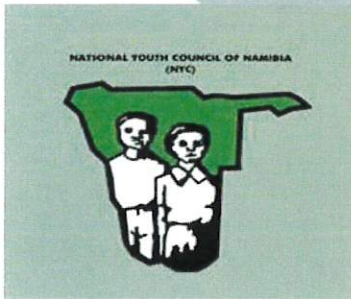




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

# NATIONAL YOUTH COUNCIL

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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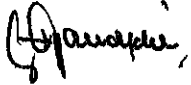
**REPUBLIC OF NAMIBIA**



**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 of Namibia for the financial year ended 31 March 2020, 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, August 2021**

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

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**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
NATIONAL YOUTH COUNCIL OF NAMIBIA  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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**1. ADVERSE AUDIT OPINION**

I have audited the financial statements of the National Youth Council of Namibia for the financial year ended 31 March 2020. These financial statements comprise the statement of financial performance, statement of financial position, statement of changes in net assets, statement of cash flow, statement of comparison of budget and actual amounts for the year then ended, summary of significant accounting policies and notes to the financial statements.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Audit Opinion paragraph, the financial statements do not present fairly, in all material respects, the financial position of the National Youth Council of Namibia as at 31 March 2020 and its financial performance and their cash flow for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

**2. BASIS FOR ADVERSE 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 sufficient and appropriate to provide a basis for my opinion.

An adverse audit opinion is being expressed due to the following reasons:

- No explanation of differences between actual and budgeted amounts is disclosed as per IPSAS 24 paragraph 14, which requires by way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements and a cross reference to those documents is made in the notes. Paragraph 14 should be read with IPSAS 24 paragraph 16 which requires that an explanation of the material differences between actual amounts and the budget amounts will assist users in understanding the reasons for material departures from the approved budget for which the entity is held publicly accountable;
- Financial statements of subsidiary entity not consolidated with those of National Youth Council as per IPSAS 35 para 8 and 41; A controlled entity is not excluded from consolidation because its activities are dissimilar to those of the other entities within the economic entity;

- The auditors observed that the Council's budget and the financial statements are not prepared on a comparable basis and no reconciliation was disclosed as per IPSAS 24 paragraph 47 which requires that actual amounts presented on a comparable basis to the budget in accordance with paragraph 31 shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the following actual amounts presented in the financial statements, identifying separately any basis, timing and entity differences:

(a) If the accrual basis is adopted for the budget, total revenues, total expenses and net cash flows from operating activities, investing activities and financing activities; or

(b) If a basis other than the accrual basis is adopted for the budget, net cash flows from operating activities, investing activities and financing activities.

The reconciliation shall be disclosed on the face of the statement of comparison of budget and actual amounts or in the notes to the financial statements;

- The Council received dividends from a subsidiary company and these were offset against a loan to subsidiary. IPSAS 1 para 48 and 49 does not permit such offsets. Assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an IPSAS. It is important that assets and liabilities, and revenue and expenses, are reported separately. Offsetting in the statement of financial performance or the statement of financial position, except when offsetting reflects the substance of the transaction or other event, detracts from the ability of users both (a) to understand the transactions, other events and conditions that have occurred, and (b) to assess the entity's future cash flows; and
- Non-compliance with IPSAS 17 para 74 which states that, buildings have a limited useful life and therefore are depreciable assets. The auditors noted that building is currently not being depreciated. The carrying amount of building is therefore not fairly presented.

### **3. KEY AUDIT MATTERS**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I do not have anything to report on this matter.

### **4. OTHER MATTERS**

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the National Youth Council in the financial statements. My opinion is not modified in respect of these matters.

#### **4.1 Absence of Internal audit service**

The auditors observed that the Council does not make use of the internal audit services, thus, the risk management system and internal control environment has not been assessed by an independent internal auditor for the year under review.

#### **4.2 Internal controls**

The Council does not have a documented and approved risk management policy. Furthermore, there is no evidence to proof that management regularly assesses internal controls to ensure prudent and sound financial management.

### **5. OTHER INFORMATION**

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I do not have anything to report in this regard.

### **6. 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 International Public Sector Accounting Standards 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.

### **7. 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 an 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 used 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.

## **8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

The financial statements were submitted by the Board Chairperson to the Auditor-General in terms of Section 22 of the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019).

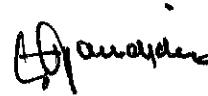
## **9. KEY PERFORMANCE INDICATORS (KPIs)**

The strategic and annual plans submitted by the Council for audit purpose were not approved. As a result, performance could not be measured as auditors had no assurance on the validity of the documents provided.

