

NAMDA
FINANCIAL STATEMENTS
2005 - 2007

111118 Pe mún

**NAMAQUALAND DEVELOPMENT
AGENCY TRUST**
(Registration No. IT 72 / 2004)

ANNUAL FINANCIAL STATEMENTS
28 February 2007

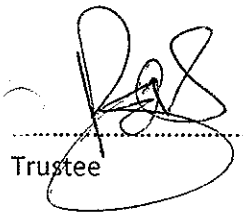
NAMAQUALAND DEVELOPMENT AGENCY TRUST
Annual Financial Statements
for the year ended 28 February 2007

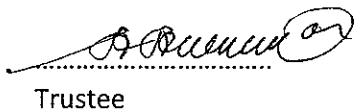
The reports and statements set out below comprise the annual financial statements presented to the trustees:

Contents	Page
Statutory information	2
Report of the independent auditors	3
Report of the Board of Trustees	4
Balance sheet	5
Income statement	6
Statement of changes in equity	7
Cash flow statement	8
Notes	9-14

Approval

The financial statements which appear on pages 4 to 14 were approved by the board of trustees on 27 November 2007 and signed on their behalf.


Trustee


Trustee

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Annual Financial Statements
for the year ended 28 February 2007

Board of Trustees	BE Vries (Chairperson) BG Vass (Exco member) JC Losper (Exco member) E Delie (Exco member) AA Witbooi G Maarman EE Links GH de Wet L van Rooi RD Cloete
Business address	3 Riverstreet SPRINGBOK 8240
Postal Address	PO Box 1018 SPRINGBOK 8240
Bankers	Absa Bank
Auditors	Levendal and Associates Chartered Accountants (S.A.) Registered Auditors
Trust registration	IT 72/2004
Tax reference number	1989/346/14/1

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF**

NAMAQUALAND DEVELOPMENT AGENCY TRUST

We have audited the annual financial statements of Namaqualand Development Agency Trust which comprise the trustees report, the balance sheet as at 28 February 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 14.

Trustee's Responsibility for the Financial Statements

The trust's trustee's are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial statements.

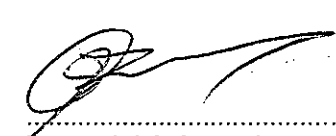
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Limitation

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from fundraising and donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond receipts actually recorded.

Qualified audit opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the organisation at 28 February 2007 and the results of its operations and cash flow information for the year then ended in conformity with Generally Accepted Accounting Practice.


.....
Levendal & Associates
Registered Auditors
Chartered Accountants (SA)

23 November 2007

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Report of the Board of Trustees
for the year ended 28 February 2007

The trustees present their report for the period ended 28 February 2007. This report forms part of the audited financial statements.

1. Nature of business

The trust aims to ensure sustainable economy for the Namaqua region, to co-ordinate it and to ensure that the previous disadvantage individuals will participate in the economic mainstream of Namaqua region.

2. Financial results

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

3. Board of Trustees

Pursuant to paragraph 14.1 of the Trust Deed, an amount of R 136,579 has been paid as remuneration during the accounting period.

4. Property, plant and equipment

Details relating to the movements on property, plant and equipment during the period under review are reflected in the property, plant and equipment note to the financials statements

5. Subsequent events

The Board of Trustees are aware of the selling of a vehicle and the writing off of another vehicle during the 2008 financial year. There by reducing the trusts assets.

6. Going concern

There is no reason to believe that the trust will not be a going concern in the year ahead.

7. Auditors

The auditor of the trust is Levendal & Associates Chartered Accountants (S.A.)

Cape Town
24 November 2007

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Balance sheet as at 28 February 2007

	Notes	2007 R	2006 R
Assets			
Non-current assets			
		4 940 089	6 866 951
Property, plant and equipment	4	279 346	1 931 206
Investments	3	80 656	423 495
Loans	14	4 580 087	4 512 250
Current assets			
		1 854	807 249
Cash and cash equivalents	5	1 854	807 249
Total assets		4 941 943	7 674 200
Equity and liabilities			
Capital and reserves			
		3 920 240	6 537 614
Trust funds	2	100	100
Accumulated funds		3 920 140	6 537 514
Current liabilities			
		1 021 703	1 136 587
Trade and other payables	9	758 701	1 113 586
Provisions	8	263 002	23 000
Total equity and liabilities		4 941 943	7 674 200

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Income statement for the year ended 28 February 2007

