

*Namibian Ports Authority*

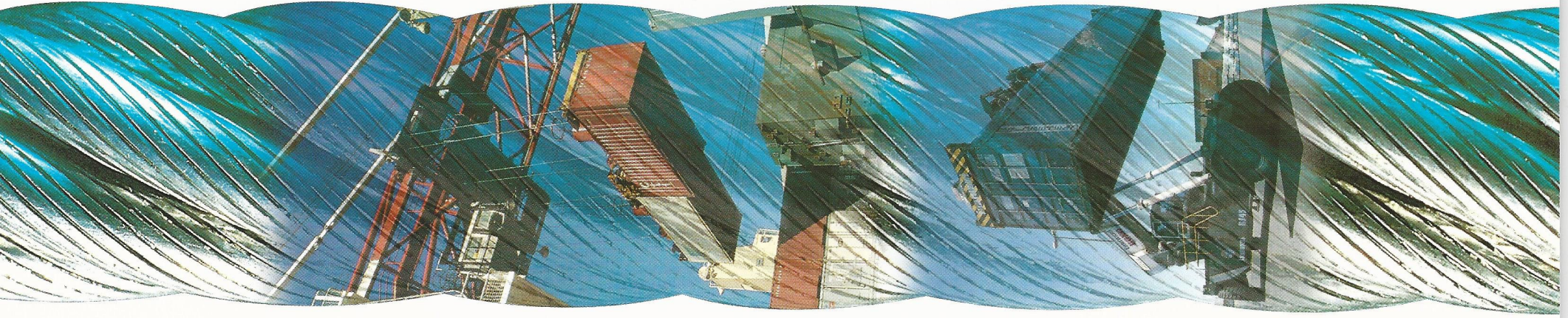
*Annual Report 97*



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## The Board of Directors

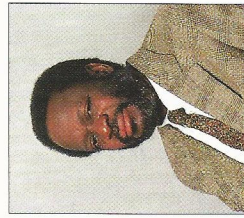


### The Board of Directors

**Top Row:** Mr. U. Maamberua; Mr. W. Wessels, (Dep. CEO); Ms. S.T. Harris; Dr. P. Shipohi; Mr. S.T. Hiveluuh; Mr. J.D. Jurgens (Chairman); Mr. J.C. Rogers;  
**Bottom Row:** Mr. D.H. Conradie (Deputy Chairman); Mr. J.D. Jurgens (Chairman); Capt. J-D von der Fecht (CEO)



Mr. T. Mbenrura  
(resigned 2.8.1996)



G. Gaooseb  
(resigned 25.10.1996)



Capt. J.A. Wingate  
(resigned 28.6.1996)

## Chairman's Report

at the port of Lüderitz where indepth discussions took place with the following parties -

- members of the Town Council
- port users
- Waterfront Development Company
- Lüderitz Yacht Club

Furthermore, in line with Namport's environmental management policy, Namport has commissioned Environmental Impact Assessments on the proposed developments at the ports of Walvis Bay and Lüderitz.

Since the re-integration of the Walvis Bay enclave into Namibia, planning has been focused on the alignment of the port of Walvis Bay for its new role as a regional port. This led to the creation of the Walvis Bay Corridor which will effectively serve as a transport conduit from Walvis Bay to landlocked countries and other potential trading partners.

This corridor will play a vital role in the future of the port of Walvis Bay and the Namibian Ports Authority will thus be actively facilitating and promoting the Corridor by providing competitive and efficient port services.

Namport has identified certain sites for potential development at the port of Walvis Bay and has invited interested investors to table proposals in respect of the provision of the following facilities at the port of Walvis Bay -

- container depot
- grain milling facilities (only if part of grain storage facility)
- multi user grain storage facilities
- extension of the dry-docking capacity at the synchrolift

It is a pleasure to report that the Namibian Ports Authority has once again performed well during the year under review.

The financial position of the Authority remains strong notwithstanding capital expenditure amounting to N\$18 500 000 to date on equipment for the new container terminal at the port of Walvis Bay in terms of the Port Development Study. Additional capital expenditure of N\$60million has been approved for the 1998 financial year for port development projects.

In 1995 and 1996 Port of Walvis Bay tariffs were increased by 7% on average with the 10% tariff increase in 1997 being in line with inflation.

There were no tariff increases at the port of Lüderitz in 1996. Following an evaluation of the tariff structure at that port, which was carried out during the year under review, the port of Lüderitz tariffs were in April 1997 harmonised with that of Walvis Bay.

Namport has finalised loan agreements with Kreditanstalt für Wiederaufbau to the value of DM 11.3 million, for the development of the port of Walvis Bay and an ECU 12 million loan with European Investment Bank for the development of the port of Lüderitz. Both loans were granted after economic evaluations had been carried out by the respective financial institutions and were furthermore subject to government approval and guarantee.

During the planning stages of the above development projects, Namport has ensured that various interested parties were informed on all aspects of the proposed development, more particularly

I believe that with the multi-million development of the ports of Walvis Bay and Lüderitz, seen together the Walvis Bay Corridor and the resulting increase in trade, Namport can face the future with confidence.

It is with regret that we had to say goodbye to directors Mr Theo Mberirua, Mr Godfrey Gaooseb, Permanent Secretary, Finance, and Capt IA Wingate.

During the year we welcomed Mr Usutuaije Maamberua, (Permanent Secretary, Finance,) and Mr ST Hiveluuh (Permanent Secretary of Works, Transport and Communication) to our Board and we look forward to a long and rewarding association with them.

Alternate directors to each of the Permanent Secretaries have now also been appointed.

It has been a pleasure to serve as Chairman on the board during the year under review and I wish to thank my fellow directors for their commitment and support during this period.

A final thanks to the management team and all employees of the Namibian Ports Authority for their unfailing dedication and hard work which has enabled Namport to achieve such excellent results.

Dr J D Jurgens  
Chairman

18 July 1997

## The Management Team



From left to right :  
**The Management Team:** Bottom Row: Capt: M J van der Meer, Executive Manager; Mr: W J A Wessels, Deputy Chief Executive Officer; Mr: S T Clark, Manager; Human Resources; Mr: A J Raw, Port Engineer; Mr: J L van der Merwe, Financial Manager; Capt: J-D von der Fecht, Chief Executive Officer; Top Row: Mr: J Mouton, Marketing Manager; Mr: E Loftie-Eaton, Manager; Technical Services; Mr: A E Hannabus, Manager; Cargo Services; Capt: V Gusev, Port Captain; Port of Lüderitz

## Vision

Namport is:

- a dynamic, world class autonomous Port Management Organisation.
- the preferred link for seaborne trade with Namibia and Central Southern African Region via the Walvis Bay Corridor.
- and is committed to -
  - providing service efficiency meeting the needs of our clients
  - equitable treatment of all our employees

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## Chief Executive's Review

### Port Development

*New Quay for Port of Lüderitz*

The Lüderitz quay project had to be revised from an anticipated depth of 10 meters to 8 meters as drilling probes have established that the seismic information provided by the previous owners was based on an incorrect reference point, creating the impression that the rock formation was lower than it in fact is.

To achieve a depth of 8 meters, the quay will have to be located further than originally planned to the north on the Shark Island side of Robert Harbour, with additional cost to the project anticipated.