## **10. ACKNOWLEDGEMENT**

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

**WINDHOEK, August 2021**



**JUNIAS ETUNA KANDJEKE  
AUDITOR GENERAL**

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
GENERAL INFORMATION**

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<b>Country of incorporation and domicile</b>	Namibia
<b>Nature of business and principal activities</b>	To address the challenges, opportunities and obstacles facing young people in Namibia and to foster among the Namibian young a spirit of national identity.
<b>Directors</b>	Mandela Kapere Elsarien Asante Katiti Lot Ndamanomhata Alfeus Kapolo Ndahafa Hapulile Beatrice Kotungondo Bensen Katjirijova Kapanda Kaveriua Marenga Orben Muluti Calista Schwartz - Gowases Edington Tafirenyika Olivia Kamati
<b>Business address</b>	36 Pasteur Street Windhoek West Windhoek Namibia
<b>Postal address</b>	P O Box 60956 Windhoek Namibia
<b>Line Ministry</b>	Ministry of Sport, Youth and National Service
<b>Bankers</b>	First National Bank of Namibia
<b>Auditors</b>	Auditor-General of Namibia
<b>Secretary</b>	Ndeshipanda Shaamena

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
BOARD OF COUNCIL'S RESPONSIBILITIES AND APPROVAL**

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The National Youth Council of Namibia (NYC) was established in 1994 and enacted as a State Owned Entity (SOE) by: Act No. 3 of 2009. This report and the accompanying financial statements cover the period 01 April 2019 to 31 March 2020.

The Board of Council has fulfilled a full term of office for the period under review with exception of two members as noted under the Board of Council's Report.

The Board of Council is required by the State Finance Act and Companies Act, No 28 of 2004, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Board of Council to ensure that the annual financial statements fairly present the state of affairs of the Council as at the end of the financial year and the results of its operations and cash flows for the period then ended. The Auditor-General is engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) including any interpretations, guidelines and directives issued by the International Public Sector Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board of Council acknowledges that it is ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the Board of Council to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council is wholly dependent on the Government for continued funding of operations. The annual financial statements are prepared on the basis that the Council is a going concern and that the Government has neither the intention nor the need to liquidate or curtail materially the scale of the Council.

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
BOARD OF COUNCIL RESPONSIBILITIES AND APPROVAL (continued)**

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The annual financial statements have been prepared on the going concern basis, were approved by the board on 26 June 2020 and were signed on its behalf by:

.....  
**Elsarien Asante Katifi**  
**Board Vice Chairperson**

**26 June 2020**  
**Windhoek**

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
BOARD'S REPORT**

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The Board of Council has pleasure in submitting their report on the annual financial statements of National Youth Council of Namibia for the year ended 31 March 2020.

**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. Review of activities**

**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.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net surplus of the Council was N\$ 3 577 962 (2019: deficit N\$ 4 638 181).

The key contributor for the current period surplus is attributed to additional appropriation of N\$ 5 500 000 from the Ministry earmarked for overhead costs during December 2019 to March 2020.

**3. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Board is 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.

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
BOARD'S REPORT (Continued)**

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**4. Subsequent events**

The Board of Council initially planned to commence with the renewal of mandates for all the Council's structures during November 2019 and complete the process by December 2019. However, due to significantly limited resources at the time, the whole process of renewal of mandates was rescheduled to commence on 28<sup>th</sup> March 2020 and completed by 26<sup>th</sup> April 2020 at the General Assembly where the new Executive Chairperson and other main Board Members of Council would have been elected. The envisioned plan to commence with the restructuring of the renewal of mandates was discussed at the Board level and presented to the Representative Council during December 2019. Subsequently, the Representative Council approved the plan pertaining to the renewal of mandates in-line with the two-tier level of leadership as enshrined in the National Youth Council Act, 2009 (Act No. 3 of 2009).

Indeed, the declaration of COVID-19 as a global pandemic by the World Health Organisation, coupled with the subsequent suspension of all big gatherings by His Excellency Dr. Hage Geingob, President of the Republic of Namibia, impelled the Board of Council to seek for an extension to its term of office on 16<sup>th</sup> March 2020 from Honourable Erastus Uutoni, then Minister of Sport, Youth and National Service until such time that a new Board of Council is elected at the General Assembly.

In his response of 16<sup>th</sup> March 2020, Honourable Erastus Uutoni concurred with the Board's decision to halt the commencement of the renewal of the mandates until cleared for continuation. On the issue of extension of the Board term of office, Honourable Uutoni suggested that a decision be made after a 30 days period for a way forward.

On 27<sup>th</sup> March 2020, the Erongo and Khomas Regions commenced with the 21 days lockdown as pronounced by His Excellency Dr. Hage Geingob, President of the Republic of Namibia in putting measures of curbing the spread of the COVID-19. In the meantime, Honourable Erastus Uutoni was appointed as the new Minister of Urban and Rural Development and Honourable Agnes Tjongarero were appointed as the new Minister of Sport, Youth and National Service.

On 14<sup>th</sup> April 2020, His Excellency Dr. Hage Geingob announced the extension of the lockdown now officially applicable Countrywide to 4<sup>th</sup> May 2020.

