

**THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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ADMINISTRATION

<i>Trustees:</i>	<i>D F Smuts</i> (Chairperson) <i>H Angula</i> <i>C Daniels</i> <i>Hon W Emvula</i> <i>G Nakazibwe- Sekandi</i> <i>Dr T Tueumuna</i> <i>B Ulenga</i> <i>B Gawanas</i> <i>S Akweenda</i> <i>Hon H N Kaiyamo</i>
<i>Director:</i>	<i>N Tjombe</i>
<i>Auditors:</i>	<i>Stier Vente Associates</i>
<i>Address:</i>	<i>PO Box 604</i> <i>No 4 Körner Street</i> <i>Windhoek</i>

**THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

STATEMENT BY THE TRUSTEES

The consolidated annual financial statements set out on pages 5 to 18 have been approved by the Board of Trustees and are signed on their behalf by:

N TJOMBE

D F SMUTS

WINDHOEK
31 March 2009

REPORT OF THE INDEPENDENT AUDITORS

To the trustees and donors of

THE LEGAL ASSISTANCE TRUST OF NAMIBIA

We have audited the annual financial statements of The Legal Assistance Trust of Namibia which comprise the balance sheet as at 31 December 2008, the income statement, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 5 to 18.

Trustees' responsibility for the financial statements

The Trustees are responsible for the fair presentation of these annual financial statements in accordance with Statement of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of annual financial statements and are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Trust at 31 December 2008 and its financial performance and its cash flows for the year then ended in accordance with Statements of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities in Namibia.

**STIER VENDE ASSOCIATES
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (NAMIBIA)**

WINDHOEK
31 March 2009

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	<u>2008</u>	<u>2007</u>
		N\$	N\$
<u>ASSETS</u>			
<i>NON-CURRENT ASSETS</i>			
<i>Ford Foundation Investment</i>	8	11 643 410	-
<i>Property, motor vehicles and equipment</i>	3	<u>2 717 648</u>	<u>2 346 048</u>
		<u>14 361 058</u>	<u>2 346 048</u>
<i>CURRENT ASSETS</i>			
<i>Trade and other receivables</i>		565 621	590 352
<i>Cash and cash equivalents</i>		<u>4 132 336</u>	<u>1 962 018</u>
		<u>4 697 957</u>	<u>2 552 370</u>
TOTAL ASSETS		<u>19 059 015</u>	<u>4 898 418</u>
<u>FUNDS AND LIABILITIES</u>			
<i>FUNDS AND RESERVES</i>			
<i>Ford Foundation Special Reserve</i>	8	11 643 410	-
<i>Accumulated funds</i>	2	<u>6 287 340</u>	<u>2 230 904</u>
<i>Funds and reserves</i>		<u>17 930 750</u>	<u>2 230 904</u>
<i>CURRENT LIABILITIES</i>			
<i>Bank overdraft</i>		96 713	42 611
<i>Other payables</i>		522 845	695 874
<i>Donations received in advance</i>	4	<u>508 707</u>	<u>1 929 029</u>
		<u>1 128 265</u>	<u>2 667 514</u>
TOTAL FUNDS AND LIABILITIES		<u>19 059 015</u>	<u>4 898 418</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	<u>2008</u>	<u>2007</u>
		N\$	N\$
<i>INCOME</i>			
Windhoek Office – core unit	5	<u>6 536 228</u>	<u>3 276 956</u>
<i>EXPENDITURE</i>			
Windhoek Office – core unit		<u>(3 778 760)</u>	<u>(2 908 537)</u>
<i>SURPLUS FOR THE YEAR</i>	6	2 757 468	368 419
<i>ACCUMULATED SURPLUS/(DEFICIT) AT THE BEGINNING OF THE YEAR</i>		<u>82 665</u>	<u>(285 754)</u>
<i>ACCUMULATED SURPLUS AT THE END OF THE YEAR</i>		2 840 133	82 665
<i>ACCUMULATED SURPLUS - PROJECTS</i>	7	<u>3 447 207</u>	<u>2 148 239</u>
<i>CONSOLIDATED ACCUMULATED SURPLUS AT THE END OF THE YEAR</i>		<u>6 287 340</u>	<u>2 230 904</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	<i>Note</i>	<u>2008</u>	<u>2007</u>
		N\$	N\$
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>			
<i>Cash receipts from donors and SALS</i>		26 839 755	11 500 764
<i>Cash paid to service providers and employees</i>		<u>(12 622 943)</u>	<u>(10 525 451)</u>
<i>Cash generated by operations</i>	9	14 216 812	975 313
<i>Interest received</i>		<u>123 144</u>	<u>21 202</u>
<i>Net cash inflow from operating activities</i>		<u>14 339 956</u>	<u>996 515</u>
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>			
<i>Acquisition of motor vehicles and equipment</i>		(600 330)	(403 632)
<i>Proceeds on disposal of motor vehicles and equipment</i>		<u>20 000</u>	<u>11 445</u>
<i>Net cash outflow from investing activities</i>		<u>(580 330)</u>	<u>(392 187)</u>
<i>NET INCREASE IN CASH AND CASH EQUIVALENTS</i>		13 759 626	604 328
<i>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</i>		<u>1 919 407</u>	<u>1 315 079</u>
<i>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</i>	10	<u>15 679 033</u>	<u>1 919 407</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with Namibian general accepted accounting practice (GAAP), using the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the profit and loss and conform to GAAP.

