



**The Namibian Economic Policy Research Unit  
Windhoek**

**ANNUAL REPORT XII**

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## Abbreviations

ACBF	African Capacity Building Foundation
AERC	African Economic Research Consortium
AGS	Africa Groups of Sweden
AIDS	Acquired Immune Deficiency Syndrome
API	Aids Programme Effort Index
BA.	Bachelor of Arts
CAPAS	Coordinated African Programme of Assistance on Services
CDS ISIS	Computerised Documentation System/Integrated set of Information Systems
COMESA	Common Market for Eastern and Southern Africa
Comp TIA	The Computing Technology Industry Association
CMI	Christian Michelsen Institute
ED.	Editor
Eds.	Editors
EMCON	EMCON Mechanical Consulting Engineers of Namibia
FANRPAN	Food, Agriculture and Natural Resources Policy Network
FES	Frederick Ebert Stiftung
GATT	General Agreement on Tariffs and Trade
GTZ	Gesellschaft für Technische Zusammenarbeit
HEARD	Health Economics and HIV/AIDS Research Division
HIV	Human Immunodeficiency Virus
IDASA	Institute for Democracy in South Africa
IDS	Institute for Development Studies
ILO	International Labour Organisation

IP	Internet Protocol
IPPR	Institute for Public Policy Research
JCC	Joint Consultative Committee
MAWRD	Ministry of Agriculture, Water & Rural Development
MPPA	Masters Degree in Public Policy Analysis
MWENGO	Mwelekeo WaNGO (Vision in Direction)
NCCI	Namibian Chamber of Commerce and Industry
NEPAD	The New Partnership for Africa's Development
NEPRU	Namibian Economic Policy Research Unit
NDPII	National Development Plan 2
No.	Number
NPCS	National Planning Commission Secretariat
NVP	NEPRU Viewpoint
NWP	NEPRU Working Paper
RIFF	Regional Integration Facilitation Forum
RSA	Republic of South Africa
OAG	Office of the Auditor-General
SADC	Southern African Development Community
SARPN	Southern African Regional Poverty Network
SATRN	Southern African Trade Research Network
SIDA	Swedish International Development Agency
SISERA	Secretariat for Institutional Support for Economic Research in Africa
SSD	Social Sciences Division
SME	Small and Medium-Sized Enterprises

TAP-NETS	Technical Advisory Panels and Networks
TIDP	Trade and Investment Development Programme
TIPS	Trade and Industrial Strategies
TRALAC	Trade Law Centre for Southern Africa
TUCSIN	The Center for University Studies in Namibia
TWG	Technical Working Group
UNAM	University of Namibia
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
Vol.	Volume
USAID	United States Agency for International Development
WHO	World Health Organisation



## **1. Mandate and Aims**

NEPRU is an autonomous Namibian Non-Governmental Organisation that undertakes applied socio-economic, policy related research for and on behalf of the Government as well as other local and international institutions.

### **1.1 Mission Statement**

To contribute as a centre of professional excellence to local capacity building through training, applied socio-economic research and dissemination of information, thereby enhancing informed policy decisions for national development.

### **1.2 Objectives and Strategy**

NEPRU has identified the following areas of priority to consolidate its status as one of Namibia's leading, independent think tanks:

- To increase the degree of Namibianisation by investing in planned career development and training for its staff, thereby promoting the development and utilisation of national human resources;
- To promote equal opportunities in employment and training, to pursue a gender balanced staff structure, and to follow the guidelines of an affirmative action policy;
- To disseminate information to a wide audience and to continue building an information resource base on socio-economic Namibian affairs;
- To seek and strengthen cooperation and exchange with national agencies and similar institutions in the region, on the continent and worldwide.

## 2. Directors Note: Overview of the Period Under Review



Dr. Dirk Hansohm  
(Director)

### **3. Note by Chairperson of the Board**

Prof. Peter H. Katjavivi

Chairperson: NEPRU Board of Trustees

A handwritten signature in black ink, appearing to read 'P. Katjavivi', is written over a light grey rectangular background.