During April 2020, the Council was invited to a consultative meeting with the new leadership of the Ministry of Sport, Youth and National Service on 23<sup>rd</sup> April 2020 to present the status report on restructuring process amongst others. At this meeting, the Board of Council presented "inter-alia" background and status of the renewal of the mandates as well as the fact that its term of office was coming to an end on 18<sup>th</sup> May 2020. Thus, the Board presented a proposal for extension of its term of office until such time that a new Board is appointed in line with section 14 (Constitution of Board) of the National Youth Council Act, 2009 (Act No.3 of 2009).

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
BOARD'S REPORT (Continued)**

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**4. Subsequent events (continued)**

In a fair response to the request for extension of the Board's term of office, Honourable Agnes Tjongarero (Minister of Sport, Youth and National Service) directed the Board of Council to present her office with three scenarios in writing relating to the Board's request and only then will the Minister be in a position to respond appropriately.

On 11<sup>th</sup> May 2020, the Board of Council sent a letter with a brief background, detailed discussions, three scenarios focusing on justification of the Board's request for extension of its term of office as directed by the Minister and a proposed post 18<sup>th</sup> May plan of action that will ensure that the Minister will appoint a new Board of Council before the end of December 2020. On 15<sup>th</sup> May 2020, the Minister responded to the Board of Council that its term will expire on the 18<sup>th</sup> May 2020. The Minister further directed that an exit report be submitted within 30 days of expiry of the tenure and that the Ministry will put in interim measures to execute the functions of the Council to avoid a leadership vacuum.

The Board of Council requested for and attended a meeting with the Minister of Sport, Youth and National Service on the 18<sup>th</sup> May 2020 to discuss the best approach that is in the best interest of the Council and mutually suitable for all stakeholders. Subsequently, the Council received a letter signed by the Honourable Agnes Tjongarero (Minister of Sport, Youth and National Service) and addressed to the Board Vice Chairperson stating that the Ministry decided to put in interim measures by extending the term of the Board and that such extension will expire on the 16<sup>th</sup> September 2020. The letter further directed the Board not to fill any vacancies that exist on the establishment of NYC during this financial year.

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**NATIONAL YOUTH COUNCIL OF NAMIBIA  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
BOARD'S REPORT (Continued)**

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**5. Board**

The directors of the entity during the year and to the date of this report are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Changes</b>
Mandela Kapere	Namibian	Resigned - 17 October 2019
Elsarien Asante Katiti	Namibian	Reappointed - 18 May 2016
Lot Ndamanomhata	Namibian	Appointed - 18 May 2016
Alfeus Kapolo	Namibian	Appointed - 18 May 2016
Ndahafa Hapulile	Namibian	Appointed - 18 May 2016
Beatrice Kotungondo	Namibian	Reappointed - 18 May 2016
Bensen Katjirijova	Namibian	Appointed - 18 May 2016
Kapanda Kaveriua Marenga	Namibian	Appointed - 18 May 2016
Orben Muluti	Namibian	Appointed - 18 May 2016
Calista Schwartz - Gowases		Employment term expiry date - 05 March 2020
Edingtone Tafirenyika	Zimbabwean	Appointed - 29 November 2016
Olivia Kamati	Namibian	Appointed - 30 November 2016
Grace Hidinua	Namibian	Resigned effective -December 2019

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
BOARD'S REPORT (Continued)**

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## **6. Secretary**

The secretary to the Board is Ndeshipanda Brigitte Shaamena.

## **7. Corporate governance**

### **General**

The Board of Council is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Board of Council supports the highest standards of corporate governance and the ongoing development of best practice.

The Council confirms and acknowledges its responsibility to total compliance with the Principles of Corporate Governance laid out in the Namcode guidelines. The board discuss the responsibilities of management in this respect, at Board meetings and monitor the Council's compliance with the guidelines on a quarterly basis.

The salient features of the Council's adoption of the guidelines are outlined below:

### **Board of directors**

The Board:

- retains full control over the Council, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the Council;
- is of a unitary structure comprising:
  - non-executive directors, all of whom are independent directors as defined in the guidelines; and
  - executive directors.

### **Chairperson and chief executive**

The roles of the Executive Chairperson and Director are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Mr. Mandela Kapere resigned effective 17 October 2019 and the Board of Council at its extra ordinary meeting of 04 November 2019, resolved that the Vice Chairperson of the Board (Ms. Elsarien Katiti) take over the responsibilities of the Executive Chairperson until such time that a new Executive Chairperson is elected by the General Assembly. This resolution was approved by the Representative Council.

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
BOARD'S REPORT (Continued)**

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**Remuneration**

The upper limits of the remuneration of the Director, and Senior Management, of the Council, are determined in accordance with the directives in relation to remuneration levels for chief executive officers and senior managers of State owned enterprises as issued from time to time. The Board of Council determines the remuneration of top and senior management within the above mentioned limits.

**Board of Council meetings**

The Board of Council has met on 6 separate occasions during the financial year. The board schedules to meet at least 4 times per annum.

