

Ombetja Yehinga Organisation Trust
(Registration number: T109/09)

**Annual financial statements
for the year ended 31 December 2013**

Ombetja Yehinga Organisation Trust

(Registration number T109/09)

Annual Financial Statements for the year ended 31 December 2013

General Information

Trust registration number	T109/09
Country of incorporation and domicile	Namibia
Type of trust	Charitable and educational development
Trustees	SN Iipinge SF Rudd CN Uarije KD Newton P Watson PRJ Talavera
Registered office	4 Babie Street Suiderhof Windhoek Namibia
Postal Address	P.O. Box 97217 Windhoek Namibia
Auditors	SGA Chartered Accountants and Auditors (Namibia)
Bankers	Nedbank Namibia Limited

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

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Independent Auditors' Report

To the Trustees of Ombetja Yehinga Organisation Trust

We have audited the annual financial statements of Ombetja Yehinga Organisation Trust as set out on pages 6 to 17, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, the notes, comprising a summary of significant accounting policies and other explanatory information, and the trustees' report.

Trustees' Responsibility for the Annual Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the Namibian Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

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 whether the annual financial statements are free from 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 auditor considers 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 internal 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 for our qualified audit opinion.

Basis for Qualified Opinion

The organisation, in common with many other organisations of similar size, derives a substantial proportion of its income from voluntary donations which cannot be fully controlled until they are entered in the accounting records, and are therefore not susceptible to independent audit verification.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Ombetja Yehinga Organisation Trust as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with the Namibian Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities.


S&A

Chartered Accountants and Auditors (Namibia)

Per: Annette van Coller
Partner

Windhoek...Namibia
31 March 2014

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Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Ombetja Yehinga Organisation Trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with Namibian Generally Accepted Accounting Practice – NAC001: Financial Reporting for Small and Medium Sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.


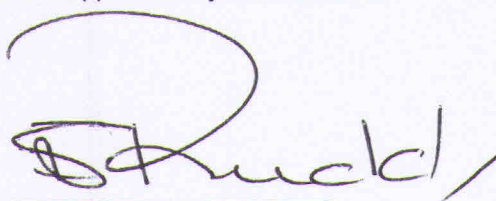
The annual financial statements are prepared in accordance with Namibian Generally Accepted Accounting Practice – NAC001: Financial Reporting for Small and Medium Sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Ombetja Yehinga Organisation Trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, they set standards for internal control aimed at reducing the risk of loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Trust and all employees are required to maintain the highest ethical standards in ensuring the Trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Trust is on identifying, assessing, managing and monitoring all known forms of risk across the Trust. While operating risk cannot be fully eliminated, the Ombetja Yehinga Organisation Trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently reviewing and reporting on the Trust's annual financial statements. The annual financial statements have been examined by the Trust's external auditors and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 6 to 17 were approved by the board of trustees on 31 March 2014 and are signed on its behalf by:


Trustee
Trustee

Ombetja Yehinga Organisation Trust

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Trustees' Report

The trustees submit their report for the year ended 31 December 2013.

1. Review of activities

Main business and operations

The trust is engaged in charitable and educational development and operates principally in Namibia.

The operating results and state of affairs of the trust are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

3. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

Name	Nationality
SN lipinge	Namibian
SF Rudd	Namibian
CN Uarije	Namibian
KD Newton	Namibian
P Watson	South African
PRJ Talavera	French

4. Auditors

SGA will continue in office for the next financial period.

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Statement of Financial Position as at 31 December 2013

	Notes	OYO 3 N\$	Main Account N\$	Global fund N\$	Total 2013 N\$	Total 2012 N\$
Assets						
Non-current assets						
Plant and equipment	2	-	44 438	201 343	245 781	387 659
Current Assets						
Short term investments	3	-	4 031	-	4 031	3 932
Advances to other fund accounts	4	14 719	102 779	11 400	128 898	-
Cash and cash equivalents	5	377 939	352 284	428 744	1 158 967	1 857 225
Total Assets		392 658	503 532	641 487	1 537 677	2 248 816
Funds and Liabilities						
Trust Capital and Reserves						
Accumulated funds		254 500	395 493	445 587	1 095 580	2 242 462
Liabilities						
Current Liabilities						
Trade and other payables	6	69 499	87 620	156 080	313 199	6 354
Advances from other fund accounts	7	68 659	20 419	39 820	128 898	-
Total Funds and Liabilities		392 658	503 532	641 487	1 537 677	2 248 816

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Statement of Comprehensive Income

