

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017

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ADMINISTRATION

<i>Trustees:</i>	<i>C Daniels</i> <i>T Amupadhi</i> <i>E Angula</i> <i>E Schimming-Chase</i> <i>N Tjombe</i> <i>B Uirab</i> <i>N Kaiyamo</i>	<i>(Chairperson)</i>
 <i>Director:</i>	 <i>T Hancox</i>	
 <i>Auditors:</i>	 <i>Stier Vente Associates</i>	
 <i>Address:</i>	 <i>PO Box 604</i> <i>Marien Ngouabi Street</i> <i>Windhoek</i>	

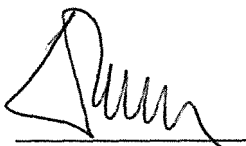
**THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

STATEMENT BY THE TRUSTEES

The consolidated annual financial statements set out on pages 6 to 26 have been approved by the Board of Trustees and are signed on their behalf by:



T HANCOX



C DANIELS

WINDHOEK
16 May 2018

REPORT OF THE INDEPENDENT AUDITORS

To the trustees and donors of

THE LEGAL ASSISTANCE TRUST OF NAMIBIA

Opinion

We have audited the consolidated annual financial statements of The Legal Assistance Trust of Namibia set out on pages 6 to 26, which comprise the balance sheet as at 31 December 2017, the income statement, the cash flow statement for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the financial position of the project as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with Namibian Statements of General Accepted Accounting Practice NAC 001: Financial Reporting for Small and Medium Sized Entities.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the project in accordance with the independence requirements applicable to performing audits of financial statements in Namibia which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We have fulfilled our other ethical responsibilities in accordance with the ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Our opinion on the consolidated annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Other information (continued)

In connection with our audit of the consolidated annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the consolidated annual financial statements

The Trustees are responsible for the preparation and fair presentation of the consolidated annual financial statements in accordance with Namibian Statements of General Accepted Accounting Practice NAC 001: Financial Reporting for Small and Medium Sized Entities, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial statements, the Trustees are responsible for assessing the project's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the project or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated annual financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- ❖ Obtain an understanding of internal control relevant to the audit 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 project's internal control.*
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.*

Auditor's responsibilities for the audit of the consolidated annual financial statements (continued)

- ❖ *Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the project to cease to continue as a going concern.*
- ❖ *Evaluate the overall presentation, structure and content of the consolidated annual financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*
- ❖ *Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.*

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Trustees with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



STIER VENTE ASSOCIATES
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (NAMIBIA)