	Notes	2007 R	2006 R
Revenue	12	29 590	1 200 000
Profit on disposal of Motor Vehicle	4	23 250	-
Refund of Chairman's Fund: Gariiep Diamond		70 500	-
Rent		100	-
Operating Income		<u>123 440</u>	<u>1 200 000</u>
Less: Expenditure	6	<u>(2 901 191)</u>	<u>(4 001 641)</u>
Operating loss		<u>(2 777 751)</u>	<u>(2 801 641)</u>
Finance income	13	160 378	388 058
Loss before taxation		<u>(2 617 373)</u>	<u>(2 413 583)</u>
Taxation	7	-	-
Loss after taxation		<u><u>(2 617 373)</u></u>	<u><u>(2 413 583)</u></u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Statement of changes in equity
for the year ended 28 February 2007

	Trust funds	Accumulated funds	Total
2006		R	R
Balance at the beginning of the year	100	8 951 096	8 951 196
Loss for the year	-	(2 413 583)	(2 413 583)
Balance at the end of the year	<u>100</u>	<u>6 537 513</u>	<u>6 537 613</u>

	Trust funds	Accumulated funds	Total
2007		R	R
Balance at the beginning of the year	100	6 537 513	6 537 613
Loss for the year	-	(2 617 373)	(2 617 373)
Balance at the end of the year	<u>100</u>	<u>3 920 140</u>	<u>3 920 240</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Cash flow statement for the year ended 28 February 2007

	Notes	2007 R	2006 R
Cash flows from operating activities		(1 982 744)	(1 008 049)
Cash generated by operating activities	10	(2 143 122)	(1 396 107)
Finance income	13	160 378	388 058
Cash flows from investing activities		1 245 186	4 385 762
Fixed assets acquired	4	(185 653)	(1 796 465)
Proceeds from disposal of property, plant and equipment	4	1 088 000	-
Investments	3	342 839	6 182 227
Capital flows from financing activities		(67 837)	(4 512 250)
Increase in business loans	14	(67 837)	(4 512 250)
Decrease in cash and cash equivalents		(805 395)	(1 134 537)
Cash and cash equivalents at the beginning of the year		807 249	1 941 786
Cash and cash equivalents at end of the year	5	1 854	807 249

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Notes for the year ended 28 February 2007

1. Basis of preparation

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practise. The financial statements are prepared under the historical cost convention.

1.1 Revenue recognition

Revenue consist of donations received from other organisations. Revenue is recognised at the date the donations was received.

1.2 Property, plant and equipment

All property, plant and equipment are initially recorded at cost.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual values over its estimated useful live. The depreciation rates applicable to each category of plant and equipment are as follows:

Plant: Machinery	16.60%
Computer equipment	33.30%
Office equipment	16.60%
Motor vehicles	25.00%

1.3 Provisions

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

1.4 Financial instruments

Financial assets and liabilities are recognised on the trust's balance sheet when the trust becomes a party to the contractual provions of the instruments.

Investments

Investments are classified as held for trading and measured at fair value.

*Cash and cash equivalent*s

Cash and cash equivalent

s are measured at fair value.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

2 Trust funds	2007 R	2006 R
Balance at 28 February 2007	100	100

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Notes for the year ended 28 February 2007

3. Investments

Investments consist of funds invested in money market instruments with Momentum and purchase of shares in Blue Platinum Investments company.

4. Property, plant and equipment

2007	Cost	Accumulated depreciation	Carrying amount
	R	R	R
Computer Equipment	52 721	22 374	30 347
Motor Vehicles	303 373	85 773	217 600
Office Equipment	43 649	12 250	31 399
	<u>399 743</u>	<u>120 397</u>	<u>279 346</u>

The carrying amounts can be reconciled as follows:

2007	Carrying amount at the beginning of the year	Additions	Disposals	Profit / (loss) on disposal	Depreciation	Carrying amount at the end of the year
	R	R	R	R	R	R
Plant: Machinery	1 676 548	-	1 000 000	(565 328)	111 220	-
Computer Equipment	33 913	11 681	-	-	15 247	30 347
Motor Vehicles	182 750	173 373	88 000	23 250	73 773	217 600
Office Equipment	37 996	599	-	-	7 196	31 399
	<u>1 931 207</u>	<u>185 653</u>	<u>1 088 000</u>	<u>(542 078)</u>	<u>207 436</u>	<u>279 346</u>

2006	Cost	Accumulated depreciation	Carrying amount
	R	R	R
Plant: Machinery	2 010 000	333 453	1 676 548
Computer Equipment	41 040	7 128	33 913
Motor Vehicles	204 000	21 250	182 750
Office Equipment	43 050	5 054	37 996
	<u>2 298 090</u>	<u>366 884</u>	<u>1 931 206</u>

The carrying amounts can be reconciled as follows:

