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***ALEXKOR DEVELOPMENT FOUNDATION
(DEED OF TRUST NO. 3171/93)***

***FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2002***



ALEXKOR DEVELOPMENT FOUNDATION
DEED OF TRUST NO. 3171/93

STATUTORY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2002

BOARD OF TRUSTEES	E Ntlai J. Cardinal M Tsela J Losper G Maarman B Vries L E Cloete R Joseph R D Cloete
TRUSTEES APPOINTED DURING THE YEAR	A F Hearne N D Moloji
SECRETARY	E S Hayes
POSTAL ADDRESS	P.O. Box 1018 Springbok 8240
REGISTERED OFFICE	3 River Street Springbok 8240
AUDITORS	Levendal Isaacs & Associates P.O. Box 11 Springbok 8240
TAX REFERENCE NUMBER	0002/058/02/2



**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF THE
ALEXKOR DEVELOPMENT FUND**

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We have audited the annual financial statements set out on pages 5 to 10 for the year ended 30 June 2002. These financial statements are the responsibility of management. 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 South African Auditing Standards. Those standards require that we 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, 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 respects, the financial position of the organisation at 30 June 2002, and the results of their operations and cash flows for the year then ended in accordance with generally accepted accounting practice, and in the manner required by the Companies Act.


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

Bellville

12th December 2002

PROPRIETOR: J. G. LEVENDAL B.Com (UWC) C.T.A. (UWC) CA (SA)

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SPRINGBOK OFFICE : P. O. Box 11 Springbok 8240 • 34 Berg Street Springbok 8240 • Tel & Fax: 712 1654 • Area Code: 027 • International Code: +27 27

GEORGE OFFICE : P. O. Box 93 Pacaltsdorp 6534 • 1 Manie Le Roux Avenue George Central 6530 • Tel: 884 0636 • Fax: 874 5550 • Area Code: 044 • International Code: +27 44

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ALEXKOR DEVELOPMENT FOUNDATION

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 30 JUNE 2002

Pursuant paragraph 11.10 of the Trust deed (No. 3171/93) the Board of Trustees report as follows for the financial year ended 30 June 2002.

1. NATURE OF BUSINESS

The foundation is primarily concerned with the optimal development of the people and the region of Namaqualand, with emphasis on underprivileged sectors.

2. ACTIVITIES


Regular meetings were held in accordance with paragraph 13.3 of the Trust Deed.

3. FINANCIAL RESULTS

	2002	2001
	Rand	Rand
Investment income	615,886	1,953,997
Other income	<u>40,460</u>	<u>35,466</u>
	656,346	1,989,463
Applications	<u>(2,992,511)</u>	<u>(1,004,523)</u>
	(2,336,165)	984,940
Operating expenses	<u>(1,015,685)</u>	<u>(906,724)</u>
Income/(loss) before tax and transfers	(3,351,850)	78,216
Provision for Tax	<u>-</u>	<u>(54,576)</u>
	(3,351,850)	23,640
Transfers from/(to)		
Reserves	<u>779,239</u>	<u>426,007</u>
Net change in		
Accumulated funds	<u>(2,572,614)</u>	<u>449,647</u>

Alexkor Ltd has not made an after tax profit for the year ended 30 June 2002 and as a result, according to agreement, an annual contribution to the Foundation is not payable.

Signed on behalf of the Board of Trustees, pursuant to paragraph 13.4 of the Trust Deed:


.....
Trustee

09.01.2003
Date


.....
Trustee

.....
Date

4. ADMINISTRATION

The trust was administered by Alexkor Ltd during the financial year pursuant to paragraph 12.1 of the Trust Deed. The board of trustees in various regards, made use of expert services of the various departments of Alexkor Ltd in the execution of its objectives and functions.

5. BOARD OF TRUSTEES

No persons other than those listed on the page 1 of Annual Report, were members of the Board of Trustees during the financial year. Pursuant to paragraph 5.2.3 of the Trust Deed, the Trustees were nominated for an initial period of three years. No Trustees resigned during The year under review.

6. ADMINISTRATOR AND SECRETARY

The names of the Administrator and Secretary, as well as the business and postal address of the Foundation appear on page 1 of the Annual Report

7. REMUNERATION OF TRUSTEES

Pursuant to paragraph 14.1 of the Trust Deed, an amount of R 268,219 (2001 - R 173,837) has been paid as remuneration during the accounting period.

8. VALUATION OF ASSETS

The Board of Trustees is of the opinion that the assets of the Foundation at Balance sheet date do not have a realisation value which in the normal course of business, is less than reflected in the Balance Sheet.