Although this is disappointing, a new 300 meter quay with a depth of 8 meters will be a major improvement to the port of Lüderitz. This new facility will ably cater for all fishing vessels, most offshore diamond dredging vessels and the expanding offshore oil and gas industry developing the Kudu Field. Additional mining activities in the south of Namibia might also add substantial cargo volumes to the port's throughput.

*Port of Walvis Bay.*

*Relocation of Container Terminal*

The new container terminal layout for the Port of Walvis Bay was revised to cater for the needs of the recently established direct sea link to Europe.

*Extension of Shop 17 Workshop*

Our mechanical Workshop is being extended by 45.72 meters to provide garaging and workshop facilities for Namport's Reach Stackers. The design is such that the mobile tower crane can, with tower and jib lowered, be parked inside the workshop for maintenance. This extension work is being carried out by Namport personnel.

*Additional Small Tug for Walvis Bay*

Namport obtained a generous sponsor-

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### General Overview

The 1996/97 financial year was marked by the TCL strike which adversely affected Namport's results for three months in respect of copper and lead exports and coal imports. The strike also highlighted that the Namibian industry is very interdependent and if a single major player is prevented from operating, for whatever reason, the ripple effect has a negative impact on a large section of supporting industries and with that Namibia as a whole.

The financial results for Namport were satisfactory, with the Port of Walvis Bay slightly below budget but the Port of Lüderitz exceeding its budget.

In its third year of operation Namport, with a sound financial track record, was in a position to commit itself with confidence to implementation of its major port development plans for both ports.

The long awaited heavy duty mobile harbour tower crane, a Liebherr 1300 model, came into operation at the end of March 1997 and has already made an impact on our container handling capacity and speed.

Infrastructure development did not progress as quickly as I had anticipated due to delays in formulating the tender documentation which was prepared in ISO as well as SABS standards to accommodate international tendering procedure. Invitations for the international pre-tender qualification were called during February 1997.

Twenty-six companies responded for the Lüderitz Bay "Design and Build" contract and for the Walvis Bay container terminal project twenty-four companies registered an interest. The selection process was agreed on by both sponsoring banks and resulted in nine companies meeting the tender requirements for the Lüderitz project and nine for Walvis Bay. Tender documentation has been forwarded to these companies.

ship from NORAD for the building and delivery of a small tug.

However, building of the tug can only commence upon receipt of Namibian Ministerial approval of the project.

*Deepening of the Port of Walvis Bay*

The pre-feasibility study was completed during the financial year and the full feasibility study will be carried out as part of the National Transportation Plan, subject to Namport paying for the additional work. It is anticipated that the results of the study will be available at the end of October 1997. Namport is confident that the study will confirm its belief that a deepening of the harbour from - 10,00 metres to 12,80 metres will be a major advantage for not only Namibia but the region as a whole.

*Budget 1997/98*

The budget for 1997/98 reflects a turnover of N\$83 million, an operating profit of N\$30 million and a net profit of N\$13 million. The 10% increase on average in port tariffs for 1997/98 is foreseen to result in a 6% increase in turnover. This is as a result of wharfage revenue not being affected by this increase. Costs are expected to rise by 11%, mainly because of increased infrastructure maintenance.

In its capital budget for 1997/98 the board approved expenditure of N\$60 million for the above projects as well as for additional cargo handling equipment, including a third reach stacker. This capital is funded by loans from Kreditanstalt für Wiederaufbau and European Investment Bank as well as from own resources.

*Appointments*

Mr: Wessie Wessels joined the company during the year to take over from me as Chief Executive Officer at the end of April 1998, when I leave Namport on the expiration of my extended contract. Mr: Wessels is a Namibian citizen, holding

## Chief Executive's Review

degrees in Mechanical and Civil Engineering as well as an MBA obtained at Stellenbosch University in 1991.

Mr Koot van der Merwe (CA) (N), Namibian, joined the company as Financial Manager.

Mr Jerome Mouton, (BA Econ), Namibian, joined the company as Marketing Manager.

The selection for two new posts, Internal Auditor and Manager (in training) Synchrolift has been completed and the successful candidates will take up their respective positions in the near future.

### Salary Negotiations

Salary negotiations with the Union at the beginning of the year were challenging, resulting in the lower ranks achieving higher increases than senior personnel.

### Staff Turnover

Staff turnover was low during the year, an indication that conditions of employment are market related and the working environment acceptable.

### Business Outlook

Until the Walvis Bay Corridor becomes fully operational at the end of 1998, no major increase in throughput is anticipated. It is furthermore of vital importance that border crossings are made more efficient by implementing harmo-

nised documentation and procedures.

In March 1997, the internationally well-known shipping line Maersk started a biweekly direct service from Walvis Bay to their hub port Algeciras in the south of Spain - this direct liner service will attract cargo to the port.

The port of Lüderitz is likely to gain additional cargo throughput from mine developments in the South of Namibia, both in imports of materials and exports of semi finished products. Lüderitz is also well positioned to cater for the Kudu Gas Field development. The traditional trades such as fishing and offshore diamond mining are showing signs of improved activities.

Namport's confidence in dedicating its major development funds to Lüderitz is well placed.

### Thanks

This report would be incomplete without a sincere expression of thanks to the Chairman and my fellow members of the Board of Directors for their support and guidance and their confidence in the Management Team.

I thank my fellow managers for the team spirit displayed and their dedication to the task in hand.

But it was not only the top echelon which achieved the good results and, although

not noticeable as much on an individual basis, I am well aware and thankful to all those employees who made it all happen in both the ports of Namibia, in all ranks and in all departments. I appreciate your contribution and thank you all.

Namport's business relationship with its clients was further developed during the year, mainly through the activities of the Walvis Bay and Lüderitz Port Users associations.

I express my special thanks to our clients for their support and cooperation and trust that this cordial relationship will be maintained in the ensuing year.



**Capt J-D von der Fecht**  
CHIEF EXECUTIVE OFFICER

18 July 1997

## Mission Statement

# Mission

*Namport is committed to providing, facilitating and promoting efficient and effective port and related services for seaborne trade*

*between Namibia, its neighbours and their international trading partners as well as for the*

*Namibian fishing*

*and other offshore industries.*

*Our goal will be to achieve excellent customer care.*

*We aim to operate cost effectively whilst generating sufficient funds to make a reasonable return on investment for long-term sustainable growth.*

*We promote and encourage the active participation of all personnel and other stakeholders in achieving our goals. In this process, Namport will*

