

**OMBETJA YEHINGA
ORGANISATION TRUST**

ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2017

OMBETJA YEHINGA ORGANISATION TRUST
ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2017

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OMBETJA YEHINGA ORGANISATION TRUST

ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2017

General information

Trustees:

- | | |
|----------------|-------------------|
| 1 S.N. Iipinge | 6 T.M. Kueyo |
| 2 K.D. Newton | 7 S.D.L. Izaaks |
| 3 S.F. Rudd | 8 P.R.J. Talavera |
| 4 P. Watson | |
| 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.

Trust 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 2017

General information

TRUSTEES APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements as set out on pages 7 to 15 hereafter have been inspected by us and are hereby approved as the Annual Financial Statements for the year ended:

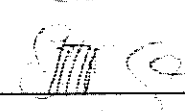
31 DECEMBER 2017

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.

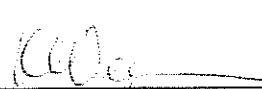
The going concern basis has been adopted in preparing the financial statements. The trustees have no reason to believe that the trust will not be a going concern in the foreseeable future.

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

Signed on 25 April 2018 at Windhoek.



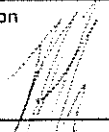
S.N. Ipinge



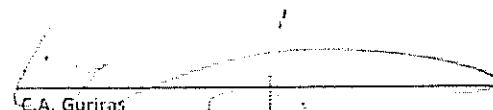
K.D. Newton



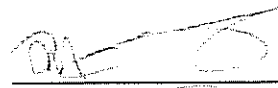
S.F. Rudd



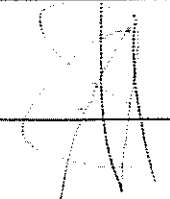
P. Watson



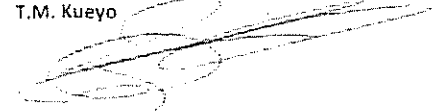
C.A. Guriras



T.M. Kueyo



S.D.L. Izaaks



P.R.J. Talavera

REPORT OF THE INDEPENDENT AUDITOR

TO THE TRUSTEES OF

OMBETJA YEHINGA ORGANISATION TRUST

Qualified opinion

We have audited the financial statements of Ombetja Yehinga Organisation Trust set out on pages 7 to 15, which comprise the statements of financial position as at 31 December 2017 and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and the directors' report.

In our opinion, except for the effects of the matter described in the Basis for Qualification Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the trust as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with Namibian Statements of Generally Accepted Accounting Practice – NAC001: Financial Reporting for Small and Medium Sized Entities and the requirements of the Companies Act of Namibia.

Basis for Qualified Opinion

In common with similar organizations, it is not feasible for the trust to institute accounting controls over cash collections from donations and fund-raising activities prior to initial entry of these collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Furthermore, the audit of all related balances and transactions for the Global Fund has been performed by Grand Namibia and no report confirming that same is not materially misstated has been received from them to date.

We could confirm the valuation and existence of the Global Fund balance through a third-party bank confirmation, which ensured us that the balance of the fund is not materially misstated in the Financial Statements of Ombetja Yehinga Organisation Trust.

However, no additional procedures were performed to test the validity, accuracy and classification of the payments and receipts transactions for the Global Fund. We also could not confirm whether the transactions were incurred in terms of the donor contract. These transactions are material to our audit, and we therefore could not perform any assurance on them.

Other Information

The directors are responsible for the other information. The other information comprises the Supplementary information set out on page 16, which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with Namibian Statements of Generally Accepted Accounting Practice – NAC001: Financial Reporting for Small and Medium Sized Entities and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the trust to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PKF-FCS Auditors
PKF-FCS Auditors
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: J du Toit
Partner

25 April 2018



OMBETJA YHINGA ORGANISATION TRUST
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2017

	<u>Notes</u>	<u>2017</u> <u>N\$</u>	<u>2016</u> <u>N\$</u>
Revenue	2	13,904,901	6,312,187
Gross Profit		<u>13,904,901</u>	<u>6,312,187</u>
Other Income	3	443,703	256,768
Total Income		<u>14,348,604</u>	<u>6,568,955</u>
Administrative Expenses		(138,948)	(277,241)
Other Expenses	4	(11,934,130)	(8,217,515)
Surplus / (Deficit) For The Year		<u><u>2,275,526</u></u>	<u><u>(1,925,801)</u></u>

