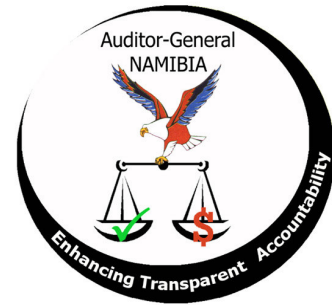




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

# WAR VETERANS TRUST FUND

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2002 TO 2008

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**REPUBLIC OF NAMIBIA**



**TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY**

I have the honour to submit herewith my report on the accounts of the War Veterans Trust Fund for the financial years ended 31 March 2002 to 2008 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

**WINDHOEK, July 2009**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
WAR VETERANS TRUST FUND  
FOR THE FINANCIAL YEARS ENDED  
31 MARCH 2002 TO 31 MARCH 2008**

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**1. INTRODUCTION**

War Veterans Trust Fund is an initiation of the Government of Namibia established by the War Veterans Subvention Fund Act, 1999 (Act no. 16 of 1999) with effect from 20 October 1999. The accounts of the War Veterans Trust Fund for the years ended 31 March 2002 to 31 March 2008 are being reported on in accordance with the provisions set out in Section 27 of the State Finance Act, 1991 (Act 31 of 1991) and the War Veterans Subvention Act, 1999 (Act 16 of 1999).

The firm PKF (Namibia) has been appointed in terms of Section 26 (2) of the State Finance Act, 1991, to audit the accounts of the Fund on behalf of the Auditor-General and under his supervision.

The War Veterans Trust Fund's main objective is:

⇒ to pay subventions to war veterans and dependants of deceased war veterans in accordance with the provision of this Act.

Figures in the report are rounded off to the nearest Namibia Dollar.

**2. FINANCIAL STATEMENTS**

The Fund's financial statements were submitted late to the Auditor-General by the Accounting Officer. The audited financial statements are in agreement with the General Ledger and are filed in the Office of the Auditor-General. The unsigned financial statements of the Fund for the years ended 31 March 2002 to 31 March 2008 are attached.

**3. SCOPE OF THE AUDIT**

The Board is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions.

It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly.

The audit as carried out by the said firm, included:

- (a) Examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of the financial transactions included in the financial statements;
- (b) assessment of the significant estimates and judgements made by the Accounting Officer of the Fund in the preparation of the financial statements and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed; and
- (c) evaluation of the overall adequacy of the presentation of information in the financial statements.

The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:

- The financial statements are free from material misstatement, whether caused by error, fraud or other irregularity;

- in all material respects, the expenditure and income have been applied to the purposes intended; and
- the financial transactions conform to the authorities which govern them.

#### **4. AUDIT OBSERVATIONS AND COMMENTS**

During the audit of the Fund the following observations were made for the financial years under review:

##### **4.1 Revenue**

###### **Audit finding**

The Fund did not keep any records of allocated funds from the National Budget. No receipts were issued on any donations received, to control the completeness of money received.

###### **Recommendation**

Management should ensure that proper records are kept of funds allocated to the Fund from the National Budget. Management needs to reconcile the monies received and the monies allocated to it to ensure that all the funds are received. This will ensure sufficient money to pay the subventions to the registered war veterans and will limit any possible fraud. A system of receipts must be kept, with a register of all donations received.

##### **4.2 Verification of war veterans' payments**

###### **Summary of the matter reported and the effect on clients business**

During the audit of subvention payments to the war veterans it was difficult to verify that payments were done to registered and valid approved war veterans. The auditors could not find all the lists that were received back from the banks. There was also no total detailed list of registered veterans available.

No controls exist over unclaimed payments.

###### **Recommendation**

A method of control over unclaimed payments must be introduced.

Management should consider a system to ensure the proper filing and follow up of the lists returned back from the banks and Nampost. This could serve as evidence of payments to the veterans and is an audit trail of all payments made for a specific period.

A list of all registered veterans must be kept and updated with new registrations and deaths.

##### **4.3 War Veterans Subvention Act, No. 16 of 1999**

###### **Audit finding**

As per the War Veterans Subvention Act, Section 10 (1)(a), the Board shall prepare and submit annual financial statements for the year in question to the Minister. This should be done as soon as practicable but not later than six months after the end of the financial year.

## Recommendation

It is recommended that the Board adheres to this section of the Act and submits the annual financial statements timeously.

### 4.4 Interest on bank accounts

#### Audit finding

It was noted that no interest is accumulated on surplus funds in the current account.

Surplus funds are also not invested in interest earning investments.

