

PART 5

**LAND AND AGRICULTURAL DEVELOPMENT  
BANK OF SOUTH AFRICA**

**POLICY AND RESPONSE PLAN FOR FRAUD AND  
CORRUPTION**

(Annexure C to the Fraud and Corruption Prevention Plan)

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## GLOSSARY OF TERMS

Throughout this document, unless otherwise stated, the words in the first column below have the meanings stated opposite them in the second column (and cognate expressions shall bear corresponding meanings):

CEO	Chief Executive Officer
CFO	Chief Financial Officer
Fraud and corruption	<p>Includes, but is not limited to, the following:</p> <p>(a) The following legal definitions:</p> <p>(i) <i>Fraud</i>, i.e. the unlawful and intentional making of a misrepresentation resulting in actual or potential prejudice to another.</p> <p>(ii) <i>Theft</i>, i.e. the unlawful and intentional <i>misappropriation</i> of another's property or property which is in his/her lawful possession, with the intention to deprive the owner of its rights permanently;</p> <p>(iii) <i>Offences</i> in respect of <i>corrupt activities</i> as defined in the Prevention and Combating of Corrupt Activities Act, 2004, i.e:</p> <p>* The general offence of <i>corruption</i> which could be summarised as directly or indirectly accepting or agreeing to accept any gratification from another person; giving or agreeing to give any other person any gratification in order to influence that person directly or indirectly to exercise his powers, duties or legal obligations in a manner which is/amounts to:</p> <ul style="list-style-type: none"><li>o Illegal, dishonest, unauthorised, incomplete, or biased;</li><li>o Misuse or selling of information or material acquired;</li><li>o Abuse of positions of authority;</li><li>o Breach of trust;</li><li>o Violation of a legal duty or set of rules;</li><li>o Designed to achieve an unjustified result; and</li><li>o Any other unauthorised or improper inducement to do or not to do anything;</li></ul>

- Corrupt activities in relation to:
  - Public officials;
  - Foreign public officials;
  - Agents;
  - Judicial officers;
  - Members of the prosecuting authority;
  - Unauthorised gratification received or offered by or to a party to an employment relationship;
  - Witnesses and evidential material during certain proceedings;
  - Contracts;
  - Procuring and withdrawal of tenders;
  - Auctions;
  - Sporting events; and
  - Gambling games or games of chance;
- Conflicts of interests and other unacceptable conduct, e.g.:
  - Acquisition of private interests in contract, agreement in or investment in a public body;
  - Unacceptable conduct relating to witnesses; and
  - Intentional interference with, hindering or obstruction of investigation of an offence;
- Other offences relating to corrupt activities, viz:
  - Accessory to or after an offence;
  - Attempt, conspiracy and inducing another person to commit offence; and
- Failure to report corrupt transactions;

(b) Fraudulent and corrupt acts may include:

*Systems issues:* where a process/system exists which is prone to abuse by employees, the public or other stakeholders, e.g:

- Procurement fraud, e.g. irregular collusion in the awarding of tenders or orders for goods and/or services, sensitive information deliberately disclosed to contractors or consultants;
- Deliberate non-compliance with delegation of authority limits;

- Collusion in contracts management;
- Loan fraud, e.g. Inducement of staff to omit/modify information and conditions applicable to loan agreements; deviation from standard practices and policies, submission of inaccurate information;
- Non compliance to loan guidelines;
- False information provided by clients to whom loans are granted;
- Travel and subsistence fraud; and
- Disclosing confidential or proprietary information to outside parties;

*Financial issues:* i.e. where individuals or companies have fraudulently obtained money from the Land Bank, e.g:

- Creditors fraud, e.g. diverting payments to incorrect creditors;
- Suppliers submitting invalid invoices or invoicing for work not done;
- Payroll fraud, e.g. creation of "ghost employees";
- Theft and misappropriation of funds; and
- Making a profit from insider knowledge;

*Equipment and resource issues:* i.e. where the Land Bank's equipment is utilised for personal benefit or stolen, e.g:

- Theft of assets, e.g. computers;
- Sensitive data deliberately destroyed or misused for personal advantage and/or unauthorised use or release of sensitive Land Bank information;
- Personal use of resources, e.g. telephones, internet, e-mail; and
- Irregular destruction, removal, or abuse of data (including intellectual property);

