REPUBLIC OF NAMIBIA

National Youth Council of Namibia
(NYC)

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NATIONAL YOUTH COUNCIL

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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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 2019, 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.

WINDHOEK, December 2019

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF NATIONAL YOUTH COUNCIL FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the National Youth Council for the financial year ended 31 March 2019. These financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flow for the year then ended, and a summary of significant accounting policies.

In my opinion, because of the significance of the matters discussed in the basis for adverse audit opinion paragraph, the financial statements do not give a true and fair view of the financial position of the National Youth Council as at 31 March 2019 and its financial performance and their cash flow for the year then ended

2. BASIS FOR AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is not sufficient and appropriate to provide a basis for my opinion.

- Use of an inappropriate financial reporting framework in accordance with IFRS for SME the financial statements do not conform to the used standard (section 1 paragraph 1.5-IFRS for SME 2015);
- Financial statement of subsidiary not consolidated; and
- Non-submission of audited financial statements of subsidiary company Bridgehead.

3. OTHER INFORMATION

My opinion on the financial statements does not cover the other information and we do not express 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 I have performed I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

4. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and legislation and for such internal control as management determines 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 management is responsible for assessing the Entity'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 management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the entity's financial reporting process.

5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My 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 and auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 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 the International Standards for Supreme Audit Institutions I exercise professional scepticism throughout the audit I 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 my 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 controls.

- 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists I am required to draw attention in my report to the related disclosures in the financial statements or if such disclosures are inadequate to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However future events or conditions may cause the Entity 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.

- I communicate with those charged with governance regarding among other matters the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.

- I also provide those charged with governance with a statement that I 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 my independence and where applicable related safeguards.

- From the matters communicated with those charged with governance I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 26 of the State-Owned Enterprise Governance Act, they were submitted on the 01 July 2019.

7. ACKNOWLEDGEMENT

The assistance and co-operation by the staff of the National Youth Council during the audit is appreciated

WINDHOEK, December 2019

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

NATIONAL YOUTH COUNCIL
REPORT OF THE COUNCIL ON THE ACCOUNTS OF THE COUNCIL

Accounting Authority's Report

The Accounting Authority have pleasure in submitting their report on the annual financial statements of National Youth Council of Namibia for the year ended 31 March 2019.

1. Incorporation

The Council was established in 1994 and was enacted as a State Owned Entity in accordance with the promulgation of the National Youth Council Act, 2009 (Act no. 3 of 2009).

2. Main business and operations

The Council's mandate is to address the challenges opportunities and obstacles facing young people in Namibia and operates principally in Namibia. There have been no material changes to the nature of the Council's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) for Small and Medium-sized Entities and the requirements of the State Finance Act.

Full details of the financial position results of operations and cash flows of the Council are set out in these annual financial statements.

The Accounting Authority noted that the Council reported a net deficit of N$ 4 638 181 for the period under review (2018: surplus of N$ 2 789 862). The key contributor for the current period deficit is attributed by significant reduction of income.

4. Board of Council

The members of NYC Board of Council for the period 01 April 2018 to 31 March 2019 were as follows:

Board of Council	Office	Designation	Nationality	Changes
Mandela Kapere	Chairperson	Non-executive	Namibian	Reappointed - 18 May 2016
Elsarien Asanda Katiti	Vice-Chairperson	Non-executive	Namibian	Reappointed - 18 May 2016
Beatrice Kotungondo	Member	Non-executive	Namibian	Reappointed - 18 May 2016
Calista Schwartz - Gowases	Director	Ex - officio	Namibian	
Ndahafa 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
Edingtone Tafirenyika	Member- audit and Finance Committee	Non-executive	Zimbabwean	Appointed – 29 November 2016
Olivia Kamati	Member- HR committee	Non-executive	Namibian	Appointed – 29 November 2016
Grace Hidinua	Member- Program Oversight committee	Non-executive	Namibian	Appointed – 29 November 2016

5. Events after the reporting period

The Accounting Authority is not aware of any material events which occurred after the reporting date and up to the date of this report.