#### Recommendation

Interest earnings must be negotiated with the banks and all surplus funds must be invested in interest earning investments.

## 5. INVESTMENTS, BANK AND CASH

The Board operates one current account and two investment accounts, namely:

Account	2008	2007	2006	2005	2004	2003	2002
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Standard Bank – Current account	2 423 532	1 288 956	2 942 921	2 036 023	1 248 781	332 256	204 352
Standard Bank – Cashplus	-	-	-	-	-	-	205 240
Investments – Sanlam	-	-	-	2 645 563	2 453 063	2 209 511	1 023 807
<b>Total</b>	<b>2 423 532</b>	<b>1 288 956</b>	<b>2 942 921</b>	<b>4 681 586</b>	<b>3 701 844</b>	<b>2 541 767</b>	<b>*1 433 399</b>

\* Interest of N\$ 6 482 relating to the 2002/03 financial year has been included in the financial statements which reflect this amount as N\$ 1 439 881.

The Fund keeps all monthly bank statements for the above-mentioned accounts. Verifications and recalculations were made by the auditors which confirmed that the amounts agree with the financial statements.

It was noted that the investment accounts were cancelled during the 2002 and 2005 year end respectively. See paragraph 4.4.

## 6. FINANCIAL RESULTS

The summary results of the various operations and transactions on the Income statement for the year are as follows:

	2008	2007	2006	2005	2004	2003	2002	2001
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
<b>Income:</b>								
Subvention received:								
MOHSS	11 673 990	8 997 520	9 200 000	12 000 000	12 500 000	12 000 000	12 499 000	1 000
Subventions paid	(10 772 500)	(10 799 510)	(11 091 000)	(11 529 000)	(11 587 000)	(11 502 700)	(11 696 500)	-
Unclaimed subventions:								
Nampost Contribution received:								
Telecom	-	-	-	-	-	-	450 000	-
Interest received	-	-	59 606	192 501	253 344	588 009	150 971	3
<b>Total income</b>	<b>1 145 246</b>	<b>(1 617 490)</b>	<b>(1 737 894)</b>	<b>980 501</b>	<b>1 166 844</b>	<b>1 168 809</b>	<b>1 470 471</b>	<b>1 003</b>
<b>Expenditure</b>								
Accounting fees	5 916	5 914	5 914	5 914	5 914	5 914	5 914	-
Bank charges	958	855	771	759	5 267	9 222	7 187	336
Board fees	4 260	21 120	-	-	1 500	7 026	14 250	-
Board workshop	145	13 354	-	-	-	-	-	-
Board admin fees	-	-	-	-	-	3 034	-	-
Catering	522	1 146	-	-	-	7 840	495	300
Commission	-	-	-	-	-	39 801	3 197	-
Other expenses	-	-	-	-	-	-	5 828	-
Refunds – SIPE	4 785	-	-	-	-	-	-	-
<b>Total expenditure</b>	<b>16 586</b>	<b>42 389</b>	<b>6 685</b>	<b>6 673</b>	<b>12 861</b>	<b>72 837</b>	<b>36 871</b>	<b>636</b>
Surplus/(deficit) for the years	1 128 660	(1 659 879)	(1 744 579)	973 828	1 154 163	1 095 972	1 433 600	367
Accumulated surplus – Beginning of the year	1 253 472	2 913 351	4 657 930	3 684 102	2 529 939	1 433 967	367	-
<b>Accumulated surplus – End of the year</b>	<b>2 382 132</b>	<b>1 253 472</b>	<b>2 913 351</b>	<b>4 657 930</b>	<b>3 684 102</b>	<b>2 529 939</b>	<b>1 433 967</b>	<b>367</b>

## 7. ACKNOWLEDGEMENT

The assistance and co-operation given by the staff of the Fund during the audit is appreciated.

## **8. QUALIFIED AUDIT OPINION**

The accounts of the Fund for the financial years ended 31 March 2002 to 31 March 2008 have been audited in terms of Section 11(3) of the War Veterans Subvention Act, 1999, read with Section 25(1) (b) of the State Finance Act, 1991.

The audit opinion has been qualified due to the following reasons:

- ✦ Payments to the war veterans could not be verified as a detailed list of approved and authorised veterans was not submitted. The auditors were therefore unable to satisfy themselves as to the accuracy and validity of subventions paid.
- ✦ No accounting controls exist over donations received, accordingly it was impractical for the auditors to extend audit procedures beyond receipts actually recorded.

Except for the above-mentioned remarks, in my opinion the financial statements fairly present the financial position of the Fund and the results of its operations for the years ended 31 March 2002 to 31 March 2008.