*Other issues:* i.e. activities undertaken by employees of the Land Bank, which may be against policies or fall below established ethical standards as prescribed in the Code, e.g:



- Soliciting gifts or favours from consultants or other suppliers, e.g. acceptance of "kick-backs";
- Pursuing private business interests without permission;
- Nepotism;
- Favouritism, e.g. direct approaches by loan applicants who are personally known/related to Land Bank staff and who seek preferential attention;
- Deployment of temporary staff, e.g. unjustified extensions of appointments.

PFMA  
Policy

Public Finance Management Act; Act no. 1 of 1999  
Fraud Policy and Response Plan

**1. BACKGROUND**

- 1.1 This policy is intended to set down the stance of the Land Bank to fraud and corruption and to reinforce existing systems, policies and procedures of the Land Bank aimed at deterring, preventing, detecting, reacting to and reducing the impact of fraud and corruption.
- 1.2 Furthermore, the purpose of this document is to confirm that the Land Bank aims to foster a culture of zero tolerance to fraud and corruption in all its activities.

**2. SCOPE OF THE POLICY**

- 2.1 This policy applies to all allegations, attempts and incidents of fraud and corruption impacting or having the potential to impact the Land Bank.
- 2.2 All employees of the Land Bank must comply with the spirit and content of the Policy.

**3. THE POLICY**

- 3.1 The policy of the Land Bank is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies, procedures, rules and regulations of the Land Bank.
- 3.2 The efficient application of Treasury Regulations issued in terms of the PFMA instructions and contained in the policies and procedures of the Land Bank is one of the most important duties to be applied by every employee in the execution of their daily tasks.

#### 4. REPORTING PROCEDURES AND RESOLUTION OF REPORTED INCIDENTS

##### What should an employee do if he/she suspects fraud and corruption?

- 4.1 It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate supervisor or any manager.
- 4.2 Employees are encouraged to assist in the resolution of all allegations of fraud and corruption. Should employees be concerned with the aforementioned reporting channel, they may report directly to the Manager: Internal Audit or the Chairperson of the Audit Committee.
- 4.3 Those in supervisory and managerial positions are ultimately responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to the Manager: Internal Audit.
- 4.4 Should employees wish to report allegations of fraud and corruption anonymously, they can contact the Land Bank's fraud hotline (0800005750), any member of management, the Manager: Internal Audit, the Chairperson of the Audit Committee or the Chairperson of ~~the~~ Board of Directors of the Land Bank. Although anonymous reports will be accepted, it is easier to pursue allegations, where whistle blowers are known in view of the following:
  - Employees can be contacted if further information is required or to seek clarification regarding the incidents reported; and
  - It will be easier for employees to claim protection in terms of the Whistle Blowing Policy of the Land Bank.

What should a customer, providers of goods and/or services or member of the public do if they suspect fraud and corruption?

- 4.5 The Land Bank encourages customers, providers of goods and/or services and members of the public who suspect fraud and corruption to contact the Land Bank's fraud hotline, any member of management, the Manager: Internal Audit or the Chairperson of the Audit Committee.



**How will allegations of fraud and corruption be dealt with by the Land Bank?**

- 4.6 Any fraud and corruption committed by an employee or any other person will be pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:
- a) In the case of employees, taking disciplinary action within a reasonable period of time after the incident;
  - b) Instituting civil action to recover losses;
  - c) Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and
  - d) Any other appropriate resolution.
- 4.7 The CFO is required to ensure that losses or damages suffered by the Land Bank as a result of all reported acts committed or omitted by an employee or any other person are recovered from such an employee or other person if he or she is found to be liable for such losses.
- 4.8 The CFO must also ensure that the following steps are taken with regard to financial misconduct in line with the provisions of the Treasury Regulations to the PFMA:
- a) Ensuring that disciplinary proceedings are pursued;
  - b) Ensuring that the annual report and financial statements include particulars of -
    - (i) Any material losses through criminal conduct and any irregular expenditure and fruitless expenditure that occurred during the financial year;
    - (ii) Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; and
    - (iii) Any losses recovered or written off

## 5. CONFIDENTIALITY

- 5.1 All information relating to fraud and corruption that is received and investigated will be treated confidentially. The progression of investigations will be handled in a confidential manner and will not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information. This is important in order to avoid harming the reputations of suspected persons who are subsequently found innocent of wrongful conduct.
- 5.2 No person is authorised to supply any information with regard to allegations or incidents of fraud and corruption to the media without the express permission of the CEO.