OMBETJA YEHINGA ORGANISATION TRUST**STATEMENT OF FINANCIAL POSITION AS AT****31 DECEMBER 2017**

		<u>2017</u>	<u>2016</u>
		<u>N\$</u>	<u>N\$</u>
	<u>Notes</u>		
ASSETS			
<i>Non-current assets</i>			
		1,865,181	432,340
Plant and equipment	6	1,865,181	432,340
<i>Current assets</i>			
		1,902,980	3,189,551
Trade and other receivables	7	21,280	-
Cash and cash equivalents	8	1,881,700	3,189,551
TOTAL ASSETS		3,768,161	3,621,891
 EQUITY AND LIABILITIES			
<i>Accumulated funds</i>			
		3,209,940	934,414
Accumulated Surplus		3,209,940	934,414
<i>Current liabilities</i>			
		558,221	2,687,477
Trade and other payables	9	558,221	2,687,477
TOTAL EQUITY AND LIABILITIES		3,768,161	3,621,891

OMBETJA YEHINGA ORGANISATION TRUST
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 DECEMBER 2017

	<u>Notes</u>	<u>2017</u> <u>N\$</u>	<u>2016</u> <u>N\$</u>
Cash receipts from customers		14,282,045	6,635,522
Cash paid to suppliers and employees		(13,696,809)	(5,787,031)
Cash generated by operations	10	585,236	848,491
Interest received		45,279	41,116
Cash Flow from operating activities		630,515	889,607
Cash Flow from investing activities		(1,938,366)	(241,432)
Additions to Property, Plant and Equipment	6	(1,938,366)	(241,432)
Net (decrease) / increase in cash, equivalents and overdrafts		(1,307,851)	648,175
Cash, equivalents and overdrafts - beginning of year	8	3,189,551	2,541,376
Cash, equivalents and overdrafts - end of year		1,881,700	3,189,551
Cash and Cash equivalents consist of :			
Bank - Current Account		1,881,494	3,189,551
Cash on hand		206	-
		1,881,700	3,189,551

OMBETJA YEHINGA ORGANISATION TRUST

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS AND OTHER RESERVES FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>Accumulated</u> <u>Surplus</u> <u>N\$</u>	<u>TOTAL</u> <u>N\$</u>
Balance 31 December 2015	<u>2,860,215</u>	<u>2,860,215</u>
Movements during the year		
Deficit For The Year	<u>(1,925,801)</u>	<u>(1,925,801)</u>
Balance 31 December 2016	<u>934,414</u>	<u>934,414</u>
Movements during the year		
Surplus For The Year	<u>2,275,526</u>	<u>2,275,526</u>
Balance 31 December 2017	<u>3,209,940</u>	<u>3,209,940</u>

OMBETJA YEHINGA ORGANISATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2017

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 trust. 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 trust 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 operations.

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 trust 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.

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.

OMBETJA YEHINGA ORGANISATION TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2017

1. 3 Provisions

Provisions are recognised when the trust 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 trust 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 2017

Statement of Profit and Loss and Other Comprehensive Income Notes

	<u>2016</u> N\$	<u>2015</u> N\$
2 REVENUE		
Revenue includes the following:		
Funds received	13,904,901	6,312,187
	<u>13,904,901</u>	<u>6,312,187</u>
3 OTHER INCOME		
Other Income includes the following:		
Bad debts recovered	-	21,600
Donations received	13,500	9,321
Sundry income	384,924	184,731
Interest received	45,279	41,116
	<u>443,703</u>	<u>256,768</u>
4 OPERATING EXPENSES		
Operating expenses includes the following:		
Auditors' remuneration		
- Fees	80,179	85,263
	<u>80,179</u>	<u>85,263</u>
Consulting and professional fees	-	2,709
Depreciation	505,525	214,984
Employee details		
- Administration salaries and wages	5,175,017	4,131,401
- Staff welfare	9,298	600
- Training	37,454	46,201
	<u>5,221,769</u>	<u>4,178,202</u>
5 DIRECTOR'S EMOLUMENTS		
<i>Executive director(s)</i>		
For services as a directors		
Salary, bonus, commission, entertainment and travel and subsistence allowances	817,522	650,493
	<u>817,522</u>	<u>650,493</u>