The preparation of the financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates.

The following are the principal accounting policies of the Trust which are consistent with those applied in prior years:

Income recognition

Revenue comprises donations received and accrued as per donor agreements.

Donation income is recognised to the extent that it is probable that the economic benefits will flow and the amount of revenue can be reliably measured.

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity.

The Trust recognises other income when the Trust's right to receive payment is established.

Taxation

The Legal Assistance Trust is constituted as a trust with a not for gain motive and as such is not liable for income tax. Therefore the trust and its projects are not registered for income tax and the financial statements does not have to disclose income tax, tax liabilities and deferred tax.

Property, motor vehicles and equipment

The project carries buildings, motor vehicles and equipment at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Buildings, motor vehicles and equipment is depreciated on a straight line basis at rates calculated to reduce the book value of the assets to estimated residual values over their expected useful lives.

Residual values of land and buildings are estimated to equal current carrying values, therefore buildings are depreciated at a zero rate.

The depreciation rates used are shown in note 3.

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

1. *ACCOUNTING POLICIES (continued)*

Property, motor vehicles and equipment (continued)

The assets depreciation rates and residual values are reviewed and adjusted if appropriate at each balance sheet date.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Financial instruments

Financial instruments recognised on the balance sheet include cash and cash equivalents, investments, trade receivables, trade payables and borrowings.

Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the project will not be able to collect all amounts due according to the original terms of receivables.

Trade payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

Related parties

All related party transactions are incurred in the ordinary course of business and at terms not more favourable than transactions with third parties.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Cash and cash equivalents

For the purposes of the cash flow statement cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are separately disclosed under current liabilities.

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES (continued)

Leases (lessor)

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.

Computer software

Computer software is expensed in the year it is incurred.

Employee benefits

The Trust recognises in full employees' right to annual leave entitlement in respect of past service.

Staff bonuses are accounted for in the period to which they relate.

The Legal Assistance Trust operates a defined contribution plan. The Trust pays contributions to a publicly administered pension insurance plan and has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Provisions

Provisions are recognised when:

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

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>			
	N\$	N\$			
2. ACCUMULATED FUNDS					
Windhoek Office	14 483 543	82 665			
LAC – Projects	<u>3 447 207</u>	<u>2 148 239</u>			
	<u>17 930 750</u>	<u>2 230 904</u>			
 3. PROPERTY, MOTOR VEHICLES AND EQUIPMENT					
	<u>Buildings</u>	<u>Motor vehicles</u>	<u>Computer and office equipment</u>	<u>Furniture & fittings</u>	<u>Total</u>
	N\$	N\$	N\$	N\$	N\$
For the year ended 31/12/2008					
Opening carrying amount	1 909 898	258 091	156 050	22 009	2 346 048
Additions	-	547 990	48 640	3 700	600 330
Depreciation	<u>-</u>	<u>(166 478)</u>	<u>(55 521)</u>	<u>(6 731)</u>	<u>(228 730)</u>
Closing carrying amount	<u>1 909 898</u>	<u>639 603</u>	<u>149 169</u>	<u>18 978</u>	<u>2 717 648</u>
 At 31/12/2008					
At cost	1 909 898	1 350 602	1 217 942	224 429	4 702 771
Accumulated depreciation	<u>-</u>	<u>(710 999)</u>	<u>(1 068 773)</u>	<u>(205 451)</u>	<u>(1 985 223)</u>
Net carrying amount	<u>1 909 898</u>	<u>639 603</u>	<u>149 169</u>	<u>18 978</u>	<u>2 717 648</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