**WINDHOEK, July 2009**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**WAR VETERANS TRUST FUND**

**ANNUAL FINANCIAL STATEMENTS**

**31 March 2002**



**WAR VETERANS TRUST FUND**  
**BALANCE SHEET AS AT 31 MARCH 2002**

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	Notes	2002	2001
		N\$	N\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	1 439 881	367
<b>Total assets</b>		<b>1 439 881</b>	<b>367</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated funds		1 433 967	367
<b>Current liabilities</b>			
Trade and other payables	3	5 914	-
<b>Total equity and liabilities</b>		<b>1 439 881</b>	<b>367</b>

**WAR VETERANS TRUST FUND**  
**INCOME STATEMENT AS AT 31 MARCH 2002**

	<b>Notes</b>	<b>2002</b>	<b>2001</b>
		N\$	N\$
<b>Subventions</b>			
Subventions received		12 499 000	1 000
Subventions paid		(11 696 500)	-
Subventions unclaimed		67 000	-
Net subvention surplus		869 500	1 000
<b>Other income</b>			
Interest received	4	150 971	3
Contribution received: Telecom		450 000	-
Total surplus		1 470 471	1 003
<b>Expenditure</b>			
Accounting fees		5 914	-
Bank charges		7 187	336
Board fees		14 250	-
Catering expenses		495	300
Commission cash plus fund		3 197	-
Other expenses		5 828	-
<b>Net surplus for the year</b>		<b>1 433 600</b>	<b>367</b>

**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated funds</b>
	N\$
<b>Balance at 1 April 2000</b>	-
Net surplus for the year	367
<b>Balance at 1 April 2001</b>	367
Net surplus for the year	1 433 600
<b>Balance at 31 March 2002</b>	<b>1 433 967</b>

**WAR VETERANS TRUST FUND**  
**CASH FLOW STATEMENT AS AT 31 MARCH 2002**

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	<b>Notes</b>	<b>2002</b>	<b>2001</b>
		N\$	N\$
<b>Cash flows from operating activities</b>			
Cash receipts from government		13 016 000	1 000
Cash paid to war veterans and suppliers		(11 727 457)	(636)
Cash generated by operations	5	1 288 543	364
Investment income	4	150 971	3
<b>Net cash from operating activities:</b>			
Increase in cash and cash equivalents		1 439 514	367
Cash and cash equivalents at beginning of the year		367	-
<b>Cash and cash equivalents at end of the year</b>	<b>2</b>	<b>1 439 881</b>	<b>367</b>

## WAR VETERANS TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

#### ACCOUNTING POLICIES

##### 1. Principal accounting policies

The financial statements are prepared on the historical cost basis and as prescribed by the War Veterans Subvention Act, 1999. The following are the principal accounting policies used by the Fund:

##### 1.1 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with bank and investments in money market instruments and net current liabilities of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

##### 1.2 Revenue recognition

Revenue represents subsidies received from Ministry of Health and Social Services which are used to cover expenses on subventions to unemployed war veterans and other running costs of the Fund. These subsidies are recognised on receipt.

Other income comprises voluntary contributions received from the public sector and is recognised on receipt.

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

##### 1.3 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, 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.

	<u>2002</u>	<u>2001</u>
	N\$	N\$
<b>2. Cash and cash equivalents</b>		
Bank balances	<u>1 439 881</u>	<u>367</u>
<b>3. Trade and other payables</b>		
Provision for audit fees	<u>5 914</u>	-
<b>4. Net financial income</b>		
Interest received	<u>150 971</u>	<u>3</u>
<b>5. Cash flow from operations</b>		
Surplus	1 433 600	367
Adjustments for:		
Interest received	(150 971)	(3)
Movements in working capital:		
Increase in accounts payable	<u>5 914</u>	-
	<u>1 288 543</u>	<u>364</u>

**WAR VETERANS TRUST FUND**

**ANNUAL FINANCIAL STATEMENTS**

**31 March 2003**

**WAR VETERANS TRUST FUND**  
**BALANCE SHEET AS AT 31 MARCH 2003**

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	<u>Notes</u>	<u>2003</u>	<u>2002</u>
		N\$	N\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	2 541 767	1 439 881
<b>Total assets</b>		<b>2 541 767</b>	<b>1 439 881</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated funds		2 529 939	1 433 967
<b>Current liabilities</b>			
Trade and other payables	3	11 828	5 914
<b>Total equity and liabilities</b>		<b>2 541 767</b>	<b>1 439 881</b>