6. Going concern

The Accounting Authority made an assessment of the Council's ability to continue as a going concern and is satisfied that the Council has adequate resources and measures in place to continue operating as a going concern in the next 12 months after the approval of the annual financial statements. At the time of making this assessment, the Accounting Authority was not aware of any intention of the government to either liquidate or curtail the operations of the Council in the next 12 months. Consequently the Council has adopted its viability as a going concern as the basis for preparation of these financial statements.

7. Auditors

Auditor-General of Namibia.

8. Secretary

The secretary to the board is Ndeshipanda Brigitte Shaamena.

ANNEXURE B

NATIONAL YOUTH COUNCIL
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	2019 N$	2018 N$
ASSETS			
Non-Current Assets		**24 836 844**	**25 465 589**
Property and equipment	2	24 657 491	25 272 854
Intangible assets	3	-	13 382
Investments in subsidiary	4	179 353	179 353
Current Assets		**2 669 747**	**4 893 555**
Loans to subsidiary	5	81 913	48 220
Trade and other receivables	6	378 590	271 368
Cash and cash equivalents	7	2 209 244	4 573 967
TOTAL ASSETS		**27 506 591**	**30 359 144**
EQUITY AND LIABILITIES			
Equity		**23 677 787**	**28 315 968**
Reserves		17 247 958	17 247 958
Retained income		6 429 829	11 068 010
Liabilities			
Current Liabilities		**3 828 805**	**2 043 176**
Trade and other payables	8	3 828 805	1 780 852
Finance lease liabilities	9	-	65 321
Provisions	10	-	197 003
Total Liabilities		**3 828 805**	**2 043 176**
TOTAL EQUITY AND LIABILITIES		**27 506 591**	**30 359 144**

ANNEXURE C

NATIONAL YOUTH COUNCIL
STATEMENT INCOME AND OTHER COMPREHENSIVE INCOME AS AT 31 MARCH

	Note	2019 N$	2018 N$
Revenue	11	10 757 182	19 101 381
Other income	12	807 321	1 224 125
Operating expenses		(16 337 031)	(17 630 007)
Operating surplus / (deficit)		**(4 772 528)**	**2 695 499**
Investment revenue	14	134 348	114 893
Finance costs		(1)	(20 530)
Surplus / (deficit) for the year		**(4 638 181)**	**2 789 862**
Other comprehensive income		-	-
Total comprehensive surplus / (deficit) for the year		**(4 638 181)**	**2 789 862**

ANNEXURE D

NATIONAL YOUTH COUNCIL
STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH

	Revaluation	Other NDR	Total Reserves	Retained Income	Total equity
	N$	N$	N$	N$	N$
Balance at 01 April 2017	**15 217 961**	-	**15 217 961**	**8 278 148**	**23 496 109**
Surplus for the year	-	-	-	2 789 862	2 789 862
Revaluation of buildings	-	-	-	-	-
Total comprehensive surplus for the year	-	-	-	**2 789 862**	**2 789 862**
transfer to non-distribution		2 029 997	2 029 997	-	2 029 997
Total changes for the year		**2 029 997**	**2 029 997**	-	**2 029 997**
Balance at 01 April 2018	**15 217 961**	**2 029 997**	**17 247 958**	**11 068 010**	**28 315 968**
Deficit for the year	-		-	(4 638 181)	(4 638 181)
Total comprehensive deficit for the year	-		-	**(4 638 181)**	**(4 638 181)**
Balance at 31 March 2019	**15 217 961**	**2 029 997**	**17 247 958**	**6 429 829**	**23 677 787**

ANNEXURE E

NATIONAL YOUTH COUNCIL
STATEMENT OF CASH FLOWS AS AT 31 MARCH

	Note	2019 N$	2018 N$
Cash flows from operating activities			
Cash receipts from grants and member organizations		11 254 742	20 098 060
Cash paid to suppliers and employees		(13 573 854)	(17 970 940)
Cash generated from (used in) operations	16	**(2 319 112)**	**2 127 120**
Interest income		134 348	114 893
Finance costs		(1)	(20 530)
Net cash from operating activities		**(2 184 765)**	**2 221 483**
Cash flows from investing activities			
Purchase of property and equipment	2	(80 943)	(803 627)
Loans advanced to subsidiary	5	(81 913)	(48 220)
Purchase of intangible assets	3	-	(3 290)
Net cash from investing activities		**(162 856)**	**(855 137)**
Cash flows from financing activities			
Finance lease payments		(65 321)	(196 710)
Total cash movement for the year		**(2 412 942)**	**1 169 636**
Cash at the beginning of the year		4 573 967	3 404 331
Total cash at end of the year	7	**2 209 244**	**4 573 967**

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the State Finance Act. 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 Namibia dollars.