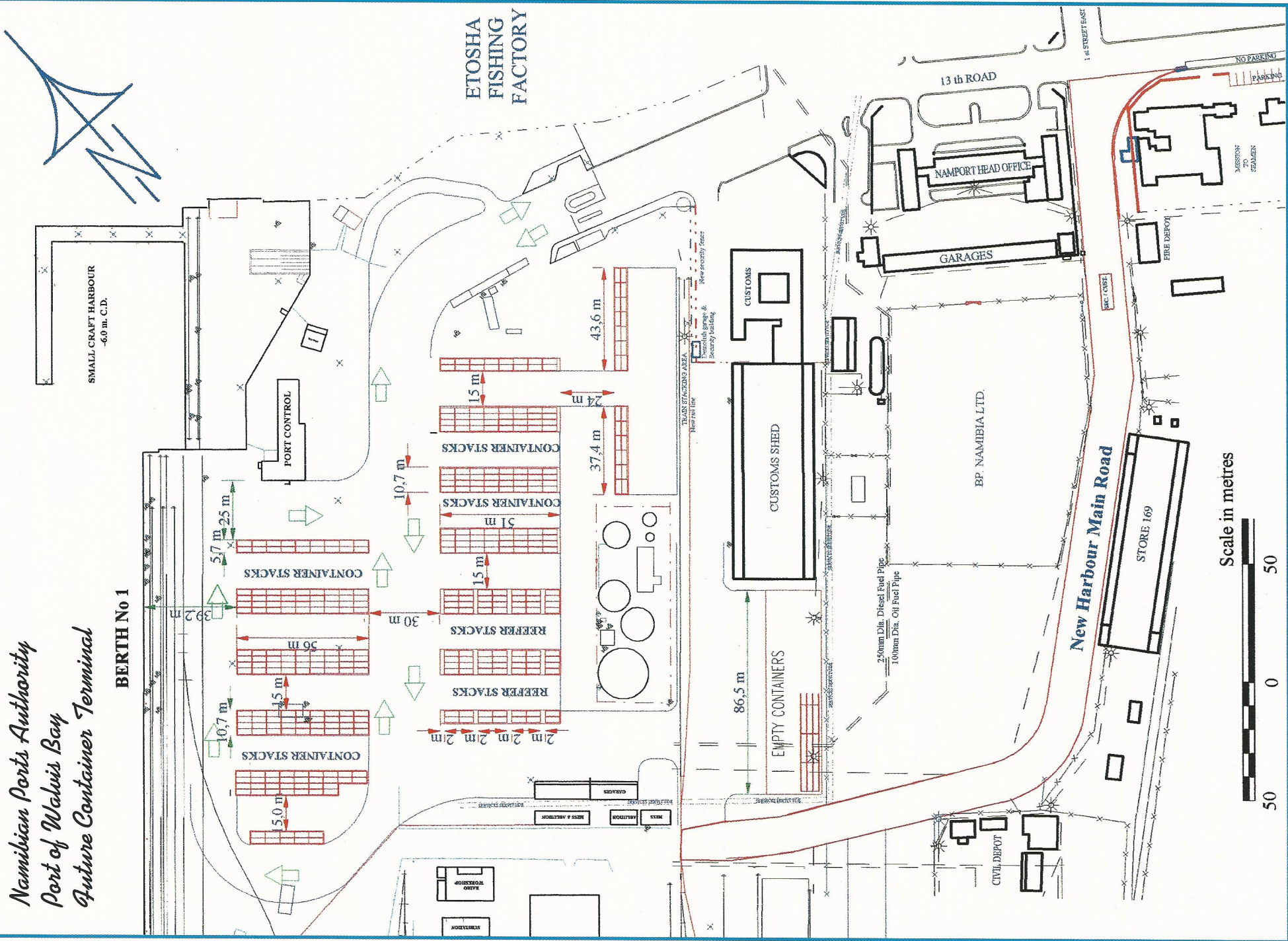
*provide competitive conditions of service and a safe working environment while standing for equal opportunity for all our employees*

*Namport strives to facilitate economic growth in Namibia by promoting foreign trade.*

## Values

- Participatory Management
- Openness and Fairness
- Honesty and Integrity
- Commitment to Excellence
- Accountability
- Reward Initiative and Performance
- Acceptance of Change
- Competitive
- Always put the client first
- Namport is an equal opportunity employer who develops its personnel to the highest potential
- Focus on operational efficiency and good business sense