**WAR VETERANS TRUST FUND**  
**INCOME STATEMENT AS AT 31 MARCH 2003**

	Notes	2003 N\$	2002 N\$
<b>Subventions</b>			
Subventions received		12 000 000	12 499 000
Subventions paid		(11 502 700)	(11 696 500)
Subventions unclaimed		83 500	67 000
Net subvention surplus		580 800	869 500
<b>Other income</b>			
Interest received	4	588 009	600 971
Contribution received: Telecom		-	450 000
Total surplus		1 168 809	1 470 471
<b>Expenditure</b>			
Accounting fees		5 914	5 914
Bank charges		9 222	7 187
Board administration fees		3 034	-
Board fees		7 026	14 250
Catering expenses		7 840	495
Commission cashplus funds		39 801	3 197
Other expenses		-	5 828
<b>Net surplus for the year</b>		<b>1 095 972</b>	<b>1 433 600</b>

**STATEMENT OF CHANGES IN EQUITY**

	Accumulated funds N\$
<b>Balance at 1 April 2001</b>	367
Net surplus for the year	1 433 600
<b>Balance at 1 April 2002</b>	1 433 967
Net surplus for the year	1 095 972
<b>Balance at 31 March 2003</b>	<b>2 529 939</b>

## WAR VETERANS TRUST FUND

### CASH FLOW STATEMENT for the year ended 31 March 2003

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	<b>Notes</b>	<b>2003</b>	<b>2002</b>
		N\$	N\$
<b>Cash flows from operating activities</b>			
Cash receipts from Government		12 083 500	13 016 000
Cash paid to war veterans and suppliers		(11 569 623)	(11 727 457)
		<hr/>	<hr/>
Cash generated by operations	5	513 877	1 288 543
Investment income	4	588 009	150 971
<b>Net cash from operating activities:</b>			
Increase in cash and cash equivalents		<hr/> 1 101 886	<hr/> 1 439 514
Cash and cash equivalents at beginning of the year		1 439 881	367
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of the year</b>	<b>2</b>	<b><u>2 541 767</u></b>	<b><u>1 439 881</u></b>



## WAR VETERANS TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

#### ACCOUNTING POLICIES

##### 1. Principal accounting policies

The financial statements are prepared on the historical cost basis and as prescribed by the War Veterans Subvention Act, 1999. The following are the principal accounting policies used by the Fund:

##### 1.1 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with bank and investments in money market instruments and net current liabilities of bank overdrafts. In the balance sheet, bank overdrafts

##### 1.2 Revenue recognition

Revenue represents subsidies received from Ministry of Health and Social Services which are used to cover expenses on subventions to unemployed war veterans and other running costs of the Fund. These subsidies are recognised on receipt.

Other income comprises voluntary contributions received from the public sector and is recognised on receipt.

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

##### 1.3 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate o

	<u>2003</u>	<u>2002</u>
	N\$	N\$
<b>2. Cash and cash equivalents</b>		
Bank balances	<u>2 541 767</u>	<u>1 439 881</u>
<b>3. Trade and other payables</b>		
Provision for audit fees	<u>11 828</u>	<u>5 914</u>
<b>4. Net financial income</b>		
Interest received	<u>588 009</u>	<u>150 971</u>
<b>5. Cash flow from operations</b>		
Surplus	1 095 972	1 433 600
Adjustments for:		
Interest received	(588 009)	(150 971)
Movements in working capital:		
Increase in accounts payable	5 914	5 914
	<u>513 877</u>	<u>1 288 543</u>

**WAR VETERANS TRUST FUND**

**ANNUAL FINANCIAL STATEMENTS**

**31 March 2004**

**WAR VETERANS TRUST FUND**  
**BALANCE SHEET AS AT 31 MARCH 2004**

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	<b>Notes</b>	<b>2004</b>	<b>2003</b>
		N\$	N\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	3 701 844	2 541 767
<b>Total assets</b>		<b>3 701 844</b>	<b>2 541 767</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated funds		3 684 102	2 529 939
<b>Current liabilities</b>			
Trade and other payables	3	17 742	11 828
<b>Total equity and liabilities</b>		<b>3 701 844</b>	<b>2 541 767</b>