Vice Chancellor: University of Namibia

## **4. Research Overview and Output**

### **4.1 Cooperating Agreements**

Programme of Cooperation between the NPCCS and NEPRU

Memorandum of Understanding between the NCCI, TIDP and NEPRU

Memorandum of Understanding between TRALAC and NEPRU

### **4.2 Committees**

Advisory Committee for the Ministry of Labour (Klaus Schade)

Joint Consultative Committee (Grace Mohamed)

Namibia Water Resources Management Review Task Team (Wolfgang Werner)

National Planning Commission (Dirk Hansohm)

National Task Force on Poverty Reduction headed by the NPCCS (Klaus Schade)

Statistics Advisory Committee (Dirk Hansohm)

Task Force on National Research Co-ordination, Development and Facilitation headed by the Ministry of Higher Education, Training and Employment Creation, (Wolfgang Werner)

Technical Working Group to the Regional Integration Facilitation Forum; Dirk Hansohm)

World Trade Organisation (WTO) Agricultural Stakeholders Committee (Grace Mohamed)

### **4.3 Regional Networks**

Southern African Regional Poverty Network (SARPN) --- Wolfgang Werner

Food Agriculture and Natural Resources Policy Network (FANRPAN) --- Hopolang Phororo

Regional AIDS Coordination Committee (RACOC) --- Hopolang Phororo

Southern and Eastern Africa Policy Research Network (SEAPREN) --- Saul Kahuika

#### 4.4 Commissioned Studies, Research Projects and other activities

Project Title	Client
Market Research for Castle Brewing (22 May 2002)	Castle Brewing
The National Budget 2002/02 (1 April 2002)	British High Commission
Executive Opinion Survey (9 April 2002)	World Economic Forum
Energy, Poverty and Gender: A Situational Analysis (1 June 2002)	Reinam/Ministry of Mines & Energy
NEPRU Policy Brief No. 3 (24 April 2002)	Konrad Adenauer Foundation
Impact Assessment of SMEs (19 April 2002)	JCC
Quarterly Economic Review – June 2002	British High Commission
Economic Reform and Development of the Market System in Namibia (16 May 2002)	GTZ
Land Tenure Security and Sustainable Range Utilisation (12 June 2002)	Neudamm Agricultural College
Promoting Development Among Farm workers – A Paper (25 June 2002)	Agricultural Employers Association
Health and Safety Legislation in the Fisheries Sector – An Overview of the SADC Member States (12 June 2002)	ILO
Invited paper on “Land Redistribution and Tenure in Namibia” (1 May 2002)	Entwicklung & Laendlicher Raum
Business Climate Survey 2002/2 (5 August 2002)	TIDP
Survey on the Cotonou Agreement and Non-State Actors (22 August 2002)	FES
Final Evaluation of the UNDP funded SME Support Development Programme (22 August 2002)	UNDP
Support to Good Governance: Final Programme Evaluation (30 August 2002)	UNDP
Comments on the Draft Namibia Labour Force Survey 2000 (11 September 2002)	Ministry of Labour
NDPII Round Table Conference (18 October 2002)	UNDP
Quarterly Economic Review – December 2002	British High Commission
School Development Fund (24 October 2002)	UNICEF
UNICEF Lecture on Poverty and Inequality in Namibia (31 October 2002)	UNICEF
Survey to Assess the Impact of Road Safety Campaigns on Road Users in Namibia (22 November 2003)	GFGA Terra Systems
AGS Presentation on Namibian Economy (28 November 2002)	Africa Groups of Sweden
Updating and Dissemination of the CAPAS Telecommunications Study (15 April 2002)	RIFF/TWG
Namibia's Foreign Trade Structure and the Effects of Trade Liberalization (17 April 2002)	RIFF/TWG

