

R E P O R T



AUDITOR-GENERAL

of the

AUDITOR-GENERAL

on the

FINANCIAL STATEMENTS OF THE
PRESIDENT'S FUND FOR THE FINANCIAL
YEAR ENDED 31 MARCH 2004



PUBLISHED BY AUTHORITY

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REPORT

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REPORT OF THE AUDITOR-GENERAL ON THE PRESIDENT'S FUND, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 4 to 10, for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995) and section 42(7) of the Promotion of National Unity and Reconciliation Act, 1995 (Act No. 34 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the fund at 31 March 2004 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the relevant Act.

4. EMPHASIS OF MATTER

4.1 Late submission of Financial Statements

Audit Circular 1 of 2003, paragraph 4.3a, requires the financial statements to be submitted to the Auditor-General within two months after the end of the financial year, by 31 May 2004. A signed set of financial statements was only received on 11 April 2005.

5. APPRECIATION

The assistance rendered by the staff of the Fund during the audit is sincerely appreciated.



C Benjamin

for Auditor-General

Pretoria

15/07/2005



REPORT OF THE ACCOUNTING OFFICER OF THE PRESIDENT'S FUND

The President's Fund was established in terms of section 42 of the Promotion of National Unity and Reconciliation Act No 34 of 1995.

The Fund derives its income mainly from money appropriated by Parliament as well as from donations and contributions from any other source. In the financial year under review no amount was voted by Parliament as Government's contribution to the Fund.

On 15 April 2003 the President addressed the joint sitting of both houses and the nation and tabled the final two volumes of the TRC report and made his own recommendations; which was a legislative requirement. The ad hoc Joint Committee on Reparations identified four key recommendations, namely:

- Symbols and monuments
- Rehabilitation of communities
- Medical benefits and other forms of social assistance
- Once-off individual grant of R30.000 to those individuals or survivors designated by the TRC.

These recommendations were approved by Parliament on 25 June 2003. Reparations are being dealt with in two phases. Phase one deals with the payment of the once-off individual grant and phase two will include the other forms of reparations approved by Parliament. Regulations directing phase one was promulgated on 12 November 2003 and payments commenced on 17 November 2003.

For the financial year under review some 16.000 victims of the 21.769 individual victims, identified by the TRC, have been attended to. The payment of the once-off individual grant is ongoing.

With regard to phase two, consultations are taking place with the respective participating Departments prior to regulations being developed.

On behalf of the President, the South African Government and the declared victims of gross human rights violations, I would like to express our appreciation to the donors who donated R1.029.106 to the Fund during the financial year under review.

My appreciation and thanks also goes to the Presidency and the Government Communication and Information System (GCIS) for their continued support and assistance.

Ms. Jacqui Ngeva

Acting Accounting Officer:

Pretoria

11/04/2005

PRESIDENT'S FUND

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 R	2003 R
ASSETS			
Non-current assets			
Investments	3	702,995,801	930,302,805
Current assets			
Bank		28,476,878	1,194,600
Accounts receivables	4	345,378	236,633
Total Assets		731,472,680	931,497,405
EQUITY AND LIABILITIES			
Capital and reserves			
Accumulated profit		562,490,984	929,900,231
Current liabilities			
Accounts payable	5	168,981,696	1,597,174
Total equity and liabilities		731,472,680	931,497,405