## 6. PUBLICATION OF SANCTIONS

- 6.1 The CEO will decide, in consultation with the Chairperson of Board of Directors, whether any information relating to corrective actions taken or sanctions imposed, regarding incidents of fraud and corruption should be brought to the direct attention of any person or made public through any other means.

## 7. PROTECTION OF WHISTLE BLOWERS

- 7.1 The Whistle Blowers Policy of the Land Bank is intended to encourage employees to raise serious concerns pertaining to *inter alia* fraud and corruption without the fear of victimisation.
- 7.2 No person will suffer any penalty or retribution for reporting any suspected or actual incident of fraud and corruption in good faith, which occurred within the Land Bank.

- 7.3 All supervisors and managers should discourage employees or other persons from making allegations, which are false and made with malicious intentions. Where such allegations are discovered, the person who made the allegations must be subjected to firm disciplinary and/or other appropriate action.

Adopted by:

## 8. APPLICATION OF PREVENTION CONTROLS AND DETECTION MECHANISMS

- 8.1 In respect of all reported incidents of fraud and corruption, management is required to immediately review, and where possible, improve the effectiveness of the controls, which have been breached in order to prevent similar irregularities from taking place in future.

Chairperson of the Audit Committee

Date

## 9. CREATING AWARENESS

- 9.1 It is the responsibility of all managers to ensure that all employees are made aware of, and receive appropriate training and education with regard to this policy.

## 10. ADMINISTRATION

- 10.1 The custodian of this policy is the CEO who is supported in its implementation by all managers of the Land Bank.
- 10.2 The Manager: Internal Audit is responsible for the administration, revision and interpretation of this policy. This policy will be reviewed annually and appropriate changes made should these be required.

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Policy

SAPS

The Whistle Blowing Policy for the Land Bank

South African Police Services



## 1. INTRODUCTION

### 1.1 Land Bank recognises the fact that –

- a) Criminal and other irregular conduct within the Land Bank is detrimental to good, effective, accountable and transparent governance and can endanger the economic stability of the Land Bank and have the potential to cause social damage;
- b) There is a need for procedures in terms of which employees may, without fear of reprisals, disclose information relating to alleged criminal or other irregular conduct affecting the Land Bank;
- c) Every employer and employee has a responsibility to disclose criminal and any other irregular conduct in the workplace; and
- d) Every employer has a responsibility to take all necessary steps to ensure that employees who disclose such information are protected from any reprisals as a result of such disclosure.

## 2. OBJECTIVES OF THE POLICY

2.1 The Protected Disclosures Act, Act 26 of 2000 makes provision for procedures in terms of which employees may disclose information regarding unlawful or irregular conduct by their employers or other employees and the protection to be received for making such disclosures.

### 2.2 In order to remain in compliance with the Act, the Land Bank will –

- a) Strive to create a culture which will facilitate the disclosure of information by employees relating to criminal and other irregular conduct in the workplace in a responsible manner by providing clear guidelines and procedures for the disclosure

of such information and protection of employees against reprisals as a result of such disclosure; and

- b) Promote the eradication of criminal and other irregular conduct within the Land Bank.

2.3 The Policy is intended to encourage and enable staff to raise concerns within the Land Bank rather than overlooking a problem or blowing the whistle to inappropriate channels.

2.4 Furthermore the policy aims to –

- a) Provide avenues for staff to raise concerns and receive feedback on any action taken;
- b) Inform staff on how to take the matter further if they are dissatisfied with the response; and
- c) Reassure staff that they will be protected from reprisals or victimisation for whistle blowing in good faith.