3. *PROPERTY, MOTOR VEHICLES AND EQUIPMENT (continued)*

	<u>Buildings</u>	<u>Motor vehicles</u>	<u>Computer and office equipment</u>	<u>Furniture & fittings</u>	<u>Library</u>	<u>Total</u>
	N\$	N\$	N\$	N\$	N\$	N\$
For the year ended 31/12/2007						
Opening carrying amount	1 909 898	60 085	80 551	8 580	797	2 059 911
Additions	-	239 195	144 551	19 886	-	403 632
Disposals	-	-	(7 597)	-	-	(7 597)
Depreciation	<u>-</u>	<u>(41 189)</u>	<u>(61 455)</u>	<u>(6 457)</u>	<u>(797)</u>	<u>(109 898)</u>
Closing carrying amount	<u>1 909 898</u>	<u>258 091</u>	<u>156 050</u>	<u>22 009</u>	<u>-</u>	<u>2 346 048</u>
At 31/12/2007						
At cost	1 909 898	899 953	919 853	220 712	-	3 950 416
Accumulated depreciation	<u>-</u>	<u>(641 862)</u>	<u>(763 803)</u>	<u>(198 703)</u>	<u>-</u>	<u>(1 604 368)</u>
Net carrying amount	<u>1 909 898</u>	<u>258 091</u>	<u>156 050</u>	<u>22 009</u>	<u>-</u>	<u>2 346 048</u>
Depreciation rate		25%	20%	20%	10%	

Land and buildings comprise erf no 74, situated in Windhoek, No 4 Körner Street and buildings in Ongwediva.

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>
	N\$	N\$
3. <i>PROPERTY, MOTOR VEHICLES AND EQUIPMENT</i> <i>(continued)</i>		
<i>Buildings, Ongwediva</i>	<u>387 873</u>	<u>387 873</u>
 <i>Land and buildings, erf no 74, Windhoek</i> <i>- at cost 1993</i>	 709 621	 709 621
 <i>Improvements at cost</i>		
<i>- 1993</i>	167 736	167 736
<i>- 1994</i>	5 791	5 791
<i>- 1995</i>	157 916	157 916
<i>- 1996</i>	12 307	12 307
<i>- 2007</i>	466 126	466 126
<i>- 2008</i>	<u>2 528</u>	<u>2 528</u>
	<u>1 522 025</u>	<u>1 522 025</u>
	<u>1 909 898</u>	<u>1 909 898</u>
4. <i>DONATIONS RECEIVED IN ADVANCE</i>		
<i>Embassy of Finland</i>	-	570 000
<i>HIVOS</i>		
<i>- Land, Environment and Development Project</i>	-	243 112
<i>Ford Foundation</i>		
<i>- Aids Law Unit Project and Human Rights and Constitutional Unit</i>	508 707	707 715
<i>Embassy of Denmark</i>	-	165 090
<i>HIVOS</i>		
<i>- Gender Issues Project</i>	<u>-</u>	<u>243 112</u>
	<u>508 707</u>	<u>1 929 029</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>
	N\$	N\$
5. INCOME		
<i>Africa Group of Sweden</i>	1 289 406	1 025 428
<i>Amnesty International</i>	55 856	-
<i>Basler Africa Bibliographien</i>	500	-
<i>Embassy of Sweden</i>	-	1 013 171
<i>Legal Resource Foundation</i>	7 919	-
<i>Ministry of Environment and Tourism</i>	-	35 100
<i>Namdeb</i>	-	100 000
<i>Namibia Law Report</i>	211 692	-
<i>Nassau Community College</i>	346	-
<i>Pupkewitz Holdings</i>	1 500	1 000
<i>Southern Africa Legal Services - capital reserve fund redemption - Ford Foundation</i>	<u>4 349 067</u>	<u>-</u>
	5 916 286	2 174 699
OTHER INCOME	<u>619 942</u>	<u>1 102 257</u>
	<u>6 536 228</u>	<u>3 276 956</u>
6. SURPLUS FOR THE YEAR		
<i>Is stated after charging/(crediting):</i>		
<i>Auditors' remuneration</i>		
- <i>audit fees - current year</i>	70 705	88 970
- <i>audit fees - prior year underprovision</i>	24 688	14 190
- <i>accounting services</i>	<u>2 300</u>	<u>19 200</u>
	<u>97 693</u>	<u>122 360</u>
<i>Depreciation</i>	228 730	109 898
<i>Interest received</i>	(123 144)	(21 202)
<i>Profit on disposal of motor vehicles and equipment</i>	(20 000)	(3 847)
<i>Rent received</i>	<u>(53 289)</u>	<u>(54 000)</u>
7. ACCUMULATED SURPLUS PROJECTS		
<i>Community Paralegal Volunteer Training</i>	376 105	420 579
<i>Aids Law Unit</i>	(103 869)	597 652
<i>Lead Project</i>	1 962 108	493 809
<i>Gender</i>	990 993	636 199
<i>Human Rights and Constitutional Unit</i>	<u>221 870</u>	<u>-</u>
	<u>3 447 207</u>	<u>2 148 239</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