Non-executive directors have access to all members of management of the Council.

**Audit and risk committee**

The committee met 3 times during the financial year to review matters necessary to fulfil its role. Mr. Edington Tafirenyika is an independent member.

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH**

		<b>2020</b>	<b>2019</b>
	Note	N\$	N\$
<b>REVENUE</b>		<b>21 053 088</b>	<b>11 698 851</b>
Government grants		20 365 610	10 700 000
Administration fees		1 355	34 961
Discount received		2 183	2 212
Dividends received		62 852	-
EU Erasmus projects		96 086	198 973
Indemnity fees received		-	23 432
Interest received		334 410	134 348
Membership fees		13 500	33 750
National Youth Development Seminar - Sponsorships		-	36 800
National Youth Week - donations/sponsorships received		61 000	226 826
Provision reversal		-	197 435
Recoveries		116 092	110 114
<b>EXPENSES</b>		<b>(17 475 126)</b>	<b>(16 337 032)</b>
Employee costs	5	(10 473 095)	(11 893 086)
Depreciation	6	(376 942)	(709 687)
Repairs and maintenance		(43 705)	(15 432)
Debt impairment	7	(254 131)	-
Youth Empowerment Project Expenses	8	(2 888 540)	(659 019)
General Expenses	9	(3 438 713)	(3 059 807)
Interest paid		-	(1)
<b>Surplus / (deficit) for the year</b>		<b>3 577 962</b>	<b>(4 638 181)</b>

## ANNEXURE B

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH**

		<b>2020</b>	<b>2019</b>
	Note	N\$	N\$
<b>ASSETS</b>			
<b>Current Assets</b>		<b>16 580 999</b>	<b>2 671 432</b>
Cash and cash equivalents	12	16 440 583	2 210 929
Receivables	13	140 416	378 590
Loans to economic entities	14	-	81 913
<b>Non-Current Assets</b>		<b>24 592 953</b>	<b>24 836 844</b>
Property and equipment	15	24 413 600	24 657 491
Investments in controlled entities	16	179 353	179 353
<b>TOTAL ASSETS</b>		<b>41 173 952</b>	<b>27 508 276</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>13 918 201</b>	<b>3 830 488</b>
Bank overdraft	12	524	1 684
Payables	17	3 298 287	3 828 804
Unspent conditional grants and receipts	18	10 619 390	-
<b>NET ASSETS/ EQUITY</b>		<b>27 255 751</b>	<b>23 677 788</b>
Revaluation reserve		15 217 961	15 217 961
Other NDR		2 029 997	2 029 997
Accumulated surplus		10 007 793	6 429 830
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>41 173 952</b>	<b>27 508 276</b>

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH**

	Revaluation reserve	Other NDR	Total reserves	Accumulated surplus	Total net assets/equity
	N\$	N\$	N\$	N\$	N\$
<b>Balance as at 01 April 2018</b>	<b>15 217 961</b>	<b>2 029 997</b>	<b>17 247 958</b>	<b>11 068 011</b>	<b>28 315 969</b>
Surplus /(deficit) for the year	-	-	-	(4 638 181)	(4 638 181)
<b>Balance as at 01 April 2019</b>	<b>15 217 961</b>	<b>2 029 997</b>	<b>17 247 958</b>	<b>6 429 830</b>	<b>23 677 788</b>
Surplus for the year	-	-	-	3 577 962	3 577 962
<b>Balance as at 31 March 2020</b>	<b>15 217 961</b>	<b>2 029 997</b>	<b>17 247 958</b>	<b>10 007 792</b>	<b>27 255 750</b>

## ANNEXURE D

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH**

		2020	2019
	Note	N\$	N\$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
		<b>30 625 060</b>	<b>11 389 090</b>
Government grants and other income		19 671 260	11 254 742
Interest received		334 410	134 348
Other cash item		10 619 390	-
<b>Payments</b>			
		<b>(16 343 110)</b>	<b>(13 573 855)</b>
Compensation of employees		(10 131 591)	(11 316 849)
Suppliers		(6 211 519)	(2 257 005)
Interest paid		-	(1)
<b>Net cash flows from operating activities</b>	20	<b>14 281 950</b>	<b>(2 184 765)</b>
<b>Cash flows from investing activities</b>			
	15	(133 049)	(80 943)
Purchase of property and equipment		-	(33 693)
Loans advanced to economic entities		(15 235)	-
Interest charged on loans to economic entity		97 148	-
Repayment of loans from economic entity		<b>(51 136)</b>	<b>(114 636)</b>
<b>Net cash flows from investing activities</b>			
<b>Cash flows from financing activities</b>			
Finance lease payments		-	(65 321)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>14 230 814</b>	<b>(2 364 722)</b>
Cash and cash equivalents at the beginning of the year		2 209 245	4 573 967
<b>Cash and cash equivalents at the end of the year</b>	12	<b>16 440 059</b>	<b>2 209 245</b>