**WAR VETERANS TRUST FUND**  
**INCOME STATEMENT AS AT 31 MARCH 2004**

	<b>Notes</b>	<b>2004</b>	<b>2003</b>
		N\$	N\$
<b>Subventions</b>			
Subventions received		12 500 000	12 000 000
Subventions paid		(11 587 000)	(11 502 700)
Subventions unclaimed		500	83 500
Net subvention surplus		913 500	580 800
<b>Other income</b>			
Interest received	4	253 344	588 009
Total surplus		1 166 844	1 168 809
<b>Expenditure</b>			
		12 681	72 837
Accounting fees		5 914	5 914
Bank charges		5 267	9 222
Board administration fees		-	3 034
Board fees		1 500	7 026
Catering expenses		-	7 840
Commission cash plus fund		-	39 801
<b>Net surplus for the year</b>		<b>1 154 163</b>	<b>1 095 972</b>

**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated funds</b>
	N\$
<b>Balance at 1 April 2002</b>	1 433 967
Net surplus for the year	1 095 972
<b>Balance at 1 April 2003</b>	2 529 939
Net surplus for the year	1 154 163
<b>Balance at 31 March 2004</b>	<b>3 684 102</b>

**WAR VETERANS TRUST FUND**  
**CASH FLOW STATEMENT**  
**for the year ended 31 March 2004**

	<b>Notes</b>	<b>2004</b>	<b>2003</b>
		N\$	N\$
<b>Cash flows from operating activities</b>			
Cash receipts from Government		12 500 500	12 083 500
Cash paid to war veterans and suppliers		(11 593 767)	(11 569 623)
Cash generated by operations	5	906 733	513 877
Investment income	4	253 344	588 009
<b>Net cash from operating activities:</b>			
Increase in cash and cash equivalents		1 160 077	1 101 886
Cash and cash equivalents at beginning of the year		2 541 767	1 439 881
<b>Cash and cash equivalents at end of the year</b>	<b>2</b>	<b>3 701 844</b>	<b>2 541 767</b>

## WAR VETERANS TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004

#### ACCOUNTING POLICIES

**1. Principal accounting policies**

The financial statements are prepared on the historical cost basis and as prescribed by the War Veterans Subvention Act, 1999. The following are the principal accounting policies used by the Fund:

**1.1 Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with bank and investments in money market instruments and net current liabilities of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

**1.2 Revenue recognition**

Revenue represents subsidies received from Ministry of Health and Social Services which are used to cover expenses on subventions to unemployed war veterans and other running costs of the Fund. These subsidies are recognised on receipt.

Other income comprises voluntary contributions received from the public sector and is recognised on receipt.

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

**1.3 Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, 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.

	<u>2004</u>	<u>2003</u>
	N\$	N\$
<b>2. Cash and cash equivalents</b>		
Bank balances	<u>3 701 844</u>	<u>2 541 767</u>
<b>3. Trade and other payables</b>		
Provision for audit fees	<u>17 742</u>	<u>11 828</u>
<b>4. Net financial income</b>		
Interest received	<u>253 344</u>	<u>588 009</u>
<b>5. Cash flow from operations</b>		
Surplus	1 154 163	1 095 972
Adjustments for:		
Interest received	(253 344)	(588 009)
Changes in working capital:		
Increase in accounts payable	<u>5 914</u>	<u>5 914</u>
	<u><b>906 733</b></u>	<u><b>513 877</b></u>

**WAR VETERANS TRUST FUND**

**ANNUAL FINANCIAL STATEMENTS**

**31 March 2005**

**WAR VETERANS TRUST FUND**  
**BALANCE SHEET AS AT 31 MARCH 2005**

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	Notes	2005	2004
		N\$	N\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	4 681 586	3 701 844
<b>Total assets</b>		<b>4 681 586</b>	<b>3 701 844</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated funds		4 657 930	3 684 102
<b>Current liabilities</b>			
Trade and other payables	3	23 656	17 742
<b>Total equity and liabilities</b>		<b>4 681 586</b>	<b>3 701 844</b>



**WAR VETERANS TRUST FUND**  
**INCOME STATEMENT AS AT 31 MARCH 2005**

	<b>Notes</b>	<b>2005</b>	<b>2004</b>
		N\$	N\$
<b>Subventions</b>			
Subventions received		12 000 000	12 500 000
Subventions paid		(11 529 000)	(11 587 000)
Subventions unclaimed		317 000	500
Net subvention surplus		788 000	913 500
<b>Other income</b>			
Interest received	4	192 501	253 344
Total surplus		980 501	1 166 844
<b>Expenditure</b>			
		6 673	12 681
Accounting fees		5 914	5 914
Bank charges		759	5 267
Board fees		-	1 500
<b>Net surplus for the year</b>		<b>973 828</b>	<b>1 154 163</b>

**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated funds</b>
	N\$
<b>Balance at 1 April 2003</b>	2 529 939
Net surplus for the year	1 154 163
<b>Balance at 1 April 2004</b>	3 684 102
Net surplus for the year	973 828
<b>Balance at 31 March 2005</b>	<b>4 657 930</b>