7. ACCUMULATED SURPLUS PROJECTS (continued)

The Legal Assistance Trust (via The Legal Assistance Centre - Windhoek) manages the projects and controls the disbursements.

All surpluses may be subject to refund.

	<u>2008</u>	<u>2007</u>
	N\$	N\$
8. FORD FOUNDATION SPECIAL RESERVE		
Redemption of SALS - Ford Foundation capital reserve fund	15 040 547	-
Interest received	<u>951 930</u>	<u>-</u>
	15 992 477	-
Less: Funding of LAC Core activities - Windhoek Office	<u>4 349 067</u>	<u>-</u>
Special Reserve Fund at the end of the year	<u>11 643 410</u>	<u>-</u>
 The Special Reserve Fund is represented by:		
First National Bank of Namibia Limited		
- call account	12 817 670	-
Less: LEAD project investment included	1 065 586	-
Gender project investment included	<u>108 674</u>	<u>-</u>
	<u>11 643 410</u>	<u>-</u>

The Ford Foundation Special Reserve Fund originates from a donation of the Ford Foundation of US\$ 1 000 000 in 1995 and was invested for the benefit of the LAC by the Southern African Legal Service Foundation.

On 8 February 2008, The Legal Assistance Trust and the Southern African Legal Services signed an agreement to transfer the Capital Reserve Fund to Namibia. An amount of US\$ 1 953 326,32 was transferred.

The fund is under control of the Trustees of the Legal Assistance Trust and may only be utilised to cover LAC Core Unit - Windhoek expenditure. Trustees resolutions are necessary to utilise funds of the Ford Foundation Special Reserve.

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>
	N\$	N\$
9. RECONCILIATION OF INCOME/(LOSS) BEFORE TAXATION TO CASH GENERATED BY OPERATIONS		
Net income/(loss) for the year	4 056 436	(115 126)
Adjusted for:		
Depreciation	228 730	109 898
Ford Foundation Special Reserve	11 643 410	-
Interest received	(123 144)	(21 202)
Profit on sale of assets	<u>(20 000)</u>	<u>(3 847)</u>
Operating cash flow before working capital changes	15 785 432	(30 277)
Decrease in trade and other receivables	24 731	99 677
Decrease in trade and other payables	(173 029)	(425 606)
(Decrease)/increase in donations received in advance	<u>(1 420 322)</u>	<u>1 331 519</u>
CASH GENERATED BY OPERATIONS	<u>14 216 812</u>	<u>957 313</u>
10. CASH AND CASH EQUIVALENT		
Cash and cash equivalent comprise of:		
First National Bank of Namibia Limited - call account	12 817 670	-
First National Bank of Namibia Limited - current accounts	<u>2 861 363</u>	<u>1 919 407</u>
	<u>15 679 033</u>	<u>1 919 407</u>
11. PROJECTS ADMINISTERED BY THE LEGAL ASSISTANCE TRUST		
<u>Land, Environment and Development Project</u>		

The Evangelischer Entwicklungsdienst (EED) granted Euro 490 000 to the project for the period of two and a half years from September 2008 to June 2010. This grant covers 83,76% of the budgeted project expenses up to a maximum of Euro 490 000. During the current period these other expenses have been covered by grants of the Embassy of Finland and HIVOS.