## ANNEXURE E

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2020  
(Continued)**

	Approved budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
	N\$	N\$	N\$	N\$
<b>Expenditure</b>	<b>(30 333 248)</b>	<b>(30 333 248)</b>	<b>(17 475 126)</b>	<b>12 858 122</b>
Employee costs	(10 632 644)	(10 632 644)	(10 473 095)	159 549
Repairs and maintenance	(138 915)	(138 915)	(43 705)	95 210
Youth Empowerment Project Expenses	(13 056 408)	(13 056 408)	(2 888 540)	10 167 868
General expenses	(6 497 281)	(6 497 281)	(4 069 786)	2 427 495
Interest paid	(8 000)	(8 000)	-	8 000
<b>Surplus before taxation</b>	<b>1 265 054</b>	<b>1 265 054</b>	<b>3 577 962</b>	<b>2 312 908</b>
<b>Actual amount on comparable basis as presented in the budget and actual comparative statement</b>	<b>1 265 054</b>	<b>1 265 054</b>	<b>3 577 962</b>	<b>2 312 908</b>

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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## **1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS), issued by the International Public Sector Accounting Standards Board and the State Finance Act.

These accounting policies are consistent with the previous period, except for the changes set out in note 24 First-time adoption of the International Public Sector Accounting Standards.

### **1.1 Presentation currency**

These annual financial statements are presented in Namibia Dollar, which is the functional currency of the entity.

### **1.2 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.

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 the statement of financial performance 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.

Interest income is recognised using the effective interest method.

### **1.3 Property and equipment**

Property and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the rendering of services, or for administrative purposes, and are expected to be used during more than one reporting period.

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**(Continued)**

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### 1.3 Property and equipment (continued)

The cost of an item of property and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost or fair value of the item can be measured reliably.

Property and equipment is initially measured at cost.

The cost of an item of property and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of assets and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Recognition of costs in the carrying amount of an item of property and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property and equipment have been assessed as follows:

<b>Item</b>	<b>Average useful life</b>
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Computer software	2 years
IT Infrastructure	5 years
Other property and equipment	5 years

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**(Continued)**

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### **1.3 Property and equipment (continued)**

The residual value, the useful life and depreciation method of each asset are reviewed at least at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. Items of property and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset.

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.

### **1.4 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.

### **1.5 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

### **1.6 Provisions and contingencies**

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
(Continued)**

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The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

### **1.7 Borrowing costs**

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

### **1.8 Related parties**

Management are those persons responsible for planning, directing and controlling the activities of the Council, including those charged with the governance of the Council in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the Council.

### **1.9 Budget information**

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

### **1.10 Taxation**

The Council is exempt from income taxation.

## **2. Change in estimate**

### **Property and equipment**

There was change in the estimate of the useful life of furniture and fixtures from five years to ten years. This change was based on an assessment of the usage and condition of furniture and related assets at the Council and was approved in the updated finance policy of 13 February 2019. The effect of this revision has decreased the depreciation charges for the current period by N\$ 26 840.

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

	<b>2020</b>	<b>2019</b>
	N\$	N\$
<b>3. REVENUE</b>	<b>21 053 088</b>	<b>11 698 851</b>
Government grants	20 365 610	10 700 000
Administration fees	1 355	34 961
Discount received	2 183	2 212
Dividends received	62 852	-
EU Erasmus Project	96 086	198 973
Indemnity fees received	-	23 432
Interest received	334 410	134 348
Membership fees	13 500	33 750
National Youth Development Seminar - Sponsorships	-	36 800
National Youth Week - donations/sponsorships received	61 000	226 826
Provision reversal	-	197 435
Recoveries	116 092	110 114
<b>4. INTEREST RECEIVED - INVESTMENT</b>	<b>334 410</b>	<b>134 348</b>
Bank	319 175	132 350
Other	15 235	1 998
<b>5. EMPLOYEE RELATED COSTS</b>	<b>10 473 095</b>	<b>11 893 086</b>
Basic	8 090 979	9 250 072
Acting allowance	217 250	167 542
Bonus	361 754	383 758
Leave pay provision charged	384 160	576 237
Medical aid	660 426	729 291
Pension contribution	727 264	760 352
Social Security Contribution	31 262	25 834
<b>6. DEPRECIATION</b>	<b>376 942</b>	<b>709 687</b>
Property and equipment	376 942	696 306
Intangible assets	-	13 381

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

	<b>2020</b>	<b>2019</b>
	N\$	N\$
<b>7. DEBT IMPAIRMENT</b>	<b>254 131</b>	-
BWHK CYB Credit Debt Recovery Account - impairment	254 131	-

Management has expressed concern with the fact that the Council faces significant challenges in its pursuit of recovering the outstanding loan balances from the beneficiaries of the Credit for Youth in Business (CYB) loan scheme. Therefore, the Board of Council resolved at its meeting of 26 June 2020 that the CYB debt account be fully impaired as at 31 March 2020. *(Also refer to note 13)*