### 3. SCOPE OF THE POLICY

3.1 Existing grievance procedures are in place to enable employees of the Land Bank to raise grievances relating to their employment. This Policy is intended to cover the disclosure of concerns that fall outside the scope of grievance procedures. These disclosures are addressed in the Act as follows:

- (a) That a criminal offence has been committed, is being committed or is likely to be committed;
- (b) That a person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;
- (c) That a miscarriage of justice has occurred, is occurring or is likely to occur;

- (d) That the health or safety of an individual has been, is being or likely to be endangered;
- (e) That the environment has been, is being or is likely to be damaged;
- (f) Unfair discrimination as contemplated in the Promotion of Equality and Prevention of Unfair Discrimination Act, No. 4 of 2000; or
- (g) That any matter referred to in paragraphs (a) to (f) has been, is being or likely to be deliberately concealed.

3.2 This policy relates to disclosures made by employees to the Land Bank. In this regard, cognisance is taken of the fact that the Act also provides for other reporting channels.

#### 4. THE POLICY

##### OCCUPATIONAL DETRIMENT

4.1 The Land Bank acknowledges the fact that the decision to report a concern can be a difficult one to make, not least because of fear of occupational detriment from those responsible for the irregularity. The Land Bank will not tolerate harassment or victimisation and will take action to protect employees when they raise a concern in good faith. This does not mean that if an employee is already the subject of disciplinary or other action, that action will be halted as a result of their whistle blowing

4.2 An employee may not be subject to the following "occupational detriment" as a result of having made a disclosure as identified above in paragraph 3.1:

- a) Being subjected to any disciplinary action;
- b) Being dismissed, suspended, demoted, harassed or intimidated;
- c) Being transferred against his/her will;

- d) Being refused transfer or promotion;
- e) Being subjected to a term or condition of employment or retirement which is altered or kept altered to his/her disadvantage;
- f) Being refused a reference, or being provided with an adverse reference;
- g) Being threatened with any of the actions referred to above; and
- h) Being otherwise adversely affected in respect of his/her employment, profession which may include employment opportunities and work security.

#### CONFIDENTIALITY

- 4.3 The Land Bank will do its best to protect an individual's identity when he/she raises a concern and does not want their identity to be disclosed. It must be appreciated, however, that the investigation process may reveal the source of the information and a statement by the employee may be required as part of the evidence.

#### ANONYMOUS ALLEGATIONS

- 4.4 The Land Bank encourages employees to put their names to allegations. Concerns expressed anonymously are difficult to investigate, nevertheless they will be followed up at the discretion of the Land Bank. This discretion will be applied by taking into account *inter alia* the following:
- a) the seriousness of the impropriety raised;
  - b) whether the impropriety is continuing or is likely to continue in the future;
  - c) the credibility of the concern; and
  - d) the likelihood of confirming the allegation.



## FALSE ALLEGATIONS

- 4.5 All supervisors and managers should discourage employees or other parties from making allegations, which are false and made with malicious intentions. Where such malicious, vexatious, or false allegations are discovered, the person who made the allegations will be subjected to firm disciplinary action, or other appropriate action in the case of external parties.

## 5. REPORTING

- 5.1 The first step in reporting an irregularity in terms of the policy will be for the employee to report to their immediate supervisor or any manager. If there is concern that management is the subject of the complaint, the report should be made to the Manager: Internal Audit or the Chairperson of the Audit Committee.
- 5.2 Supervisors and managers must convey whistle blower reports to the Manager: Internal Audit for further investigation.
- 5.3 Employees are encouraged to assist in the resolution of all allegations of fraud and corruption. Should employees wish to report allegations of fraud and corruption anonymously, they can contact the Land Bank's fraud hotline (0800005750), any member of management, the Manager: Internal Audit, the Chairperson of the Audit Committee or the Chairperson of the Board of the Land Bank. Although anonymous reports will be accepted, it is easier to pursue allegations where whistle blowers are known in view of the following:
- Employees can be contacted if further information is required or clarification sought regarding the incidents reported; and
  - It will be easier for employees to claim protection in terms of the policy of the Land Bank.



5.4 Employees are expected to support the Land Bank in the conducting of disciplinary hearings into allegations of fraud and corruption.