Per: J Lourens
Partner

WINDHOEK, 16 May 2018

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	<u>2017</u>	<u>2016</u>
		N\$	N\$
<u>ASSETS</u>			
<i>NON-CURRENT ASSETS</i>			
<i>Ford Foundation Investment</i>	7	11 027 147	12 644 360
<i>Property, motor vehicles and equipment</i>	3	<u>10 663 142</u>	<u>10 471 690</u>
		<u>21 690 289</u>	<u>23 116 050</u>
<i>CURRENT ASSETS</i>			
<i>Donations receivable</i>		293 985	341 285
<i>Trade and other receivables</i>		305 216	55 546
<i>Cash and cash equivalents</i>		<u>2 315 304</u>	<u>5 242 086</u>
		<u>2 914 504</u>	<u>5 638 917</u>
TOTAL ASSETS		<u><u>24 604 793</u></u>	<u><u>28 754 967</u></u>
 <u>FUNDS AND LIABILITIES</u>			
<i>FUNDS AND RESERVES</i>			
<i>Ford Foundation Special Reserve Fund</i>	7	11 027 147	12 644 360
<i>Revaluation Reserve</i>		8 532 975	8 532 975
<i>Accumulated funds</i>	2	<u>4 182 381</u>	<u>4 623 753</u>
<i>Funds and reserves</i>		<u>23 742 503</u>	<u>25 801 088</u>
<i>CURRENT LIABILITIES</i>			
<i>Donations received in advance</i>		-	840 230
<i>Other payables</i>		<u>862 290</u>	<u>2 113 649</u>
		<u>862 290</u>	<u>2 953 879</u>
TOTAL FUNDS AND LIABILITIES		<u><u>24 604 793</u></u>	<u><u>28 754 967</u></u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	<u>2017</u>	<u>2016</u>
		N\$	N\$
<i>INCOME</i>			
Windhoek Office – core unit	4	<u>6 094 109</u>	<u>6 360 402</u>
<i>EXPENDITURE</i>			
Windhoek Office – core unit		<u>(6 589 083)</u>	<u>(7 166 826)</u>
DEFICIT FOR THE YEAR	5	(494 974)	(806 424)
FUNDS RETURNED TO AFRICA GROUP OF SWEDEN		(6 126)	-
ACCUMULATED SURPLUS AT THE BEGINNING OF THE YEAR		<u>2 109 311</u>	<u>2 915 735</u>
ACCUMULATED SURPLUS AT THE END OF THE YEAR		1 608 211	2 109 311
ACCUMULATED SURPLUS - PROJECTS	5,6	<u>2 574 170</u>	<u>2 514 442</u>
CONSOLIDATED ACCUMULATED SURPLUS AT THE END OF THE YEAR		<u>4 182 381</u>	<u>4 623 753</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	<u>2017</u>	<u>2016</u>
		N\$	N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from donors		9 950 009	10 227 880
Cash paid to service providers and employees		<u>(5 489 501)</u>	<u>(12 502 437)</u>
Cash utilised by operations	8	(4 460 508)	(2 274 557)
Interest received		<u>30 340</u>	<u>177 951</u>
Net cash outflow from operating activities		<u>(4 430 168)</u>	<u>(2 096 606)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of motor vehicles and equipment		(468 912)	(146 597)
Proceeds on disposal of motor vehicles and equipment		<u>361 211</u>	<u>8 691</u>
Net cash outflow from investing activities		<u>(107 701)</u>	<u>(137 906)</u>
CASH FLOWS FORM FINANCING ACTIVITIES			
Repayment AGS/GIZ funding		<u>(6 126)</u>	<u>(90 357)</u>
Net cash outflow from financing activities		<u>(6 126)</u>	<u>(90 357)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4 543 995)	(2 324 869)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>17 886 446</u>	<u>20 211 315</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	<u>13 342 451</u>	<u>17 886 446</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

The consolidated annual financial statements have been prepared using the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the profit and loss.

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 do not have to disclose income tax, tax liabilities and deferred tax.

Property, motor vehicles and equipment

The Trust 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. Land and buildings have been revalued in 2014 and are from now being carried at revalued cost.

Buildings, motor vehicles and equipment are 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 2017

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 2017

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 2017

	<u>2017</u>	<u>2016</u>			
	N\$	N\$			
2. ACCUMULATED FUNDS					
Windhoek Office	1 608 211	2 109 311			
LAC – Projects	<u>2 574 170</u>	<u>2 514 442</u>			
	<u>4 182 381</u>	<u>4 623 753</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 31/12/2017					
Opening carrying Amount	10 055 000	221 083	195 607	-	10 471 690
Additions	-	446 545	18 917	3 450	468 912
Disposals	-	(28 458)	-	-	(28 458)
Depreciation	<u>-</u>	<u>(197 584)</u>	<u>(51 015)</u>	<u>(403)</u>	<u>(249 002)</u>
Closing carrying Amount	<u>10 055 000</u>	<u>441 586</u>	<u>163 509</u>	<u>3 047</u>	<u>10 663 142</u>
At 31/12/2017					
At cost	10 055 000	2 170 014	1 794 842	270 110	14 289 966
Accumulated depreciation	<u>-</u>	<u>(1 728 428)</u>	<u>(1 631 333)</u>	<u>(267 063)</u>	<u>(3 626 824)</u>
Net carrying amount	<u>10 055 000</u>	<u>441 586</u>	<u>163 509</u>	<u>3 047</u>	<u>10 663 142</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