9. POST BALANCE SHEET EVENTS

In the opinion of the Board of Trustees, no events occurred between the date of the accounting period and the date of this Annual Report which had a negative effect on the affairs of the Foundation.

**ALEKKOR DEVELOPMENT FOUNDATION
DEED OF TRUST NO. 3171/93**

**BALANCE SHEET
AS AT 30 JUNE 2002**

	<u>Note</u>	<u>2002</u> R	<u>2001</u> R
ASSETS			
<u>Non-Current Assets</u>		12,075,114	13,522,840
Property, Plant & Equipment	2.	706,012	772,682
Investments	5.	11,084,229	11,829,820
<u>Loans</u>	6.	284,873	920,338
<u>Current Assets</u>		854,833	2,600,051
Accounts Receivable	7.	711,947	717,805
Bank, Deposits & Cash on hand		19,466	1,423,416
Receiver of revenue		123,420	458,830
Total Assets		<u>12,929,947</u>	<u>16,122,891</u>
EQUITIES & LIABILITIES			
<u>Capital & Reserves</u>		11,711,795	15,063,645
Investment reserve	3.	8,785,713	11,575,716
Loan reserve	4.	1,957,685	1,763,601
Accumulated Funds		968,397	1,724,328
<u>Current Liabilities</u>		1,218,152	1,059,246
Accounts Payable		1,078,693	1,047,675
Bank Overdraft		127,660	-
Interest received in advance		11,799	11,571
Total Equity & Liabilities		<u>12,929,947</u>	<u>16,122,891</u>

ALEXKOR DEVELOPMENT FOUNDATION
DEED OF TRUST NO. 3171/93

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2002

	Notes	2002 R	2001 R
Bad debts recovered		37,060	28,508
Investment Income		615,886	1,953,997
Other investment income		119,957	129,142
Interest received on investment deposits		28,091	46,925
Other interest received		91,866	82,217
Income from managed investment portfolio		495,929	1,824,855
Dividends		-	64,065
Interest received		552,481	628,821
Profit from sale of shares		-	1,357,464
Less: Management fees and other costs		(56,552)	(225,495)
Other Income		3,400	6,958
Total Income		656,346	1,989,463
Less: Applications	9	(2,992,511)	(1,004,523)
Net Income\((loss) before other expenditure		(2,336,165)	984,940
Less: Other expenditure	10	(1,015,685)	(906,724)
Income\((loss) before taxation		(3,351,850)	78,216
Less: Provision for taxation	8	-	(54,576)
Income\((loss) after taxation and before transfers		(3,351,850)	23,640
Less: Transfers from\((to) reserves		779,236	426,007
Investment reserve	3	973,320	(1,108,534)
Reversal of previous years provision for taxation		-	1,816,683
Loan reserve	4	(194,084)	(282,142)
Reduction in accumulated funds for the year		(2,572,614)	449,647
Add: Accumulated funds: 1 July		3,541,011	3,091,364
Accumulated fund: 30 June		968,397	3,541,011

ALEKOR DEVELOPMENT FOUNDATION
DEED OF TRUST NO. 3171/93

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

1. Accounting Policies

The financial statements were prepared on the historical cost basis and incorporate the following principle accounting policies:

1.1 Property, Plant & Equipment

Fixed property is shown at cost. All other assets are shown at cost less accumulated depreciation. Depreciation is calculated on the straight line method over the expected useful life of the assets at the following annual rates:

Vehicles	- 20% p.a.
Furniture	- 16.67% p.a.
Computer equipment	- 33.33% p.a.
Equipment	- 15% p.a.

1.2 Contributions received

An annual contribution equal to 30% of the income after tax of Alexkor Limited, is receivable in terms of an agreement with Alexkor Limited.

2. Property, Plant & Equipment

	LAND & BUILDINGS R	MOTOR VEHICLES R	FURNITURE R	COMPUTER EQUIPMENT R	EQUIPMENT R	TOTAL R
Carrying Amount - 01/07/2001	532,334	142,758	33,502	4,764	59,324	772,682
Cost	532,334	326,570	70,588	67,025	144,552	1,141,069
Accumulated depreciation	0	(183,812)	(37,086)	(62,261)	(85,228)	(368,387)
Additions	0	0	1,878	0	0	1,878
Depreciation	-	(39,470)	(7,354)	(4,012)	(17,712)	(68,548)
Carrying Amount - 30/06/2002	532,334	103,288	28,026	752	41,612	706,012
Cost	532,334	326,570	72,466	67,025	144,552	1,142,947
Accumulated depreciation	0	(223,282)	(44,440)	(66,273)	(102,940)	(436,935)

Land and buildings consist of erf 286, situated in the town Springbok, Northern Cape Province. In extend : 629 metres, held under the Deed of Transfer no. T24190/1953.

