



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
NATIONAL YOUTH COUNCIL  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014, 2015 AND 2016**

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**REPUBLIC OF NAMIBIA**



**TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY**

I have the honour to submit herewith my report on the accounts of the National Youth Council for the financial years ended 31 March 2014, 2015 and 2016, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**WINDHOEK, November 2017**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
NATIONAL YOUTH COUNCIL  
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2014, 2015 AND 2016**

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**1. INTRODUCTION**

This report on the accounts of the National Youth Council of Namibia for the financial years ended 31 March 2014, 2015 and 2016 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in the State Finance Act, 1991 (Act 31 of 1991), as amended.

The firm, Strategis Registered Accountants and Auditors of Windhoek, has been appointed by the Auditor-General in terms of Section 26(2) of the State Finance Act, 1991, to audit the accounts of the National Youth Council on behalf of the Auditor-General and under his supervision.

Figures in the report are rounded to the nearest Namibia Dollar and deficits are indicated in (brackets).

I certify that I have audited the accompanying financial statements of the Council for the financial years ended 31 March 2014, 2015 and 2016. These financial statements comprise the following:

- Annexure A: Report of the Council;
- Annexure B: Balance sheets;
- Annexure C: Income statements
- Annexure D: Cash flow statements; and
- Annexure E: Notes to the annual financial statements.

Financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 26 of the State Owned Enterprise Governance Act, except that they were only submitted on 19 October 2016 instead of three months (3 months) after the year-end as required by the Act.

The financial statements and notes to the financial statements provided by the Accounting Officer are attached as Annexure A, B, C, D and E.

**2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 & 13 of the State Finance Act, Act 31 of 1991 and relevant legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**3. AUDITOR'S RESPONSIBILITY**

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## **Powers and duties**

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the qualified audit opinion.

## **4. ACKNOWLEDGEMENT**

The assistance and co-operation given by the staff of the Council during the audit is appreciated.

## **5. KEY AUDIT FINDINGS**

### **5.1. EXPENSES**

The Council's payments procedures were not consistently adhered to when disbursing funds towards expenses. It was observed that deposit slips, quotations or general payment forms were being used as supporting documents to the general ledger expenses. This is contrary to the standard internal control procedures which require that payments be made after receiving proper supporting documentation such as invoices, delivery notes or any other proof showing that a service has been rendered by the supplier. It was also noted during the audit that although it is the Council's policy to obtain three quotations for each purchase, in some instances no such quotations were being obtained.

Validity of expenses is difficult to confirm in the absence of supporting documents and hence it is difficult to prove fictitious transactions. Also it is easier for fraud to take place when there is no accountability in terms of providing supporting documents on every transaction.

*Table 1 shows expenses with no supporting documents or those which are generally accepted.*

**Table 1**

<b>Documents</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	N\$	N\$	N\$
No invoices attached	-	168 727	-
Supplier Quotation	447 944	164 906	507 492
No Supporting Documents	457 332	1 217 346	890 099
No Contracts	37 446	-	-
Prior Period Documents	174 531	38 179	-
Budget & Deposit Slip	100 000	189 000	235 280
<b>Total</b>	<b>1 217 253</b>	<b>1 778 158</b>	<b>1 632 871</b>

### **Recommendation**

In order to standardize the expense transaction initiation, authorisation, recognition and document filing, the Council should at all times adhere to the generally accepted standards as well as its procurement policy.

### **5.2 Revenue**

Membership fees and donation income are a material source of revenue for the Council. The Council determined that it is almost impracticable to establish control over the collection of membership fees and donations prior to entry into its financial records. Accordingly, as evidence available to the auditors regarding revenue from this source was limited, the audit procedures with respect to donations had to be restricted to the amounts recorded in the financial records. Therefore auditors could not ascertain if the donation revenue received was complete.

### **Recommendation**

Although it is almost impracticable to establish controls over the collection of donation income prior to entry into its financial records, the Council is encouraged to continue enhancing its control mechanism towards collection of donation revenue to minimise the risk associated with it.

### **5.3 Creditors**

Leave pay provision of N\$ 719 975 (2016) recorded in the general ledger differs to the amount as per leave pay listing of N\$ 419 975. Resultantly the ledger leave pay provision balance is overstated by N\$ 300 000.

### **Recommendation**

The Council should always reconcile leave pay provision and severance pay listing to the financial statements and the general ledger.