*Namibian Ports Authority  
Port of Walvis Bay  
Future Container Terminal*



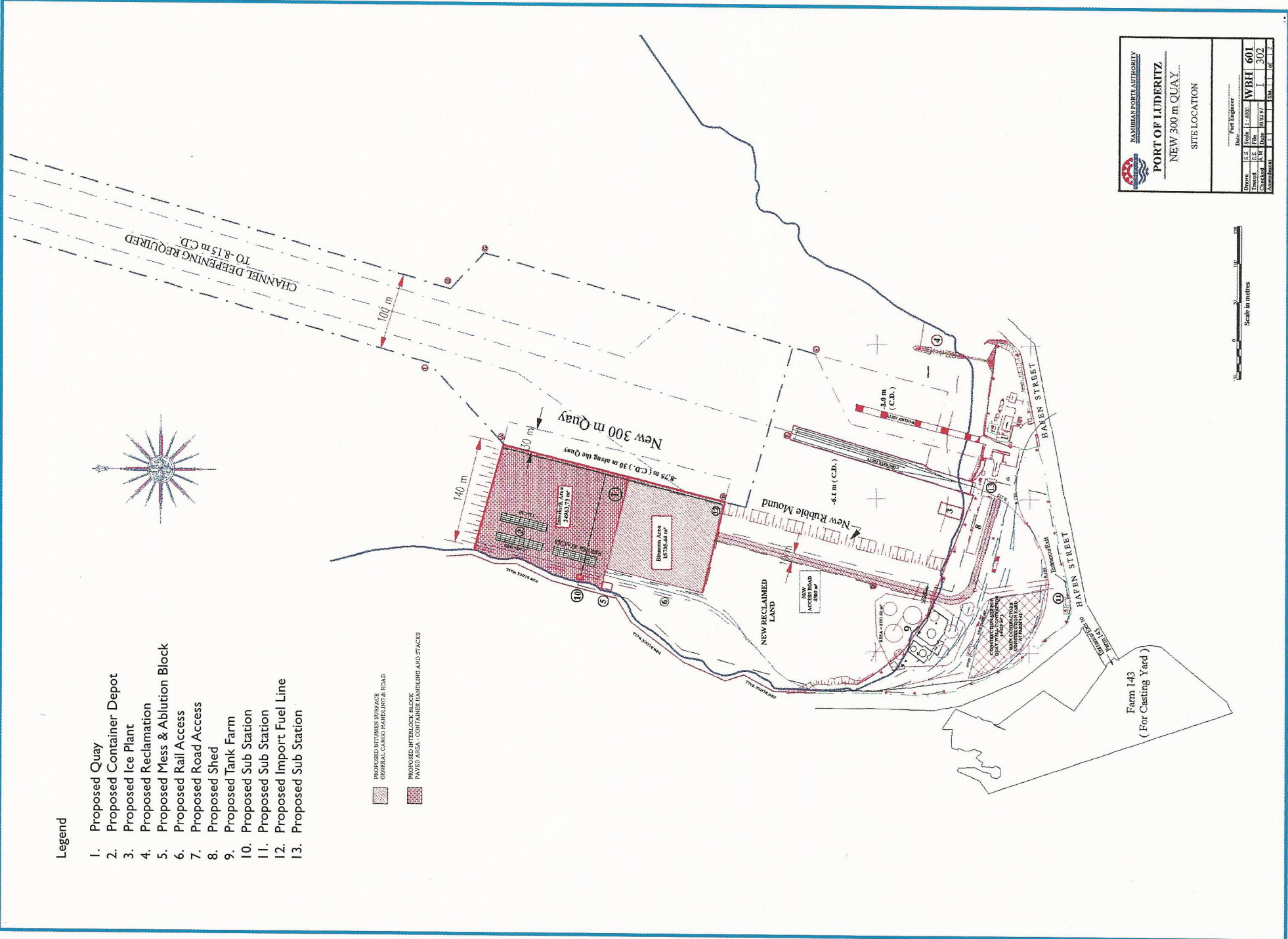
*Upgrading of the Port of Walvis Bay*

- ▲ The main emphasis has been placed on increasing the port's container handling capacity as well as catering for the increased number of refrigerated 12 m containers.
  - ▲ At the same time, provision has been made for relocating the container terminal to an area of the port which could be dredged to a depth of 12,80m below chart datum.
  - ▲ The new container terminal will be located at berths 1 and 2, with the option to extend it to berth 3 at a later stage. The terminal will have its designated port entrance and exit to increase safety, security and speed of operations. While the old terminal has 216 ground slots, the new one will have 382.
  - ▲ Provision will be made for 210 reefer plugs, more than double the number planned for only a year ago, for the potential fruit and meat exports from the region.
  - ▲ A pre-feasibility study has indicated
- the economic viability of dredging the relevant harbour area and approach channel to this depth (estimated cost at approximately N\$ 80 million), and a full feasibility study for a major dredging project is currently under way.
  - ▲ upgrading of the Synchrolift, including repairs to concrete structure which has already been completed, electrical works which has already been completed, safety equipment required.
  - ▲ upgrading of the tanker jetty, which includes fire-fighting facilities, security fencing, safety equipment, timber pile rehabilitation and electrical installation.
  - ▲ general port upgrading, including port fencing, strengthening of crane and reach stacker traffic areas, provision of additional safety equipment, fire main, port arterial road, reach stacker garage.
  - ▲ To cater for the already existing new 12m container traffic, from its own resources Namport acquired
- two 45t reach stackers in 1996, while the mobile harbour crane with container handling capacity for Panamax size vessels was delivered during February 1997.
  - ▲ Investments in equipment for the container terminal to date exceed N\$18 million.
  - ▲ Construction work on the new terminal is due to commence in August 1997 with completion of the project scheduled for April 1998. It is estimated that this work will entail investment of a further N\$10 million.
  - ▲ The new harbour entrance road link will be financed by local funds. Tenders have been called on a regional basis due to contract value estimated below N\$1 million
  - ▲ Further investment opportunities exist within the harbour area for the development of warehousing, including free port and distribution centre facilities, to complement the corridor development.



# Upgrading of the Port of Lüderitz

- it is planned to develop a 300 m long quay wall with reclaimed storage area on the Shark Island side of Robert Harbour.
- Although this depth is less than what Namport had hoped to achieve, it will represent a major improvement on the present situation.
- The new facility will be able to cater for medium size feeder vessels to take cargo from and to Lüderitz.
- This development is just in time to cater for the anticipated mining activities in the South and direct fuel imports
- Namport has placed a contranomatic trailer and hauler (Deacon)
- provision of a goods stacking area and access road
- The new facility will be able to cater for medium size feeder vessels to take cargo from and to Lüderitz.
- This development is just in time to cater for the anticipated mining activities in the South and direct fuel imports
- Namport has placed a contranomatic trailer and hauler (Deacon)
- additional fuel tanks and construction of multi-purpose shed
- Due to rock formations inside the bay, depth alongside the new quay will be restricted to 8m below chart datum.
- provision of container and breakbulk handling equipment
- Due to rock formations inside the bay, depth alongside the new quay will be restricted to 8m below chart datum.
- Construction work is due to commence in early September 1997 with completion of the project scheduled for 19 February 1999.



## Home Ownership

Namport's social responsibility programme is designed to encourage home ownership among employees and to enable employees to purchase homes through a home loan subsidy scheme. The current scheme has enabled 55% of Namport's employees to become home owners as opposed to 30% in 1995 and only 20% in 1994.

## Retirement Fund

Employees are encouraged to accept accountability for their own future retirement plans. This is highlighted by the Namport Retirement Fund which allows for equal trustee representation from management and employees. The current fund is a defined contribution fund and is administered independently of the Authority.

Present employer contributions to the fund are 12.5% and employee contributions 7.5%.

## Medical Aid

Medical aid benefits under the Medical Scheme, which is currently one of the best Schemes available in Namibia, are provided to 365 employees and 450 dependants.

Namport participates in AIDS awareness campaigns and has trained employees as peer educators to educate employees, their families and the community regarding the AIDS virus and its effects.

## Education and Training

A study loan scheme has been implemented to assist children of employees who wish to study full-time but cannot do so because of lack of financial resources. A committee allocates the funds annually in accordance with the rules of the Scheme.

Namport is committed to training its present personnel to aspire to higher

levels within the organisation. In its ongoing commitment to encourage Namibians to develop their potential, not only for Namport but for Namibia as a whole, Namport has embarked on a three year marine cadet training scheme to train Namibian deck officers and engineers for the future. Furthermore, in a drive to address the shortage of qualified technical persons in Namibia, Namport annually sponsors a number of apprentices and provides job attachments for them during compulsory practical periods.

Skills upgrading takes place on a regular basis for current employees and is coupled to Namport's strategy of multiskilled training to ensure a more flexible workforce.

Formal training courses remain an important aspect of the development program and special emphasis is placed on the previously disadvantaged group which currently comprises 80% of the cadet and apprenticeship training complement.

Namport's literacy training programme is under review with the intention to use in-house trainers in future to provide more

flexible timing of lectures to allow for the shift systems of certain of Namport's operational personnel.

The development of our human resources, their knowledge skills and abilities is a vital part of Namport's business strategy and accordingly generous budgetary provision is made for training.

## Wage Negotiations

Annual wage negotiations were conducted in a positive atmosphere and were concluded without industrial action. Namport is committed to fostering a constructive relationship with all its employees.

All employees are paid market related salaries based on market research and coupled to a job evaluation programme.

## Performance Management System

A performance management system will be implemented during the latter part of 1997.

**Table : Personnel Strengths per job category**

Category	Walvis Bay	Lüderitz
Management	9	1
Middle Management	14	1
Supervision	22	5
Administrative (Clerical)	26	1
Technical (skilled)	46	5
Technical (semi-skilled)	46	8
Operational (skilled)	58	10
Operational (semi-skilled)	5	2
General Worker	120	9
<b>TOTAL</b>	<b>346</b>	<b>42</b>

## Risk Management

Namport's risk management programme is reviewed on an ongoing basis and a risk analysis is carried out by Namport's insurers annually to identify and evaluate potential risk areas.

Namport is committed to safety and health in the workplace and acknowledges the right of the worker to a safe and healthy environment.

Namport will ensure that each and every Namport employee is fully aware of the provisions and ramifications of the proposed Regulations on the Health and Safety of Employees at Work and of his/her rights and obligations in terms thereof.