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>Total</u>
	N\$	N\$	N\$	N\$	N\$
For the year ended 31/12/2016					
Opening carrying Amount	10 055 000	369 415	94 211	283	10 518 909
Additions	-	-	146 597	-	146 597
Disposals	-	-	(11 563)	-	(11 563)
Depreciation	<u>-</u>	<u>(148 332)</u>	<u>(23 638)</u>	<u>(283)</u>	<u>(182 253)</u>
Closing carrying Amount	<u>10 055 000</u>	<u>221 083</u>	<u>195 607</u>	<u>-</u>	<u>10 471 690</u>
At 31/12/2016					
At cost	10 055 000	1 854 812	1 775 925	266 660	13 952 397
Accumulated depreciation	<u>-</u>	<u>(1 633 729)</u>	<u>(1 580 318)</u>	<u>(266 660)</u>	<u>(3 480 707)</u>
Net carrying amount	<u>10 055 000</u>	<u>221 083</u>	<u>195 607</u>	<u>-</u>	<u>10 471 690</u>
Depreciation rate	0	20%	20%	20%	

Land and buildings comprise erf no 74, situated in Windhoek, Marien Ngouabi Street and was valued by PJJ Wilders on 28 February 2014 at estimated market value on the basis of depreciated building values with compared market value of land. The Trustees accepted this value as at 31 December 2017.