OMBETJA YEHINGA ORGANISATION TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2017

Statement of financial position notes

6 PLANT AND EQUIPMENT

	<u>Computer Equipment</u> N\$	<u>Motor vehicles</u> N\$	<u>Furniture and fittings</u> N\$	<u>Office equipment</u> N\$	<u>TOTAL</u> N\$
Cost	257,138	899,434	158,774	4,740	1,320,086
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
Depreciation for the year	(110,967)	(389,250)	(3,288)	(2,020)	(505,525)
Additions during the year	27,344	1,905,632	4,500	890	1,938,366
Disposals/scrappings during the year - cost	(15,200)	-	(3,126)	-	(18,326)
Disposals/scrappings during the year - acc. dep.	15,200	-	3,126	-	18,326
Cost	495,476	2,805,066	160,148	20,868	3,481,558
Accumulated depreciation	(367,017)	(1,091,432)	(154,016)	(3,912)	(1,616,377)
Carrying amount 31 December 2017	128,459	1,713,634	6,132	16,956	1,865,181

OMBETJA YEHINGA ORGANISATION TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2017

Statement of financial position notes

	<u>2017</u>	<u>2016</u>
	<u>N\$</u>	<u>N\$</u>
7 TRADE AND OTHER RECEIVABLES		
Trade and other receivables consist of:		
Pre-paid expenses	21,280	-
	21,280	-
8 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Petty cash	206	-
Bank balances:		
- current account	1,519,401	2,855,368
- savings account	362,093	334,183
Net cash and cash equivalents	1,881,700	3,189,551

At year-end the balance on the account for the Global Fund amounted to N\$ 112,919 (2016: N\$ 2,525,093). 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.

9 TRADE AND OTHER PAYABLES

Trade and other payables consist of:

Income received in advance	-	2,477,163
Provisions and accruals	558,221	210,314
	558,221	2,687,477

10 RECONCILIATION OF PROFIT BEFORE TAX WITH CASH GENERATED BY OPERATIONS

Profit / (loss) before tax	2,275,526	(1,925,801)
adjusted for:		
- depreciation	505,525	214,984
- interest received	(45,279)	(41,116)
Operating profit before working capital changes	2,735,772	(1,751,933)
Working capital changes:		
- (increase)/decrease in trade and other receivables	(21,280)	66,567
- (decrease)/increase in trade and other payables	(2,129,256)	2,533,857
Cash generated by operations	585,236	848,491

OMBETJA YEHINGA ORGANISATION TRUST

DETAILED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

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

	<u>2017</u>	<u>2016</u>
	<u>N\$</u>	<u>N\$</u>
REVENUE	13,904,901	6,312,187
OTHER INCOME	443,703	256,768
Bad debts recovered	-	21,600
Donations received	13,500	9,321
Sundry income	384,924	184,731
Interest received	45,279	41,116
ADMINISTRATIVE EXPENSES	138,948	277,241
Bank charges	12,226	19,101
Computer expenses	25,536	33,314
Stationery and sundry office expenses	55,252	167,660
Telephone, fax and postages	45,934	57,166
OTHER EXPENSES	11,934,130	8,217,515
Auditor's remuneration	80,179	85,263
Advertising	430	3,647
Consulting fees	-	2,709
Depreciation	505,525	214,984
Fines and penalties	1,066	-
Insurance	147,754	94,237
Legal fees	-	543
Membership fees	-	500
Motor vehicle expenses	58,895	284,376
Municipal and property costs	12,774	16,862
Project related expenses	5,448,829	2,457,458
Rent paid	255,268	234,619
Repairs and maintenance	2,235	8,604
Salaries and wages	5,175,017	4,131,401
Security cost	4,200	49,733
Staff training	37,454	46,201
Staff welfare	9,298	600
Travelling and entertainment	195,206	585,778
Surplus / (Deficit) For The Year	<u>2,275,526</u>	<u>(1,925,801)</u>