2006	Carrying amount at the beginning of the year	Additions	Depreciation	Carrying amount at the end of the year
	R	R	R	R
Plant: Machinery	-	2 010 000	333 453	1 676 548
Computer Equipment	1 580	39 415	7 083	33 913
Motor Vehicles	-	204 000	21 250	182 750
Office Equipment	-	43 050	5 054	37 996
	<u>1 580</u>	<u>2 296 465</u>	<u>366 839</u>	<u>1 931 206</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Notes for the year ended 28 February 2007

5. Cash and cash equivalents	2007	2006
	R	R
Cash and cash equivalents consist of balance with bank and cash on hand. Cash and cash equivalents included in cash flow statements comprise the following balance sheet amounts:		
Absa bank	1 762	806 837
Cash on hand	93	412
Cash and cash equivalents	<u>1 854</u>	<u>807 249</u>
6. Expenditure	2007	2006
	R	R
Advertising & promotions	-	41 602
Audit fees	34 998	23 000
Audit fees: Under provision	2 000	700
Bank charges	5 110	9 298
Chairman's fund	73 329	716 400
Computer expenses	8 986	20 588
Consulting fees	18 000	18 436
Depreciation	207 435	366 839
Donations	134 124	842 784
Entertainment expenses	28 849	55 273
Fuel	83 456	116 540
General expenses	10 388	10 559
Insurance	52 807	63 606
Interest paid	59	14
Internet expenses	21 429	15 896
Investment management & other costs	1 981	60 733
Legal fees	38 749	15 509
Life insurance	16 324	22 450
Loss on disposal of Plant machinery	565 328	-
Motor Vehicle expenses	11 168	25 040
Municipal services	21 866	17 248
Personnel development & training	255	39 630
Postage	464	277
Bad debts	228 004	-
Printing and stationery	28 558	40 853
Rent paid	8 504	2 500
Repairs and maintenance	1 673	9 234
RSC Levies	1 669	4 727
Salaries & wages and related costs	987 441	791 185
SARS: Interest & penalties	1 483	18 844
Skills Development Levies	5 732	6 805
Telephone and fax	59 830	58 619
Training Businesses	6 500	-
Travel and accommodation	98 114	175 468
Trustee remuneration and related costs	136 579	408 229
Workmen Compensation	-	2 754
	<u>2 901 191</u>	<u>4 001 641</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Notes for the year ended 28 February 2007

7. Taxation

No provision was made for taxation as the Trust is still in the process of applying for Income Tax exemption in terms of the new tax provisions available to public benefit organisations. The Trust's tax exemption status pertaining to public benefit organisations has not yet been granted by the South African Revenue Service.

8. Provisions

2007	Carrying amount at beginning of year R	Additional provisions R	Carrying amount at end of year R
Audit fees	23 000	11 998	34 998
Bad debts	-	228 004	228 004
	<u>23 000</u>	<u>240 002</u>	<u>263 002</u>

	2007 R
Current	<u>263 002</u>
	<u>263 002</u>

Bad debts are calculated at 25% of business loans.

2006	Carrying amount at beginning of year R	Additional provisions R	Carrying amount at end of year R
Audit fees	17 000	6 000	23 000
	<u>17 000</u>	<u>6 000</u>	<u>23 000</u>

	2006 R
Current	<u>23 000</u>
	<u>23 000</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Notes for the year ended 28 February 2007

9. Trade and other payables	2007	2006
	R	R
Comprise the following amounts:		
Trade creditors	728 783	1 095 515
Accruals	29 918	18 072
	<u>758 701</u>	<u>1 113 587</u>

10. Notes to the cash flow statement

Cash generated by operating activities

Loss before taxation	(2 617 373)	(2 413 583)
<i>Adjustments for:</i>		
Depreciation	207 435	366 839
Finance income	(160 378)	(388 058)
Loss on sale of assets	542 078	-
Movement in provisions	240 002	6 000
	<u>(1 788 236)</u>	<u>(2 428 802)</u>
<i>Movement in working capital:</i>		
(Decrease) / increase in trade and other payables	<u>(354 885)</u>	<u>1 032 694</u>
	<u>(2 143 122)</u>	<u>(1 396 107)</u>

11. Financial instruments

Financial instruments consist of bank balances, investments and accounts payable resulting from normal business transactions.

Credit risk

Potential concentrations of credit risk consist of short term cash and investments. The credit risk on liquid funds is however limited because the counterparties are reputable financial institutions.

Fair values

The carrying values of financial instruments reported in the financial statements approximate their fair values.