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
3. PROPERTY, MOTOR VEHICLES AND EQUIPMENT		
<i>(continued)</i>		
<i>Land and buildings, erf no 74, Windhoek</i>		
- at cost 1993	709 621	709 621
<i>Improvements at cost</i>		
- 1993	167 736	167 736
- 1994	5 791	5 791
- 1995	157 916	157 916
- 1996	12 307	12 307
- 1999	466 126	466 126
- 2000	<u>2 528</u>	<u>2 528</u>
	1 522 025	1 522 025
<i>Revaluation 2014</i>	<u>8 532 945</u>	<u>8 532 945</u>
	<u>10 055 000</u>	<u>10 055 000</u>
4. INCOME		
DONATIONS		
<i>Africa Group of Sweden</i>	2 703 044	3 597 680
<i>Namibia Law Report</i>	241 792	170 132
<i>Embassy of Finland</i>	<u>-</u>	<u>1 456</u>
	2 944 836	3 709 268
OTHER INCOME		
<i>Ford Foundation reserve contribution</i>	2 600 000	2 271 940
<i>Other income</i>	<u>549 273</u>	<u>319 194</u>
	<u>6 094 109</u>	<u>6 360 402</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
5. (DEFICITS)/SURPLUSES FOR THE YEAR		
<i>Are stated after charging/(crediting) the following consolidated income and expenditures.</i>		
<i>Auditors' remuneration</i>		
<i>- audit fees</i>	<u>234 255</u>	<u>241 480</u>
 <i>Depreciation</i>	 249 002	 182 253
<i>Interest received</i>	(30 340)	(177 957)
<i>Loss on disposal of equipment</i>	-	5 477
<i>Profit on disposal of motor vehicles and equipment</i>	<u>(332 754)</u>	<u>(2 606)</u>
 6. ACCUMULATED SURPLUS/(DEFICIT) - PROJECTS		
<i>Social Justice Programme</i>	22 792	-
<i>Lead Project</i>	1 476 573	1 814 908
<i>Gender</i>	<u>1 074 805</u>	<u>699 534</u>
	<u>2 574 170</u>	<u>2 514 442</u>
 <i>The Legal Assistance Trust (via The Legal Assistance Centre - Windhoek) manages the projects and controls the disbursements. All surpluses may be subject to refund.</i>		
 7. FORD FOUNDATION SPECIAL RESERVE FUND		
<i>Redemption of SALS - Ford Foundation capital reserve fund</i>	15 040 547	15 040 547
<i>Interest received since inception</i>	<u>7 717 941</u>	<u>6 735 154</u>
	22 758 488	21 775 701
 <i>Less: Funding of LAC Core activities - Windhoek Office- 2008</i>	 4 349 067	 4 349 067
<i>Funding of LAC Core activities - Windhoek Office- 2009</i>	461 233	461 233
<i>Funding of LAC Core activities - Windhoek Office- 2010</i>	49 101	49 101
<i>Funding of LAC Core activities - Windhoek Office- 2011</i>	2 000 000	2 000 000
<i>Funding of LAC Core activities - Windhoek Office- 2016</i>	2 271 940	2 271 940
<i>Funding of LAC Core activities - Windhoek Office- 2017</i>	<u>2 600 000</u>	<u>-</u>
 <i>Special Reserve Fund at the end of the year</i>	 <u>11 027 147</u>	 <u>12 644 360</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
7. FORD FOUNDATION SPECIAL RESERVE FUND (continued)		
<i>The Special Reserve Fund is represented by:</i>		
SBN Cashplus	4 383 129	4 056 510
Pointbreak Money Market Unit Trust	4 628 319	4 271 577
Old Mutual Nedbank Namibia Corporate Fund	1 753 632	4 054 205
First National Bank of Namibia Limited		
- call account	<u>532 031</u>	<u>1 797 264</u>
	11 297 111	14 179 556
Less: Gender project	10 575	-
LEAD project investment included	7 977	1 115 351
LAT Windhoek - core unit cash investment included	250 174	418 695
LEAD - Brot für die Welt project	<u>1 238</u>	<u>1 150</u>
	<u>11 027 147</u>	<u>12 644 360</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 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
8. RECONCILIATION OF DEFICIT TO CASH UTILISED BY OPERATIONS		
Net deficit for the year	(441 372)	(2 639 619)
Adjusted for:		
Depreciation	249 002	182 253
Transfer from reserve funds	(2 600 000)	(2 271 940)
Ford Foundation Special Reserve interest received	982 788	953 921
Interest received	(30 340)	(177 957)
Loss/(profit) on sale of motor vehicles and equipment	(332 754)	2 874
Repayment of AGS/GIZ funding	<u>6 126</u>	<u>90 357</u>
Operating cash flow before working capital changes carried forward	(2 166 550)	(3 860 111)
Decrease/(increase) in donation receivable	47 300	(341 285)
(Increase)/decrease in trade and other receivables	(249 670)	145 036
(Decrease)/increase in trade and other payables	(1 251 358)	941 561
Movement in donations received in advance	<u>(840 230)</u>	<u>840 230</u>
Cash utilised by operations	<u>(4 460 508)</u>	<u>(2 274 557)</u>
9. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprise of:		
First National Bank of Namibia Limited		
- call account	532 031	1 797 264
Old Mutual Nedbank Namibia Corporate Fund	1 753 632	4 054 205
Pointbreak Money Market Unit Trust	4 628 319	4 271 577
Standard Bank Namibia Cashplus Fund	4 383 129	4 056 511
First National Bank of Namibia Limited		
- current accounts	<u>2 045 340</u>	<u>3 706 889</u>
	<u>13 342 451</u>	<u>17 886 446</u>
10. PROJECTS ADMINISTERED BY THE LEGAL ASSISTANCE TRUST		
<u>Human Rights Constitutional Unit</u>		
Canadian DFATD granted N\$ 149 415 and The Legal Assistance Center partly via the Ford Reserve N\$ 2 000 000 to the project for the 2017 financial year.		

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

10. **PROJECTS ADMINISTERED BY THE LEGAL ASSISTANCE TRUST**

Gender Research and Advocacy

Hans Seidel Foundation granted the project N\$ 251 900, Law Society of Namibia sponsored N\$ 327 000, UNICEF Responsibility (Part 2) granted N\$ 86 360, US Embassy N\$ 271 420, The Embassy of Finland N\$ 1 546 638 and European Union Gender Analysis sponsored N\$ 293 985.