**WAR VETERANS TRUST FUND**

**CASH FLOW STATEMENT  
for the year ended 31 March 2005**

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	<b>Notes</b>	<b>2005</b>	<b>2004</b>
		N\$	N\$
<b>Cash flows from operating activities</b>			
Cash receipts from Government		12 317 000	12 500 500
Cash paid to war veterans and suppliers		(11 529 759)	(11 593 767)
Cash generated by operations	5	787 241	906 733
Investment income	4	192 501	253 344
<b>Net cash from operating activities</b>			
Increase in cash and cash equivalents		979 742	1 160 077
Cash and cash equivalents at beginning of the year		3 701 844	2 541 767
<b>Cash and cash equivalents at end of the year</b>	2	<b>4 681 586</b>	<b>3 701 844</b>

## WAR VETERANS TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2005

#### ACCOUNTING POLICIES

##### 1. Principal accounting policies

The financial statements are prepared on the historical cost basis and as prescribed by the War Veterans Subvention Act, 1999. The following are the principal accounting policies used by the Fund:

##### 1.1 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with bank and investments in money market instruments and net current liabilities of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

##### 1.2 Revenue recognition

Revenue represents subsidies received from Ministry of Health and Social Services which are used to cover expenses on subventions to unemployed war veterans and other running costs of the Fund. These subsidies are recognised on receipt.

Other income comprises voluntary contributions received from the public sector and is recognised on receipt.

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

##### 1.3 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, 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.

	<u>2005</u>	<u>2004</u>
	N\$	N\$
<b>2. Cash and cash equivalents</b>		
Bank balances	<u>4 681 586</u>	<u>3 701 844</u>
<b>3. Trade and other payables</b>		
Provision for audit fees	<u>23 656</u>	<u>17 742</u>
<b>4. Net financial income</b>		
Interest received	<u>192 501</u>	<u>253 344</u>
<b>5. Cash flow from operations</b>		
Surplus	973 828	1 154 163
Adjustments for:		
Interest received	(192 501)	(253 344)
Changes in working capital:		
Increase in accounts payable	5 914	5 914
	<u>787 241</u>	<u>906 733</u>

**WAR VETERANS TRUST FUND**

**ANNUAL FINANCIAL STATEMENTS**

**31 March 2006**

**WAR VETERANS TRUST FUND**  
**BALANCE SHEET AS AT 31 MARCH 2006**

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	<b>Notes</b>	<b>2006</b>	<b>2005</b>
		N\$	N\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	2 942 921	4 681 586
<b>Total assets</b>		<b>2 942 921</b>	<b>4 681 586</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated funds		2 913 351	4 657 930
<b>Current liabilities</b>			
Trade and other payables	3	29 570	23 656
<b>Total equity and liabilities</b>		<b>2 942 921</b>	<b>4 681 586</b>

**WAR VETERANS TRUST FUND**  
**INCOME STATEMENT AS AT 31 MARCH 2006**

	<b>Note</b>	<b>2006</b>	<b>2005</b>
		N\$	N\$
<b>Subventions</b>			
Subventions received		9 200 000	12 000 000
Subventions paid		(11 091 000)	(11 529 000)
Subventions unclaimed		93 500	317 000
Net subvention (paid) / surplus		(1 797 500)	788 000
<b>Other income</b>			
Interest received	4	59 606	192 501
Total (deficit) / surplus		(1 737 894)	980 501
<b>Expenditure</b>			
Accounting fees		6 685	6 673
Bank charges		5 914	5 914
		771	759
Net (deficit) / surplus for the year		<b>(1 744 579)</b>	<b>973 828</b>

**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated funds</b>
	N\$
<b>Balance at 1 April 2004</b>	3 684 102
Net surplus for the year	973 828
<b>Balance at 1 April 2005</b>	4 657 930
Net deficit for the year	(1 744 579)
<b>Balance at 31 March 2006</b>	<b>2 913 351</b>

**WAR VETERANS TRUST FUND**  
**CASH FLOW STATEMENT**  
**for the year ended 31 March 2006**

	<b>Notes</b>	<b>2006</b>	<b>2005</b>
		N\$	N\$
<b>Cash flows from operating activities</b>			
Cash receipts from Government		9 293 500	12 317 000
Cash paid to war veterans and suppliers		11 091 771	(11 529 759)
Cash (utilized in) / generated by operations	5	(1 798 271)	787 241
Investment income	4	59 606	192 501
<b>Net cash from operating activities:</b>			
Increase/(decrease) in cash and cash equivalents		(1 738 665)	979 742
Cash and cash equivalents at beginning of the year		4 681 586	3 701 844
<b>Cash and cash equivalents at end of the year</b>	<b>2</b>	<b>2 942 921</b>	<b>4 681 586</b>