12. Revenue

Revenue consists of the following donations:

Namaqualand Diamond Fund Trust - beneficiary	26 790	1 200 000
Private Donor	2 800	-
	<u>29 590</u>	<u>1 200 000</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
Notes for the year ended 28 February 2007

13. Finance income	2007	2006
	R	R
Net income from investments	160 378	388 058
<i>Other interest received</i>	7 199	29 552
<i>Interest on business loans</i>	144 037	-
Income from management investment portfolios		
<i>Interest received</i>	9 141	358 506
 14. Loans	 4 580 087	 4 512 250
Business loans	4 560 087	4 512 250
Unsecured loans bearing interest at agreed rates and having fixed terms of repayment. The interest rate at 28 February 2007 was 6% per annum		
Loan to Trustee: BG Vass	20 000	-
Unsecured loan bearing no interest and having no fixed terms of repayment.		

NAMAQUALAND DEVELOPMENT AGENCY TRUST
(Reg. no.: IT 72/2004)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2006

LEVENDAL & ASSOCIATES
REGISTERED AUDITORS & ACCOUNTANTS

NAMAQUALAND DEVELOPMENT AGENCY TRUST
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2006

The reports and statements set out below comprise the annual financial statements presented to the trustees:

Contents	Page
Statutory information	2
Report of the independent auditors	3
Report of the Board of Trustees	4 - 5
Balance sheet	6
Income statement	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10 - 15

Approval Of Financial statements

The financial statements which appear on pages 4 to 15 were approved by the board of trustees and signed as follows:


.....
Trustee

.....
Trustee

06 December 2006

NAMAQUALAND DEVELOPMENT AGENCY TRUST
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2006

Board of Trustees	BG Vass (Acting Chairperson) BE Vries (Exco member) JC Losper (Exco member) AA Witbooi (Exco member) A Delie G Maarman EE Links GH de Wet
Business address	3 Riverstreet SPRINGBOK 8240
Postal Address	PO Box 1018 SPRINGBOK 8240
Bankers	Absa Bank
Auditors	Levendal and Associates Chartered Accountants (S.A.) Registered Accountants and Auditors
Trust registration	IT 72/2004
Tax reference number	1989/346/14/1

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NAMAQUALAND DEVELOPMENT AGENCY TRUST**

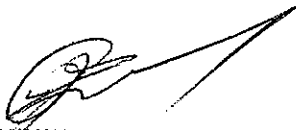
We have audited the annual financial statements of Namaqualand Development Agency Trust set out on pages 6 to 9 for the year ended 28 February 2006. These financial statements are the responsibility of the trust's trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with statements of International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes

- examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements,
- An audit also includes assessing the accounting policies used and significant estimates made by management, as well as
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly, in all material aspects, the financial position of the trust at 28 February 2006, and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.



.....
Levendal & Associates
Registered Accountants and Auditors
Chartered Accountants (SA)

Bellville

06th Decemer 2006

NAMAQUALAND DEVELOPMENT AGENCY TRUST
REPORT OF THE BOARD OF TRUSTEES
for the year ended 28 February 2006

The trustees present their report for the period ended 28 February 2006. This report forms part of the audited financial statements.

1. Nature of business

The trust aims to ensure sustainable economy for the Namaqua region, to co-ordinate it and to ensure that the previous disadvantaged individuals will participate in the economic mainstream of Namaqua region.

2. Financial results

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

3. Board of Trustees

Pursuant to paragraph 14.1 of the Trust Deed, an amount of R 408,229 has been paid as remuneration during the accounting period.

4. Property, plant and equipment

Details relating to the movements on property, plant and equipment during the period under review are reflected in the property, plant and equipment note to the financial statements.

5. Subsequent events

The Board of Trustees are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the the financial statements, which significantly affect the financial position of the trust or the results of its operations at the date of this report.

NAMAQUALAND DEVELOPMENT AGENCY TRUST
REPORT OF THE BOARD OF TRUSTEES
for the year ended 28 February 2006

6. Going concern

There is no reason to believe that the trust will not be a going concern in the year ahead.

7. Auditors

The auditor of the trust is Levendal & Associates Chartered Accountants (S.A.)

Springbok
06 December 2006

NAMAQUALAND DEVELOPMENT AGENCY TRUST
BALANCE SHEET
as at 28 February 2006

	Notes	2006 R	2005 R
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,866,951	6,607,302
Investments	3	1,931,206	1,580
Loans	14	423,495	6,605,722
		4,512,250	-
Current assets			
Deposits and prepaid expenses		807,249	2,441,786
Cash and cash equivalents	5	-	500,000
		807,249	1,941,786
TOTAL ASSETS		<u>7,674,200</u>	<u>9,049,088</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Trust funds	2	6,537,614	8,951,196
Accumulated funds		100	100
		6,537,514	8,951,096
Current liabilities			
Trade and other payables	9	1,136,587	97,892
Provisions	8	1,113,586	80,892
		23,000	17,000
TOTAL EQUITY AND LIABILITIES		<u>7,674,200</u>	<u>9,049,088</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
INCOME STATEMENT
for the year ended 28 February 2006