Land, Environment and Development Project

Brot für die Welt is the main sponsor of the project with N\$ 2 720 335 for 2017 and a contract covering the period 2017 to 2019.

OSISA granted the project N\$ 443 045 and European Development Fund donated N\$ 398 266 for the financial year.

World Wildlife Fund (WWF) granted the project N\$ 737 406.

11. **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 2017

11. *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 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
<i>DONATIONS RECEIVED</i>		
<i>Africa Groups of Sweden</i>	2 703 044	3 597 680
<i>Embassy of Finland</i>	-	1 456
<i>Namibia Law Report - various contributions</i>	<u>241 792</u>	<u>170 132</u>
	<u>2 944 836</u>	<u>3 769 268</u>
 <i>OTHER INCOME</i>		
<i>Consultation income</i>	28 200	166 808
<i>Etosha-Haikom-Buch</i>	12 720	4 330
<i>Transfer from Ford Foundation Reserve to cover project contributions</i>	2 600 000	2 271 940
<i>Interest received</i>	6 856	70 258
<i>Legal fees recovered</i>	7 000	-
<i>Management fee income</i>	384 154	66 645
<i>Photocopy income</i>	18 878	2 778
<i>Profit on sale of motor vehicles and equipment</i>	57 754	200
<i>Sundry income</i>	33 711	5 775
<i>Transport income/refunds</i>	<u>-</u>	<u>2 400</u>
	<u>3 149 273</u>	<u>2 591 134</u>
 <i>TOTAL INCOME</i>	 6 094 109	 6 360 402
<i>Less: EXPENDITURE (page 7)</i>	<u>(6 589 083)</u>	<u>(7 166 826)</u>
 <i>DEFICIT FOR THE YEAR</i>	 (494 974)	 (806 424)
 <i>FUNDS RETURNED TO AFRICA GROUP OF SWEDEN</i>	 (6 126)	 -
 <i>SURPLUS AT THE BEGINNING OF THE YEAR</i>	 <u>2 109 311</u>	 <u>2 915 735</u>
 <i>SURPLUS AT THE END OF THE YEAR</i>	 <u>1 608 211</u>	 <u>2 109 311</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
WINDHOEK OFFICE
SCHEDULE OF EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
<i>Auditors' remuneration</i>	88 550	80 500
<i>Bank charges</i>	33 663	39 323
<i>Computer maintenance</i>	163 064	140 246
- switch board	18 111	21 626
- photocopies	29 996	652
- IT support	99 088	106 427
- accounting support	15 869	11 541
<i>Cleaning expense</i>	30 827	23 655
<i>Consultants</i>	16 733	11 700
<i>Contributions</i>		
- Gender	-	682 659
- Aids Law Unit	81 392	658 599
- Social Justice Project (SJP)	2 000 000	1 189 867
<i>Counsel fees</i>	263	-
<i>Depreciation</i>	30 942	36 033
<i>Insurance and licenses</i>	24 024	-
<i>Law reports editing</i>	180 000	240 000
<i>Legal fees</i>	-	46 382
<i>Litigation costs</i>	-	42 890
<i>Maintenance</i>		
- vehicles	13 415	10 989
- yard	19 836	15 582
<i>Municipal expenses</i>	93 696	100 538
<i>Office expenses</i>	-	2 767
<i>Petrol</i>	35 278	36 317
<i>Publications</i>	47 827	58 102
<i>Salaries and staff benefits</i>	3 405 890	3 390 839
<i>Security costs</i>	194 780	198 493
<i>Seminars and workshops</i>	17 417	47 483
<i>Stationery and printing</i>	20 648	28 991
<i>Membership to National & Regional bodies</i>	9 362	19 396
<i>Telephone, telefax and postage</i>	77 772	39 222
<i>Travelling and accommodation</i>	3 704	26 253
	<u>6 589 083</u>	<u>7 166 826</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
LAND, ENVIRONMENT AND DEVELOPMENT PROJECT
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u>	<u>2016</u>
	NS	NS
INCOME		
<i>Donations received</i>		
- Gesellschaft für Organisation, Planung and Asisbildung (GOPA)	9 715	-
- The Royal Foundation	44 696	-
- Brot für die Welt	2 720 335	1 329 780
- GIZ - European Development Fund	398 266	1 071 710