**Table : Incidents per Business Unit**

	Port Captain	Cargo Handled	Equipment	Port Engineer	Finance Admin	Synchro	Lüderitz
W.C.C.*	1	8	0	3	0	1	2
Fire	0	0	0	0	0	0	0
Vehicle	1	3	1	2	2	0	2
Property	5	1	0	0	0	1	1
Security	0	2	0	1	0	0	1
Other	2	0	0	1	0	0	1
<b>TOTAL</b>	<b>9</b>	<b>14</b>	<b>1</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>7</b>

\*Workmens Compensation Claims

**Table : Dollar Losses per Business Unit**

	Port Captain	Cargo Handled	Equipment	Port Engineer	Finance Admin	Synchro	Lüderitz
W.C.C.*	800	12,080	0	4,120	0	85	2,800
Fire	0	0	0	0	0	0	0
Vehicle	4,000	223	30,000	32,145	126,600	0	8,200
Property	66,365	8,242	0	0	0	28,340	1,000
Security	0	1,600	0	446	0	0	3,336
Other	5,000	5,198	0	8,000	0	0	1,000
<b>TOTAL</b>	<b>76,165</b>	<b>27,343</b>	<b>30,000</b>	<b>44,711</b>	<b>126,600</b>	<b>28,425</b>	<b>16,336</b>

\*Workmens Compensation Claims

**Table : Age Profile of Personnel**

Age Group	Number	Percent
18 - 25	22	6
26 - 32	56	14
33 - 39	99	25
40 - 46	104	27
47 - 53	77	20
54 - 60	27	7
60+	3	1
<b>TOTAL</b>	<b>388</b>	<b>100</b>



### Affirmative Action

Namport recognises that discrimination at the social, economic and political levels has led to certain population groups being disadvantaged in terms of career and business opportunities. This has targeted Namport to redress the situation in a short to medium term timeframe, without compromising corporate performance and efficiency in the process, through implementation of its Affirmative Action policy.

In creating an enabling environment for its Affirmative Action policy, Namport addresses specific issues such as the provision of alternative career-advancement paths to overcome the barriers to promotion which exist as a result of inferior or inadequate training at school level as well as the provision of a mentor

system. Critical success factors have been established and line policies put in place to ensure the success of the affirmative action programme.

### Environment

Namport is tasked by Section 14(i) of the Namibian Ports Authority Act to protect the environment within its area of jurisdiction. It endeavours to conduct its business in an environmentally sustainable manner and accordingly Environmental Impact Assessments are undertaken prior to any new port development taking place.

Namport is actively involved in the formulation of a National Oil Spill Contingency Plan for Namibia and in the prevention and control of oil pollution in its area of jurisdiction. Two senior marine

officers have received intensive practical training in this field and have recently demonstrated their expertise and skills in an oil pollution exercise conducted in Walvis Bay waters.

The Marine Oil Pollution Control Unit (SFT) in Norway has kindly donated oil pollution equipment with a replacement value of N\$500 000 to Namport which equipment has been positioned in both the ports of Walvis Bay and Lüderitz.

### Stevedoring in the ports

Rules and Regulations for Stevedores operating in the ports of Namibia are in the process of being formulated to ensure a high level of efficient stevedoring services and equipment in a competitive environment.

### KEY FINANCIAL INDICATORS

	12 Months		14 Months	
	1996/1997	12 Month 1995/96	12 Month	1994/95
Turnover	73,946	67,991	57,461	
Operating profit	22,070	24,609	14,410	
Profit before taxation	20,574	21,569	9,876	
Return on assets	13%	19%	14%	
Return on equity	26%	32%	18%	
Operating profit margin	30%	36%	25%	
Total assets	171,559	128,645	103,854	
Shareholder's interest	80,619	68,167	55,241	
Borrowings	50,088	35,994	34,991	
Debt: Equity ratio	0.62	0.53	0.63	
Liquidity ratio	1.41	1.69	2.56	
Number of employees *	388	385	355	
Turnover per employee (N\$ 1000)	191	177	159	
Assets per employee (N\$ 1000)*	442	334	276	

\* 1994/95 excludes Lüderitz employees, as only results for month of April 1995 included.



CARGO HANDLED AT THE PORT OF WALVIS BAY (freight tons)

	92/93	93/94	94/95	95/96	96/97
<b>DRY CARGO</b>					
Landed					
Bulk and Breakbulk	356,879	313,287	361,401	311,872	218,068
Shipped	356,879	313,287	361,401	311,872	218,068
Bulk and Breakbulk	445,904	440,257	500,297	495,108	501,003
Transhipped	445,904	440,257	500,297	495,108	501,003
Bulk and Breakbulk	54,465	92,740	30,213	29,232	29,233
	54,465	92,740	30,213	29,232	29,233
<b>Total dry cargo handled</b>	<b>857,248</b>	<b>846,284</b>	<b>891,911</b>	<b>836,212</b>	<b>748,304</b>
<b>LIQUID CARGO</b>					
Landed					
Petroleum	459,231	435,384	580,059	719,414	676,675
Other	459,231	9,792	246	63	65,332
Shipped	9,397	8,583	2,395	6,762	4,524
Other	9,397	8,583	2,395	6,762	4,524
<b>Total liquid cargo handled</b>	<b>468,628</b>	<b>453,759</b>	<b>582,700</b>	<b>726,239</b>	<b>746,531</b>
<b>CONTAINERIZED CARGO</b>					
Landed					
	108,556	143,717	168,677	183,540	195,598
Shipped	108,556	143,717	168,677	183,540	195,598
	162,380	173,302	162,424	151,528	124,436
Transhipped	162,380	173,302	162,424	151,528	124,436
	8,140	2,616	1,834	8,424	7,505
	8,140	2,616	1,834	8,424	7,505
<b>Total containerized cargo</b>	<b>279,076</b>	<b>319,635</b>	<b>332,935</b>	<b>343,492</b>	<b>327,539</b>
<b>Total cargo handled</b>	<b>1,604,952</b>	<b>1,619,678</b>	<b>1,807,546</b>	<b>1,905,943</b>	<b>1,822,374</b>
<b>CONTAINERS HANDLED AT THE PORT OF WALVIS BAY (Twenty-foot Equivalent Units)</b>					
Landed	9,536	9,323	10,307	11,540	11,105
Shipped	9,291	10,046	9,743	11,569	10,265
<b>Total Teu's</b>	<b>18,827</b>	<b>19,369</b>	<b>20,050</b>	<b>23,109</b>	<b>21,370</b>

NAMIBIAN PORTS AUTHORITY

NUMBER OF VESSELS VISITS TO THE PORT OF WALVIS BAY (by type of vessel)

	92/93	93/94	94/95	95/96	96/97
Container	54	56	55	66	74
Reefer	64	87	116	89	84
Foreign fishing vessels	474	441	286	252	305
Namibian fishing vessels	0	0	135	119	136
Petroleum	22	23	24	27	32
Other cargo vessels	149	101	126	124	94
Other	116	115	68	101	119
<b>TOTAL</b>	<b>879</b>	<b>823</b>	<b>810</b>	<b>778</b>	<b>844</b>

MAIN COMMODITIES HANDLED AT THE PORT OF WALVIS BAY (Freight tonnes)