	Notes	2006 R	2005 R
Revenue	12	1,200,000	10,019,900
Less: Expenditure	6	<u>(4,001,641)</u>	<u>(1,227,093)</u>
Operating profit / (loss)		(2,801,641)	8,792,807
Finance income	13	388,058	158,289
Net profit before taxation		<u>(2,413,583)</u>	<u>8,951,096</u>
Less: Provision for taxation	7	<u>-</u>	<u>-</u>
Net profit after taxation		<u><u>(2,413,583)</u></u>	<u><u>8,951,096</u></u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2006

	Trust Funds	Accumulated funds	Total
		R	R
2005			
Balance at the beginning of the year	-	-	-
Initial founder contribution as per trust deed	100	-	100
Profit/(Loss) for the year	-	8,951,096	8,951,096
Balance at the end of the year	<u>100</u>	<u>8,951,096</u>	<u>8,951,196</u>

	Trust Funds	Accumulated funds	Total
		R	R
2006			
Balance at the beginning of the year	100	8,951,096	8,951,196
Initial founder contribution as per trust deed	-	-	-
Profit/(Loss) for the year	-	-2413582.65	-2,413,583
Balance at the end of the year	<u>100</u>	<u>6,537,513</u>	<u>6,537,613</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
CASH FLOW STATEMENT
for the year ended 28 February 2006

	Notes	2006 R	2005 R
Cash flows from operating activities		(1,008,049)	8,549,033
Cash generated by operating activities	10	(1,396,107)	8,390,744
Finance income	13	388,058	158,289
Cash flows from investing activities		4,385,762	(6,607,347)
Fixed Assets acquired	4	(1,796,465)	(1,625)
Investments	3	6,182,227	(6,605,722)
Capital flows from financing activities		(4,512,250)	100
Increase in trust funds	2	-	100
Increase in Business loans	14	(4,512,250)	-
Increase/(decrease) in cash and cash equivalents		(1,134,537)	1,941,786
Cash and cash equivalents at the beginning of the year		1,941,786	-
Cash and cash equivalents at end of the year	5	807,249	1,941,786

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2006

1. Basis of preparation

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The financial statements are prepared under the historical cost convention.

1 Revenue recognition

Revenue consist of donations received from other organisations. Revenue is recognised at the date the donations was received.

1.2 Property, plant and equipment

All property, plant and equipment are initially recorded at cost.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual values over its estimated useful live. The depreciation rates applicable to each category of plant and equipment are as follows:

Plant: Machinery	16.60%
Computer equipment	33.30%
Office Equipment	16.60%
Motor Vehicles	25.00%

1.3 Provisions

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

1.4 Financial instruments

Financial assets and liabilities are recognised on the trust's balance sheet when the trust becomes a party to the contractual provisions of the instruments.

Investments

Investments are classified as held for trading and measured at fair value.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

2 Trust funds	2006	2005
	R	R
Balance at 28 February 2005	100	-
Initial founder contribution as per trust deed	-	100
Balance at 28 February 2006	<u>100</u>	<u>100</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2006

3. Investments

Investments consist of funds invested in money market instruments with Momentum and purchase of shares in Blue Platinum Investment company.

4. Property, plant and equipment

2006	Cost	Accumulated depreciation	Carrying amount
	R	R	R
Plant: Machinery	2,010,000	333,453	1,676,548
Computer Equipment	41,040	7,128	33,913
Motor Vehicles	204,000	21,250	182,750
Office Equipment	43,050	5,054	37,996
	<u>2,298,090</u>	<u>366,884</u>	<u>1,931,206</u>

The carrying amounts can be reconciled as follows:

2006	Opening bal.	Additions	Depreciation	Closing bal.
	R	R	R	R
Plant: Machinery	-	2,010,000	333,453	1,676,548
Computer Equipment	1,580	39,415	7,083	33,913
Motor Vehicles	-	204,000	21,250	182,750
Office Equipment	-	43,050	5,054	37,996
	<u>1,580</u>	<u>2,296,465</u>	<u>366,839</u>	<u>1,931,206</u>

2005	Cost	Accumulated depreciation	Carrying amount
	R	R	R
Computer Equipment	1,625	45	1,580
	<u>1,625</u>	<u>45</u>	<u>1,580</u>

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

2005	Opening bal.	Additions	Depreciation	Closing bal.
	R	R	R	R
Computer Equipment	-	1,625	45	1,580
	<u>-</u>	<u>1,625</u>	<u>45</u>	<u>1,580</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2006