Updating and Dissemination of the Overview Study (5 April 2002)	RIFF/TWG
Government in the Economy: The Expenditure (23 April 2002)	Ministry of Finance
Supervision of MPPA Students (15 April 2002)	UNAM
Namibia and Information Age (24 April 2002)	Konrad Adenauer Foundation
Development of a Social Accounting Matrix for Namibia (12 June 2002)	SIDA
FANRPAN Study Coordination and Administration (17 June 2002)	FANRPAN
Macroeconomic Trends in SADC (31 May 2002)	Konrad Adenauer Foundation
Solar Home Systems Monitoring Study (24 July 2002)	EMCON
Standards for Sustainable Trade (15 June 2002)	African Centre for Technology Studies
Survey to Assess the Impact of Road Safety Campaigns on Road Users in Namibia (22 November 2002)	National Road Safety Council
Study on Trade Policies and Agricultural Trade in Namibia: Challenges and Implications (24 July 2002)	FANRPAN
Quarterly Economic Review – September 2002	British High Commission
Export Led Poverty Reduction Programme: Namibia (30 July 2002)	International Trade Centre
Namibian Stock Exchange and Regulation 28 (1 May 2002)	IPPR
Network Meeting to Finalise SEAPREN Proposal (15 August 2002)	SISERA
Globalisation and the Labour market (08 August 2002)	TIPS
Causes of Price Hikes for Fruits and Vegetables in Namibia (23 September 2002)	NAMFO Wholesalers
SARPN Evaluation August-October 2002 (1 October 2002)	SARPN
WHO Study of Coverage of Essential HIV/AIDS Services (30 September 2002)	Futures Group
Study of the Impact of HIV/AIDS on the Road Transport Sector (14 October 2002)	Ministry of Works, Transport & Communication
Identification and Collection of Existing Employment and Related Policy Documents (19 November 2002)	Roads Authority
The Involvement of Small Companies in HIV/AIDS Activities (24 October 2002)	Hanns Seidel Foundation
The Budget Viewpoint (20 October 2002)	British High Commission
Public Expenditure Tracking Survey (6 December 2002)	World Bank/OAG
Human Capital and Knowledge Development for Growth with Equity (26 January 2003)	World Bank
Evaluation of Support to the Nutrition Training Project in the North West (31 January 2003)	Africa Groups of Sweden
Conducting of National Public Service Delivery Survey (11	Office of the Ombudsman

February 2003)	
API Index Study (21 February 2003)	International Futures Group
Policy Brief on the Impact of Public Investment on Economic Growth (21 February 2003)	Konrad Adenauer Foundation
Livestock Strategy (5 March 2003)	Natural Resources International Limited/MAWRD
Review of the Mentorship Programme for Cooperatives (3 March 2003)	Natural Resources International Limited/MAWRD
Impact of Public Expenditure (26 February 2003)	Konrad Adenauer Foundation
COMESA Study (10 March 2003)	TIDP
Survey for Costing and Financing on Education and Training (24 March 2003)	SIDA
Study of Government HIV/AIDS Spending in Namibia (24 March 2003)	IDASA
Assessment and Analysis of the Namibian Trade Sector and Recommendations re: USAID's future role (19 March 2003)	USAID

## 4.5 External Publications

### 4.5.1 Articles in Referred Journals

1. Klaus Schade, Dirk Hansohm and Maano Nepembe, Taxation, expenditure, and accountability. Lessons from Namibia, in: IDS Bulletin, Vol. 33, No. 3, July 2002, 58-66
2. Dirk Hansohm, Economic policy research, governance, and economic development. The case of Namibia, in: Dele Olowu and Soumano Sako (Eds), Better governance and public policy. Capacity building and democratic renewal in Africa, Bloomfield: Kumarian Press, 195-213 (2002)
3. Daniel Motinga, Labour market policy, poverty and globalisation in Southern Africa. A Namibian point of view, in: Human Science Resource Council (ED.), The Impact of Globalisation on the World of Work (2002)

### 4.5.2 Whole Books and / or Contributions to Books

1. Hansohm, D., Peters-Berries, C. 2002. Introduction: Monitoring the process of regional integration in Southern Africa, in: *Monitoring Regional Integration in Southern Africa Yearbook*, Vol. II, Windhoek: GamsbergMacmillan, 1-8

#### 4.5.3 Other Publications

1. Motinga, D. 2002. *Should core labour standards be imposed through international trade policy? An assessment of the debate on globalisation and social standards*. Occasional Paper no. 2. Hanns Seidel Foundation
2. Werner, W. 2002. *Lessons from international experience on land reform for Namibia*, in: Namibia Economic Society Newsletter, November 2002, Edition 25