These accounting policies are consistent with the previous period.

1.1. Property and equipment

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

Cost 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.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
IT infrastructure	Straight line	5 years
Other property plant and equipment	Straight line	5 years

If the major components of an item of property and equipment have significantly different patterns of consumption of economic benefits the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

Land and buildings are measured at fair value less impairment losses on buildings at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.
IT Infrastructure comprises of the server that was assessed to have useful life which significantly different to other IT equipment.

The residual value depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.2 Intangible assets

An intangible asset is an identifiable non-monetary asset 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 as follows:

Item	**Useful life**
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.

1.3 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.

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.

1.4 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 assets 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) are 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.

1.5 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.

1.6 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.

Leave pay provision

Permanent employees are allowed to accrue eight days per annum but limited to sixty days for the employment duration with the organisation.

1.7 Taxation

The organisation is exempt from income taxation.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases - lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or if lower the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

1.9 Impairment of assets

The company assesses at each reporting date whether there is any indication that property plant and equipment and intangible assets may be impaired.

If there is any such indication the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the 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 but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.10 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

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.

1.11 Revenue

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.

1.12 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

2. Property and equipment

	2019			2018		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
	N$	N$	N$	N$	N$	N$
Land and buildings	23 699 502	-	23 699 502	23 699 502	-	23 699 502
Furniture and fixtures	918 243	(649 838)	268 405	918 243	(466 190)	452 053
Motor vehicles	1 151 657	(1 112 482)	39 175	1 151 657	(935 820)	215 837
Office equipment	42 461	(26 288)	16 173	42 461	(18 395)	24 066
IT equipment	654 611	(547 319)	107 292	654 611	(430 705)	223 906
IT infrastructure	855 029	(414 195)	440 834	774 086	(258 029)	516 057
Other property and equipment	276 615	(190 505)	86 110	276 615	(135 182)	141 433
	27 598 118	**(2 940 627)**	**24 657 491**	**27 517 175**	**(2 244 321)**	**25 272 854**

Reconciliation of property and equipment -2019

	Opening balance	Additions	Depreciation	Total
	N$	N$	N$	N$
Land and buildings	23 699 502	-	-	23 699 502
Furniture and fixtures	452 053	-	(183 648)	268 405
Motor vehicles	215 837	-	(176 662)	39 175
Office equipment	24 066	-	(7 893)	16 173
IT equipment	223 906	-	(116 614)	107 292
IT infrastructure	516 057	80 943	(156 166)	440 834
Other property and equipment	141 433	-	(55 323)	86 110
	25 272 854	**80 943**	**(696 306)**	**24 657 491**

Reconciliation of property and equipment -2018

	Opening balance	Additions	Disposals/ Reclassification	Depreciation	Total
	N$	N$	N$	N$	N$
Land and buildings	23 127 805	571 697	-	-	23 699 502
Furniture and fixtures	664 231	39 884	(49 280)	(202 782)	452 053
Motor vehicles	446 167	-	-	(230 330)	215 837
Office equipment	33 598	-	-	(9 532)	24 066
IT equipment	197 383	162 046	(12 710)	(122 813)	223 906
IT infrastructure	670 875	-	-	(154 818)	516 057
Other property and equipment	158 030	30 000	8 225	(54 822)	141 433
	25 298 089	**803 627**	**(53 765)**	**(775 097)**	**25 272 854**

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

Property and equipment encumbered as security

Carrying value of assets pledged as security:

		2019	2018
		N$	N$
Motor vehicles	-	-	215 836

A register containing the information of property and equipment is available for inspection at the registered office of the organisation.