<b>8. YOUTH EMPOWERMENT PROJECT EXPENSES</b>	<b>2 888 540</b>	<b>659 019</b>
Agribusiness	75 884	-
Credit for youth in business	55 833	61 358
EU Erasmus projects	122 105	124 262
Monitoring and evaluation	26 891	7 875
National Youth Week	534 178	384 279
Regional Admin Support	1 114	14 064
Special projects	5 812	39 375
Youth enterprises support	530 793	7 913
Youth Leadership Development Program	-	8 000
World Federation of Democratic Youth	1 535 930	11 893

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

	<b>2020</b>	<b>2019</b>
	N\$	N\$
<b>9. GENERAL EXPENSES</b>	<b>3 438 713</b>	<b>3 059 807</b>
Bank charges	44 267	36 896
Board committees (Audit & Finance, HR, Program oversight)	115 412	149 799
Board expenses	1 003 531	909 961
Cleaning	16 541	7 252
Consulting fees	554 674	279 576
Fines and penalties	60	-
Fuel and oil	33 506	53 498
Insurance	148 222	149 966
IT expenses	96 070	191 080
Lease rentals on operating lease	36 808	37 042
Marketing	-	1 200
Motor vehicle expenses	70 089	52 685
Municipal expenses	229 289	221 034
Pest control	93 797	-
Postage and courier	471	370
Printing and stationery	10 398	17 866
Recruitment expenses	-	14 028
Regional admin support and activities	55 946	45 697
Representative council	248 937	233 398
Security (Guarding of Council property)	123 000	90 000
Software expenses	65 417	34 726
Special initiatives	-	48 961
Strategic planning and review	-	13 921
Telephone and fax	317 870	355 368
Training	19 292	-
Travelling expenses	144 652	110 753
Wellness programs	10 464	4 205
Youth enterprises support	-	525

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

	<b>2020</b>	<b>2019</b>
	N\$	N\$
<b>10. OPERATING SURPLUS / (DEFICIT)</b>		
Operating surplus / (deficit) for the year is stated after accounting for the following:		
<b>Operating lease charges: Equipment - Contractual amounts</b>	<b>36 808</b>	<b>37 042</b>
Amortisation of intangible assets	-	13 381
Depreciation on property and equipment	376 942	696 306
Employee costs	10 473 095	11 893 086
	<b>10 850 037</b>	<b>12 602 773</b>
<b>11. INVESTMENT REVENUE</b>	<b>334 410</b>	<b>134 348</b>
Other	15 235	1 998
Bank	319 175	132 350
<b>12. CASH AND CASH EQUIVALENTS</b>	<b>16 440 059</b>	<b>2 209 245</b>
Cash on hand	4	-
Bank balances	16 440 579	2 210 929
Bank overdraft	(524)	(1 684)
<b>Cash and cash equivalents pledged as collateral</b>		
Total financial assets pledged as collateral for collateral	1 163 574	1 190 128

These funds are pledged as collateral to Bank Windhoek Namibia 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.

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

**12. CASH AND CASH EQUIVALENTS  
(continued)**

The entity had the following bank accounts

**Account description**

Account description	Bank statement balances			Cash book balances		
	31 March 2020	31 March 2019	31 March 2018	31 March 2020	31 March 2019	31 March 2018
	N\$	N\$	N\$	N\$	N\$	N\$
Bank Windhoek NDP	1 163 574	1 190 128	1 214 527	1 163 574	1 190 128	1 214 527
FNB - Call account	15 070 192	986 683	1 416 890	15 070 192	986 683	1 416 890
FNB - Business credit card	1 403	(211)	168	1 403	(211)	168
FNB - Current account	141 575	34 329	1 947 059	141 575	34 329	1 947 059
FNB - Youth Empowerment Projects	63 835	-	-	63 835	-	-
FNB - Fleet Commercial credit card	(524)	(1 684)	(5 712)	(524)	(1 684)	(5 712)
FNB Endombo Agricultural Project	-	-	1 035	-	-	1 035
<b>TOTAL</b>	<b>16 440 055</b>	<b>2 209 245</b>	<b>4 573 967</b>	<b>16 440 055</b>	<b>2 209 245</b>	<b>4 573 967</b>

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

	<b>2020</b>	<b>2019</b>
	N\$	N\$
<b>13. RECEIVABLES</b>	<b>140 416</b>	<b>378 590</b>
Trade debtors	37 750	30 000
BWHK CYB Credit Debt Recovery Account	-	177 177
Company debt receivable	61 804	113 180
Employee costs in advance	22 488	42 683
Endombo Youth Agriculture Project	-	3 000
Ministry of Sport, Youth and National Service	2 904	-
Regional Youth Forum Chairpersons	2 920	-
Staff fleet loan receivable	12 550	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. *(Also refer to note 7)*

Management has expressed concern with the fact that the Council faces significant challenges in its pursuits of recovering the outstanding loan balances from the beneficiaries of the CYB loan scheme. Therefore, the Board of Council resolved to write-off the balance at 31 March 2020 to doubtful debts.

