

Ombetja Yehinga Organisation Trust

(Registration number T109/09)
Annual financial statements
for the year ended 31 December 2014



Ombetja Yehinga Organisation Trust

(Registration number T109/09)

Annual Financial Statements for the year ended 31 December 2014

General Information

Trust registration number	T109/09
Country of incorporation and domicile	Namibia
Type of trust	Charitable and educational development
Trustees	S. N. Iipinge S. F. Rudd C. N. Uarije K. D. Newton P. Watson P. R. J. Talavera
Registered office	4 Babie Street Suiderhof Windhoek Namibia
Postal address	PO Box 97217 Windhoek Namibia
Auditors	SGA
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 7 to 15, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and 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 Statement of 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.

SSA

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 2014, and its financial performance and cash flows for the year then ended in accordance with the Namibian Statement of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities.



SGA

Chartered Accountants and Auditors (Namibia)

Per: A. van Coller
Partner

Windhoek...Namibia
06 February 2015

Ombetja Yehinga Organisation Trust

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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 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 the 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 the 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 judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets standards for internal control aimed at reducing the risk of error or 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 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 trustees have reviewed the trust's cash flow forecast for the year to 31 December 2015 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing 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 page 3.

The annual financial statements set out on pages 6 to 18, which have been prepared on the going concern basis, were approved by the board of trustees on 06 February 2015 and were 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 2014.

1. Review of activities

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. Trustees

The trustees in office at the date of this report are as follows:

Trustees

S. N. Iipinge
S. F. Rudd
C. N. Uarije
K. D. Newton
P. Watson
P. R. J. Talavera

3. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Auditors

SGA Chartered Accountants and Auditors (Namibia) will continue in office for the next financial period.

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Annual Financial Statements for the year ended 31 December 2014

Statement of Financial Position as at 31 December 2014

	Note(s)	2014 N\$	2013 N\$
Assets			
Non-Current Assets			
Plant and equipment	2	505 064	245 781
Current Assets			
Advances to other fund accounts	3	700	128 898
Trade and other receivables	4	95 666	-
Cash and cash equivalents	5	2 064 549	1 162 998
		2 160 915	1 291 896
Total Assets		2 665 979	1 537 677
Funds and Liabilities			
Trust Capital and Reserves			
Accumulated funds	6	2 395 787	1 095 580
Liabilities			
Current Liabilities			
Trade and other payables	8	270 192	313 199
Advances from other funds accounts	7	-	128 898
		270 192	442 097
Total Funds and Liabilities		2 665 979	1 537 677

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Annual Financial Statements for the year ended 31 December 2014

Statement of Comprehensive Income

	Note(s)	2014 N\$	2013 N\$
Revenue	9	5 668 802	3 357 426
Other income	10	327 159	525 742
Operating expenses		(4 695 754)	(5 030 050)
Operating surplus (deficit)		1 300 207	(1 146 882)
Surplus (deficit) for the year		1 300 207	(1 146 882)

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Statement of Changes in Funds

	Accumulated funds N\$	Total funds N\$
Balance at 01 January 2013	2 242 462	2 242 462
Changes in equity		
Deficit for the year	(1 146 882)	(1 146 882)
Balance at 01 January 2014	1 095 580	1 095 580
Changes in equity		
Surplus for the year	1 300 207	1 300 207
Balance at 31 December 2014	2 395 787	2 395 787

Note(s)

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Annual Financial Statements for the year ended 31 December 2014

Statement of Cash Flows

	Note(s)	2014 N\$	2013 N\$
Cash flows from operating activities			
Cash receipts from donors and other		5 900 560	3 883 167
Cash paid to suppliers and employees		(4 674 277)	(4 567 128)
Cash generated from (used in) operations	11	1 226 283	(683 961)
Net cash from operating activities		1 226 283	(683 961)
Cash flows from investing activities			
Proceeds on sale of plant and equipment	2	(404 030)	(14 198)
Sale of plant and equipment	2	80 000	-
Advances to other funds repaid		128 196	-
Net cash from investing activities		(195 834)	(14 198)
Cash flows from financing activities			
Movement in advances from other fund accounts		(128 898)	-
Total cash movement for the year		901 551	(698 159)
Cash at the beginning of the year		1 162 998	1 861 157
Total cash at end of the year	5	2 064 549	1 162 998

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Namibian Statement of 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.

1.1 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 follow 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
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	5 years
Computer equipment	3 years

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.

When 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.

1.2 Accounts receivables

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.

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Accounting Policies

1.3 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.

1.4 Revenue

Revenue is recognised at the date the grant is received.

1.5 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.