5. Cash and cash equivalents	2006	2005
	R	R
Cash and cash equivalents consist of balance with bank and cash on hand. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Absa bank	806,837	1,941,049
Cash on hand	412	737
 Cash and cash equivalents	 <u>807,249</u>	 <u>1,941,786</u>
 6. Expenditure		
Bank charges	9,298	1,144
Internet expenses	15,896	5,370
Functions: Namda launch	-	120,866
Computer expenses	20,588	7,144
Consulting fees	18,436	36,941
Depreciation	366,839	45
Donations	842,784	61,889
Chairman's fund	716,400	10,000
Municipal services	17,248	3,436
Entertainment expenses	55,273	11,942
Legal fees	15,509	17,470
Advertising & promotions	41,602	-
Investment management & other costs	60,733	430,888
Personnel development & training	39,630	-
SARS: Interest & penalties	18,844	-
Fuel	116,540	23,768
Audit fees: Under provision	700	-
Insurance	63,606	-
Life insurance	22,450	-
Interest paid	14	-
RSC Levies	4,727	-
Motor Vehicle expenses	25,040	-
Skills Development Levies	6,805	-
Workmen Compensation	2,754	-
Rent paid	2,500	-
Postage	277	-
General expenses	10,559	-
Printing and stationery	40,853	19,214
Repairs and maintenance	9,234	6,940
Salaries & wages and related costs	791,185	166,785
Trustee remuneration and related costs	408,229	208,056
Workshops	-	49,964
Telephone and fax	58,619	17,081
Travel and accommodation	175,468	11,150
Audit fees	23,000	17,000
	<u>4,001,641</u>	<u>1,227,093</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2006

7. Taxation

No provision was made for taxation as the Trust is still in the process of applying for Income Tax exemption in terms of the new tax provisions available to public benefit organisations. The Trust's tax exemption status pertaining to public benefit organisations has not yet been granted by the South African Revenue Service.

8. Provisions

	Carrying amount at beginning of year R	Additional provisions R	Carrying amount at end of year R
Audit fees	17,000	6,000	23,000
		6,000	23,000
			2006 R
Non-current			-
Current			23,000
			23,000
			2005 R
Audit fees	-	17,000	17,000
		17,000	17,000
			2005 R
Non-current			-
Current			17,000
			17,000

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2006

9. Trade and other payables	2006	2005
	R	R
Comprise the following amounts:		
Trade creditors	1,095,515	31,316
Accruals	18,072	49,576
	<u>1,113,587</u>	<u>80,892</u>

10 Notes to the cash flow statement

Cash generated by operating activities

Net profit before taxation	-2,413,583	8,951,096
<i>Adjustments for:</i>		
Depreciation	366,839	45
Finance income	-388,058	-158,289
Movement in deposits and prepaid expenses	-	-500,000
Movement in provisions	6,000	17,000
	<u>-2,428,802</u>	<u>8,309,852</u>
<i>Movement in working capital:</i>		
Increase in trade and other payables	1,032,694	80,892
	<u>-1,396,107</u>	<u>8,390,744</u>

11. Financial instruments

Financial instruments consist of bank balances, investments and accounts payable resulting from normal business transactions.

Credit risk

Potential concentrations of credit risk consist of short term cash and investments. The credit risk on liquid funds is however limited because the counterparties are reputable financial institutions.

Fair values

The carrying values of financial instruments reported in the financial statements approximate their fair values.

12. Revenue

Revenue consists of the following donations:

Namaqualand Diamond Fund Trust - beneficiary	1,200,000	10,000,000
Namaqua District Municipality - founder	-	19,900
	<u>1,200,000</u>	<u>10,019,900</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2006

	2006 R	2005 R
13 Finance income		
Net income / (loss) from investments	388,058	158,289
<i>Other interest received</i>	29,552	21,679
Income from management investment portfolios <i>Interest received</i>	358,506	136,610

14 Loans

Business loans	<u>4,512,250</u>
----------------	------------------

Unsecured loans bearing interest at agreed rates and having fixed terms of repayment. The interest rate at 28 February 2006 was 6% per annum

Cape Town:
34 Holley Crescent
The Range
Cape Town
7490

Springbok:
105 Voortrekker Rd
PO Box 472
Springbok
8240

Audit
Taxation



Accounting
Advisory

Contact: tel & fax 021 426 4012 call 072 455 5261 e-mail hmoollman@telkomsa.net

Proprietor: Hubert Moolman CA (SA)

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE NAMAQUALAND DEVELOPMENT AGENCY TRUST

We have audited the annual financial statements of the Namaqualand Development Agency Trust set out on pages 4 to 14 for the period ended 28 February 2005. These financial statements are the responsibility of the Trust's executive members. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes:

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

We believe that our audit provides a reasonable basis for our opinion.