#### 4.6 Participation in Conferences, Workshops, Seminars, etc.

1. Regional Seminar of the German Protestant Church Development Service, 2-6 April 2003, Durban, South Africa. Attended by Klaus Schade and Dirk Hansohm
2. Alternative Ways to Combating Desertification: Connecting Community Action to Science and Common Sense. Organised by University of Cape Town, Cape Town, South Africa, 8-10 April 2002. Attended by Wolfgang Werner
3. UNU/WIDER Conference on "The New Economy in Development" (*paper on Economic Development Potential through IP Telephony for Namibia* by Albertus Aochamub, Daneil Motinga and Christoph Stork; presented by Christoph Stork. Helsinki, Finland, 10-11 May 2002
4. Launch of ACBF Technical Advisory Panels and Networks (TAP-NETS), Harare, Zimbabwe, 21-22 November 2002. Attended by Dirk Hansohm
5. Meeting of the Southern and Eastern African Policy Research Network (SEAPREN) and Meeting of SISERA Partner Institutions, Kampala, Uganda, 18-20 November 2002. Attended by Dirk Hansohm
6. Meeting of the Southern and Eastern Africa Policy Research Network (SEAPREN), NEPRU, Windhoek, 15-16 August 2002. Attended by Dirk Hansohm and Saul Kahuika
7. Regional consultation on the Civil Society Economic Policy Project, MWENGO, Nairobi, 6-8 August 2002. Attended by Dirk Hansohm
8. Africa Fiscal Transparency Book Launch - (contribution on "*Fiscal Transparency, Taxation, Expenditure, and Accountability in Namibia*"), 25-26 June 2002, Nairobi, Kenya. Attended by Dirk Hansohm

## 5. Capacity Building

During the period under review a number of our staff members attended external training courses:

NEPRU staff member	Gender	Training course	Funded by	Organised by	Dates
Gerald Boois Mary Hansen	Male Female	Finance Officers' Training Workshop	ACBF and NEPRU	ACBF	22-24 April 2002
Aldenia Chaka	Female	Comp TIA Network	NEPRU	Comp TIA	2002
Wolfgang Werner	Male	Regional Training Workshop on the Management of Agricultural Policy Networks	FANRPAN	FANRPAN	3-7 June 2002
Namene Kalili	Male	GATS Training Workshop	SATRN	SATRN	10-14 June 2002
Namene Kalili	Male	International Trade Bargaining Course	SATRN	SATRN	1-10 July 2002
Grace Mohamed	Female	Planning for HIV/AIDS in Sub-Saharan Africa	USAID	HEARD – University of Natal	28 October – 15 November 2002
Namene Kalili Antoni Masarakufa	Male Male	Basic Poverty Measurement and Diagnostics	World Bank	AERC	3-14 February 2003
Martin Skewa	Male	BA. Business Administration – Year 1	NEPRU	UNAM	2003
Anneline Potgieter	Female	Business Communication	NEPRU	Polytechnic of Namibia	February – June 2003
Katrina Noabes	Female	Grade 10 Tutorial Classes	NEPRU	TUCSIN	2003

**The following staff members are presently continuing their respective studies:**

<b>Staff Member</b>	<b>Gender</b>	<b>Studies</b>	<b>Institution</b>
Caliscious Tatalife	Male	Honours in Economics	University of Stellenbosch, RSA
Erwin Naimhwaka	Male	Masters in Economics	University of Stellenbosch, RSA
Maano Nepembe	Female	Honours in Economics	University of Stellenbosch, RSA
Grace Mohamed	Female	Honours in Economics	University of Cape Town, RSA
Rosa Endjala	Female	Masters in Economics	Rhodes University, RSA

The internship programme that was requested by the Office of the Prime Minister and developed for government officials to be undertaken at NEPRU, was initiated and discussion with various ministries are continuing. Two final year Economics students from the University of Namibia were provided with 16 weeks of internship with NEPRU, as part of their degree programme.