	OYO 3 N\$	Main Account N\$	Global Fund N\$	Total 2013 N\$	Total 2012 N\$
Revenue	439 891	1 741 925	1 701 352	3 883 168	4 843 611
<u>Less: Operating expenses</u>	(479 711)	(1 879 954)	(2 670 385)	(5 030 050)	(4 651 227)
Surplus / (Deficit) for the year	(39 820)	(138 029)	(969 033)	(1 146 882)	192 384
Operating surplus / (deficit)					
Finance costs	-	-	-	-	-
Surplus / (Deficit) for the year	(39 820)	(138 029)	(969 033)	(1 146 882)	192 384

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Statement of Changes in Equity

	OYO 3 N\$	Main Account N\$	Global fund N\$	Total N\$
Balance as at 31 December 2011	278 982	1 048 026	682 157	2 009 166
Adjustment of cut-off period	-	40 912	-	40 912
Surplus / (deficit) for the year	15 338	(555 417)	732 463	192 384
Balance at 31 December 2012	294 320	533 522	1 414 620	2 242 462
Surplus / (deficit) for the year	(39 820)	(138 029)	(969 033)	(1 146 882)
Balance at 31 December 2013	254 500	395 493	445 587	1 095 580

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Statement of Cash Flows

	Notes	2013 N\$	2012 N\$
Cash flows from operating activities	10	(683 961)	339 889
Cash receipt from donors and others		3 883 167	4 843 611
Cash paid to suppliers and employees		(3 199 206)	(4 503 828)
Net cash from operating activities		(683 961)	339 889
Cash flows from investing activities			
Plant and equipment acquired	2	(14 198)	(283 675)
Net cash from investing activities		(14 198)	(283 675)
Cash flow from financing activities			
Adjusting cut-off period		-	40 913
Net cash from financing activities		-	40 913
Total cash movement for the year		(698 159)	97 127
Cash at the beginning of the year		1 861 157	1 764 030
Total cash at end of the year		1 162 999	1 861 157

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Namibian Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities. The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in Namibian Dollars.

These accounting policies are consistent with the previous period.

1.2 Plant and equipment

The cost of an item of plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Trust; and
- the cost of the item can be measured reliably.

Plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the plant and equipment, which is as follows:

Item	Average useful life
Motor vehicles	5 years
Furniture and fixtures	10 years
Computer equipment	3 years

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Accounting Policies

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.3 Accounts receivable

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

1.4 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash on hand and deposits held on call with banks, net of bank overdraft. On the Statement of the financial position, bank overdrafts are included in current liabilities.

1.5 Revenue

Revenue is recognised at the date the grant is received.

1.6 Provisions

Provisions are recognised when the Organisation has a present legal constructive obligation as a result of a past event, 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 can be made.

1.7 Financial instruments

Financial assets and liabilities are recognised in the Organisation's statement of financial position when the Organisation becomes a party to the contractual provisions of an instrument. All financial instruments are initially measured at fair value. Transaction costs are normally also included in the initial measurement of financial instruments. However, transaction costs incurred on financial assets and liabilities at fair value through profit and loss are not included in the initial measurement, but are expensed. The transaction costs referred to are those incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. For this purpose, transaction costs excludes financing costs and internal administrative costs.

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Accounting Policies

1.7 Financial instruments (continued)

The Organisation's derecognition principles for the financial liabilities hinge on the legal release (extinguishment) of the obligation. Consequently, a financial liability or part thereof would be removed from the statement of financial position on when it is extinguished. The Organisation's derecognition principles for financial assets are normally triggered when it receives consideration in return for the transfer or sale of all or part of a financial asset.

1.8 Offsetting

The net amount on offsets of financial assets and financial liabilities were reported in the Organisation's statement of financial position, where applicable. However, this was only done when the Organisation had legal enforceable rights to set off the recognised amounts and intends to settle on a net basis.

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Notes to the Annual Financial Statements

2. Plant and Equipment

	Computer equipment N\$	Furniture & fittings N\$	Motor vehicles N\$	Total N\$
31 December 2013				
Opening net book value	38 618	68 718	280 323	387 659
Additions	-	-	14 198	14 198
Depreciation	(20 103)	(21 088)	(114 886)	(156 076)
Closing carrying amount	18 515	47 630	179 635	245 781
Cost	191 104	221 297	758 178	1 170 579
Accumulated depreciation	(172 589)	(173 667)	(578 543)	(924 798)
Net book value	18 515	47 630	179 635	245 781
31 December 2012				
Opening net book value	28 139	90 848	168 500	287 487
Additions	39 345	-	244 330	283 675
Depreciation	(28 866)	(22 130)	(132 507)	(183 503)
Closing carrying amount	38 618	68 718	280 323	387 659
Cost	191 104	221 297	743 980	1 156 381
Accumulated depreciation	(152 486)	(152 579)	(463 657)	(768 722)
Net book value	38 618	68 718	280 323	387 659

