

**OMBETJA YEHINGA
ORGANISATION TRUST**

ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2016

OMBETJA YEHINGA ORGANISATION TRUST
ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2016

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OMBETJA YEHINGA ORGANISATION TRUST

ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2016

General information

Trustees:

- | | |
|----------------|-------------------|
| 1 S.N. Ipinge | 6 J.M. Cloete |
| 2 K.D. Newton | 7 P.R.J. Talavera |
| 3 S.F. Rudd | 8 T. Kueyo |
| 4 P. Watson | 9 L. Izzaks |
| 5 C.A. Guriras | |

Principal Objectives

The organisation aims at using arts (both visual and performing) with young people to create social awareness, and thereby to decrease the impact of the HIV/AIDS pandemic and other social problems such as domestic violence, rape and alcohol and drug abuse, among young people in Namibia.

Business Address

4 Babie Street
Suiderhof
Windhoek
Namibia

Postal Address

P.O. Box 97217
Windhoek
Namibia

Auditors

PKF-FCS Auditors
P O Box 4440
Walvis Bay
Namibia

OMBETJA YEHINGA ORGANISATION TRUST
ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2016

General information

TRUSTEES APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements as set out on pages 4 to 14 hereafter have been inspected by us and are hereby approved as the Annual Financial Statements for the year ended:

31 DECEMBER 2016

The trustees are not aware of any matter or circumstance arising since the end of the financial year. No material fact or circumstances has occurred between the accounting date and the date of this report.

The going concern basis has been adopted in preparing the financial statements. The trustees have no reason to believe that the trust will not be a going concern in the foreseeable future.

We, the undersigned trustees, confirm that the Annual Financial Statements are our responsibility and fairly present the financial affairs of the Trust.

Signed on 17 March 2017 at Windhoek.

S.N. Iipinge

K.D. Newton

S.F. Rudd

P. Watson

C.A. Guriras

J.M. Cloete

P.R.J. Talavera

T. Kueyo

L. Izzaks

OMBETJA YEHINGA ORGANISATION TRUST
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2016

	<u>Notes</u>	<u>2016</u> <u>N\$</u>	<u>2015</u> <u>N\$</u>
Revenue	2	6,312,187	5,676,667
Other Income	3	256,768	301,772
Total Income		<u>6,568,955</u>	<u>5,978,438</u>
Administrative Expenses		(277,241)	(162,025)
Other Expenses	4	(8,217,515)	(5,351,985)
(Deficit) / Surplus For The Year		<u><u>(1,925,801)</u></u>	<u><u>464,428</u></u>

OMBETJA YEHINGA ORGANISATION TRUST
STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2016

	<u>Notes</u>	<u>2016</u> <u>N\$</u>	<u>2015</u> <u>N\$</u>
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	6	432,340	405,892
<i>Current assets</i>			
Trade and other receivables	7	-	66,567
Cash and cash equivalents	8	3,189,551	2,541,376
TOTAL ASSETS		<u>3,621,891</u>	<u>3,013,835</u>
EQUITY AND LIABILITIES			
<i>Accumulated funds</i>			
Accumulated Surplus / (deficit)		934,414	2,860,215
<i>Current liabilities</i>			
Trade and other payables	9	2,687,477	153,620
TOTAL EQUITY AND LIABILITIES		<u>3,621,891</u>	<u>3,013,835</u>

OMBETJA YEHINGA ORGANISATION TRUST
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 DECEMBER 2016

	<u>Notes</u>	<u>2016</u> <u>N\$</u>	<u>2015</u> <u>N\$</u>
Cash receipts from customers		6,635,522	5,911,871
Cash paid to suppliers and employees		<u>(5,787,031)</u>	<u>(5,377,914)</u>
Cash generated / (utilised) by operations	10	848,491	533,957
Interest received		<u>41,116</u>	<u>32,955</u>
Cash Flow from operating activities		889,607	566,912
Cash Flow from investing activities		<u>(241,432)</u>	<u>(90,085)</u>
Additions to Property, Plant and Equipment	6	<u>(241,432)</u>	<u>(90,085)</u>
Net increase / (decrease) in cash, equivalents and overdrafts		<u>648,175</u>	<u>476,827</u>
Cash, equivalents and overdrafts - beginning of year	8	<u>2,541,376</u>	<u>2,064,549</u>
Cash, equivalents and overdrafts - end of year		<u><u>3,189,551</u></u>	<u><u>2,541,376</u></u>
Cash and Cash equivalents consist of :			
Bank - Current Account		3,189,551	2,541,002
Cash on hand		-	374
		<u><u>3,189,551</u></u>	<u><u>2,541,376</u></u>

OMBETJA YEHINGA ORGANISATION TRUST
STATEMENT OF CHANGES IN ACCUMULATED SURPLUS AND OTHER RESERVES FOR THE YEAR ENDED
31 DECEMBER 2016

	<u>Accumulated</u> <u>Surplus /</u> <u>(deficit)</u> <u>N\$</u>	<u>TOTAL</u> <u>N\$</u>
Balance 31 December 2014	2,395,787	2,395,787
Movements during the year (Deficit) / Surplus For The Year	464,428	464,428
Balance 31 December 2015	2,860,215	2,860,215
Movements during the year (Deficit) / Surplus For The Year	(1,925,801)	(1,925,801)
Balance 31 December 2016	934,414	934,414

OMBETJA YEHINGA ORGANISATION TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2016

1 BASIS OF PREPARATION

The financial statements are prepared in accordance with Namibian Statements of Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium Sized Entities where appropriate to the business. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment and investment properties where appropriate.