## WAR VETERANS TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ACCOUNTING POLICIES

**1. Principal accounting policies**

The financial statements are prepared on the historical cost basis and as prescribed by the War Veterans Subvention Act, 1999. The following are the principal accounting policies used by the Fund:

**1.1 Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with bank and investments in money market instruments and net current liabilities of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

**1.2 Revenue recognition**

Revenue represents subsidies received from Ministry of Health and Social Services which are used to cover expenses on subventions to unemployed war veterans and other running costs of the Fund. These subsidies are recognised on receipt.

Other income comprises voluntary contributions received from the public sector and is recognised on receipt.

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

**1.3 Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, 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.

	<u>2006</u>	<u>2005</u>
	N\$	N\$
<b>2. Cash and cash</b>		
Bank	<u>2 942 921</u>	<u>4 681 586</u>
<b>3. Trade and other</b>		
Provision for audit fees	<u>29 570</u>	<u>23 656</u>
<b>4. Net financial</b>		
Interest received	<u>59 606</u>	<u>192 501</u>
<b>5. Cash flow from operations</b>		
(Deficit) /	(1 744 579)	973 828
Adjustments for:		
Interest	(59 606)	(192 501)
Changes in working capital:		
Increase in accounts	5 914	5 914
	<u>(1 798 271)</u>	<u>787 241</u>



**WAR VETERANS TRUST FUND**

**ANNUAL FINANCIAL STATEMENTS**

**31 March 2007**

**WAR VETERANS TRUST FUND**  
**BALANCE SHEET AS AT 31 MARCH 2007**

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	<u>Notes</u>	<u>2007</u>	<u>2006</u>
		N\$	N\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	1 288 956	2 942 921
<b>Total assets</b>		<b>1 288 956</b>	<b>2 942 921</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated funds		1 253 472	2 913 351
<b>Current liabilities</b>			
Trade and other payables	3	35 484	29 570
<b>Total equity and liabilities</b>		<b>1 288 956</b>	<b>2 942 921</b>

**WAR VETERANS TRUST FUND**  
**INCOME STATEMENT AS AT 31 MARCH 2007**

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
<b>Subventions</b>		N\$	N\$
Subventions received		8 997 520	9 200 000
Subventions paid		(10 799 510)	(11 091 000)
Subventions unclaimed		184 500	93 500
Net subvention income/(deficit)		(1 617 490)	(1 797 500)
<b>Other income</b>			
Interest received	4	-	59 606
Total surplus/(deficit)		(1 617 490)	(1 737 894)
<b>Expenditure</b>		42 389	6 685
Accounting fees		5 914	5 914
Bank charges		855	771
Board fees		21 120	-
Board workshop		13 354	-
Catering		1 146	-
Net deficit for the year		<b>(1 659 879)</b>	<b>(1 744 579)</b>

**STATEMENT OF CHANGES IN EQUITY**

	<u>Accumulated funds</u>
	N\$
<b>Balance at 1 April 2005</b>	4 657 930
Net deficit for the year	(1 744 579)
<b>Balance at 1 April 2006</b>	2 913 351
Net deficit for the year	(1 659 879)
<b>Balance at 31 March 2007</b>	<b>1 253 472</b>

**WAR VETERANS TRUST FUND**  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2007

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	Notes	2007	2006
		N\$	N\$
<b>Cash flows from operating activities</b>			
Cash receipts from Government		9 182 020	9 293 500
Cash paid to war veterans and suppliers		(10 835 985)	(11 091 771)
		(1 653 965)	(1 798 271)
Cash utilised in by operations	5	(1 653 965)	(1 798 271)
Investment income	4	-	59 606
<b>Net cash from operating activities:</b>			
		(1 653 965)	(1 738 665)
Increase/(decrease) in cash and cash equivalents		(1 653 965)	(1 738 665)
Cash and cash equivalents at beginning of the year		2 942 921	4 681 586
		2 288 956	2 942 921
<b>Cash and cash equivalents at end of the year</b>	<b>2</b>	<b>1 288 956</b>	<b>2 942 921</b>

## WAR VETERANS TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2007

#### ACCOUNTING POLICIES

**1. Principal accounting policies**

The financial statements are prepared on the historical cost basis and as prescribed by the War Veterans Subvention Act, 1999. The following are the principal accounting policies used by the Fund:

**1.1 Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with bank and investments in money market instruments and net current liabilities of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

**1.2 Revenue recognition**

Revenue represents subsidies received from Ministry of Health and Social Services which are used to cover expenses on subventions to unemployed war veterans and other running costs of the Fund. These subsidies are recognised on receipt.