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Notes to the Annual Financial Statements

	2013 N\$	2012 N\$
3. Investments		
<u>Main account</u>		
Short-term investment: Nedbank 32 day notice account	4 031	3 932
4. Advances to other fund accounts		
<u>Main account</u>		
Advances to other funds	102 779	-
<u>OYO 3</u>		
Advances to other funds	14 719	-
<u>Global Fund</u>		
Advances to other funds	11 400	-
5. Cash and cash equivalents		
<u>Main account</u>	352 284	405 825
Nedbank cheque account	352 234	404 284
Petty cash	50	1 541
<u>Global Fund</u>		

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Notes to the Annual Financial Statements

	2013 N\$	2012 N\$
6. Trade and other payables		
<u>Main account</u>		
Accrued expenses	87 620	702
<u>OYO 3</u>		
Accrued expenses	69 499	-
<u>Global Fund</u>		
Accrued expenses	156 080	6 562
	313 199	19 253

The accrued expenses relate to outstanding cheques which, subsequent to year-end, cleared.

7. Advances from other fund accounts

<u>Main account</u>		
Advances from other fund accounts	20 419	-
<u>OYO 3</u>		
Advances from other fund accounts	68 659	-
<u>Global Fund</u>		
Advances from other fund accounts	39 820	-
	128 898	-

8. Notes to the statement of the comprehensive income

Net operating surplus for the year is stated after charging:

Audit fees	21 459	19 044
Board expenses	-	209

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Notes to the Annual Financial Statements

	2013 N\$	2012 N\$
9. Cash flow from operations		
Reconciliation of net operating surplus to cash utilised in operations:		
Net operating surplus	(1 146 882)	192 384
Adjusted for:		
Depreciation	156 076	183 503
Investment income		(106)
Changes in working capital:		
Decrease / (increase) in trade and other receivables	-	3 286
(Decrease) / increase in trade and other payables	306 845	(39 283)
Cash generated from operations	(683 961)	339 784

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Detailed Statement of Comprehensive Income

	Notes	OYO 3 N\$	Main Account N\$	Global fund N\$	Total 2013	Total 2012
Revenue		439,891	1,741,925	1,701,352	3,883,168	4,843,611
Grants and donations received		298,736	2,500	1,699,902	2,001,138	3,633,831
Vehicle Investment fund		-	99,850	-	99,850	-
Owrtfund		-	166,132	-	166,132	-
GIZ Donor		-	754,155	-	754,155	-
Save the Children Donor		-	389,599	-	389,599	678,000
Valentine Trust Donor		-	138,813	-	138,813	121,143
HIVCS		-	-	-	-	304,800
UNESCO Donor		-	89,001	-	89,001	-
American Cultural Centre Donation		-	100,000	-	100,000	100,000
Interest received		-	1,155	1,450	2,605	2,364
Other income		141,155	720	-	141,875	3,473
Less: Operating expenses		(479,711)	(1,879,954)	(2,670,385)	(5,030,050)	(4,651,227)
AG Mexpense		-	8,640	-	8,640	5,904
Audit fees	7	-	21,459	-	21,459	19,044
Bank charges		2,598	4,550	1,090	8,237	6,681
Board expenses	7	-	-	-	-	209
Computer expenses		400	489	-	889	6,539
Consulting fees		7,000	28,377	-	35,377	2,823
Courier and postage		5,057	-	-	5,057	2,431
Depreciation		-	94,226	61,850	156,076	183,503
Entertainment expenses		-	1,148	-	1,148	2,810
General expenses		3,653	-	-	3,653	1,799
Insurance and licenses		-	14,370	167,806	182,176	103,483
Motor vehicle expenses		1,242	78,667	-	79,909	81,740
Office expenses		840	43,078	68,184	112,103	121,909
Office rental		-	-	39,000	39,000	71,800
Printing and stationery		-	12,235	14,558	26,793	83,222
Project related expenses		398,981	674,941	1,695,385	2,769,307	2,206,180
Salaries and wages		54,113	718,489	618,285	1,388,887	1,520,557
Security services		-	12,815	-	12,815	26,100
Sundry expenses		498	-	-	498	4,770
Telephone		4,354	63,937	-	68,291	61,616
Training and workshops		-	23,292	6,226	29,518	-
Transport expenses		-	61,732	-	61,732	99,065
Volunteers Allowances		-	17,510	-	17,510	36,396
Electricity and water		975	-	-	975	2,646
Surplus / (Deficit) for the year		(39,820)	(138,029)	(969,033)	(1,146,882)	192,384