Audit Opinion

In our opinion, the financial statements fairly present, in all material aspects, the financial position of the Namaqualand Development Agency Trust at 28 February 2005 and the results of its operations and cash flows for the period then ended in accordance with South African Statements of Generally Accepted Accounting Practice.


HGM & ASSOCIATES
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (SA)

Cape Town,
26 January 2006

NAMAQUALAND DEVELOPMENT AGENCY TRUST
ANNUAL FINANCIAL STATEMENTS
for the period ended 28 February 2005

Board of Trustees	JJ Cardinal (Chairperson) BG Vass (Vice Chairperson) JC Losper (Exco member) BE Vries (Exco member) AA Witbooi (Exco member) A Delie IF Januarie EE Links G Maarman
Business address	3 Riverstreet SPRINGBOK 8240
Postal address	PO Box 1018 SPRINGBOK 8240
Bankers	Absa Bank
Auditors	HGM & Associates Chartered Accountants (S.A.) Registered Accountants and Auditors
Trust registration	IT 72/2004
Tax reference number	1989/346/14/1

NAMAQUALAND DEVELOPMENT AGENCY TRUST
REPORT OF THE BOARD OF TRUSTEES
for the period ended 28 February 2005

The trustees present their report for the period ended 28 February 2005. This report forms part of the audited financial statements.

1. Nature of business

The Trust aims to ensure sustainable economy for the Namaqua region, to co-ordinate it and to ensure that the previously disadvantaged individuals will participate in the economic mainstream of the Namaqua region.

2. Financial results

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

3. Board of Trustees

Pursuant to paragraph 14.1 of the Trust Deed, an amount of R 208,056 has been paid as remuneration during the accounting period.

4. Property, plant and equipment

Details relating to the movements on property, plant and equipment during the period under review are reflected in the property, plant and equipment note to the financial statements.

5. Subsequent events

The Board of Trustees are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the the financial statements, which significantly affect the financial position of the Trust or the results of its operations at the date of this report.

NAMAQUALAND DEVELOPMENT AGENCY TRUST
REPORT OF THE BOARD OF TRUSTEES
for the period ended 28 February 2005

6. Going concern

There is no reason to believe that the Trust will not be a going concern in the year ahead.

7. Auditors

The auditors of the Trust are HGM & Associates Chartered Accountants (S.A.)

Springbok
26 January 2006

NAMAQUALAND DEVELOPMENT AGENCY TRUST
BALANCE SHEET
as at 28 February 2005

	Notes	2005 R
Assets		
Non-current assets		6,607,302
Property, plant and equipment	4	1,580
Investments	3	6,605,722
Current assets		2,441,786
Deposits and prepaid expenses	14	500,000
Cash and cash equivalents	5	1,941,786
Total assets		9,049,088
Equity and liabilities		
Capital and reserves		8,951,196
Trust funds	2	100
Accumulated funds		8,951,096
Current liabilities		97,892
Trade and other payables	6	80,892
Provisions	9	17,000
Total equity and liabilities		9,049,088

NAMAQUALAND DEVELOPMENT AGENCY TRUST
INCOME STATEMENT
for the period ended 28 February 2005

	Notes	2005 R
Revenue	12	10,019,900
Less: Expenditure	7	<u>(1,227,093)</u>
Operating profit (loss)		8,792,807
Finance income	13	<u>158,289</u>
Net profit before taxation		8,951,096
Less: Provision for taxation	8	<u>-</u>
Net profit after taxation		<u><u>8,951,096</u></u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
STATEMENT OF CHANGES IN EQUITY
for the period ended 28 February 2005

2005	Trust Funds	Accumulated funds	Total
		R	R
Balance at the beginning of the year			
Initial founder contribution as per trust deed	100	-	100
Profit/(Loss) for the year	-	8,951,096	8,951,096
Balance at the end of the year	<u>100</u>	<u>8,951,096</u>	<u>8,951,196</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
CASH FLOW STATEMENT
for the period ended 28 February 2005

	Notes	2005 R
Cash flows from operating activities		8,549,033
Cash generated by operating activities	10	8,390,744
Finance income	13	158,289
Cash flows from investing activities		(6,607,347)
Computer equipment acquired	4	(1,625)
Investments	3	(6,605,722)
Capital flows from financing activities		-
Increase in trust funds	2	100
Increase/(decrease) in cash and cash equivalents		1,941,786
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents at the end of the year	5	1,941,786

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 28 February 2005

1. Basis of preparation

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The financial statements are prepared under the historical cost convention.