## **5.4 Investments**

The Council has equity investments amounting to N\$ 590 000 in the financial statements. No impairment testing was however done by the Council on the respective investments as required by the International Accounting Standards. The auditors performed an impairment test by comparing the net assets of the subsidiary to the cost of the investment as recorded in the Council's books. This test revealed that a possible impairment loss (2016: N\$ 590 000; 2015: N\$ 590 000 and 2014: N\$ 372 756) should have been recognised.

### **Recommendations**

The Council is recommended to perform impairment tests on investments on an annual basis. The necessary accounting adjustments should be effected accordingly following such exercise.

## **5.5 Statutory Deductions**

The Council did not submit Pay as you earn (PAYE) as per the statutory requirements. Penalties and levies may be charged by the Receiver of Revenue resulting in financial loss to the Council.

### **Recommendation**

All returns and accompanying payments for taxes must be lodged in with the Receiver of Revenue on or before the twentieth day of the month following the month of deduction in accordance with statutory requirements.

## **5.6 Omitted Bank Account**

Bank account with a total bank balance to the value of N\$ 222 908 as at 31 March 2016 was omitted from the financial records of the Council as at 31 March 2016. Furthermore all transactions as recorded in the aforementioned bank statement were not recorded in the general ledger of the Council.

### **Recommendations**

The Council is recommended to include all balance in the financial records.

## **5.7 Leave pay provision**

Although the Council's employees are entitled to accrue leave days as per their employment contracts, no leave pay provision was accrued for by the Council during the 2014 and 2015 financial years.

### **Recommendation**

The Council has an obligation to pay outstanding leave days to employees who leave the organisation and therefore it is prudent for it to accrue for leave pay provision at year-end according to the leave days outstanding for each employee.

## **5.8 Suspense Account**

Suspense account reflects a balance of N\$ 371 292 (2014) which has been included in revenue; however the nature of the transactions making up this balance could not be established.

### **Recommendation**

The Council should investigate this account to ensure that, there is correct treatment of all the transactions.

## **5.9 Fixed Assets**

### **2016**

There is a difference of N\$ 236 822 between the total figure in the fixed asset register of N\$ 23 266 542 and the amount reported in the financial statements of N\$ 23 503 394. Further investigation of this variance reflected that this is due to fixed assets adjustments in the register to be aligned to the general ledger. There was however no authorisation documents for such adjustments in the register.

### **2015**

There is a difference of N\$ 868 481 between the figure reported as disposal of assets in the fixed asset register and the amount reported in the financial statements. Further investigation of this variance reflected that this is due to fixed assets adjustments in the register to align them to the general ledger. There was however no authorisation documents for such adjustments in the register;

Depreciation recorded in the fixed asset register amounting to N\$ 397 895 differs to that recorded as an expense in the general ledger of N\$ 296 242.

### **Recommendation**

The Council should ensure that every adjustment is supported by a schedule or supporting documents related to the same. This is important in particular for adjustments relating to fixed assets where authorization might be required; such schedules including the necessary authorization become vital.

Depreciation should be accurately computed and accurately recorded in both the general ledger and the fixed asset register.

## 6. BASIS OF A QUALIFIED AUDIT OPINION

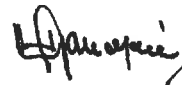
- Value payments relating to expenses are unsupported by adequate documentation;
- Completeness of pledges and donation income;
- Provision for Leave Pay overstated by N\$ 300 000;
- The investment in the Bridgehead Subsidiary may be impaired by N\$ 590 000;
- Statutory deductions not submitted timeously;
- Unsupported fixed asset register adjustments;
- A bank account to the value of N\$ 222 908 was not included in the balance sheet;
- Non-accrual of leave pay provision; and
- Unexplained suspense account.

## 7. QUALIFIED AUDIT OPINION

I have audited the accounts of the National Youth Council of Namibia for the financial years ended 31 March 2014, 2015 and 2016 in terms of Section 25(1) (b) of the State Finance Act, 1991 read with Section 31(4) of the National Youth Council Act, 2009.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Audit Opinion paragraph, the financial statements present fairly, in all material respects the financial position of the National Youth Council as at 31 March 2014, 2015 and 2016, and their financial performance and cash flows for the years then ended.

WINDHOEK, November 2017



**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**

**REPORT OF THE COUNCIL ON THE ACCOUNTS OF THE  
NATIONAL YOUTH COUNCIL  
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2014, 2015 AND 2016**

**1. BUSINESS AND OPERATIONS**

The Council's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

NYC's mandate is to address the challenges, opportunities and obstacles facing young people in Namibia and operates principally in Namibia.