	92/93	93/94	94/95	95/96	96/97
<b>LANDED</b>					
PETROLEUM	459,231	435,384	580,059	719,414	676,675
FISH PRODUCTS	61,744	61,291	106,650	108,062	110,020
SULPHURIC ACID	—	9,792	246	63	65,332
WHEAT	32,126	34,828	44,774	62,794	29,835
MAIZE	138,896	44,916	17,326	67,046	413
SUGAR	38,989	39,344	45,045	50,741	55,630
COAL	81,104	147,859	154,315	47,070	51,884
VEHICLES	4,080	4,226	10,609	19,129	9,463
COPPER / LEAD AND CONC.	10,039	4,386	17,479	14,855	5,260
CEMENT	10,508	18,728	19,835	18,863	19,790
MALT	8,100	7,150	9,050	11,254	15,211
WINE	10,333	15,487	15,523	10,432	10,082
OTHER	69,516	78,790	8,947	85,166	106,078
<b>TOTAL</b>	<b>924,666</b>	<b>902,108</b>	<b>1,029,858</b>	<b>1,214,889</b>	<b>1,155,673</b>
<b>SHIPPED</b>					
SALT BULK AND BAGGED	356,120	351,500	370,206	296,905	325,242
MANGANESE ORE	—	—	29,360	104,096	63,103
FISH PRODUCTS	84,371	103,774	108,981	76,326	77,545
COPPER AND LEAD	56,738	50,956	38,516	37,844	33,731
FLUORSPAR	43,345	32,434	52,782	34,732	31,286
FLAT CARTONS	7,250	10,130	11,200	19,152	14,428
MARBLE AND GRANITE	14,945	20,169	13,760	11,244	13,168
CHARCOAL	—	2,820	5,400	14,191	19,758
SKINS AND HIDES	8,379	9,623	6,851	10,521	8,397
FERTILIZER (GUANO)	1,569	3,271	1,764	2,412	1,760
OTHER	44,965	37,466	26,296	45,975	41,545
<b>TOTAL</b>	<b>617,682</b>	<b>622,143</b>	<b>665,116</b>	<b>653,398</b>	<b>629,963</b>

## Port Statistics

### CARGO HANDLED AT THE PORT OF LÜDERITZ (Freight tonnes)

	*92/93	*93/94	*94/95	95/96	96/97
<b>Cargo landed</b>					
Fuel	13,601	16,510	21,257	32,518	39,805
Fish	6,684	10,393	14,959	8,850	18,312
Other	1,991	1,855	3,511	117	1,037
<b>Total landed</b>	<b>22,276</b>	<b>28,758</b>	<b>39,727</b>	<b>41,485</b>	<b>59,154</b>
<b>Cargo shipped</b>					
Fish & Bait	5,135	4,028	11,916	6,836	10,209
Ice	2,142	6,510	10,753	7,992	14,462
Other				409	3,389
<b>Total shipped</b>	<b>7,277</b>	<b>10,538</b>	<b>22,669</b>	<b>15,237</b>	<b>28,060</b>
<b>Cargo transhipped</b>					
Fish	15,188	12,217	8,566	32,407	15,858
Other	—	—	4	5,836	—
<b>Total transhipped</b>	<b>15,188</b>	<b>12,217</b>	<b>8,570</b>	<b>38,243</b>	<b>15,858</b>
<b>Total</b>	<b>44,741</b>	<b>51,513</b>	<b>70,966</b>	<b>94,965</b>	<b>103,072</b>
<b>NUMBER OF VESSEL VISITS TO THE PORT OF LÜDERITZ</b>	<b>333</b>	<b>826</b>	<b>884</b>	<b>1127</b>	<b>1253</b>

\* 1992/93 to 1994/95 statistics are shown courtesy of TransNamib Limited. TransNamib Limited calculated annual statistics for the periods April to March so as to conform with financial year, while the statistics for 1995/96 and 1996/97 is calculated for the period May to April, so as to conform to the financial year end of the Namibian Ports Authority.

## Value Added Statement

	1997 N\$000	%	1996 N\$000	%
<b>Value added:</b>				
Turnover	73,946		67,991	
Paid to suppliers of materials and services	16,310		12,317	
	<b>57,636</b>	100	<b>55,674</b>	100
<b>Value distributed:</b>				
<b>Employees</b>	<b>23,729</b>	41	<b>21,321</b>	38
Salaries, wages and related benefits				
<b>Providers of capital</b>	<b>5,214</b>	9	<b>5,438</b>	10
Interest on borrowings				
<b>Government</b>	<b>7,440</b>	13	<b>8,156</b>	15
Direct taxes on profits				
	<b>36,383</b>	63	<b>34,915</b>	63
<b>Retained for reinvestment</b>				
Depreciation	6,229	11	4,922	9
Provision for dredging	2,572	4	2,572	5
Retained profit	12,452	22	13,265	24
	21,253	37	20,759	37
	<b>57,636</b>	100	<b>55,674</b>	100

NAMIBIAN PORTS AUTHORITY

30 April 1997

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

Auditors' report	Page
Directors' report	20
Accounting policies	21-22
Balance sheet	23-24
Income statement	25
Cash flow statement	26
Notes to the annual financial statements	27
	28-33

The annual financial statements were approved by the board of directors and are signed on its behalf.

*J. von der Fecht*

J DVON DER FECHT  
CHIEF EXECUTIVE OFFICER

*J. D. Jurgens*

J D JURGENS  
CHAIRPERSON

REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBER OF  
NAMIBIAN PORTS AUTHORITY

We have audited the annual financial statements set out on pages 21 to 33. These financial statements are the responsibility of the Authority's directors. Our responsibility is to report on these financial statements.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that, in all material respects, fair presentation is achieved in

the financial statements. An audit includes an evaluation of the appropriateness of the accounting policies, an examination, on a test basis, of evidence supporting the amounts and disclosures included in the financial statements, an assessment of the reasonableness of significant estimates and a consideration of the appropriateness of the overall financial statement presentation. We consider that our audit procedures were appropriate in the circumstances to express our opinion presented below.

In our opinion these financial statements fairly present the financial position of the Authority at 30 April 1997, and the results of its operations and cash flow information for the year then ended in conformity with generally accepted accounting practice and in the manner required by the Companies Act.

*Coopers & Lybrand*

COOPERS & LYBRAND  
CHARTERED ACCOUNTANTS (NAMIBIA)

18 July 1997



NAMIBIAN PORTS AUTHORITY

30 April 1997

1. The directors present their annual report which forms part of the annual financial statements of the Authority for the year ended 30 April 1997.

**Nature of business**

2. The Authority manages and exercises control over the operations of the ports and lighthouses and other navigational aids in Namibia and its territorial waters and provides facilities and services normally related to the functioning of a port.

**Financial results**

	1997 N\$ 000	1996 N\$ 000
Profit before taxation	20 574	21 569
Taxation	(7 440)	(8 156)
Share of deficit of associate	(682)	(148)
Retained profit at the beginning of the year	17 823	4 558
Retained profit at the end of the year	30 275	17 823

**Turnover**

4. The proportions of turnover attributable to the different categories of the Authority's business were:

	1997		1996	
	N\$ 000	% of Total	N\$ 000	% of Total
Wharfage	23 050	31%	22 753	33%
Port and berth dues	6 709	9%	4 652	7%
Marine services	19 833	27%	17 421	26%
Cargo services	18 971	26%	17 646	26%
Port Authority services	5 383	7%	5 519	8%
	73 946	100%	67 991	100%

**Ownership of land**

5. Land, as stated in note 4 to the financial statements, is in the process of being registered in the name of the Authority.