- Open Society Initiative for Southern Africa (OSISA)	443 045	480 048
- International Work Group for Indigenous Affairs (IWGIA)	-	319 548
- World Wildlife Fund (USAID)	70 888	-
- World Wildlife Fund (INL)	666 518	-
- World Wildlife Fund (Small project)	76 566	-
- Wildlife Conservation Network – Save the Elephants	-	90 197
<i>Contributions from:</i>		
- American Bar Association (ABA)	<u>40 440</u>	<u>-</u>
	<u>4 470 469</u>	<u>3 291 283</u>
 <i>Consulting income</i>		
- Programme for Land and Agrarian Studies (PLAAS)	<u>26 715</u>	<u>76 979</u>
 <i>Other income</i>		
- interest received	19 513	89 166
- interest received - European NYAE	60	326
- publication income	2 370	6 110
- sundry income	22 141	48 964
- profit on sale of asset	<u>275 000</u>	<u>2 406</u>
	<u>319 084</u>	<u>146 972</u>
	<u>4 816 268</u>	<u>3 515 234</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
LAND, ENVIRONMENT AND DEVELOPMENT PROJECT
INCOME STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
EXPENDITURE		
<i>ABA expenditure</i>	27 600	-
<i>Auditors' remuneration</i>	81 305	76 455
<i>Bank charges</i>	17 813	3 385
<i>Consulting fees</i>	523 919	-
<i>Depreciation</i>	211 082	135 386
<i>Electricity and water</i>	39 200	-
<i>Insurance</i>	47 486	58 420
<i>Management fees</i>	17 107	187 463
<i>Maintenance and repairs</i>	65 630	28 700
<i>Office expenses</i>	52 379	36 516
<i>Professional fees</i>	527 595	608 575
<i>Programme/activity expenditure</i>	226 052	-
<i>Research</i>		
- publications	35 411	486 500
- travel	111 995	262 690
<i>Security</i>	63 600	-
<i>Staff remuneration</i>	2 544 423	3 331 420
<i>Telephone, fax and postage</i>	-	15 775
<i>Workshops and conferences</i>	<u>539 358</u>	<u>228 871</u>
	<u>5 131 955</u>	<u>5 460 156</u>
DEFICIT FOR THE YEAR	(315 687)	(1 944 922)
FUNDS RETURNED TO GIZ	(21 451)	(90 357)
ACCUMULATED FUNDS AT THE BEGINNING OF THE YEAR	<u>1 813 711</u>	<u>3 848 990</u>
ACCUMULATED FUNDS AT THE END OF THE YEAR	<u>1 476 573</u>	<u>1 813 711</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
GENDER RESEARCH AND ADVOCACY PROJECT
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	<u>2017</u>	<u>2016</u>
		N\$	N\$
INCOME			
<i>Donations received</i>			
- British High Commission		-	153 116
- Hans Seidel Foundation		251 900	-
- Embassy of Finland		1 546 638	105 018
- European Union Gender Analysis		293 985	-
- KAS Projects		-	157 115
- Ministry of Gender Equality and Child Welfare		-	196 880
- Osis		-	341 185
- UNICEF Social Responsibility CCPA – 2017 (Part 2 – 2015)		86 360	141 287
- United Nation High Commission for Refugees		-	42 000
- US Embassy		271 420	780 521
<i>Consulting fees received</i>		391 000	161 668
<i>Contribution from LAT</i>		-	682 657
<i>Interest received</i>		10 797	17 661
<i>Motor vehicle costs recovered</i>		-	14 541
<i>Publication sales</i>		<u>3 800</u>	<u>3 770</u>
		<u>2 855 900</u>	<u>2 797 419</u>
EXPENDITURE			
<i>Administration costs</i>		65 250	35 606
<i>Auditors remuneration</i>		26 450	24 150
<i>Depreciation</i>		4 837	4 837
<i>Foreign exchange loss</i>		14 584	-
<i>Insurance</i>		22 142	26 638
<i>Motor vehicle maintenance (repairs and maintenance)</i>		24 310	6 843
<i>Project expenses</i>			
- EU expenditure		15 000	-
- British High Commission		17 412	79 235
- Hans Seidel Foundation		20 000	-
- United Nation High Commission for Refugees	7	-	16 410
- US Embassy project		<u>48 951</u>	<u>532 725</u>
BALANCE CARRIED FORWARD		258 936	726 444