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

11. PROJECTS ADMINISTERED BY THE LEGAL ASSISTANCE TRUST (continued)

Community Paralegal Training Project

During the 2008 financial year a contribution of NAD 1 090 600 have been granted by the Embassy of Finland. This project came to an end on 31 December 2008, but the donor has granted extension till 31 October 2009 to utilise project surpluses.

Human Rights Constitutional Unit

The Ford Foundation granted US\$ 200 000,00 to the project for the period of two years from 1 July 2007 to 30 June 2009.

Aids Law Unit

The Ford Foundation agreed to fund the project with USD 150 000 for the period of 2 years from 1 September 2008 until 31 August 2009. Matching grants have to be secured from other sources. IBIS Wus Denmark funded the project for the year under review with N\$ 823 675 and PACT Agencies Collaborating Together with N\$ 1 272 168. Various other smaller grants have been received towards this project covering the remaining third party contribution towards this project.

Gender Research and Advocacy

The Royal Danish Embassy agreed to fund the project with DDK 661 000 for the period of two years from January 2007 to December 2008.

An amount of N\$ 558 863 from HIVOS and an amount N\$ 708 784 from other donors, as co-funding, was received.

All unspent funds at the end of a project may be subject to refund at the discretion of the donors.

12. FINANCIAL RISK MANAGEMENT

In the normal course of its operations, the Trust is exposed to credit, liquidity, interest rate, currency and operational risk. The Trust manages these risks as follows:

Credit risk:

The Trust has policies in place to ensure that sales and services are made to organisations with an appropriate credit history. The Trust has policies that limit the amount of credit risk exposure to any one financial institution, and cash transactions are limited to high credit quality financial institutions.

Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

12. *FINANCIAL RISK MANAGEMENT (continued)*

Interest rate risk:

As part of managing interest rate exposure, interest rate characteristics of borrowings will be positioned according to expected movements in interest rates

Foreign currency risk:

Foreign currency risk is created due to the influence of exchange rate fluctuations. The Trust has a policy to take out cover on foreign currency transactions only as agreed by the Board.

Operational risk:

Operational risk is inherent in the Trust's operation. The goal is to manage the risk to acceptable levels and to minimise unexpected events.

