b>	<b>6 272 703.15</b>	<b>-</b>	<b>8 315 406.99</b>	
<b>Lesotho</b>									
L24 Central Bank Maseru	1 356 930.86	-	1 356 930.86	(405,127.69)	-	951 803.17	47 053.84	405 127.68	31.12.02
<b>Total Lesotho loans</b>	<b>1 356 930.86</b>	<b>-</b>	<b>1 356 930.86</b>	<b>(405,127.69)</b>	<b>-</b>	<b>951 803.17</b>	<b>47 053.84</b>	<b>405 127.68</b>	
<b>Mosambiek</b>									
M1 Maputo harbour	8 369 287.67	-	8 369 287.67	-	-	8 369 287.67	-	3 235 188.45	99.06.30
<b>Total Mosambiek loans</b>	<b>8 369 287.67</b>	<b>-</b>	<b>8 369 287.67</b>	<b>-</b>	<b>-</b>	<b>8 369 287.67</b>	<b>-</b>	<b>3 235 188.45</b>	
<b>Malawi</b>									
M25 Lilongwe Phase I	383 659.31	-	383 659.31	-	-	383 659.31	-	544 796.32	98.09.25
M25A Lilongwe Phase I (rescheduled)	1 033 218.35	-	1 033 218.35	-	20 767.69	1 053 986.04	-		
M25B Lilongwe Phase I (rescheduled)	1 031 255.91	-	1 031 255.91	-	20 728.24	1 051 984.15	-		
M26 Lilongwe Phase II	840 765.08	-	840 765.08	-	-	840 765.08	-	1 435 127.88	00.03.25

**AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND**  
**PARTICULARS OF LOANS FOR 2003/04**

(continued...)

M26A	Lilongwe Phase II (rescheduled)	769 738.41	-	769 738.41		15 471.74	785 210.15	-		
M26B	Lilongwe Phase II (rescheduled)	768 276.30	-	768 276.30		15 442.35	783 718.65	-		
M27	Agriculture	641 731.45	-	641 731.45		-	641 731.45	-	883 867.69	96.03.25
M27A	Agriculture (rescheduled)	184 954.11	-	184 954.11		3 717.58	188 671.69	-		
M27B	Agriculture (rescheduled)	184 251.54	-	184 251.54		3 703.46	187 955.00			
M29A	Economical Stimulation (rescheduled)	2 855 766.43	-	2 855 766.43		57 400.91	2 913 167.34			
M29B	Economical Stimulation (rescheduled)	2 850 342.25	-	2 850 342.25		57 291.88	2 907 634.13			
M30	Seed store	78 841.17	-	78 841.17		-	78 841.17		109 195.05	98.06.30
M32	Railways telecommunication	466 180.49	-	466 180.49		-	466 180.49		733 235.88	00.12.31
M33	Peanuts and mealies	2 045 536.75	-	2 045 536.75		-	2 045 536.75	-	2 931 136.69	91.06.30
<b>Total Malawi loans</b>		14 134 517.55	-	14 134 517.55	0.00	194 523.85	14 329 041.40	.00	6 637 359.51	
<b>Paraguay</b>										
P41	Agriculture	487.00	-	487.00		-	487.00	-	556.57	90.12.31
P44	Palace of Justice	365 056.78	-	365 056.78	-	-	365 056.78	-	422 697.31	91.12.31
<b>Total Paraguay loans</b>		365 543.78	-	365 543.78	-	-	365 543.78	-	423 253.88	
<b>Central Africa</b>										
S45	Hotel project	5 233 968.32	-	5 233 968.32	-	264 969.65	5 498 937.97			
S46	Airport	868 653.91	-	868 653.91	-	-	868 653.91	-	954 977.02	76.12.31
<b>Total Central Africa loans</b>		6 102 622.23	-	6 102 622.23	-	264 969.65	6 367 591.88	-	954 977.02	
<b>Swaziland</b>										
S47	Railroad	4 584 333.61	-	4 584 333.61		-	4 584 333.61	-		
S48	Ngwavuma - Lavumisa road	1 797 264.42	-	1 797 264.42	(1,611,691.80)	-	185 572.62	290 440.67	805 845.97	03.12.31
<b>Total Swaziland loans</b>		6 381 598.03	-	6 381 598.03	(1,611,691.80)	-	4 769 906.23	290 440.67	805 845.97	
<b>Total loans</b>		76 011 209.55	-	76 011 209.55	(2,016,819.49)	990 730.94	74 985 121.00	337 494.51	44 146 933.96	