3. Intangible Assets

	2019			2018		
	Cost	Accumulated amortization	Carrying value	Cost	Accumulated amortization	Carrying value
	N$	N$	N$	N$	N$	N$
Computer software	153 039	(153 039)	-	153 039	(139 657)	13 382

Reconciliation of Intangible assets-2019

	Opening balance	Amortization	Total
	N$	N$	N$
Computer software	13 382	(13 382)	-

Reconciliation of Intangible assets-2018

	Opening balance	Additions	Amortization	Total
	N$	N$	N$	N$
Computer software	60 619	3 290	(50 527)	13 382

4. Investment in Subsidiary

	2019	2018
	N$	N$
Bridgehead Group Holdings (Pty)	179 353	179 353

The Council holds 100% Shareholding in Bridgehead Group Holdings (Pty) Ltd. An annual impairment test was performed at 31 March 2019 by comparing the net assets of the subsidiary to the cost of the investment. However, after analysis of Bridgehead's future cash flow projections, management accounts and further engagement with the directors, management concluded that there is no substantial evidence to suggest that the fair value of investment has declined below recorded prior year carrying amount.

5. Loans to (from) Subsidiary

Subsidiaries

	2019	2018
	N$	N$
Bridgehead Group Holdings (Pty) Ltd	81 913	48 220

On 01 March 2018, the Council entered into a loan agreement with Bridgehead Group Holdings (Pty) Ltd to avail N$ 87 750 towards the audit and Annual General Meeting of Bridgehead Group Holdings (Pty) Ltd.

The loan is effective 03 March 2018, is unsecured, bears interest at 2.5% per annum and is repayable within 12 months.

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

6. Trade and other receivables

	2019	2018
	N$	N$
	378 590	**271 368**
Trade receivables	30 000	-
BWHK CYB Credit Debt Recovery Account	177 177	84 310
Company Debt receivable	112 750	135 092
Employee costs in advance	42 683	36 296
Endombo Youth Agricultural Project	3 000	3 000
Staff development debt	-	120
Staff fleet loan receivable	12 980	12 550

BWHK CYB Credit Debt Recover Account relate to the 60% that Bank Windhoek Namibia recovered from the organisation's Bank Windhoek NDP Account (Credit for Youth in Business Account) as a result of default by qualifying youth.

Company debt receivable comprises of various staff debts other than employee cost in advance.

Staff fleet loan receivable relate to vehicles that were sold to staff on auction in prior years.

7. Cash and cash equivalents

	2019	2018
	N$	N$
Cash and cash equivalents consist of:		
Bank balances	**2 209 244**	**4 573 967**
Bank Windhoek NDP Account	1 190 128	1 214 527
FNB Call Account	986 683	1 416 890
FNB Business credit card	(211)	168
FNB Current Account	34 328	1 947 059
FNB Endombo Agricultural Project	-	1 035
FNB Fleet Commercial Credit Card	(1 684)	(5 712)

Included in bank balances is N$ 1 190 128 (2018: N$ 1 214 527) that is held as collateral by Bank Windhoek Namibia. These funds are restricted and cannot be used for any purpose other than purpose of loan guarantee scheme with the object of providing 60% guarantee (collateral) to SELECTED YOUTH BUSINESS INITIATIVES and YOUTH - SME OPERATIONS in Namibia as stipulated in the joint venture agreement with Bank Windhoek Limited. The joint venture agreement with Bank Windhoek Limited was renewed for a three year period and terminates on 31 August 2020.

8. Trade and other payables

	2019	2018
	N$	N$
	3 828 805	**1 780 852**
Trade payables	162 366	140 120
Accrued bonus - 13th Cheque	147 429	143 779
Accrued expense	33 212	-
Accrued leave pay	1 107 893	607 823
Board Retainer Fees	152 836	280 869
Endombo Youth Agricultural Project	274	1 035
Ministry of Sports Youth and National Services	985 000	-
Other salary accruals	968 093	335 524
Construction and professional fees	271 702	271 702

- Trade and other payables are normally non-interest bearing and are settled between 30 and 60 days.
- Accrued bonus relates to provision for bonus payable to employees. The bonus is a 5.31% of the 69% monthly total cost to company that is deducted and saved on a monthly basis. Bonus for management is payable in December of each year and bonus for all other staff is payable in November of each year
- Accrued leave pay relates to monetary value of the cumulative number of leave days owed by the Council to the employees. Employees are allowed to accrue eight days per annum but limited to sixty days for the employment duration with the Council
- Board Retainer and sitting fees relates to Board of directors remuneration due to financial year-end. *(refer to note 19)*
- Construction and professional fees relate to the building of the Council's Head Office in Windhoek.
- Other salary accruals relate to payroll third party payments such as PAYE, Social Security, Contribution Pension, Medical Aid etcetera.