The ACBF funded Econometrics Training Programme has started in March 2002 with 10 participants from the Bank of Namibia, the National Planning Commission, the University of Namibia and NEPRU, and will be completed in May 2002. The second round of Basic Econometrics Course and the first round of the Intermediate Econometrics Course will commence in June 2002.

## **6. Information dissemination**

### **6.1 International seminars organised and hosted by NEPRU**

<b>Title</b>		<b>Date</b>
1.	Tax, Aid and Democracy	4-5 April 2002
2.	Monitoring Regional Integration	1-2 June 2002
3.	SEAPREN Meeting	15-16 August 2002
4.	TRALAC Workshop: Strategic	20-21 January 2003
5.	TRALAC Workshop: Namibia's Competition Bill	25 March 2003

## 6.2 NEPRU policy seminar series

Title		Date
1.	Experiences of Industry Policy: Lessons for Namibia	14 May 2003
2.	Personnel Economics	20 May 2003
3.	The TDA and the Proposed US-SACU Free Trade Area: Are Free Trade Agreements with Industrialised Countries Beneficial for the SACU Economies?	15 September 2003
4.	Hubs and Spokes in Southern African Trade Integration – Theory and Reality	24 September 2003
5.	Potential for Regional Integration in Africa	1 October 2003

## 6.3 NEPRU Working Papers Series

- NWP86            The Politics of Revenue Mobilisation Explaining Continuity in Namibian Tax Policies by Lise Rakner
- NWP87            NEPAD and the African ‘Resource Gap’ – A Critical Examination

## 6.4 NEPRU Viewpoints

- NVP46            Quarterly Economic Review – June 2002. Daisy Mbazima, Elisa Hasheela, Maano Nepembe, Ndeutalala Haimbodi, Dirk Hansohm and Hopolang Phororo (Overall responsibility)
- NVP47            Quarterly Economic Review – September 2002. Maano Nepembe, Talumba Chisala, Rehabeam Shilimela, Antoni Masarakufa, Namene Kalili, Daniel Motinga, Christoph Stork and Hopolang Phororo (Overall responsibility); Dirk Hansohm and Tekaligne Godana (Peer Reviewers)
- NVP48            The Revised Budget Viewpoint 2002/03. Klaus Schade (Overall responsibility) and Maano Nepembe
- NVP49            Quarterly Economic Review – December 2002. Johan Dahl (Overall responsibility), Ndeutalala Haimbodi, Dirk Hansohm, Elisa Hasheela, Maano Nepembe, Klaus Schade and Christoph Stork

NVP50 Viewpoint on the National Budget 2003/2004. Klaus Schade

### 6.5 NEPRU Policy Briefs

NPB3 Dahl, J., Shilimela, R., 2002. NEPAD and the African 'Resource Gap'

NPB4 Hartzenberg, T., 2002. Competition Policy for Namibia. Promoting Fair Competition and Economic Development.

### 6.6 NEPRU Library

**Information services:** With the availability of more official statistics it became clear that the number of information requests have even increased more, compared to the previous year. Statistics indicate that about 809 information requests were handled by medium of the telephone, fax, letter, e-mail and direct visits to the library in comparison to the 204 requests for the period August 2001 – March 2002 (no official statistics were available for April – July 2001). The library collection continues to be used heavily by students from UNAM and Polytechnic of Namibia, but receives also a steady flow of users from NEPRU's own staff and business people, government officials, policy makers, post graduate students and researchers from other institutions.

**Co-operation with other libraries:** The existing co-operation with the Bank of Namibia Library, the Unam Library, the Polytechnic of Namibia Library and the Information Centre of the Ministry of Trade and Industry continues. About 37 Interlibrary Loans were done with these institutions.

**Collection development:** The library continued to update its collection by purchasing new economic related information sources and obtaining donations of Namibian related documents. The exchange program was expanded by 2 new exchange programs to 21 exchange agreements. About 489 new documents were altogether added to the NEPRU library database, but a substantial backlog still exists. To improve access to the existing documents another 732 existing records were edited on the NEPRU database.

The library continued its 16 journal subscriptions of the previous year, as well as subscription to 10 local and South African newspapers.