Unless otherwise specifically stated, this basis is consistent with that of the previous year.

The business has adopted the Namibia Dollar as its reporting currency.

Measurement basis used by the trust include and are defined as follows:

Historical cost

Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value

The amount for which an asset would be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1. 1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the business and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Revenue is recognised at the date the grant is received.

1. 2 Property, plant and equipment

All property, plant and equipment are initially recorded at cost and adjusted for any impairment in value.

Items of property, plant and equipment are stated at historical cost less accumulated depreciation.

All property, plant and equipment are reviewed for indicators of impairment losses at each reporting date. If such indicators exist, the recoverable amount of the asset is determined. The recoverable amount is the fair value less estimated costs to sell. An impairment loss is recognised where the carrying amount of the asset exceeds the recoverable amount. Impairment losses and reversal of impairment losses are recognised in the income statement.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

- Computer Equipment	3 years
- Motor vehicles	5 years
- Furniture and fittings	10 years
- Office equipment	10 years

The residual values and useful lives of all items of property, plant and equipment are reviewed, and adjusted if necessary, at each reporting date.

OMBETJA YEHINGA ORGANISATION TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2016

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the profit/(loss) before finance cost. On disposal of revalued assets, amounts in revaluation reserves relating to that asset are transferred to retained earnings.

1. 3 Provisions

Provisions are recognised when the business 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.

Where the business expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

1. 4 Foreign currency transactions

Transactions in foreign currencies are accounted for at the rates of exchange ruling on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Unrealised differences on monetary assets and liabilities are recognised in profit and loss in the period in which they occur. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated at the exchange rate ruling on the date of the transaction. Non-monetary assets and liabilities that are measured at revalued amounts, are translated at the exchange rates on the date that the revalued amounts were determined.

1. 5 Taxation

As the trust is not a registered taxpayer, no provision for taxation has been provided for.

OMBETJA YEHINGA ORGANISATION TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2016

Statement of Profit and Loss and Other Comprehensive Income Notes

	<u>2016</u>	<u>2015</u>
	<u>N\$</u>	<u>N\$</u>
2 REVENUE		
Revenue includes the following:		
Funds received	6,312,187	5,676,667
	<u>6,312,187</u>	<u>5,676,667</u>
3 OTHER INCOME		
Other Income includes the following:		
Bad debts recovered	21,600	-
Profit / (loss) on disposal of property, plant and equipment	-	1,050
Donations received	9,321	1,451
Overheads recovered from projects	159,706	78,295
DVD sales	5,240	3,360
Contribution: vehicle hired out	-	28,293
Dance Troup Shows	4,000	42,386
Contributions to expenses	-	102,432
Other income	15,785	11,550
Interest received	41,116	32,955
	<u>256,768</u>	<u>301,772</u>
4 OPERATING EXPENSES		
Operating expenses includes the following:		
Auditors' remuneration		
- Fees	85,263	79,320
	<u>85,263</u>	<u>79,320</u>
Consulting and professional fees	<u>2,709</u>	<u>46,000</u>
Depreciation, amortisation and impairments	<u>214,984</u>	<u>180,014</u>
Employee details		
- Administration salaries and wages	4,131,401	3,020,866
- Staff welfare	600	2,914
- Training	46,201	36,360
	<u>4,178,202</u>	<u>3,060,140</u>
5 DIRECTOR'S EMOLUMENTS		
<i>Executive director(s)</i>		
For services as a directors		
Salary, bonus, commission, entertainment and travel and subsistence allowances	650,493	-
	<u>650,493</u>	<u>-</u>

OMBETJA YEHINGA ORGANISATION TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2016