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
GENDER RESEARCH AND ADVOCACY PROJECT
INCOME STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	<u>2017</u>	<u>2016</u>
		N\$	N\$
<i>EXPENDITURE (continued)</i>			
BALANCE BROUGHT FORWARD		258 936	726 444
<i>Project expenses (continued)</i>			
- Embassy of Finland Project expenditure		577 791	184 769
- KAS Project expenditure		58 500	34 354
- OSISA Six Legislate		57 492	133 061
- Pupkewitz expenditure in respect of prior year income		-	21 000
Salaries and staff benefits		<u>1 527 911</u>	<u>1 744 955</u>
		<u>2 480 630</u>	<u>2 844 583</u>
SURPLUS/(DEFICIT) FOR THE YEAR		375 270	(47 164)
SURPLUS AT THE BEGINNING OF THE YEAR		<u>699 535</u>	<u>746 699</u>
SURPLUS AT THE END OF THE YEAR		<u>1 074 805</u>	<u>699 535</u>

THE LEGAL ASSISTANCE TRUST OF NAMIBIA
SOCIAL JUSTICE PROGRAMME
(PREVIOUSLY KNOWN AS HUMAN RIGHTS AND CONSTITUTIONAL UNIT)
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	<u>2017</u>	<u>2016</u>
		N\$	N\$
INCOME			
Canadian DFATD		149 415	-
European Union		-	255 571
Contribution LAT Windhoek Core funds		<u>2 081 392</u>	<u>1 189 867</u>
		<u>2 230 807</u>	<u>1 445 438</u>
OTHER INCOME			
Interest received		111	74
Consulting income		105 046	206 916
Contribution received from Lead 2nd		<u>30 000</u>	<u>-</u>
		<u>135 157</u>	<u>206 990</u>
		<u>2 365 964</u>	<u>1 652 428</u>
EXPENDITURE			
Accommodation		5 700	-
Administration costs		1 055	5 175
Auditors' remuneration		37 950	36 685
Bad debt		4 300	-
Bank charges		6 177	-
Canadian DFATD expenditure		73 365	-
Computer expenses		1 500	-
Contribution to Aids Law Unit		-	52 021
Counsel and professional fees		16 925	-
Depreciation		2 140	2 140
Fuel and oil		3 425	-
Legal fees, legal cost and litigation		57 760	-
Membership fees lawyer		8 602	-
Publications		12 986	1 694
Staff remuneration		1 965 600	1 284 856
Telephone, fax, postage and stationery		21 446	5 544
Training		1 174	3 383
Travelling expenses		12 223	12 875
Workshop		<u>110 844</u>	<u>-</u>
		<u>2 343 172</u>	<u>1 404 373</u>
SURPLUS FOR THE YEAR		22 792	248 055
ACCUMULATED FUNDS/(DEFICIT) AT THE BEGINNING OF THE YEAR		<u>-</u>	<u>(248 055)</u>
ACCUMULATED FUNDS AT THE END OF THE YEAR		<u>22 792</u>	<u>-</u>