**2. DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Council's Directors are responsible for the preparation and fair presentation of these annual financial statements and for ensuring regularity of the financial transactions. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Council is also responsible for the system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and losses. Nothing has come to the attention of the Council to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review. The financial statements have been prepared on the going concern basis, since the board has every reason to believe that it has adequate resources in place to continue its operations for the foreseeable future.

**3 FINANCIAL RESULTS**

The Council's financial results on ordinary activities for the years are shown below. Annual results can be summarized as follows:

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	N\$	N\$	N\$	N\$
Revenue	26 538 614	17 243 919	31 207 249	13 915 081
Other Income	27 764	346 157	371 292	281 778
	26 566 378	17 590 076	31 578 541	14 196 859
<b>Investment revenue</b>	<b>233 600</b>	<b>369 282</b>	<b>376 413</b>	<b>107 006</b>
Expenditure	(29 897 583)	(19 976 070)	(21 514 363)	(14 014 784)
<b>Deficit/ surplus for the year</b>	<b>(3 097 605)</b>	<b>(2 016 712)</b>	<b>10 440 591</b>	<b>289 081</b>
Finance Costs	(57 857)	(45 590)	(943)	-
Net (deficit) /surplus for the year	<b>(3 155 462)</b>	<b>(2 062 302)</b>	<b>10 439 648</b>	<b>289 081</b>
Cash and cash equivalents	<b>2 255 014</b>	<b>7 659 044</b>	<b>12 048 773</b>	<b>1 527 628</b>

**REPORT OF THE COUNCIL ON THE ACCOUNTS OF THE  
NATIONAL YOUTH COUNCIL  
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#### **4. PROPERTIES, PLANT AND EQUIPMENT**

The Council acquired property plant and equipment of (2016: N\$ 3 939 720; 2015: N\$ 3 034 073; 2014: N\$ 552 944; 2013: N\$ Nil) during the year under review.

#### **5. BOARD OF COUNCIL**

The members of NYC Board of Council for the period 01 April 2013 to 31 March 2016 were as follows:

<b>Board of Council</b>	<b>Office</b>	<b>Designation</b>	<b>Nationality</b>	<b>Changes</b>
Mandela Kapere	Executive Chair	Executive	Namibian	
Beatrice Kotungondo	Deputy Chair	Non-executive	Namibian	
Sydney!Ganeb	Member	Non-executive	Namibian	Term Expired 6 February 2016
John Kantana	Member	Non-executive	Namibian	Term Expired 6 February 2016
Kashiwana Neshila	Member	Non-executive	Namibian	Term Expired 6 February 2016
Elsarien Asanda Katiti	Member	Non-executive	Namibian	Term Expired 6 February 2016
Rafael Shipulwa	Member	Non-executive	Namibian	Term Expired 6 February 2016
Natangwe Ithete	Member	Non-executive	Namibian	Term Expired 19 March 2015
Armas Amukwiyu	Member	Non-executive	Namibian	Term Expired 6 February 2016
Calista Schwartz	Director	Ex- Officio	Namibian	
Ndahaleumbo Hapulile	Member	Non-executive	Namibian	Appointed - 18 May 2016
Kaveriua Marenga	Member	Non-executive	Namibian	Appointed - 18 May 2016
Bensen katjirijova	Member	Non-executive	Namibian	Appointed - 18 May 2016
Orben Muluti	Member	Non-executive	Namibian	Appointed - 18 May 2016
Lot Ndamanomhata	Member	Non-executive	Namibian	Appointed - 18 May 2016
Alfeus Elago Kapolo	Member	Non-executive	Namibian	Appointed - 18 May 2016

The Director of NYC is an ex officio member of the Board without voting rights.

#### **6. EVENTS SUBSEQUENT TO THE YEAR END**

There were no significant subsequent events.