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	<u>2007</u>	<u>2006</u>
	N\$	N\$
<b>2. Cash and cash equivalents</b>		
Bank balances	<u>1 288 956</u>	<u>2 942 921</u>
<b>3. Trade and other payables</b>		
Provision for audit fees	<u>35 484</u>	<u>29 570</u>
<b>4. Net financial income</b>		
Interest received	<u>-</u>	<u>59 606</u>
<b>5. Cash flow from operations</b>		
Deficit	(1 659 879)	(1 744 579)
Adjustments for:		
Interest received	-	(59 606)
Changes in working capital:		
Increase in accounts payable	5 914	5 914
	<u>(1 653 965)</u>	<u>(1 798 271)</u>

**WAR VETERANS TRUST FUND**

**ANNUAL FINANCIAL STATEMENTS**

**31 March 2008**

**WAR VETERANS TRUST FUND**  
**BALANCE SHEET AS AT 31 MARCH 2008**

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
		N\$	N\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	2 423 532	1 288 956
<b>Total assets</b>		<b>2 423 532</b>	<b>1 288 956</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated funds		2 382 132	1 253 472
<b>Current liabilities</b>			
Trade and other payables	3	41 400	35 484
<b>Total equity and liabilities</b>		<b>2 423 532</b>	<b>1 288 956</b>

**WAR VETERANS TRUST FUND**  
**INCOME STATEMENT AS AT 31 MARCH 2008**

	<b>Notes</b>	<b>2008</b>	<b>2007</b>
		N\$	N\$
<b>Subventions</b>			
Subventions received		11 673 990	8 997 520
Subventions paid		(10 772 500)	(10 799 510)
Subventions unclaimed		243 756	184 500
Net subvention surplus/(deficit)		1 145 246	(1 617 490)
<b>Expenditure</b>			
		16 586	42 389
Accounting fees		5 916	5 914
Bank charges		958	855
Board fees		4 260	21 120
Board workshop		145	13 354
Catering		522	1 146
Refunds-SIPE		4785	-
<b>Net surplus / (deficit) for the year</b>		<b>1 128 660</b>	<b>(1 659 879)</b>

**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated funds</b>
	N\$
<b>Balance at 1 April 2006</b>	2 913 351
Net deficit for the year	(1 659 879)
<b>Balance at 1 April 2007</b>	1 253 472
Net surplus for the year	1 128 660
<b>Balance at 31 March 2008</b>	<b>2 382 132</b>



## WAR VETERANS TRUST FUND

### CASH FLOW STATEMENT for the year ended 31 March 2008

	<b>Notes</b>	<b>2008</b>	<b>2007</b>
		N\$	N\$
<b>Cash flows from operating activities</b>			
Cash receipts from Government		11 917 746	9 182 020
Cash paid to war veterans and suppliers		(10 783 170)	(10 835 985)
Cash generated / (utilised in) by operations	4	1 134 576	(1 653 965)
<b>Net cash from operating activities:</b>			
Increase/(decrease) in cash and cash equivalents		1 134 576	(1 653 965)
Cash and cash equivalents at beginning of the year		1 288 956	2 942 921
<b>Cash and cash equivalents at end of the year</b>	2	<b>2 423 532</b>	<b>1 288 956</b>

## WAR VETERANS TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

#### ACCOUNTING POLICIES

**1. Principal accounting policies**

The financial statements are prepared on the historical cost basis and as prescribed by the War Veterans Subvention Act, 1999. The following are the principal accounting policies used by the Fund:

**1.1 Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with bank and investments in money market instruments and net current liabilities of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

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Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, 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.

	<u>2008</u>	<u>2007</u>
	N\$	N\$
<b>2. Cash and cash equivalents</b>		
Bank balances	<u>2 423 532</u>	<u>1 288 956</u>
<b>3. Trade and other payables</b>		
Provision for audit fees	<u>41 400</u>	<u>35 484</u>
<b>4. Cash flow from operations</b>		
Surplus / (Deficit)	1 128 660	(1 659 879)
Changes in working capital:		
Increase in accounts payable	<u>5 916</u>	<u>5 914</u>
	<u>1 134 576</u>	<u>(1 653 965)</u>