**Auditors**

6. The auditors for the ensuing three financial years will be selected on a tender basis in accordance with guidelines agreed with the Auditor-General.



NAMIBIAN PORTS AUTHORITY

30 April 1997

**Directors**

7. In terms of Section 4 of the Namibian Ports Authority Act, 1994, directors are appointed by the Minister of Works, Transport and Communication for a three year period. The following directors, whose period of office expired on 28 February 1997, were re-appointed for a period of three years with effect from 1 March 1997:

Mr D H Conradie	(Appointed 1 September 1996)
Capt J-D von der Fecht	
Mr H T J Dennewill	
Dr P T Shipoh	
Mr J C Rogers	
Ms S T Harris	

8. The following directors served on the board of directors in their capacities as Permanent Secretaries in terms of Section 4 of the Act:

Dr J D Jurgens	(Resigned 25 October 1996)
Mr G Gauseb	(Appointed 2 December 1996)
Mr U Maamberua	(Appointed 21 April 1997)
Mr S T Hiveluah	

9. The following, who were directors on 1 May 1996, resigned during the year under review:

	Date resigned
Capt I A Wingate	28 June 1996
Mr T Mberirua	2 August 1996



30 April 1997

The financial statements are prepared on the historical cost basis and incorporate the following principle accounting policies which have been consistently applied in all material respects.

**1. FIXED ASSETS**

All assets are included at cost. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use. Maintenance and repairs are expensed as and when incurred. Depreciation is recorded by a charge to operating profit computed on a straight-line basis so as to write off the cost of the assets over their expected useful lives. The expected useful lives are as follows:

Floating craft	10 years
Structures	25 years
Buildings	20 years
Computer equipment	3 years
Machinery equipment and furniture	5 years
Containers	10 years

**2. LEASED ASSETS**

Assets acquired under finance lease agreements that transfer to the Authority all the risks and rewards of ownership, are capitalised at their cash cost equivalent. The capital element of the leasing commitment is disclosed under long-term liabilities. Lease instalments are apportioned between their capital and interest components, using the effective interest rate method.

Lease instalments in respect of assets leased under operating lease agreements are charged to income as and when incurred.

**3. INVENTORIES**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes transport and handling cost. Where necessary, provision is made for obsolete and slow-moving inventories with regard to its age, condition and utility.

**4. ASSOCIATES**

Associates are those investments, in which the Authority has a long-term interest and over which it exercises significant influence, but not control. The Authority's share of post-acquisition results of associates is included in the financial statements using the equity method.



30 April 1997

**5. INVESTMENTS**

Investments other than in associates are stated at cost and are written down only where there is a permanent impairment in value. Premiums paid on company owned endowment policies are capitalised as investments. These investments are stated at cost adjusted by the amount of guaranteed bonuses declared by the underwriters.

**6. DEFERRED TAXATION**

Deferred tax represents the tax effect of temporary differences between accounting and taxable income and is provided at current rates on all such differences using the comprehensive method. Where the effects of timing differences result in deferred tax assets, these assets are accounted for only to the extent that their recoverability is assured beyond reasonable doubt.

**7. PROVISION FOR DREDGING**

Provision for dredging is made at the current value of the expected cost to restore the harbours and access channels to required draft. Dredging is expected to be carried out at intervals of five to eight years.

**8. REVENUE RECOGNITION**

Sales are recorded in the financial statements at the date services are provided to customers.

**9. FOREIGN CURRENCIES**

Transactions in foreign currencies are accounted for at the rate of exchange ruling on the date of the transaction. Where the transaction is covered by a forward exchange contract the rate specified in the contract is used.

Assets and liabilities in foreign currencies are translated to Namibian currency at the rates of exchange ruling at the end of the financial year or at rates applicable to forward exchange contracts. Translation surpluses and deficits are included in operating profit.

# Balance Sheet

# Income Statement

## NAMIBIAN PORTS AUTHORITY

## NAMIBIAN PORTS AUTHORITY

30 April 1997

for the year ended 30 April 1997

	Note	1997 N\$'000	1996 N\$'000
<b>CAPITAL EMPLOYED</b>			
Capital account	1	50 344	50 344
Retained profit		30 275	17 823
Shareholder's interest		80 619	68 167
Borrowings	2	50 089	35 994
Provision for dredging		7 398	4 826
Deferred taxation	3	10 619	4 676
		<u>148 725</u>	<u>113 663</u>
<b>EMPLOYMENT OF CAPITAL</b>			
Fixed assets	4	99 369	78 605
Investment in associate	5	2 863	3 545
Investments	6	37 156	21 150
Net current assets		9 337	10 363
Current assets			
Inventories		639	483
Accounts receivable		8 098	8 832
Bank and cash balances		23 434	16 030
		<u>32 171</u>	<u>25 345</u>
Current liabilities			
Accounts payable		21 337	6 184
Taxation		1 497	8 798
		<u>22 834</u>	<u>14 982</u>
		<u>148 725</u>	<u>113 663</u>

	Note	1997 N\$'000	1996 N\$'000
Revenue	11	73 946	67 991
Operating profit	12	22 070	24 609
Finance costs	13	1 496	3 040
Profit before taxation		20 574	21 569
Taxation	14	7 440	8 156
Profit after taxation		13 134	13 413
Share of accumulated loss of associate		682	148
Retained profit for the year		12 452	13 265
Retained profit			
- at the beginning of the year		17 823	4 558
- at the end of the year		30 275	17 823

# Cash Flow Statement

## NAMIBIAN PORTS AUTHORITY

for the year ended 30 April 1997

Note	1997 N\$'000	1996 N\$'000
Cash flow from operating activities		
Cash generated by operations	30 900	31 712
Cash generated by a decrease in/(utilised to increase) working capital	15 731	(1 241)
Cash generated by operating activities	46 631	30 471
Finance costs	(1 496)	(3 040)
Taxation paid	(8 798)	—
Cash required by operating activities	36 337	27 431
Cash utilised in investing activities to expand operations	(43 028)	(29 281)
Fixed assets acquired	(27 203)	(8 814)
Investments acquired	(16 006)	(21 150)
Proceeds on disposal of fixed assets	181	683
Net cash utilised	(6 691)	(1 850)
Cash effects of financing activities		
Loan advance to associate	—	(430)
Borrowings raised	14 095	1 003
Cash generated/(utilised)	7 404	(1 277)
Bank balance - at the beginning of the year	16 030	17 307
- at the end of the year	23 434	16 030

# Notes to the Annual Financial Statements

## NAMIBIAN PORTS AUTHORITY

30 April 1997

### 1. Capital account

The capital account of the Authority is the net value of assets transferred from the shareholder on 1 March 1994.

	1997 N\$'000	1996 N\$'000
	30 000	30 000

### 2. Borrowings

Loan secured by cession over deposits at financial institutions to the amount of N\$ 21 765 000. The loan bears interest at a fixed rate of 15,8% per annum for the first two years, whereafter it is renewable for a period or periods totalling 5 years with the option of a further 3 years at the discretion of the bank. Interest is payable monthly in arrears.