#### **7. APPROVAL**

The financial statements were approved by the Council on 25 April 2017 and signed by the Chairperson:

.....  
**Mandela Kapere**  
**Board Chairperson**

.....  
**Kashiwana Neshila**  
**Chairperson – Audit Committee**

**Windhoek, April 2017**

## NATIONAL YOUTH COUNCIL

## STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH

ASSETS	Note	2016	2015	2014	2013
		N\$	N\$	N\$	N\$
<b>Non-current assets</b>		24 134 379	20 666 466	2 861 079	2 555 323
Property, plant and equipment	2	23 503 364	20 076 466	2 262 879	2 025 323
Intangible assets	3	41 015	-	8 200	-
Investment in Subsidiary	4	590 000	590 000	590 000	530 000
<b>Current assets</b>		2 668 896	8 095 324	12 181 325	1 594 532
Trade and other receivables	5	413 882	436 280	132 552	66 904
Cash and cash equivalents	6	2 255 014	7 659 044	12 048 773	1 527 628
<b>TOTAL ASSETS</b>		<b>26 803 275</b>	<b>28 761 790</b>	<b>15 042 404</b>	<b>4 149 955</b>
<b>FUNDS AND LIABILITIES</b>					
<b>Equity</b>		<b>22 497 854</b>	<b>25 653 314</b>	<b>12 497 655</b>	<b>2 058 007</b>
Non-Distributable Reserve		15 217 961	15 217 961	-	-
Equity		7 279 893	10 435 353	12 497 655	2 058 007
<b>Non-Current Liabilities</b>		<b>2 286 430</b>	<b>2 461 361</b>	<b>2 029 997</b>	<b>2 091 948</b>
Finance Lease Obligations	7	256 433	431 364	-	61 951
Collateral Funds	8	2 029 997	2 029 997	2 029 997	2 029 997
<b>Current Liabilities</b>		<b>2 018 991</b>	<b>647 115</b>	<b>514 752</b>	<b>-</b>
Loan from Subsidiary	9	130 853	130 853	130 853	-
Finance Lease Obligations	7	174 932	158 114	-	-
Trade and Other Payables	10	1 713 206	358 148	383 899	-
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>26 803 275</b>	<b>28 761 790</b>	<b>15 042 404</b>	<b>4 149 955</b>

## NATIONAL YOUTH COUNCIL

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 MARCH

	Note	2016	2015	2014	2013
		N\$	N\$	N\$	N\$
Revenue	11	26 538 614	17 243 919	31 207 249	13 915 081
Other Income	12	27 764	346 157	371 292	281 778
Operating expenses		(29 897 583)	(19 976 070)	(21 514 363)	(14 014 784)
<b>Operating (deficit)/ surplus</b>		<b>(3 331 205)</b>	<b>(2 385 994)</b>	<b>10 064 178</b>	<b>182 075</b>
Interest Received	13	233 600	369 282	376 413	107 006
Interest paid	14	(57 857)	(45 590)	(943)	-
<b>Net (deficit)/ surplus for the year before adjustments</b>		<b>(3 155 462)</b>	<b>(2 062 302)</b>	<b>10 439 648</b>	<b>289 081</b>
Taxes		-	-	-	-
<b>Net (deficit)/ surplus for the year</b>		<b>(3 155 462)</b>	<b>(2 062 302)</b>	<b>10 439 648</b>	<b>289 081</b>

**NATIONAL YOUTH COUNCIL  
STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 MARCH**

	2016	2015	2014	2013
Note	N\$	N\$	N\$	N\$
<b>Cash flow from operating activities</b>	<b>(1 239 327)</b>	<b>(2 213 982)</b>	<b>11 033 587</b>	<b>(56 578)</b>
Cash Receipts from Customers	26 556 214	17 046 069	31 141 601	13 915 081
Cash Paid to Suppliers	(27 971 284)	(19 583 743)	(20 483 484)	(14 078 665)
Cash outflow from operations	(1 415 070)	(2 537 674)	10 658 117	(163 584)
Other Income	233 600	369 282	376 413	107 006
Interest paid	(57 857)	(45 590)	-943	-
	<b>(4 006 590)</b>	<b>(2 765 225)</b>	<b>(581 344)</b>	<b>(530 000)</b>
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment	(3 939 720)	(3 034 073)	(552 944)	-
Disposal of property, plant and equipment	-	268 848	48 000	-
Purchase of other intangible assets	(66 870)	-	(16 400)	-
Investment in subsidiaries	-	-	(60 000)	(530 000)
	<b>(158 113)</b>	<b>589 478</b>	<b>68 902</b>	<b>(112 961)</b>
<b>Cash flow from financing activities</b>				
Finance lease (repayments) / increase	(158 113)	589 478	(61 951)	(174 912)
Other liabilities	-	-	-	61 951
Loan from subsidiaries	-	-	130 853	-
	<b>(5 404 030)</b>	<b>(4 389 729)</b>	<b>10 521 145</b>	<b>(699 539)</b>
<b>Net movement in cash and cash equivalents</b>	<b>7 659 044</b>	<b>12 048 773</b>	<b>1 527 628</b>	<b>2 227 167</b>
Cash and cash equivalents beginning of the year				
<b>Cash and cash equivalents end of year</b>	<b>2 255 014</b>	<b>7 659 044</b>	<b>12 048 773</b>	<b>1 527 628</b>

**NATIONAL YOUTH COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

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**1. Presentation of financial statements**

**1.1 Introduction**

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in Namibian Dollars. These accounting policies are consistent with the previous period.