5.5 Advice and guidance on how whistle blower reports may be pursued can be obtained from the Manager: Internal Audit or Manager: Human Resources.

## 6. HOW THE COMPLAINT WILL BE DEALT WITH

6.1 The Manager: Internal Audit will write to the complainant:

- Acknowledging that the concern has been received;
- Indicating how he/she proposes to deal with the matter and whether any initial enquiries have been made;
- Giving an estimate of how long it will take to provide a final response; and
- Informing them whether further investigations will take place, and if not, why not.

6.2 Some concerns may be resolved by agreed action with the whistle blower without the need for investigation.

6.3 The Manager: Internal Audit in consultation with the Chairperson of the Audit Committee will impartially assess each disclosure to determine whether it appears to be a protected disclosure within the meaning of the Act and determine the appropriate action to take, such as:

- No action/decline to investigate;
- Allocate responsibility for dealing with the disclosure to an appropriate person;
- A preliminary or informal investigation;
- A formal investigation;
- Initiate a disciplinary process; and

- Refer the matter to an Investigating Authority for investigation or other appropriate action.

6.4 The amount of contact between the body investigating the issues and the persons raising the concern will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the individual.

6.5 The Land Bank accepts that employees need to be assured that the matter has been properly addressed. However, the progression of investigations will be handled in a confidential manner and will not be disclosed or discussed with any persons other than those who have a legitimate right to such information. This is important in order to avoid damaging the reputation of suspected persons who are subsequently found innocent of wrongful conduct.

## 7. NOTIFICATION OF ACTION TAKEN OR PROPOSED

7.1 If an employee makes a protected disclosure they must be notified of the action taken or proposed to be taken after the completion of the investigation.

7.2 The Manager: Internal Audit is responsible for this notification unless the Chairperson of the Audit Committee has allocated responsibility to another officer.

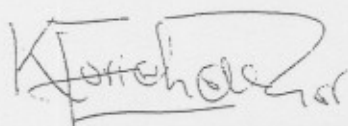
## 8. CREATING AWARENESS

8.1 In order for the policy to be sustainable, it must be supported by a structured education, communication and awareness programme.

8.2 It is the responsibility of all supervisors and managers to ensure that all employees are made aware of and receive appropriate training and education with regard to the policy.

9. ADOPTION OF THE POLICY

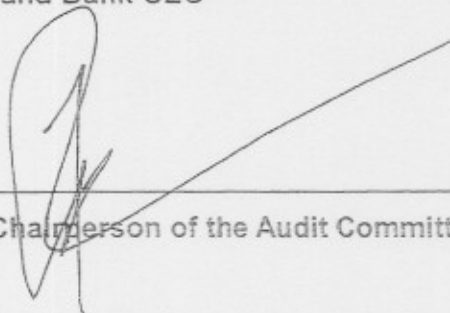
Adopted by:



Land Bank CEO

29 OCT 2004

Date



Chairperson of the Audit Committee

16 NOVEMBER 2004

Date



Chairperson of the Board

29 November 2004

Date

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Annexure E

**OF FRAUD PREVENTION PLAN**

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s and responsibilities

PR = Primary Responsibility

SR = Shared Responsibility

of tasks and responsibilities must be read in conjunction with the Fraud Prevention Plan of the Land Bank

Components of the Plan	Chief Executive Officer	Finance	Risk Compliance and Credit	Internal Audit	Legal	Human Resources	Audit Committee	Other Managers	Feedback date	Progress
Information security										
ular detailed reviews of the uty arrangements at the offices and improve identified										
all employees are sensitised basis to the fraud and isks associated with security and the utilisation of sources										
ular communicates to with a particular emphasis on Internet usage and the (e.g. disciplinary action) of se and other computer ties										

**Y OF FRAUD PREVENTION PLAN**

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	Chief Executive Officer	Finance	Risk Compliance and Credit	Internal Audit	Legal	Human Resources	Audit Committee	Other Managers	Feedback date	Progress
omponents of the Plan										
NG AND INVESTIGATING										
ORRUPTION										
lit										
e-emphasis: to all managers										
ent compliance by										
with internal control is one of										
ental controls in place to										
ud and corruption										
ction for lack of speed by										
in addressing internal control										
identified										
managers: understanding of the										
of Audit										
sk assessment										
reas for attention stemming										
sk assessment										
y assess risk and update the										
incorporating fraud and										
risk										
resentations to employee: in										
nsure that they have a more										
nderstanding of the fraud and										
risks facing the Land Bank										
pecific fraud and corruption										
reviews in high risk areas:										