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
WINDHOEK OFFICE
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>
	N\$	N\$
<i>DONATIONS RECEIVED</i>		
<i>Africa Group of Sweden</i>	1 289 406	1 025 428
<i>Amnesty International</i>	55 856	-
<i>Basler Africa Bibliographien</i>	500	-
<i>Embassy of Sweden</i>	-	1 013 171
<i>Legal Resource Foundation</i>	7 919	-
<i>Ministry of Environment and Tourism</i>	-	35 100
<i>Namibia Law Report</i>	211 692	-
<i>Namdeb</i>	-	100 000
<i>Nassau Community College</i>	346	-
<i>Pupkewitz Holdings</i>	1 500	1 000
<i>Southern Africa Legal Services - redemption of Ford Foundation - capital reserve fund</i>	<u>4 349 067</u>	<u>-</u>
	<u>5 916 286</u>	<u>2 174 699</u>
<i>OTHER INCOME</i>		
<i>Bookkeeping and management fees</i>	120 158	285 222
<i>Gala dinner</i>	62 570	-
<i>Interest received</i>	6 027	3 835
<i>Labour manuals, booklets and manuals</i>	70	16 621
<i>Legal fees recovered</i>	500	13 401
<i>Photocopy income</i>	46 715	198 284
<i>Profit on sale of motor vehicles and equipment</i>	20 000	4 055
<i>Rent received</i>	183 295	185 697
<i>Sundry income</i>	95 330	110 169
<i>Transport income</i>	<u>85 277</u>	<u>284 973</u>
	<u>619 942</u>	<u>1 102 257</u>
<i>TOTAL INCOME</i>	6 536 228	3 276 956
<i>Less: EXPENDITURE (page 19)</i>	<u>(3 778 760)</u>	<u>(2 908 537)</u>
<i>SURPLUS FOR THE YEAR</i>	2 757 468	368 419
<i>SURPLUS/(DEFICIT) AT THE BEGINNING OF THE YEAR</i>	<u>82 665</u>	<u>(285 754)</u>
<i>SURPLUS AT THE END OF THE YEAR</i>	<u>2 840 133</u>	<u>82 665</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
WINDHOEK OFFICE
SCHEDULE OF EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>
	N\$	N\$
<i>Amnesty expenses</i>	47 359	-
<i>Auditors' remuneration</i>	50 170	69 575
<i>Bank charges</i>	29 088	24 942
<i>Computer support</i>	81 548	31 010
<i>Consultancy fees</i>	70 576	-
<i>Contributions</i>		
- <i>Human Rights and Constitutional Unit Program</i>	-	225 263
<i>Counsel fees</i>	39 278	-
<i>Depreciation</i>	103 049	62 708
<i>Entertainment</i>	2 822	1 438
<i>Insurance and licences</i>	53 048	48 373
<i>Legal fees</i>	3 436	1 350
<i>Maintenance</i>		
- <i>other expenses</i>	89 431	182 720
- <i>vehicles</i>	39 863	15 966
- <i>yard</i>	27 660	4 996
<i>Municipal expenses</i>	61 547	65 957
<i>Namdeb</i>	2 000	-
<i>National Park Centenary Project</i>	-	65 225
<i>Office expenses</i>	22 359	17 833
<i>Petrol</i>	170 906	22 952
<i>Publications</i>	35 765	62 213
<i>Recruiting of professional and administrative staff</i>	43 119	16 560
<i>Salaries and staff benefits</i>	2 243 459	1 733 117
<i>Security costs</i>	130 113	90 699
<i>Seminars and workshops</i>	93 032	-
<i>Staff development costs</i>	26 909	18 928
<i>Stationery and printing</i>	117 939	21 896
<i>Subscriptions to legal publications</i>	500	1 964
<i>Telephone, telefax and postage</i>	98 979	72 815
<i>Travelling and accommodation</i>	<u>94 805</u>	<u>50 037</u>
	<u>3 778 760</u>	<u>2 908 537</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
LAND, ENVIRONMENT AND DEVELOPMENT PROJECT
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>
	N\$	N\$
INCOME		
<i>Donations received</i>		
- Embassy of Finland	570 000	-
- Namibia Nature Foundation	-	100 086
- H I V O S	558 862	473 660
- Evangelischer Entwicklungsdienst	2 091 191	862 615
- Namibian Association of Norway (NAMAS)	33 834	65 000
- Other	-	5 000
<i>Consulting income</i>		
- Namibia Institute of Democracy (NID)	3 800	-
- WIMSA	10 000	85 000
- Gesellschaft für Technische Zusammenarbeit (GTZ)	152 614	117 341
- Land matters	79 786	-
- Ethosha Haikom	74 700	-
- Stiftung Open Society	6 720	-
- Programme for Land and Agrarian Studies (PLAAS)	87 989	28 587
- Institute for Security Studies (ISS)	20 000	-
- German Embassy	23 980	-
- Namibia Economic Policy Research Unit (NEPRU)	4 000	-
- Icelandic International Development Agency (ICEIDA)	-	79 250
<i>Other income</i>		
- interest received	77 164	4 649
- publication income	<u>6 761</u>	<u>26 577</u>
	<u>3 801 401</u>	<u>1 847 765</u>
EXPENDITURE		
Auditors' remuneration	12 506	14 145
Bank charges	12 206	10 382
Communications	37 401	36 099
Depreciation	63 603	12 154
Insurance	38 822	21 018
Management fees	90 000	90 000
Maintenance		
- motor vehicle	53 716	20 005
BALANCE CARRIED FORWARD	308 254	203 803