1.6 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.

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.

1.7 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

	2014 N\$	2013 N\$
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2. Plant and equipment

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	221 222	(187 516)	33 706	221 222	(173 592)	47 630
Motor vehicles	899 434	(440 438)	458 996	758 253	(578 617)	179 636
Office equipment	2 700	(160)	2 540	-	-	-
Computer equipment	196 605	(186 783)	9 822	191 105	(172 590)	18 515
Total	1 319 961	(814 897)	505 064	1 170 580	(924 799)	245 781

Reconciliation of plant and equipment - 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	47 630	-	-	(13 924)	33 706
Motor vehicles	179 636	395 830	(1)	(116 469)	458 996
Office equipment	-	2 700	-	(160)	2 540
Computer equipment	18 515	5 500	-	(14 193)	9 822
	245 781	404 030	(1)	(144 746)	505 064

Reconciliation of plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	68 718	-	(21 088)	47 630
Motor vehicles	280 323	14 198	(114 885)	179 636
Computer equipment	38 618	-	(20 103)	18 515
	387 659	14 198	(156 076)	245 781

3. Advances to other fund accounts

Main account	-	102 779
OYO 3	700	14 719
Global fund	-	11 400
	700	128 898

4. Trade and other receivables

Trade receivables - Main Account	95 666	-
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Notes to the Annual Financial Statements

	2014 N\$	2013 N\$
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand: Petty Cash - Main Account	145	50
Bank balance	1 770 194	1 158 917
Pointbreak Investment - OYO 3	289 968	-
3D Call Account - Main Account	4 242	4 031
	2 064 549	1 162 998
Bank balance is made up as follow:		
Main Account	1 094 492	352 234
Global Fund	9 520	428 744
OYO 3	186 166	377 939
OYO 5	10 293	-
OYO 6	469 723	-
	1 770 194	1 158 917
6. Accumulated funds		
Main Account	1 001 539	395 495
Global Fund	498 453	445 586
OYO 3	444 769	254 499
OYO 5	(18 697)	-
OYO 6	469 723	-
	2 395 787	1 095 580
7. Advances from other fund accounts		
Main account	-	20 419
OYO 3	-	68 659
Global fund	-	39 820
	-	128 898
8. Trade and other payables		
Trade payables	196 553	313 199
Other payables - Main Account	73 639	-
	270 192	313 199
Trade payables balance is made up as follow:		
Main Account	129 997	87 620
Global fund	-	156 080
OYO 3	32 066	69 499
OYO 5	34 490	-
	196 553	313 199

The trade payables relates to outstanding cheques as at year end.

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Notes to the Annual Financial Statements

	2014 N\$	2013 N\$
9. Revenue		
Grants	5 668 802	3 357 426
The balance is made up as follow:		
Main Account	2 024 202	1 474 788
Global fund	1 828 190	1 699 902
OYO 3	847 361	182 736
OYO 5	458 047	-
OYO 6	511 002	-
	5 668 802	3 357 426
10. Other income		
Profit on sale of asset	80 000	-
Other income	247 159	525 742
	327 159	525 742
11. Cash generated from (used in) operations		
Surplus (deficit)	1 300 207	(1 146 882)
Adjustments for:		
Depreciation	144 749	156 076
Profit on sale of assets	(80 000)	-
Changes in working capital:		
Trade and other receivables	(95 666)	-
Trade and other payables	(43 007)	306 845
	1 226 283	(683 961)

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Detailed Income Statement

	Note(s)	2014 N\$	2013 N\$
Revenue			
Grants		5 668 802	3 357 426
Other income			
Other income		247 159	525 742
Profit on sale of assets		80 000	-
		327 159	525 742
Operating expenses			
AGM expense		-	8 640
Accounting fees		30 475	21 459
Bank charges		6 148	8 238
Consulting and professional fees		26 526	35 377
Courier and postage		-	5 057
Depreciation		144 749	156 075
Employee costs		894 911	1 388 887
Entertainment		2 495	1 148
General expenses		581	3 653
Computer expenses		-	889
Insurance and licenses		253 046	182 176
Lease rentals on operating lease		18 800	39 000
Motor vehicle expenses		112 337	79 909
Municipal expenses		-	975
Office expenses		1 414	112 102
Printing and stationery		75 594	26 793
Project related expenses		3 070 053	2 769 308
Security		3 640	12 815
Sundry		1 500	498
Telephone		11 745	68 291
Training and workshops		-	29 518
Travel expenses		-	61 732
Volunteers Allowances		41 740	17 510
		4 695 754	5 030 050
Surplus (deficit) for the year		1 300 207	(1 146 882)