Unsecured loan bearing interest at 10% per annum repayable in 36 bi-annual instalments commencing December 2000.

Unsecured loan, bearing no interest. No agreement has been reached in respect of repayment thereof.

Liabilities under capitalised finance leases payable over three years at an interest rate of 2% below the prime bank interest rate of Namibia.

Current portion of finance leases included in accounts payable

### 3. Deferred tax

Balance at the beginning of the year  
Movement during the year attributable to:  
Timing differences  
Change in rate of tax

	1997 N\$'000	1996 N\$'000
	4 676	1 723
	5 943	3 089
	—	(136)
	10 619	4 676

Balance at the end of the year

The balance comprises capital allowances.



## NAMIBIAN PORTS AUTHORITY

30 April 1997

4. Fixed assets	Land, structures and buildings N\$'000	Floating craft N\$'000	Vehicles, machinery, equipment and furniture N\$'000	Leased assets N\$'000	Work-in-progress N\$'000	Total N\$'000
At 1 May 1996	63 838	11 894	14 585	1 406	286	92 009
Additions	1 137	32	23 646	718	1 956	27 489
Disposals and transfers	(1)	—	(326)	—	(286)	(613)
Cost at 30 April 1997	64 974	11 926	37 905	2 124	1 956	118 885
Depreciation	(6 229)	(2 430)	(4 574)	(171)	—	(13 404)
Charge for the year	(2 149)	(1 191)	(2 511)	(377)	—	(6 228)
Depreciation on disposals	—	—	116	—	—	116
Depreciation at 30 April 1997	(8 378)	(3 621)	(6 969)	(548)	—	(19 516)
Net book value at 30 April 1997	56 596	8 305	30 936	1 576	1 956	99 369
1996	62 437	11 345	9 740	—	—	83 522
Additions	1 654	549	4 919	1 406	286	8 814
Disposals	(253)	—	(74)	—	—	(327)
Cost at 30 April 1997	63 838	11 894	14 585	1 406	286	92 009
Depreciation	(4 120)	(1 268)	(3 129)	—	—	(8 517)
Charge for the year	(2 112)	(1 162)	(1 478)	(170)	—	(4 922)
Depreciation on disposals	3	—	32	—	—	35
Depreciation at 30 April 1997	(6 229)	(2 430)	(4 575)	(170)	—	(13 404)
Net book value at 30 April 1997	57 609	9 464	10 010	1 236	286	78 605

A register of land, buildings and structures is open for inspection by the shareholder at the registered office of the Authority.

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## NAMIBIAN PORTS AUTHORITY

30 April 1997

5. Investment in associate	1997 N\$'000	1996 N\$'000
Unlisted shares at cost	(830)	(148)
Share of post-acquisition losses	2 433	3 115
Unsecured loan	430	430
Directors' valuation of shares	2 433	3 115
Number of shares held	251	251
Proportion owned	25,1%	25,1%

The company operates a bulk handling terminal.

Walvis Bay Bulk Terminal (Proprietary) Limited prepares its financial statements to 31 December so as to conform with the financial year of its holding company. The results for the year ended 31 December 1996, so far as they relate to the Authority's interest, have been included on the equity basis of accounting.

Aggregate financial information:

## Balance sheet

## Employment of capital

Fixed assets	19 964	20 881
Net current liabilities	(9 840)	(8 040)
Capital employed	10 124	12 841
Share capital and reserves	9 694	12 411
Long-term liabilities	430	430
Income statement	10 124	12 841
Revenue	4 390	1 655
Loss after taxation	2 401	589

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## NAMIBIAN PORTS AUTHORITY

30 April 1997

	1997 N\$'000	1996 N\$'000
<b>6. Investments</b>		
Long-term deposits at financial institutions	<u>37 156</u>	<u>21 150</u>
<b>7. Inventories</b>		
Inventories consist of consumable stores	<u>639</u>	<u>483</u>
<b>8. Pension fund</b>		
At the financial year-end, all the permanent employees of the Authority were members of the Namport Retirement Fund, a defined contribution fund, governed by the Pension Fund Act. Employees' contributions amount to 7,5% of basic salary, and the company's contribution amounts to 12,5% of basic salary. An actuarial valuation has not yet been done.		
<b>9. Contingent liability</b>		
Claim lodged by customer in respect of dispute on tariffs charged	<u>927</u>	<u>—</u>
The directors do not accept the customer's contention and are arranging to defend the action should litigation arise.		
Guarantee in favour of Municipality, Walvis Bay	<u>60</u>	<u>60</u>
	<u>987</u>	<u>60</u>
<b>10. Capital expenditure approved</b>		
Commitments in respect of contracts placed	<u>58 571</u>	<u>2 626</u>
Approved by directors in addition to contracts placed	<u>2 029</u>	<u>5 894</u>
Approved expenditure outstanding	<u>60 600</u>	<u>8 520</u>

It is intended to finance capital expenditure from existing borrowing facilities and from working capital generated.

## NAMIBIAN PORTS AUTHORITY

30 April 1997

	1997 N\$'000	1996 N\$'000
<b>11. Revenue</b>		
Sales, which excluded General Sales Tax and inter-divisional transactions, represent income from harbour activities and related services.		
<b>12. Operating profit</b>	<u>197</u>	<u>196</u>
	<u>N\$'000</u>	<u>N\$'000</u>
<b>Operating profit is stated after charging:</b>		
Auditors' remuneration	142	159
Audit fees	107	122
Other services	35	37
Depreciation	6 228	4 922
Land, structures and buildings	2 149	2 112
Floating craft	1 191	1 162
Vehicles and equipment	2 511	1 478
Leased assets	377	170
(Loss)/profit on disposal of fixed assets	<u>(30)</u>	<u>391</u>
<b>13. Finance costs</b>		
Interest paid	5 214	5 438
Interest received	<u>(3 718)</u>	<u>(2 398)</u>
	<u>1 496</u>	<u>3 040</u>
<b>14. Taxation</b>		
Namibian normal tax		
Current taxation	1 497	5 203
Deferred taxation	<u>5 943</u>	<u>2 953</u>
	<u>7 440</u>	<u>8 156</u>

NAMIBIAN PORTS AUTHORITY

30 April 1997

	1997 N\$'000	1996 N\$'000
<b>15. Cash flow from operations</b>		
Operating profit	22 070	24 609
Adjustment for non-cash items:		
Depreciation	6 228	4 922
Loss/(profit) on sale of fixed assets	30	(391)
Provision for dredging	2572	2 572
	<u>30 900</u>	<u>31 712</u>
<b>16. Cash generated by a decrease in/(utilised to increase) working capital</b>		
Inventories	(156)	30
Accounts receivable	734	(1 066)
Accounts payable	15 153	(205)
	<u>15 731</u>	<u>(1 241)</u>
<b>17. Reconciliation of taxation paid during the year</b>		
Balance at the beginning of the year	(8 798)	(3 595)
Charge in income statement	(7 440)	(8 156)
Adjustment for deferred tax	5 943	2 953
Balance at the end of the year	<u>1 497</u>	<u>8 798</u>
	<u>(8 798)</u>	<u>—</u>



FLAGSHIP FOR  
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