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**OF FRAUD PREVENTION PLAN**

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 ks and responsibilities

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	Chief Executive Officer	Finance	Risk Compliance and Credit	Internal Audit	Legal	Human Resources	Audit Committee	Other Managers	Feedback date	Progress
Components of the Plan id monitoring fraud and corruption system ents of fraud and corruption ing whistle blowers to report uch they witness as of fraud and corruption risk perfs reviewed in order that and detection controls can be y improved or developed										







ANNEXURE C

BUDGET 2006/7/8/9



**LAND AND AGRICULTURAL DEVELOPMENT  
BANK**

**BUDGET 2006/7/8/9**

**February 2006**



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**KEY FINANCIAL HIGHLIGHTS (IN RAND THOUSANDS)**

<u>1. Operational</u>	March 2006 Budget	March 2006 Forecast	March 2007 Budget	Gross % Growth / (Decline)	Projected Loan Book in Default	Performing Loan Book	% Growth / (Decline) Forecast 2006
<u>Retail</u>							
Long Term	5,181,808	4,614,137	4,662,761	1.1%	574,501	4,088,260	4.9%
Medium Term	1,175,356	918,805	1,112,636	21.1%	92,252	1,020,384	26.5%
Short Term	894,379	738,047	974,769	32.1%	116,446	858,323	44.8%
<b>Retail Total Portfolio</b>	<b>7,251,543</b>	<b>6,270,989</b>	<b>6,750,166</b>	<b>7.6%</b>	<b>783,199</b>	<b>5,966,967</b>	<b>12.6%</b>
<u>Wholesale</u>							
Long Term	2,070,530	1,447,563	2,600,638	79.7%	145,055	2,455,583	81.7%
Medium Term	1,240,421	1,334,171	1,637,507	22.7%	36,649	1,600,858	23.4%
Short Term	7,328,224	7,597,401	8,288,523	9.1%	136,558	8,151,965	9.3%
<b>Wholesale Portfolio</b>	<b>10,639,174</b>	<b>10,379,135</b>	<b>12,526,668</b>	<b>20.7%</b>	<b>318,262</b>	<b>12,208,406</b>	<b>20.8%</b>
<b>Total Portfolio</b>	<b>17,890,717</b>	<b>16,650,124</b>	<b>19,276,834</b>	<b>15.8%</b>	<b>1,101,461</b>	<b>18,175,373</b>	<b>18.0%</b>
					<b>19,276,834</b>		
Loan Book in Arrears	(1,242,289)	(1,236,000)	(1,101,461)				
<b>NET LOAN BOOK</b>	<b>16,648,428</b>	<b>15,414,124</b>	<b>18,175,373</b>	<b>18.0%</b>			