1.1 Revenue recognition

Donation revenue is recognised when received.

1.2 Property, plant and equipment

All property, plant and equipment are initially recorded at cost.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual values over its estimated useful live. The depreciation rates applicable to each category of plant and equipment are as follows:

Computer equipment	33.33%
--------------------	--------

1.3 Provisions

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

1.4 Financial instruments

Financial assets and liabilities are recognised on the trust's balance sheet when the trust becomes a party to the contractual provisions of the instruments.

Investments

Investments are measured at fair value.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

2. Trust funds

	2005 R
Initial founder contribution as per trust deed	100
Balance at 28 February 2005	<hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> 100

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 28 February 2005

3. Investments

Investments consist of funds invested in money market instruments with Momentum.

4. Property, plant and equipment

2005	Cost R	Accumulated depreciation R	Carrying amount R
Computer Equipment	1,625	45	1,580
	<u>1,625</u>	<u>45</u>	<u>1,580</u>

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

2005	Opening bal. R	Additions R	Depreciation R	Closing bal. R
Computer Equipment	-	1,625	45	1,580
	<u>-</u>	<u>1,625</u>	<u>45</u>	<u>1,580</u>

5. Cash and cash equivalents

*Cash and cash equivalents consist of balance with bank and cash on hand.
Cash and cash equivalents included in the
cash flow statement comprise the following balance sheet amounts:*

	2005 R
Absa bank	1,941,049
Cash on hand	737
Cash and cash equivalents	<u>1,941,786</u>

6. Trade and other payables

Comprise the following amounts:

Trade creditors	31,316
Accruals	49,576
	<u>80,892</u>

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 28 February 2005

2005
R

7. Expenditure

These expenses were taken into consideration when calculating operating profit (loss):

Bank charges	1,144
Investment management fees and other costs	430,888
Internet expenses	5,370
Functions: Namda launch	120,866
Computer expenses	7,144
Consulting fees	36,941
Depreciation	45
Donations: Alexkor Development Foundation	61,889
Chairman's fund	10,000
Municipal services	3,436
Entertainment expenses	11,942
Legal fees	17,470
Fuel	23,768
Printing and stationery	19,214
Repairs and maintenance	6,940
Salaries, wages and related costs	166,785
Trustee remuneration and related costs	208,056
Workshops	49,964
Telephone and fax	17,081
Travel and accommodation	11,150
Auditors remuneration - Audit fees	17,000
	1,227,093

8. Taxation

No provision was made for taxation as the Trust is in the process of applying for Income Tax exemption in terms of the new tax provisions available to public benefit organisations.

The Trust's tax exemption status pertaining to public benefit organisations has not yet been granted by the South African Revenue Service.

9. Provisions

	Carrying amount at beginning of year R	Additional provisions R	Carrying amount at beginning of year R
Audit fees	-	17,000	17,000
	-	17,000	17,000
Non-current			-
Current			17,000
			17,000

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 28 February 2005

2005
R

10. Notes to the cash flow statement

Cash generated by operating activities

Net profit before taxation	8,951,096
<i>Adjustments for:</i>	
Depreciation	45
Finance income	(158,289)
Movement in deposits and prepaid expenses	(500,000)
Movement in provisions	17,000
	8,309,852
 <i>Movements in working capital:</i>	
Increase in trade and other payables	80,892
	8,390,744

11. Financial instruments

Financial instruments consist of bank balances, investments and accounts payable resulting from normal business transactions.

Credit risk

Potential concentrations of credit risk consist of short term cash and investments. The credit risk on liquid funds is however limited because the counterparties are reputable financial institutions.

Fair values

The carrying values of financial instruments reported in the financial statements approximate their fair values.

12. Revenue

Revenue consists of the following donations:
Namaqualand Diamond Fund Trust - beneficiary
Namaqua District Municipality - founder

	10,000,000
	19,900
	10,019,900

NAMAQUALAND DEVELOPMENT AGENCY TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 28 February 2005

2005
R

13. Finance income

Net income (loss) from investments	158,289
<i>Other interest received</i>	21,679
Income from managed investment portfolios	
<i>Interest received</i>	136,610

14. Capital commitments

Approved by board of trustees	1,750,000.00
Contracted for between JCL (PTY)Ltd and NAMDA	1,750,000.00
Deposit for Plant	-500,000.00
Contracted value outstanding	1,250,000.00

R 1.75 million was authorised to procure in the coming financial year a plant for the Witvoorkop project. This equipment will be funded out of accumulated funds.

15. Comparative figures

No comparative figures have been presented as these are the first financial statements of the Trust.