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

9. Finance Lease Liabilities

	2019	2018
	N$	N$
Current liabilities	-	65 321

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

The prior year finance lease arrangement was fully settled during the reporting period.

10. Provisions

Reconciliation of Provisions- 2019

	Opening balance	Utilised	Total
	N$	N$	N$
Provision for salary back pay	197 003	(197 003)	-

Reconciliation of Provisions- 2018

	Opening balance	Utilised during the year	Total
	N$	N$	N$
Provision for salary back pay	317 503	(120 500)	197 003

The Council opted to reverse the prior provision as there is currently no evidence based information that employees that were initially affected will continue in pursuance of the 6% salary increment.

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

11. Support and Revenue

	2019	2018
	N$	N$
	10 757 182	**19 101 381**
Indemnity fees received	23 432	545
Government grants	10 700 000	19 098 836
Membership fees Expo funds and donations	33 750	2 000

12. Other Income

	2019	2018
	N$	N$
	807 321	**1 224 125**
Administration fees	34 961	12 568
Profit on exchange differences	-	-
Discount received	2 212	103 098
National Youth Week - donations/sponsorships received	226 826	-
Insurance claim	-	63 767
World federation of Democratic Youth- Sponsorship	-	860 000
National Youth Development Seminar – Sponsorships	36 800	-
National Youth Status Report – Sponsorships	-	-
Other sponsorship	-	26 110
Provision reversal	197 435	124 348
Recovery account	110 114	-
SMART project	198 973	34 234

Donations relates to various stakeholders contribution towards the National Youth Week during April 2018.

During the National Youth week, the Council received donations / sponsorships from the following stakeholders:

(1). National Road Safety Council, and
(2). Otjozondjupa Governor's Office.

Provisional reversal significantly relates to prior years provision for salary back pay that was not realised *(also see note 11)*

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

13. Employee Cost

	2019	2018
	N$	N$
	11 893 086	**10 826 502**
Salaries	9 250 072	7 841 875
Social Security Contribution	25 834	38 570
Bonus	383 758	381 821
Medical aid	729 291	821 404
Acting Allowance	167 542	104 777
Pay As You Earn - PAYE	-	618 604
Leave pay provision charge	576 237	21 391
Pension contribution	760 352	998 060

The council recognised and appreciate that Pay As You Earn (PAYE) is a personal expense, therefor PAYE is included under basic salaries for the reporting period.

14. Investment Revenue

	2019	2018
	N$	N$
Interest Revenue	**134 348**	**114 893**
Other loans	1 998	-
Bank	132 350	114 893

15. Taxation

No provision has been made for 2019 tax as the organisation is exempt from taxation.

16. Cash Generated from (used in) operations

	2019	2018
	N$	N$
Surplus/(deficit) for the year	(4 610 798)	2 789 862
Adjustments for:		
Depreciation	709 687	825 624
Loss on disposal of assets	-	53 766
Profit on foreign exchange	-	-
Interest received	(134 348)	(114 893)
Finance costs	1	20 530
Movements in provisions	(197 003)	(120 500)
Non-cash adjustment: Bridgehead investment impaired	-	-
Changes in working capital:		
Trade and other receivables	(107 222)	(66 004)
Trade and other payables	2 020 571	(1 261 265)
	(2 319 112)	**2 127 120**

17. Related Parties

Relationships

Accounting Authority Members	Refer to Accounting Authority Report
Line Ministry	Ministry of Sports, Youth and National Service
Subsidiary	Bridgehead Group Holdings (Pty) Ltd 4
Regional structures	Regional Youth Forums
Constituency Structures	Constituency Youth Forums