2. Financial

	March 2006 Budget	March 2006 Forecast	March 2007 Budget	Variance	% Variance	March 2008 Budget	March 2009 Budget
Total Interest Income	1,709,904	1,673,000	1,721,669	48,669	2.9%		
Total Interest Paid	(1,296,054)	(1,273,000)	(1,255,171)	17,829	-1.4%		
Net Interest Income	413,850	400,000	466,498	66,498	16.6%	729,000	760,000
Non Interest Revenue	99,630	57,000	64,819	7,819	13.7%	72,000	77,000
Operating Income	513,481	457,000	531,317	74,317	16.3%	801,000	837,000
Operating Expenses	(516,120)	(372,000)	(496,119)	20,001	3.9%	(468,000)	(482,000)
Total Direct Employment Costs	(262,179)	(180,000)	(253,549)	8,530	3.3%	(249,000)	(264,000)
Other Employment Expenses	(20,100)	(13,000)	(26,935)	(6,835)	-34.0%	(25,000)	(26,000)
Total Employment Expenses	(282,279)	(193,000)	(280,584)	1,695	0.6%	(274,000)	(290,000)
Depreciation	(5,324)	(13,000)	(10,881)	(5,557)	-104.4%	(11,000)	(12,000)
SAP EXPENSE / AMORTISATION	(76,040)	(42,000)	(30,000)	46,040	60.5%	(30,000)	(30,000)
General Admin Expenses	(52,310)	(48,000)	(35,715)	16,595	31.7%	(37,000)	(39,000)
Insurance	(1,301)	(1,000)	(1,671)	(370)	-28.4%	(2,000)	(2,000)
Motor Vehicles Expenses	(4,238)	(2,000)	(8,211)	(3,973)	-93.7%	(8,000)	(9,000)
Office Furniture And Equipment	(7,733)	(4,000)	(10,361)	(2,628)	-34.0%	(11,000)	(12,000)
Professional Fees	(27,507)	(25,000)	(34,163)	(6,656)	-24.2%	(26,000)	(16,000)
Property Expenses	(14,715)	(11,000)	(34,588)	(19,873)	-135.0%	(13,000)	(14,000)
Travelling And Subsistence	(15,183)	(11,000)	(16,465)	(1,282)	-8.4%	(18,000)	(18,000)
Utilities	(4,478)	(4,000)	(4,921)	(443)	-9.9%	(5,000)	(5,000)
Communication	(416)	-	(469)	(53)	-12.7%	-	(1,000)
Advertising	(7,844)	(2,000)	(16,011)	(8,168)	-104.1%	(19,000)	(20,000)
Marketing	(16,753)	(16,000)	(12,079)	4,674	27.9%	(14,000)	(14,000)
Operating Profit(Loss) Before Provisions	73,400	85,000	35,198	(49,802)	-58.6%	333,000	355,000
Doubtfull Debt Provision Charge	(32,954)	300,000	49,366	561,634	-91.9%	(33,000)	(35,000)
Bad Debts Recovered	289,758	75,000	67,700	(17,300)	-23.1%	45,000	35,000
Operating Profit(Loss) After Provisions	330,204	460,000	44,534	484,532	-110.1%	345,000	355,000
Net Non-Operating (Loss)Income	(269,245)	9,000	66,138	(75,139)	-834.9%	(8,000)	(9,000)
Net Profit / (Loss)	66,959	469,000	111,672	409,393	-85.0%	337,000	346,000



### 3. Key Indicators

	March 2006	March 2006 Forecast	March 2007	Variance	% Variance	March 2008	March 2009
Net Margin Percentage	2.4%	2.2%	2.2%	-	0.0%	3.0%	3.0%
Efficiency Ratio - Expense To Income	100.5%	81.4%	93.4%	12.0%	14.7%	58.4%	57.6%
Interest Paid To Interest Income	75.8%	76.1%	72.9%	-3.2%	-4.2%		
Average Selling Rate after Default	10.6%	10.4%	10.4%	0.0%	0.0%	10.4%	10.4%
Return on Portfolio after Default	0.4%	-2.6%	-0.1%	2.5%	-95.7%	1.4%	1.3%

### 4. Head Count

	March 2006	March 2006 Forecast	March 2007	Variance	% Variance
Member of Heads:	764	663	797	134	20.2%
Executive management	49	21	22	1	4.8%
Head Of Department	3	4	16	12	300.0%
Manager	55	48	78	30	62.5%
Specialist	327	262	339	77	29.4%
Personal Assistant	19	15	19	4	26.7%
Specialist Assistant	237	155	178	23	14.8%
Admin Assistant	69	146	133	-13	-8.9%
General Admin Assistant	5	12	12	-	0.0%
Cost of Employment per Head	332	271	318	47	17.2%

### 3. CAPITAL EXPENDITURE PLAN

Asset Category	Budget	Motivation/Remarks
Land and Building:	52,893	Current building is old and experts say it is a fire hazard. Electrical wiring has to be redone, air conditioning and partitioning has to be redone and lifts have to be worked on.
Computer Equipment	959	
Furniture & Fixings:	1,233	
Office Equipment	265	
Motor Vehicles	531	
Software Costs	-	
<b>TOTAL</b>	<b>55,881</b>	