**1.1 Significant judgements and sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***Key sources of estimation uncertainty.***

The organisation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

**Taxation**

The organisation is exempt from income taxation.

**1.2 Property and equipment**

Property 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.

Costs include costs incurred initially to acquire or construct an item of property 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 property and equipment, the carrying amount of the replaced part is derecognised. The organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

**NATIONAL YOUTH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

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

<b>Item</b>	<b>Average useful life</b>
Land and building	Indefinite
Furniture and fixtures	5 years
Motor vehicles	5 years
Office equipment	5 years
Computer equipment	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses) – net' in the statement of comprehensive income.

### **1.3 Intangible assets**

Intangible assets are identifiable non-monetary assets without physical substance. Intangible assets are initially recognised at cost. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting period date if there are indicators present that there is a change from the previous estimate.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

<b>Item</b>	<b>Useful life</b>
Computer software	2 years

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of two years.

### **1.4 Financial instruments**

#### ***Financial instruments at amortised cost***

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised in profit and loss.

**NATIONAL YOUTH COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

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***Financial instruments at cost***

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments. All financial assets whose fair value cannot otherwise be measured reliably, and which do not meet the criteria to be designated as an instruments measured at amortised cost, are measured at cost less impairments.

***Financial instruments at fair value***

All other financial instruments are measured at fair value through profit and loss.

***Trade and other receivables***

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial recognition and default of delinquency in payments (more than 30 days overdue) is considered indicators, which trade receivable, is impaired.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition

***Cash and cash equivalents***

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to a significant risk of charges in value. These are initially and subsequently recorded at fair value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

***Trade and other payables***

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

**1.5 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

**NATIONAL YOUTH COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH**

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***Finance leases – lessee***

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

**1.6 Impairment of assets**

At each reporting date, property, plant and equipment, and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**1.7 Government grants**

Government grants are recognised when there is reasonable assurance that:

- the organisation will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable. Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the income statement (separately). Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the organisation has complied with all attached conditions. Grants received where the organisation has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'revenue' in surplus or deficit.

**NATIONAL YOUTH COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

**1.8 Revenue recognition**

Revenue comprises grants received from the Government of the Republic of Namibia and from other sources to defray costs necessarily incurred by the National Youth Council. Interest income is recognised using the effective interest method.

**2. PROPERTIES, PLANT AND EQUIPMENT**

	2016			2015		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Land & buildings	21 566 940	-	21 566 940	19 000 000	-	19 000 000
Furniture and fixtures	996 376	(132 870)	863 506	71 133	(14 227)	56 906
Motor vehicles	1 151 657	(475 159)	676 498	1 151 657	(244 828)	906 829
Office equipment	12 198	(6 520)	5 678	12 198	(4 080)	8 118
IT equipment	483 591	(296 719)	186 872	265 249	(160 636)	104 613
Other equipment	229 195	(25 325)	203 870	-	-	-
	<b>24 439 957</b>	<b>(936 593)</b>	<b>23 503 364</b>	<b>20 500 237</b>	<b>(423 771)</b>	<b>20 076 466</b>

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Land & buildings	1 755 000	-	1 755 000	1 755 000	-	1 755 000
Plant & machinery	-	-	-	555	(111)	444
Furniture and fixtures	70 725	(70 725)	-	70 725	(70 725)	-
Motor vehicles	950 937	(634 607)	316 330	848 903	(579 024)	269 879
Office equipment	135 827	(128 545)	7 282	127 074	(127 074)	-
Computer equipment	386 560	(202 293)	184 267	110 160	(110 160)	-
	<b>3 299 049</b>	<b>(1 036 170)</b>	<b>2 262 879</b>	<b>2 912 417</b>	<b>(887 094)</b>	<b>2 025 323</b>