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
LAND, ENVIRONMENT AND DEVELOPMENT PROJECT
INCOME STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>
	N\$	N\$
<i>EXPENDITURE (continued)</i>		
<i>BALANCE BROUGHT FORWARD</i>	308 254	203 803
<i>Professional fees</i>	245 909	72 030
<i>Research</i>		
- publications	55 770	48 962
- travel	54 317	29 262
<i>Rent paid</i>	14 400	36 000
<i>Staff remuneration</i>	1 088 723	901 001
<i>Stationery and subscription</i>	21 715	14 464
<i>Water and electricity</i>	7 440	9 750
<i>Workshops and conference</i>	<u>536 574</u>	<u>888 420</u>
	<u>2 333 102</u>	<u>2 203 692</u>
<i>SURPLUS/(DEFICIT) FOR THE YEAR</i>	1 468 299	(355 927)
<i>ACCUMULATED FUNDS AT THE BEGINNING OF THE YEAR</i>	<u>493 809</u>	<u>849 736</u>
<i>ACCUMULATED FUNDS AT THE END OF THE YEAR</i>	<u>1 962 108</u>	<u>493 809</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
GENDER ISSUES PROJECT
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u>	<u>2007</u>
	N\$	N\$
INCOME		
<i>Donations received</i>		
- HIVOS	558 863	473 660
- Royal Danish Embassy	294 380	351 000
- Namibia Institute for Democracy	45 916	304 084
- The Social Development Fund (SDF)	412 261	-
- Royal Netherlands Embassy	18 507	74 672
- Peace Trust	-	44 789
- UNICEF	232 100	37 500
- Mulage Lawyers Association	-	18 225
- Law Reform & Development Commission	-	15 900
- Embassy of the United States of America	-	15 513
- Other donors	-	4 506
<i>Interest received</i>	16 573	3 094
<i>Consulting fees received</i>	37 910	8 326
<i>Legal fees recovered</i>	30 000	-
<i>Publication sales</i>	<u>28 466</u>	<u>24 041</u>
	<u>1 674 976</u>	<u>1 375 310</u>
EXPENDITURE		
<i>Administration costs</i>	73 967	83 454
<i>Bookkeeping fees</i>	15 000	17 000
<i>Computer costs</i>	1 530	2 565
<i>Consultants</i>	175 094	34 277
<i>Court settlement</i>	5 000	-
<i>Depreciation</i>	5 693	5 693
<i>Field research</i>	1 000	6 079
<i>Litigation</i>	20 700	26 393
<i>Office rent</i>	27 000	24 645
<i>Publications</i>	367 853	320 400
<i>Salaries and staff benefits</i>	496 929	605 808
<i>Telephone and fax</i>	3 620	8 324
<i>Workshops</i>	<u>126 796</u>	<u>254 081</u>
	<u>1 320 182</u>	<u>1 388 719</u>
SURPLUS/(DEFICIT) FOR THE YEAR	354 794	(13 409)
SURPLUS AT THE BEGINNING OF THE YEAR	<u>636 199</u>	<u>649 608</u>
SURPLUS AT THE END OF THE YEAR	<u>990 993</u>	<u>636 199</u>

**THE LEGAL ASSISTANCE TRUST OF NAMIBIA
HUMAN RIGHTS AND CONSTITUTIONAL UNIT
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<u>2008</u>	<u>2007</u>
	N\$	N\$
<i>INCOME</i>		
<i>Contributions</i>		
- <i>The Legal Assistance Trust</i>	-	225 263
<i>Donations received</i>		
- <i>International Commission of Jurists</i>	-	40 918
- <i>Ford Foundation</i>	853 527	344 821
- <i>US Embassy</i>	248 961	-
<i>Legal fees reimbursed</i>	19 957	45 510
<i>Interest received</i>	9 157	6 039
<i>Other donations</i>	<u>7 681</u>	<u>3 476</u>
	<u>1 139 283</u>	<u>666 027</u>
 <i>EXPENDITURE</i>		
<i>Administration costs</i>	32 182	6 095
<i>Auditors' remuneration</i>	9 056	5 750
<i>Council and legal fees</i>	36 340	80 304
<i>Insurance</i>	13 728	12 944
<i>Rent</i>	25 000	30 000
<i>Repairs and maintenance</i>		
- <i>motor vehicles</i>	2 136	-
<i>Staff remuneration</i>	708 125	473 148
<i>Telephone, fax, postage and stationery</i>	8 785	45 786
<i>Text books and subscriptions</i>	57 919	9 057
<i>Travel and accommodation</i>	<u>24 142</u>	<u>2 943</u>
	<u>917 413</u>	<u>666 027</u>
 <i>ACCUMULATED FUNDS FOR THE YEAR</i>	 <u>221 870</u>	 <u>-</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
AIDS LAW UNIT
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	<u>2008</u>	<u>2007</u>
		N\$	N\$
INCOME			
<i>Donations received:</i>			
- IBIS		823 675	892 195
- Ford Foundation		616 915	161 447
- Population Service		106 537	103 934
- Open Society Initiative for Southern Africa (OSISA)		2 189	336 250
- Other		18 995	35 572
- Social Marketing Association		96 408	120 489
<i>Presentation income</i>			
- PACT Agencies Collaborating Together		1 272 168	1 152 267
Other income		61 470	20 307
Interest received		<u>2 736</u>	<u>131</u>
		<u>3 001 093</u>	<u>2 822 592</u>
EXPENDITURE			
Auditors' remuneration		8 855	6 575
Bank charges		36 247	17 694
Depreciation		53 266	27 362
Education and training material		123 788	28 949
Institutional strengthening		350 381	184 077
Insurance		66 665	28 166
Legal fees		5 108	11 202
Maintenance			
- equipment		42 370	15 714
- vehicles		53 950	47 075
Meetings		15 995	-
Office expenses		31 873	7 151
Professional fees		27 925	-
Recruiting		10 569	13 183
Rent		<u>33 600</u>	<u>34 952</u>
BALANCE CARRIED FORWARD		860 592	422 100