Members of key management

Chairperson	Mandela Kapere
Director	Calista Schwartz - Gowases
Manager: Programs	Sircca Nghitila
Manager: Human Resource capital and administration	Dominic Mukumba
Finance Manager:	Elatfun Hamukoto

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

Related party balances

	2019	2018
	N$	N$
Loan accounts - Owing (to) by related parties		
Bridgehead Group Holdings (Pty) Ltd	81 913	48 220
	81 913	**48 220**

Refer to note 5 for terms and conditions

Related party Transactions

The following is the total amount of transactions that has been entered into with related parties for the relevant financial year.

	2019	2018
	N$	N$
Government grants and sponsorship	**(10 700 000)**	**(19 098 835)**
Line Ministry - operations	(10 700 000)	(17 583 048)
Line Ministry - capital (building)	-	(1 515 787)

	2019	2018
	N$	N$
Regional Youth Forum disbursements	-	-
Regional Youth Forums	58 736	194 301
	58 736	**194 301**

Regional Coordinators are fully remunerated through the Council's payroll.

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

18. Four Youth Development Area Distribution

	2019	2018
	N$	N$
Four Youth Development Area Disbursements		
Grant and Youth Support disbursements	**7 913**	**33 084**
Support to youth organisations	7 913	-
Youth development grant programme	-	33 084
Youth Economic Opportunities and Participation	**100 733**	**346 482**
Credit for Youth in Business	61 358	225 202
Youth Income Generating Projects	39 375	121 280
Youth Education and Skills Development	**132 262**	**95 865**
Youth Leadership Development Programme	8 000	95 865
National Youth Status Report	124 262	-
Advocacy Civic and Political Participation	**396 172**	**1 232 720**
National Youth Week	384 279	145 732
Political Youth Forum	-	14 118
World Federation Democratic Youth	11 893	1 072 870

Overall disbursements to youth programs and activities through the four pillars is significantly lower than prior year due to significant reduction in income.

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

19. Directors' remuneration
2019

	Retainer fees	Board sitting fees	Travelling and accommodation allowance	Committees fees	Accrued fees	Total
	N$	N$	N$	N$	N$	N$
Mandela Kapere	-	-	92 008	-	-	92 008
Elsarien Asanda Katiti	59 524	14 932	-	11 322	10 515	96 293
Beatrice Kotungondo	59 524	14 932	11 922	14 850	10 884	112 112
Ndahafa Hapulile	62 953	11 553	6 577	11 516	10 606	103 205
Kaveriua Marenga	59 524	14 932	28 795	15 460	13 258	131 969
Bensen Katjirijova	59 524	10 846	57 318	14 850	12 648	155 186
Orben Muluti	59 524	14 932	332	11 147	12 648	98 583
Lot Ndamanomhata	62 953	14 932	5 627	17 418	11 682	112 612
Alfeus Elago Kapolo	62 953	14 932	53 541	17 418	13 446	162 290
Edintone Tafirenyika	15 464	-	-	5 293	2 752	23 509
Olivia Kamati	15 464	-	-	7 425	2 752	25 641
Grace Hidinua	15 464	-	-	1 764	2 384	19 612
	532 871	**111 991**	**256 120**	**128 463**	**103 575**	**1 133 020**

Directors' remuneration
2018

	Retainer fees	Board sitting fees	Special board meeting fees	Travelling and accommodation allowance	Other allowance	Committees fees	Total
	N$	N$	N$	N$	N$	N$	N$
Mandela Kapere	-	-	-	104 539	-	-	104 539
Elsarien Asanda Katiti	57 379	13 147	6 760	6 066	7 363	10 584	101 299
Beatrice Kotungondo	59 002	13 147	9 768	15 142	7 363	11 194	115 616
Ndahafa Hapulile	61 273	10 139	3 752	5 003	7 363	5 902	93 432
Kaveriua Marenga	57 379	13 147	6 760	8 812	7 363	7 056	100 517
Bensen katjirijova	57 379	13 147	6 760	39 134	7 363	8 820	132 603
Orben Muluti	57 379	13 147	6 760	-	7 363	10 584	95 233
Lot Ndamanomhata	61 273	13 147	9 768	21 383	7 363	12 415	125 349
Alfeus Elago Kapolo	61 273	13 147	9 768	71 860	7 363	8 887	172 298
Edintone Tafirenyika	14 457	-		-		5 292	19 749
Olivia Kamati	14 457	-	-	-		5 292	19 749
Grace Hidinua	14 457	-	-	-		1 764	16 221
	515 708	**102 168**	**60 096**	**271 939**	**58 904**	**87 790**	**1 096 605**