**NATIONAL YOUTH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

**2. PROPERTY, PLANT AND EQUIPMENT (Continued)**

	<b>Carrying Value 01 April</b>	<b>Additions</b>	<b>Disposals</b>	<b>Revaluation</b>	<b>Depreciation</b>	<b>Carrying Value 31 March</b>
	N\$	N\$	N\$	N\$	N\$	N\$
<b>2016</b>						
Land and Buildings	19 000 000	2 566 940	-	-	-	21 566 940
Furniture and fixtures	56 906	925 243	-	-	(118 643)	863 506
Motor Vehicles	906 829	-	-	-	(230 331)	676 498
Office equipment	8 118	-	-	-	(2 440)	5 678
IT equipment	104 613	218 342	-	-	(136 083)	186 872
Other equipment	-	229 195	-	-	(25 325)	203 870
	<b>20 076 466</b>	<b>3 939 720</b>	-	-	<b>(512 822)</b>	<b>23 503 364</b>
<b>2015</b>						
Land and Buildings	1 755 000	2 027 039	-	15 217 961	-	19 000 000
Furniture and fixtures	-	71 133	-	-	(14 227)	56 906
Motor Vehicles	316 330	883 312	(101 654)	-	(191 159)	906 829
Office equipment	7 282	4 000	-724	-	(2 440)	8 118
IT equipment	184 267	48 589	(39 827)	-	(88 416)	104 613
	<b>2 262 879</b>	<b>3 034 073</b>	<b>(142 205)</b>	<b>15 217 961</b>	<b>(296 242)</b>	<b>20 076 466</b>
<b>2014</b>						
Land and Buildings	1 755 000	-	-	-	-	1 755 000
Motor Vehicles	269 879	268 346	(62 355)	-	(159 540)	316 330
Office equipment	544	8 198	-	-	(1 460)	7 282
Computer equipment	-	276 400	-	-	(92 133)	184 267
	<b>2 025 423</b>	<b>552 944</b>	<b>(62 355)</b>	-	<b>(253 133)</b>	<b>2 262 879</b>
<b>2013</b>						
Land and Buildings	1 755 000	-	-	-	-	1 755 000
Plant & Machinery	444	-	-	-	-	444
Furniture and fixtures	-	-	-	-	-	-
Motor Vehicles	421 520	-	-	-	(151 641)	269 879
Office equipment	1 190	-	-	-	(1 190)	-
Computer equipment	-	-	-	-	-	-
	<b>2 178 154</b>	-	-	-	<b>(152 831)</b>	<b>2 025 323</b>

**NATIONAL YOUTH COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

**Details of Properties**

Erf no 3113, Windhoek

The property consists of Erf 3113, Windhoek, and measures 1,425 square meters and is registered under the title deed T8131/1991

**Pledged as security**

Carrying value of assets pledged as security:

Motor Vehicles	569 160	745 822	-	269 879
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**3. INTANGIBLE ASSETS**

The carrying value of intangible assets can be reconciled as follows;

**3. INTANGIBLE ASSETS**

	2016			2015		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Computer software	83 270	(42 255)	41 015	16 400	(16 400)	-
	<b>83 270</b>	<b>(42 255)</b>	<b>41 015</b>	<b>16 400</b>	<b>(16 400)</b>	<b>-</b>

	2014			2013		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Computer software	16 400	(8 200)	8 200	-	-	-
	<b>16 400</b>	<b>(8 200)</b>	<b>8 200</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NATIONAL YOUTH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

**4. INTANGIBLE ASSETS (continued)**

The carrying value of intangible assets can be reconciled as follows;

	<b>Carrying Value at beginning of year</b>	<b>Additions</b>	<b>Amortisation</b>	<b>Carrying Value at end of Year</b>
	N\$	N\$	N\$	N\$
<b>2016</b>				
Computer software	-	66 870	(25 855)	41 015
	-	<b>66 870</b>	<b>(25 855)</b>	<b>41 015</b>
<b>2015</b>				
Computer software	8 200	-	(8 200)	-
	<b>8 200</b>	-	<b>(8 200)</b>	-

	<b>Carrying Value at Beginning Of year</b>	<b>Additions</b>	<b>Amortisation</b>	<b>Carrying Value at End of Year</b>
	N\$	N\$	N\$	N\$
<b>2014</b>				
Computer software	-	16 400	(8 200)	8 200
	-	<b>16 400</b>	<b>(8 200)</b>	<b>8 200</b>
<b>2013</b>				
Computer software	-	-	-	-
	-	-	-	-