Company debt receivable comprises of various staff debts other than employee costs in advance. Staff fleet loan receivable relate to vehicles that were sold to staff on auction in prior years.

**14. LOANS TO (FROM) ECONOMIC ENTITY**

**Controlled entities**

Bridgehead Group Holdings (Pty) Ltd

-	81 913
-	<b>81 913</b>

The loan was unsecured, attracted interest at 2.5% per annum and was repayable in twelve months. The Board of Council resolved at its meeting of 26 June 2020 as follow:

To set-off dividends received from Bridgehead Group Holdings (Pty) Ltd against loan balance on 05 February 2020. Additionally, that the remaining amount will be treated as dividends received from Bridgehead Group Holdings (Pty) Ltd and any interest that was charged by the Council after 05 February 2020, be written off effectively, the loan was settled on 05 February 2020.

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

**15. PROPERTY AND EQUIPMENT**

	2020		2019			
	Cost / Valuation N\$	Accumulated depreciation and accumulated impairment N\$	Carrying value N\$	Cost / Valuation N\$	Accumulated depreciation and accumulated impairment N\$	Carrying value N\$
Land	4 275 000	-	4 275 000	-	-	-
Buildings	19 424 502	-	19 424 502	-	-	-
Land and buildings	-	-	-	23 699 502	-	23 699 502
Furniture and fixtures	918 243	(676 679)	241 564	918 243	(649 838)	268 405
Motor vehicles	1 151 657	(1 151 657)	-	1 151 657	(1 112 482)	39 175
Office equipment	85 658	(41 300)	44 358	42 461	(26 288)	16 173
IT equipment	744 464	(619 130)	125 334	654 611	(547 319)	107 292
IT Infrastructure	855 029	(585 200)	269 829	855 029	(414 195)	440 834
Other property and equipment	276 615	(243 602)	33 013	276 615	(190 505)	86 110
<b>Total</b>	<b>27 731 168</b>	<b>(3 317 568)</b>	<b>24 413 600</b>	<b>27 598 118</b>	<b>(2 940 627)</b>	<b>24 657 491</b>

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

**Reconciliation of property and equipment – 2020**

	Opening balance	Additions	Separation of land and buildings	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$
Land	-	-	4 275 000	-	4 275 000
Buildings	-	-	19 424 502	-	19 424 502
Land and buildings	23 699 502	-	(23 699 502)	-	-
Furniture and fixtures	268 405	-	-	(26 841)	241 564
Motor vehicles	39 175	-	-	(39 175)	-
Office equipment	16 173	43 197	-	(15 012)	44 358
IT equipment	107 292	89 852	-	(71 810)	125 334
IT Infrastructure	440 834	-	-	(171 006)	269 829
Other property and equipment	86 110	-	-	(53 097)	33 013
	<b>24 657 491</b>	<b>133 049</b>	<b>-</b>	<b>(376 941)</b>	<b>24 413 600</b>

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

**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
	<b>25 272 854</b>	<b>80 943</b>	<b>(696 306)</b>	<b>24 657 491</b>

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

	<b>2020</b>	<b>2019</b>
	N\$	N\$
<b>16. INVESTMENTS IN CONTROLLED ENTITIES</b>	<b>179 353</b>	<b>179 353</b>
Bridgehead Group Holdings (Pty) Ltd	179 353	179 353

The Council holds 100% Shareholding in Bridgehead Group Holdings (Pty) Ltd. An annual impairment test (by comparing the net assets of the subsidiary to the cost of the investment) could not be performed at 31 March 2020 as the subsidiary is still in the process of compiling its financial accounts. However, based on the fact that the Council received dividends from the subsidiary on 05 February 2020 coupled with further engagement with the management and directors of Bridgehead Group Holdings (Pty) Ltd, the Board of Council concluded not to alter the value of the investment for the reporting period.

Moreover, the Board of Council is of the opinion that it is impractical or would be of no real value to consolidate the subsidiary due to:

- (a) the fact that the business of the Council and that of Bridgehead Group Holdings (Pty) Ltd are so materially different that they cannot reasonably be treated as a single undertaking;
- (b) the results of consolidation would be misleading about the business of the Council; and
- (c) incompatible reporting frameworks.

The Board of Council commit to remain vigilant and flexible in its assessment of any new information that may result in changes to the above opinion from time to time.

	<b>2020</b>	<b>2019</b>
	N\$	N\$
<b>17. PAYABLES</b>	<b>3 298 287</b>	<b>3 828 804</b>
Trade payables	1 657 573	162 365
Accrued leave pay	1 113 340	1 107 893
Accrued bonus – 13 <sup>th</sup> Cheque	134 424	147 429
Accrued expenses	784	33 212
Board retainer and sitting fees	-	152 836
Construction and professional fees	271 702	271 702
Endombo Youth Agricultural Project	274	274
Ministry of Sports, Youth and National Service	-	985 000
Other salary accruals	116 664	968 093
Regional delegates	3 526	-

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

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**17. PAYABLES (continued)**

Trade and other payables are normally non-interest bearing and are settled between 30 and 60 days. Trade payables are significantly higher than previous financial year due to flight cost resulting from the World Federation of Democratic Youth delegation.