**Information technologies:** The CDS ISIS utilities for Circulation and Journals did not prove to work effectively, hence the Circulation System was discontinued and the manual system re-introduced. The same will apply to the Journal Collection. Various other options are looked at to replace these two utilities.

**Other activities:** The increasing number of users necessitated new furniture to be purchased for the library: 7 study tables and 14 chairs were bought, as well as 2 display shelves, 1 working table, 3 heaters, 3 portable air conditioners, 1 water cooler and 17 shelves.



## 7. Personnel Issues

### 7.1 New Appointments

Anneline Potgieter	Receptionist (July 2002)
Martin Skewa	Senior Office Assistant (July 2002)
Albert Matongela	Researcher (August 2002)
Katrina Noabes	Office Assistant (September 2002)
Maria Petrus	Library Assistant (January 2003)

### 7.2 Promotions

Klaus Schade	Senior Researcher (October 2002)
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### 7.3 Resignations

Bennie Mureko	Senior Office Assistant (April 2002)
Charmaine van Rooi	Receptionist (June 2002)
Nino Frodema	Junior Researcher (October 2002)
Elizabeth Paulussen	Library Assistant (November 2002)
Wolfgang Werner	Senior Researcher (December 2002)
Albert Matongela	Researcher (February 2003)

### 7.4 Internships

Talumba Chisala	University of Namibia
Tuli Nakanyala	University of Namibia
Aunie Gebhardt	University of Namibia
Ruth Shikongo	University of Namibia
Petrus Ndawendwa	University of Namibia
Nico Schutz	International School of Management in Dortmund, Germany

Volker Schwab                      University of Applied Sciences, Wiesbaden,  
Germany

## 7.5 Completion of employment contract

Johan Dahl                      (December 2002)

## 7.6 NEPRU Staff at the end of the period

<b>RESEARCH STAFF</b>		
Dirk Hansohm	Director	Male
Tekaligne Godana	Training Coordinator	Male
Klaus Schade	Senior Researcher	Male
Hopolang Phororo	Researcher	Female
Daniel Motinga	Researcher	Male
Christoph Stork	Researcher	Male
Saul Kahuika	Researcher	Male
John Ashipala	Researcher	Male
Rosa Endjala	Junior Researcher	Female
Erwin Naimhwaka	Junior Researcher	Male
Calicious Tutalife	Junior Researcher	Male
Namene Kalili	Junior Researcher	Male
Grace Mohamed	Junior Researcher	Female
Antoni Masarakufa	Junior Researcher	Male
Maano Nepembe	Junior Researcher	Female
Ndeutalala Haimbodi	Junior Researcher	Female
Daisy Mbazima	Junior Researcher	Female
Rehabeam Shilimela	Junior Researcher	Male
Elisa Hasheela	Junior Researcher	Male
<b>SUPPORT STAFF</b>		
Mary Hansen	Manager: Administration	Female
Gerald Boois	Accountant	Male
Margritt Hoffmann	Librarian	Female
Aldenia Chaka	Systems Administrator	Female
Martha Mogane	Office Administrator	Female

Anneline Potgieter	Receptionist	Female
Martin Skewa	Senior Office Assistant	Male
Maria-Rosa Petrus	Library Assistant	Female
Rebecca Gawanas	Office Assistant	Female
Katrina Noabes	Office Assistant	Female

## 8. Financial statements

### BALANCE SHEET AS AT 31 MARCH 2003

	<u>NOTES</u>	<u>2003</u> <u>N\$</u>	<u>2002</u> <u>N\$</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		222,096	225,108
<b>Current assets</b>			
		3,269,774	1,306,713
Accounts receivable		698,554	894,608
Cash and cash equivalents		2,571,220	412,105
<b>Total assets</b>		<b><u>3,491,870</u></b>	<b><u>1,531,821</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Accumulated funds		1,674,784	417,732
<b>Non-current liabilities</b>			
Long-term liabilities		27,729	38,294
<b>Current liabilities</b>			
		<b>1,789,357</b>	<b>1,075,795</b>
Accounts payable		1,050,672	716,509
Deferred income		41,095	219,325
Current portion of long-term liabilities		10,703	8,566
Bank overdraft		686,887	131,395
<b>Total equity and liabilities</b>		<b><u>3,491,870</u></b>	<b><u>1,531,821</u></b>

**INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2003**

	<b><u>Notes</u></b>	<b><u>2003</u></b> <b><u>N\$</u></b>	<b><u>2002</u></b> <b><u>N\$</u></b>
Gross revenue		10,724,308	6,943,979
Operating expenses		<u>(9,509,186)</u>	<u>(7,294,771)</u>
Operating profit/(loss)		1,215,122	(350,792)
Investment income		85,775	47,462
Interest paid		<u>(43,845)</u>	<u>(134,189)</u>
Net profit/(loss) for the year		<u>1,257,052</u>	<u>(437,519)</u>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003**

	<u>2003</u> <u>N\$</u>	<u>2002</u> <u>N\$</u>	
<b>Cash flows from operating activities</b>			
Cash generated by operating activities			2,160,455      843,864
Interest received	85,775	47,462	
Interest paid	(43,845)	(134,189)	
(Decrease)/increase in deferred income received			<u>(178,230)</u> <u>219,325</u>
Net cash from operating activities	<u>2,024,155</u>	<u>976,462</u>	
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired			(412,104)      (1,016,986)
Proceeds on disposals of property, plant and equipment			-
Net cash used in investing activities	<u>(412,104)</u>	<u>(945,954)</u>	
<b>Cash flows from financing activities</b>			
Loans raised	138	46,860	
Loans repaid	<u>(8,566)</u>	<u>(21,351)</u>	
Net cash generated by financing activities			<u>(8,428)</u> <u>25,509</u>
Increase in cash and cash equivalents			1,603,623      56,016
Cash and cash equivalents at the beginning of the year			<u>280,710</u> <u>224,694</u>
Cash and cash equivalents at the end of the year			<u>1,884,333</u> <u>280,710</u>

**INCOME STATEMENT FOR THE YEAR ENDED  
31 MARCH 2003**

	<u>2003</u> <u>N\$</u>	<u>2002</u> <u>N\$</u>
<b>INCOME</b>	10,810,084	6,991,441
ACBF Income	1,997,793	4,353,423
Interest received	85,775	47,462
Profit on disposal of property, plant and equipment	-	71,032
Project income	8,571,178	2,493,874
Bad debts recovered	116,304	-
Recovery of student bursaries	-	11,353
Refunds	19,296	1,524
Sale of books	16,701	-
Discount received	15	1,788
Sundry income	3,022	10,985
<b>EXPENSES</b>	9,553,032	7,428,960
Accommodation	72,426	45,434
Advertising	38,012	13,744
Audit fees	28,796	30,000
	-	2,394
Bad debts	508,799	55,363
Bank charges	20,809	39,873
Books	86,428	108,334
Consulting fees	1,656,461	56,053
Contingencies	-	61,550
Depreciation	415,116	1,016,984
Entertainment	28,986	14,652
Foreign exchange loss	22,725	14,235
Insurance		

	53,511	50,290		
Interest paid	43,845	134,189		
Lease: photocopier	35,126	29,755		
Legal fees	15,091	7,245		
Maintenance	181,250	219,334		
Membership fees	1,620	-		
Office expenses	8,438	6,534		
Per diem: projects	178,054	103,425		
Photocopies: projects	29,941	5,155		
Postages	32,920	26,104		
Printing project	97,376	151,528		
Professional fees	-	131,700		
Rent paid	603,695	578,790		
Salaries	4,633,004	3,878,380		
Security cost	44,079	39,653		
Seminar cost and workshops	2,697	29,907		
Stationery	92,072	-		
Student fees	-	79,799		
Subscription	535	-		
Telephone	129,058	178,734		
Travelling	442,218	270,464		
Water and electricity	49,944	49,358		
<b>Surplus/(deficit) for the year</b>	<b>1,257,052</b>	<b>(437,519)</b>		
<b>Accumulated surplus at the beginning of year</b>			<u>417,732</u>	<u>855,251</u>
<b>Accumulated surplus at the end of the year</b>			<u><b>1,674,784</b></u>	<u><b>417,732</b></u>