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	N\$	N\$	N\$	N\$
<b>4. INVESTMENT IN SUBSIDIARIES</b>				
Bridgehead Group Holdings 100% shares	590 000	590 000	590 000	530 000
<b>5. TRADE AND OTHER RECEIVABLES</b>				
Staff Loans and Advances	160 250	197 850	111 100	66 904
Employee Costs in Advance	147 841	138 925	-	-
Endombo Youth Agricultural Project	5 200	-	-	-
Ministry of Sports Youth and National Services	100 591	-	-	-
Other Receivables	-	99 505	21 452	-
	<b>413 882</b>	<b>436 280</b>	<b>132 552</b>	<b>66 904</b>

**NATIONAL YOUTH COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

	2016	2015	2014	2013
	N\$	N\$	N\$	N\$
<b>6. CASH AND CASH EQUIVALENTS</b>				
	<b>2 255 014</b>	<b>7 659 044</b>	<b>12 048 773</b>	<b>1 527 628</b>
<b>7. FINANCE LEASE OBLIGATION</b>				
Minimum lease payments due				
- within one year	174 932	158 114	-	-
- in second to fifth year inclusive	256 433	431 364	-	61 951
Present Value of Minimum Lease Payments	<b>431 365</b>	<b>589 478</b>	-	<b>61 951</b>
Non-current Liability	256 433	431 364	-	61 951
Current Liability	174 932	158 114	-	-
	<b>431 365</b>	<b>589 478</b>	-	<b>61 951</b>

It is the organisation's policy to lease motor vehicles under finance leases.

The organisation's obligation under finance leases are secured by the lessor's charge over the leased assets.

### 8. COLLATERAL FUND

One of NYC's core mandate activities is to invest in young Namibians that have entrepreneurial aspirations. Consequently, NYC entered into a Joint Venture Agreement with Bank Windhoek that allows young Namibians to obtain loans through the Youth - SME Operations. As per the Joint Venture Agreement, NYC has put aside CYB funds as collateral for that purpose.

Collateral fund	2 029 997	2 029 997	2 029 997	2 029 997
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### 9. LOAN TO/(FROM) SUBSIDIARIES

Bridgehead Group Holdings (Pty) Ltd	<b>(130,853)</b>	<b>(130,853)</b>	<b>(130,853)</b>	-
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The loans is unsecured, have no fixed terms of repayments and bears no interest. Settlement thereof occurs in cash and these arrangements are reviewed from time to time.

## ANNEXURE E

## NATIONAL YOUTH COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH

	2016	2015	2014	2013
	N\$	N\$	N\$	N\$
<b>10. TRADE PAYABLES</b>				
Trade Payables	543 251	30 560	30 561	-
Fines and Penalties Accrual	278 756	269 022	264 891	-
Accrued Leave Pay	719 975	-	-	-
Accrued Bonus – 13 <sup>th</sup> Cheque	112 658	-	-	-
Other Accrued Expenses	58 566	58 566	88 447	-
	<b>1 713 206</b>	<b>358 148</b>	<b>383 899</b>	<b>-</b>
<b>11. SUPPORT AND REVENUE</b>				
CYB - Youth Enterprises Funds	-	-	-	1 667 583
Youth Week and Youth Expo Funds	-	-	30 000	1 562 735
				10 337
Government grant	26 500 000	16 883 990	31 164 000	770
Commission received	8 252	9 132	4 637	-
Membership fees and donations	30 362	350 797	8 612	346 993
				<b>13 915</b>
	<b>26 538 614</b>	<b>17 243 919</b>	<b>31 207 249</b>	<b>081</b>
<b>12. OTHER INCOME</b>				
Prior Year Uncommitted Funds	-	-	-	256 000
Sundry Income	-	-	-	25 778
Suspense income	-	-	371 292	-
Profit on Sale of Assets	-	126 643	-	-
Other income	27 764	-	-	-
	-	219 514	-	-
	<b>27 764</b>	<b>346 157</b>	<b>371 292</b>	<b>281 778</b>
<b>13. INVESTMENT REVENUE</b>				
Interest Received	<b>233 600</b>	<b>369 282</b>	<b>376 413</b>	<b>107 006</b>
<b>14. FINANCE COSTS</b>				
Trade and Other Payables	3 129	-	-	-
Interest Paid	54 728	45 590	943	-
	<b>57 857</b>	<b>45 590</b>	<b>943</b>	<b>-</b>

**NATIONAL YOUTH COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

**15. TAXATION**

No provision has been made for tax, as the organisation is exempt from tax.