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
AIDS LAW UNIT
INCOME STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	<u>2008</u>	<u>2007</u>
		N\$	N\$
<i>EXPENDITURE (continued)</i>			
BALANCE BROUGHT FORWARD		860 592	422 100
Research and publications		-	64 632
Staff remuneration		1 637 602	1 220 856
Stakeholders meetings		15 397	22 257
Stationery		42 903	39 651
Telephone, fax and postage		110 786	93 628
Travelling		222 573	63 725
Water and electricity		35 321	15 115
Workshops		<u>777 440</u>	<u>510 732</u>
		<u>3 702 614</u>	<u>2 452 696</u>
(DEFICIT)/SURPLUS FOR THE YEAR		(701 521)	369 896
ACCUMULATED FUNDS AT THE BEGINNING OF THE YEAR		<u>597 652</u>	<u>227 756</u>
ACCUMULATED (DEFICIT)/FUNDS AT THE END OF THE YEAR		<u>(103 869)</u>	<u>597 652</u>

**THE LEGAL ASSISTANCE TRUST OF NAMIBIA
COMMUNITY PARALEGAL VOLUNTEER TRAINING
INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2008**

	<u>2008</u>	<u>2007</u>
	N\$	N\$
INCOME		
<i>Donations received</i>		
- Embassy of Finland	-	1 090 600
<i>Interest received</i>	<u>11 487</u>	<u>3 454</u>
	<u>11 487</u>	<u>1 094 054</u>
EXPENDITURE		
Administration		
<i>Audit fee</i>	6 900	6 325
<i>Bank charges</i>	1 090	6 282
<i>Computer maintenance and support</i>	3 117	5 853
<i>Insurance</i>	-	2 096
<i>Office rent</i>	-	12 000
<i>Photocopies and stationery</i>	14	4 648
<i>Postage</i>	-	1 534
<i>Telephone, fax and internet</i>	<u>-</u>	<u>5 226</u>
<i>Total administration</i>	<u>11 121</u>	<u>43 964</u>
Activities		
<i>Training and workshops - Communities</i>	-	170 935
<i>Training and workshops - Paralegals</i>	415	41 717
<i>Production and printing materials</i>	-	78 646
<i>AGM of NPA</i>	3 850	39 019
<i>Support to service points</i>	<u>-</u>	<u>59 164</u>
<i>Total activities</i>	<u>4 265</u>	<u>389 481</u>

**THE LEGAL ASSISTANCE TRUST OF NAMIBIA
COMMUNITY PARALEGAL VOLUNTEER TRAINING
INCOME STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<u>2008</u>	<u>2007</u>
	N\$	N\$
EXPENDITURE (continued)		
Personnel		
Coordinator - CPVT salary and benefits	40 575	263 085
Coordinator - NPA salary and benefits	-	104 793
Project Assistant	-	95 355
Legal Educator	<u>-</u>	<u>68 000</u>
Total personnel	<u>40 575</u>	<u>531 233</u>
Total expenditure	<u>55 961</u>	<u>964 678</u>
(DEFICIT)/SURPLUS FOR THE YEAR	(44 474)	129 376
SURPLUS AT THE BEGINNING OF THE YEAR	<u>420 579</u>	<u>291 203</u>
SURPLUS AT THE END OF THE YEAR	<u>376 105</u>	<u>420 579</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2008