Adv. V. Pikoli

Accounting officer

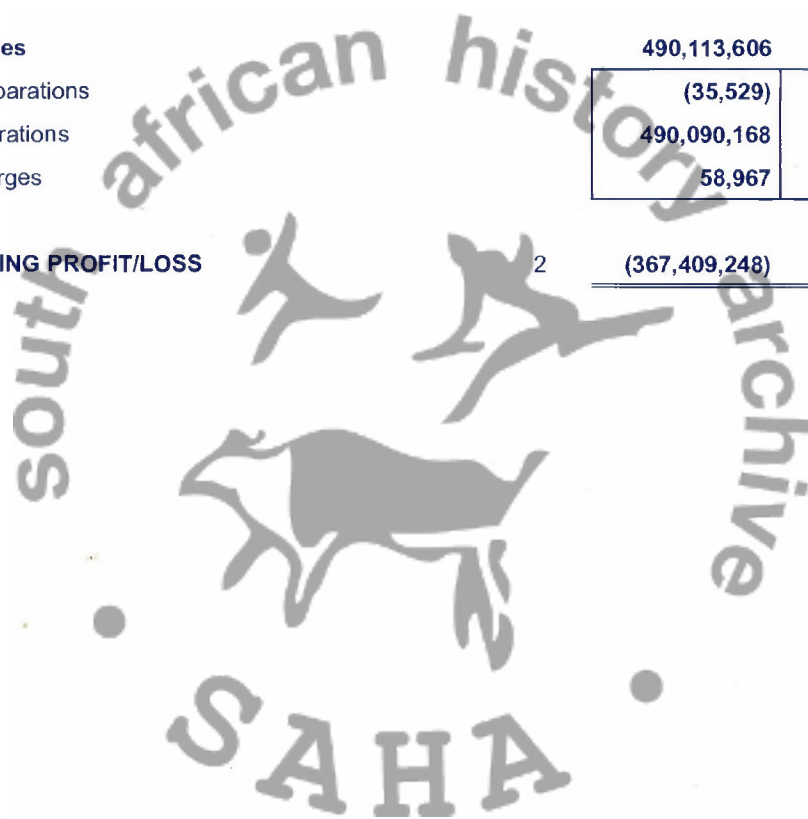
Pretoria

11/04/2005

PRESIDENT'S FUND

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 R	2003 R
Income		122,704,358	369,074,756
Grant		-	310,001,000
Donations		1,029,106	163,515
Interest		121,675,252	58,910,241
Less: Expenses		490,113,606	839,399
Interim reparations		(35,529)	834,299
Final reparations		490,090,168	-
Bank Charges		58,967	5,100
NET OPERATING PROFIT/LOSS	2	(367,409,248)	368,235,357



PRESIDENT'S FUND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 R
ACCUMULATED PROFIT		
Balance as at 31 March 2002		561,664,874
Net profit for the year		368,235,357
Balance as at 31 March 2003		<u>929,900,231</u>
Net loss for the year		(367,409,248)
Balance as at 31 March 2004		<u><u>562,490,983</u></u>



PRESIDENT'S FUND

CASH-FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 R	2003 R
Operating activities			
Cash-flow from operating activities	6	(321,808,723)	321,091,921
Interest received		121,675,252	58,910,241
Net cash from operating activities		(200,133,471)	380,002,162
Cash-flow from investing activities			
Decrease in investments		227,307,004	(380,228,659)
Cash and cash equivalent at the beginning of the year		957,967	1,184,464
Cash and cash equivalent at the end of the year		28,131,500	957,967



PRESIDENT'S FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1. Accounting policy

The financial statements are compiled on the historical cost basis in accordance with the undermentioned policies which were applied consistently in every material respect, except where stated otherwise. The presentation of the financial statements for the current and prior years has been modified in order to conform to the requirements of AC101 Presentation of Financial Statements.

1.1 *Income*

Grants from the Department of Justice and Constitutional Development are accounted for in the period to which the allocations relate. Donations are accounted for on receipt. Interest received on investments is capitalised.

1.2 *Expenditure*

Reparation as approved by the Committee on Reparation and Rehabilitation within the Truth and Reconciliation Commission is accrued on approval. Disbursements in respect of administrative expenses are borne by the Department of Justice and do not form part of grants as stated in subparagraph 1.1.

1.3 *Investments*

Investments are accounted for on a cost basis. Interest earned daily is capitalised monthly at a negotiated rate, taking into account fluctuation of the market rate.

1.4 *Cash and cash equivalents*

For the purpose of the cash-flow statements, cash and cash equivalents comprise cash on hand and current account balances.

PRESIDENT'S FUND

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. Operating Profit

Operating profit has been determined after taking into account the following income and expenses:

	2004 R	2003 R
Income	122,704,358	369,074,756
Government Grant: DoJ and CD	-	310,001,000
Donations	1,029,106	163,515
Anonymous	-	126,945
De Kock	-	21,550
Juta & co (royalties)	-	8,382
Juta & co (royalties)	-	3,063
Juta & co (royalties)	-	3,575
Anonymous	1,000	-
Anonymous	300	-
Juta & co (royalties)	571	-
Anonymous	2,200	-
Anonymous	4,000	-
Anonymous	150	-
Anonymous	1,000	-
Anonymous	500	-
Anonymous	1,000	-
Juta & co (royalties)	12,675	-
Anonymous	50	-
Anonymous	150	-
Anonymous	30	-
Anonymous	30	-
Juta & co (royalties)	5,420	-
Macsteel	1,000,000	-
Anonymous	30	-
Interest received	121,675,252	58,910,241
Less: Expenses	490,113,606	839,399
Interim reparation	(35,529)	834,299
Final reparation	490,090,168	-
Bank charges	58,967	5,100
Operating profit/loss	(367,409,248)	368,235,357

PRESIDENT'S FUND

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

	2004 R	2003 R
3. Investments	702,995,801	930,302,805
32 days' notice	307,642,721	-
Call account	395,353,080	314,016,170
Fixed Deposit	-	616,286,635
4. Accounts receivable	345,378	236,633
Accrued interest	-	103,238
Reparation payments recoverable	345,378	133,395
5. Accounts payable	168,981,696	1,597,174
Reparation payments approved	168,980,753	1,597,053
Accruals	943	121
6. Cash-flow from operating activities		
Reconciliation of profit to cash generated from operations	(489,084,500)	309,173,721
Profit	(367,409,248)	368,235,357
Adjustment for: accumulated profit	-	(151,395)
Adjustment for: interest received	(121,675,252)	(58,910,241)
Increase/decrease in working capital	167,275,777	11,918,200
Accounts receivable	(108,745)	12,058,298
Accounts payable	167,384,522	(140,098)
Cash generated from/ (utilised by) operations	<u>(321,808,723)</u>	<u>321,091,921</u>



AUDITOR-GENERAL



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