Statement of financial position notes

6 PROPERTY, PLANT AND EQUIPMENT

	<u>Computer Equipment</u>	<u>Motor vehicles</u>	<u>Furniture and fittings</u>	<u>Office equipment</u>	<u>TOTAL</u>
	<u>N\$</u>	<u>N\$</u>	<u>N\$</u>	<u>N\$</u>	<u>N\$</u>
Cost	196,605	899,434	221,222	2,700	1,319,961
Accumulated depreciation	(186,783)	(440,438)	(187,516)	(160)	(814,897)
Carrying amount 31 December 2014	9,822	458,996	33,706	2,540	505,064
Depreciation for the year	(36,387)	(130,797)	(12,355)	(475)	(180,014)
Additions during the year	88,045	-	-	2,040	90,085
Disposals/scrappings during the year - cost	(27,512)	-	(62,448)	-	(89,960)
Disposals/scrappings during the year - acc. dep.	27,509	-	53,208	-	80,717
Cost	257,138	899,434	158,774	4,740	1,320,086
Revaluations	-	-	-	-	-
Accumulated Depreciation	(195,661)	(571,235)	(146,663)	(635)	(914,194)
Carrying amount 31 December 2015	61,477	328,199	12,111	4,105	405,892
Depreciation for the year	(75,589)	(130,947)	(7,191)	(1,257)	(214,984)
Additions during the year	226,194	-	-	15,238	241,432
Cost	483,332	899,434	158,774	19,978	1,561,518
Accumulated depreciation	(271,250)	(702,182)	(153,854)	(1,892)	(1,129,178)
Carrying amount 31 December 2016	212,082	197,252	4,920	18,086	432,340

OMBETJA YEHINGA ORGANISATION TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2016

Statement of financial position notes

	<u>2016</u>	<u>2015</u>
	<u>N\$</u>	<u>N\$</u>
7 TRADE AND OTHER RECEIVABLES		
Trade and other receivables consist of:		
Trade receivables (net from any doubtful debt provisions)	-	53,395
Pre-paid expenses	-	10,116
Receiver of Revenue: VAT	-	3,056
	-	66,567
	-	66,567
8 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Petty cash	-	374
Bank balances:		
- current account	2,855,368	2,231,322
- savings account	334,183	309,680
Net cash and cash equivalents	3,189,551	2,541,376
	3,189,551	2,541,376
<p>At year-end the balance on the account for the Global Fund amounted to N\$ 2,525,093 (2015: N\$955,218). The donor fund appointed another auditing firm to express an opinion on the balance and utilisation of the funds for this bank account. In order to reduce costs the trustees requested that PKF-FCS Auditors do not include these items in their audit tests to avoid a duplication of efforts.</p>		
9 TRADE AND OTHER PAYABLES		
Trade and other payables consist of:		
Income received in advance	2,477,163	-
Provisions and accruals	210,314	153,620
	2,687,477	153,620
	2,687,477	153,620
10 RECONCILIATION OF PROFIT BEFORE TAX WITH CASH GENERATED / (UTILISED) BY OPERATIONS		
Profit / (loss) before tax	(1,925,801)	464,428
adjusted for:		
- depreciation	214,984	180,014
- loss / (surplus) on realisation/scrapping of property, plant and equipment	-	9,244
- interest received	(41,116)	(32,955)
Operating profit before working capital changes	(1,751,933)	620,731
Working capital changes:		
- decrease/(increase) in trade and other receivables	66,567	29,798
- increase/(decrease) in trade and other payables	2,533,857	(116,572)
Cash generated / (utilised) by operations	848,491	533,957

OMBETJA YEHINGA ORGANISATION TRUST

DETAILED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

This schedule does not form part of the annual financial statements and is presented as additional information

	<u>2016</u> <u>N\$</u>	<u>2015</u> <u>N\$</u>
REVENUE	6,312,187	5,676,667
OTHER INCOME	256,768	301,772
Bad debts recovered	21,600	-
Profit / (loss) on disposal or scrapping of property, plant and equipment	-	1,050
Donations received	9,321	1,451
Sundry income	184,731	266,316
Interest received	41,116	32,955
ADMINISTRATIVE EXPENSES	277,241	162,025
Accounting fees		
- accounting and bookkeeping fees	-	2,128
Bank charges	19,101	13,462
Computer expenses	33,314	37,282
Stationery and sundry office expenses	167,660	52,857
Telephone, fax and postages	57,166	56,297
OTHER EXPENSES	8,217,515	5,351,985
Auditor's remuneration	85,263	79,320
Advertising	3,647	32,186
Bad debts	-	21,600
Consulting fees	2,709	46,000
Depreciation	214,984	180,014
Insurance	94,237	81,737
Legal fees	543	-
Membership fees	500	1,300
Motor vehicle expenses	284,376	189,015
Municipal and property costs	16,862	14,340
Loss on scrapping of property, plant and equipment	-	9,244
Project related expenses	2,457,458	1,160,194
Rent paid	234,619	151,432
Repairs and maintenance	8,604	2,068
Salaries and wages	4,131,401	3,020,866
Security cost	49,733	48,770
Staff training	46,201	36,360
Staff welfare	600	2,914
Travelling and entertainment	585,778	272,464
Volunteers allowances	-	2,162
FINANCE COSTS	-	-
(Deficit) / Surplus For The Year	<u>(1,925,801)</u>	<u>464,428</u>