**16. CASH GENERATED FROM OPERATIONS**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	N\$	N\$	N\$	N\$
Surplus for the year	(3 155 462)	(2 062 302)	10 439 648	289 081
<b><i>Adjustments for:</i></b>				
Depreciation and amortisation	538 677	304 442	261 333	152 831
(Profit)/ loss on disposal of assets	-	(126 643)	14 355	-
Interest received - investment	(233 600)	(369 282)	(376 413)	(107 006)
Finance costs	57 857	45 590	943	-
Other non-cash balancing items	-	-	-	(461 831)
<b><i>Changes in working capital:</i></b>				
Trade and other receivables	22 398	(303 728)	(65 648)	(36 659)
Trade and other payables	1 355 060	(25 751)	383 899	-
	<b>(1 415 070)</b>	<b>(2 537 674)</b>	<b>10 658 117</b>	<b>(163 584)</b>

**17. RELATED PARTIES**

***Relationships***

Bridgehead Group Holdings (Pty) Ltd  
Regional Youth Forums  
Constituency Youth Forums  
Ministry of Youth

Subsidiary  
Regional structures  
Constituency structures  
Line Ministry

***Key Management***

Mandela Kapere  
Julius Namoloh  
Calista Schwartz  
Promotions  
Brian Prince - Soetan  
Welfare  
Muesee Kazapua  
Relations

Executive Chairperson  
Acting Director  
Head of Desk - Employment  
Head of Desk - Youth Health and  
Networking and International

## ANNEXURE E

**NATIONAL YOUTH COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

**17. RELATED PARTIES (continued)****Loan accounts - Owing (to) by related parties**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	N\$	N\$	N\$	N\$
Bridgehead Group Holdings (Pty) Ltd	(130 853)	(130 853)	(130 853)	-

**Related Party Transactions****Government grants**

Ministry of Sports, Youth and National Services - Operations	(25 500 000)	(16 883 990)	31 164 000	10 337 770
Ministry of Sports, Youth and National Services – Capital (Buildings)	(1 000 000)	-	-	-
	<b>(26 500 000)</b>	<b>(16 883 990)</b>	<b>31 164 000</b>	<b>10 337 770</b>

**Regional Youth Forum disbursements**

Regional Youth Forums	1 247 672	1 080 011	1 513 650	1 560 000
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**Grant and Youth Support disbursements**

International Travel – Youth Support	377 071	-	-	-
Special Grants	390 949	-	-	-
Support to youth organisations	317 636	1 495 078	-	-
Youth support disbursements	416 374	2 553 743	5 546 590	2 044 162
	<b>1 502 030</b>	<b>4 048 821</b>	<b>5 546 590</b>	<b>2 044 162</b>

**Youth Economic Opportunities and Participation**

Credit for Youth in Business	81 534	50 037	250 320	-
National Youth Expo	1 006 226	217 558	-	-
Youth Income Generating Projects	191 167	412 277	250 549	-
	<b>1 278 927</b>	<b>679 872</b>	<b>500 869</b>	<b>-</b>

**Youth Education and Skills****Development**

Youth Leadership Development Programme	526 422	623 271	833 536	-
International Exchange	-	62 337	-	-
	<b>526 422</b>	<b>685 608</b>	<b>833 536</b>	<b>-</b>

**Advocacy, Civic and Political Participation**

Land Colloliquum	459 540	-	-	-
National Youth Week	2 052 409	1 255 271	1 987 683	-
Disability and marginalised youth	-	161 020	138 708	-
World Federation Democratic Youth	3 180 573	44 455	-	-
	<b>5 692 522</b>	<b>1 460 746</b>	<b>2 216 361</b>	<b>-</b>

**NATIONAL YOUTH COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS OF THE YEARS ENDED 31 MARCH**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	N\$	N\$	N\$	N\$
<b>18. DIRECTOR AND KEY PERSONNEL EMOLUMENTS</b>				
Basic salaries for direct services to NYC	1 834 344	1 060 320	972 366	-
Allowances	1 678 254	599 836	563 338	-
Acting Allowance	13 314	243 011	216 074	-
CYB	-	76 000	91 200	-
	<b>3 525 912</b>	<b>1 979 167</b>	<b>1 842 978</b>	<b>-</b>
<b>19. REMUNERATION TO BOARD OF COUNCIL</b>				
<i>Services as board of council</i>				
S&T allowance	-	32 025	80 942	-
Sitting allowance	-	352 290	234 830	-
	<b>-</b>	<b>384 315</b>	<b>315 772</b>	<b>-</b>