**ALEXKOR DEVELOPMENT FOUNDATION
DEED OF TRUST NO. 3171/93**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

	<u>2002</u> R	<u>2001</u> R
3. Investment reserve	8,785,713	9,759,033
Balance 1 July	9,759,033	10,467,182
Transfer from\((to) accumulated funds	(973,320)	(708,149)
Transfer to\((from) managed portfolio	(1,298,072)	(2,504,395)
Income from managed portfolio	552,480	2,050,351
Attributable taxation	(227,728)	(254,105)
<p>The trust deed provides that 25% of the annual contribution of Alexkor Limited be retained in a reserve fund. The proceeds of this reserve fund would be utilised to achieve the objectives of the Foundation in the event that Alexkor Limited is not being in a position to make a contribution to the Foundation in any year. The investment of the reserve fund will be limited to <i>prime investments</i>. The reserve fund comprised of an investment portfolio managed by an independent fund administrator.</p>		
4. Loan reserve	1,957,685	1,763,601
Balance 1 July	1,763,601	1,481,459
Transfer from accumulated funds	194,084	282,142
<p>An amount equal to the annual repayment of loans is transferred to a loan reserve. The purpose of the reserve fund is to finance future loans.</p>		
5. Investments	11,084,229	11,829,820
Investment reserve, managed by an independent fund administrator	11,084,229	11,829,820
Annuity	2,267,917	2,846,969
Policy	5,104,776	5,104,776
Money market deposits	3,711,536	3,878,075
6. Loans	284,873	920,338
General loans	196,716	655,455
Loans to personnel	88,157	264,883
7. Accounts receivable	711,947	717,805
Study and business loans	663,256	607,321
Current portion to personnel	48,691	48,691
Other: Annuity Momentum Life	-	61,793

**ALEKOR DEVELOPMENT FOUNDATION
DEED OF TRUST NO. 3171/93**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

	<u>2002</u>	<u>2001</u>
8. Taxation		
SA Normal	0	(54,576)
: current year	0	(54,576)
: Over provision in respect of previous years	0	0
9. Applications	2,992,511	1,004,523
Sundry awards	1,681,610	457,200
Student bursaries	498,450	439,760
Contribution to educational aid	159,501	28,375
Service centres, homes for the aged and hospitals	10,250	18,704
Bad debts	386,164	-
Infrastructure development	235,000	52,210
Nursery school assistance	21,536	8,274
10. Other expenditure	1,015,685	906,724
Audit fees	28,500	36,829
Advertising	18,925	0
Bank Charges	7,316	4,041
Collection fees	1,688	6,772
Computer expenses	3,269	872
Depreciation	68,548	78,882
Entertainment and office expenses	11,726	24,220
Fines and penalties	300	
Insurance and licences	22,716	19,103
Interest paid	232	6,510
Legal fees	3,563	32,730
Professional fees	20,863	18,144
Rates and taxes	9,930	81
Regional Services Council levies	116	345
Rental paid, repairs and maintenance	57,681	49,150
Salaries, wages and related costs	298,551	307,176
Stationary, printing and annual report	32,439	16,102
Telephone and postage	55,159	38,708
Training	21,441	4,721
Travelling expenses	51,086	84,557
Trustee remuneration	268,219	173,837
Workshop expenses	33,417	3,944

ALEXKOR DEVELOPMENT FOUNDATION
DEED OF TRUST NO. 3171/93

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

	2002 R	2001 R
11. Audit fees	28,500	36,389
(Over)\ under provided in previous years	(1,500)	6,389
Audit fees	(1,500)	6,389
Other fees	0	0
Current year provision	30,000	30,000
Audit fees	30,000	30,000
Other fees	0	0
12. Commitments i.r.o applications and capital expenditure already approved by trustees		
Kamiesberg Municipality (Electrification)		175,000
Khai - Ma Municipality (Electrification)		200,000
Richtersveld Farmers Association		100,000
Vioolsdrift water supply		60,000
Witbank water supply		60,000
		595,000

13. Contingent Liabilities

At 30 June 2002 the trust had a contingent liability in respect of educational grants receivable from Alexkor Ltd. Although not received, the income was recognised in the financial statements. The payment of these grants for the financial year ended 30 June 1998 and 30 June 1999 are in dispute. In the event of these grants not being paid by Alexkor Ltd, a liability of R 500 000 would arise within the trust, which would arise within the trust, which would result in an increase in the account payable to Alexkor Ltd.