NATIONAL YOUTH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

20. Emoluments to key management

	Note	2019 N$	2018 N$
		4 162 268	**3 760 313**
Basic salaries for direct services to Council		1 817 634	1 585 131
Bonus		146 535	136 765
Acting allowance		-	16 252
Car Allowance		822 000	684 000
Housing Allowance		904 194	901 463
Pension Allowance		305 103	284 351
Medical aid contribution		166 802	152 351

	Note	2019 N$	2018 N$
Support and revenue			
Indemnity fees received		23 432	545
Government grants		10 700 000	19 098 836
Membership fees Expo funds and donations		33 750	2 000
	11	**10 757 182**	**19 101 381**
Other income			
Administration fees	12	34 961	12 568
Discount received		2 212	103 098
Insurance claim	12	-	63 767
Interest received		134 348	114 893
World Federation of Democratic Youth- sponsorships	12	-	860 000
National Youth Development Seminar - sponsorships	12	36 800	-
National Youth Status Report - sponsorships	12	226 826	-
Other sponsorship		-	26 110
Recovery account		110 114	-
Provision Reversal	12	197 435	124 348
SMART project	12	198 973	34 234
		941 669	**1 339 018**

NATIONAL YOUTH COUNCIL
DETAILED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH (continued)

	Note	2019 N$	2018 N$
Operating expenses			
Advertising		-	6 669
Bank charges		36 896	37 972
Board expense		909 961	729 375
Branding expenses		1 200	14 812
Cleaning		7 252	20 609
Committees (Audit &Finance HR Tender Monitoring & Evaluation)		149 799	216 301
Consulting		223 398	345 998
Corporate social responsibility		-	48 795
Credit for youth in business		61 358	225 202
Depreciation	2	709 687	825 624
EC - Office administration		-	1 000
Employee costs	13	11 893 086	10 826 502
Entertainment		-	3 866
Fines and penalties		-	6 355
Fund raising activities		-	800
Insurance		149 966	130 689
Insurance excess fees		-	13 603
IT expenses		191 080	249 518
Lease rentals on operating lease		37 042	37 460
Legal expenses		56 178	161 667
Loss on disposal of assets		-	53 766
Monitoring & Evaluation		7 875	37 184
Motor vehicle expenses		52 685	78 320
Municipal expenses		221 034	209 319
Political forum		-	14 118
National Youth Status Report		124 262	-
National Youth Week		384 279	145 732
Petrol and oil		53 498	36 134
Postage		370	-
Printing and stationery		17 866	47 453
Recruitment expenses		14 028	37 163
Regional Admin Support and activities		59 761	194 301
Representative council		233 398	232 250
Repairs and maintenance		15 432	39 395
Security		90 000	90 000
SMART Project		-	25 408
Software expenses		34 726	44 788
Special initiative		48 961	59 340

ANNEXURE G

NATIONAL YOUTH COUNCIL
DETAILED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH (continued)

	Note	2019 N$	2018 N$
Staff welfare		-	64 690
Stakeholder relations		-	56 329
Strategic planning and review		13 921	32 535
Telephone and fax		355 368	397 614
Training		-	-
Travelling expenses		110 753	409 032
Wellness programs		4 205	39 956
World Fed Democratic Youth		11 893	1 072 870
Youth enterprises support		7 913	-
Youth information services		525	59 264
Youth Leadership Development Programme		8 000	95 865
Youth projects		39 375	154 364
		16 337 031	**17 630 007**
Operating surplus/(deficit)		(4 638 180)	2 810 392
Finance costs	16	(1)	(20 530)
Surplus/(deficit) for the year		**(4 638 181)**	**2 789 862**