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. Construction and professional fees relate to the building of the Council's Head Office in Windhoek.

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. Other salary accruals significantly relate to payroll third party payments such as PAYE, Social Security Contribution, Pension, Medical Aid etcetera.

**18. UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

The grant is ring-fenced for youth empowerment projects until utilised for that purpose. The delay in distribution of funds from the Ministry coupled with the requirements of the Public Procurement Act and regulations resulted in the funds not spent on time as initially intended. *(Also refer to note 22)*

	<b>2020</b>	<b>2019</b>
	N\$	N\$
<b>Unspent conditional grants</b>		
Youth Development Fund	<b>10 619 390</b>	-

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

**19. DONATIONS AND PUBLIC CONTRIBUTIONS**

This section relates to donations, sponsorships and other contributions received for youth events and activities from various stakeholders. Donations / sponsorships received during the reporting period towards the National Youth Week were as follow:

	<b>2020</b>	<b>2019</b>
	N\$	N\$
	<b>61 000</b>	<b>263 626</b>
Embassy of the People's Republic of China	40 000	-
Kavango West Governor's Office	6 000	-
Namibia Road Safety Council	-	226 826
Namibia Tourism Board	15 000	-
NASRIA	-	16 800
Otjozondjupa Governor's Office	-	20 000

**20. CASH GENERATED FROM (USED IN) OPERATIONS**

Surplus/(deficit) for the year	3 577 962	(4 638 181)
<b>Adjustments for:</b>		
Depreciation	376 942	709 687
Debt impairment	254 131	-
Movements in provisions	-	(197 003)
<b>Changes in working capital:</b>		
Receivables	238 174	(107 222)
BWHK CYB Debit Account	(254 131)	-
Payables	(530 518)	2 047 954
Unspent conditional grants and receipts	10 619 390	-

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**(Continued)**

**21. FIRST-TIME ADOPTION OF IPSAS**

The Council previously applied International Financial Reporting Standard for Small and Medium-sized Entities in preparation of its Annual Financial Statements, however, the Board of Council has assessed and concluded that the Council as a State Owned Entity meets all the criteria under the International Public Sector Accounting Standards which propel it to adopt this framework in its preparations of the Annual Financial Statements. The Council has thus applied the International Public Sector Accounting Standards, for the first time for the year ended 31 March 2020.

Additionally, in comparing the International Public Sector Accounting Standards to International Financial Reporting Standard, the Board of Council has concluded that there are no material differences between the two reporting frameworks and therefore reconciliation of the two standards would not result in any adjustments needed to be made in the Annual Financial Statements.

	<b>As reported under IFRS for SMEs</b>	<b>IPSAS</b>
	N\$	N\$
<b>Non-current assets</b>	<b>24 836 844</b>	<b>24 836 844</b>
Property and equipment	24 657 491	24 657 491
Investment in subsidiary	179 353	179 353
<b>Current assets</b>	<b>2 671 432</b>	<b>2 671 432</b>
Trade and other receivables	378 590	378 590
Loans to subsidiary	81 913	81 913
Cash and cash equivalents	2 210 929	2 210 929
<b>Liabilities</b>	<b>3 830 489</b>	<b>3 830 491</b>
Trade and other payables	3 828 805	3 828 806
Bank overdraft	1 684	1 685
<b>Total assets less total liabilities</b>	<b>23 677 787</b>	<b>23 677 785</b>
Revaluation reserve	17 247 958	17 247 958
Retained earnings	6 429 829	6 429 829
<b>Total equity</b>	<b>23 677 787</b>	<b>23 677 787</b>

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

**22. RELATED PARTIES**

**Relationships**

Directors	Refer to directors' report note
Line Ministry	Ministry of Sport, Youth and National Service
Subsidiary	Bridgehead Group Holdings (Pty) Ltd
Regional structures	Regional Youth Forums
Constituency Structures	Constituency Youth Forums

**Members of key management**

Executive Chairperson	Mandela Kapere (Resigned - 17 October 2019)
Director	Calista Schwartz - Gowases (Employment Term Expiry date - 05 March 2020)
Manager: Programs	Sircca Nghitila (Acting Director since 06 November 2019)
Manager: Human Resource, Capital and Administration	Dominic Mukumba
Finance Manager	Elatfun Hamukoto

<b>2020</b>	<b>2019</b>
N\$	N\$

**Related party balances**

**Loan accounts - Owing (to) by related party**

Bridgehead Group Holdings (Pty) Ltd	-	<b>81 913</b>
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*Also refer to note 14.*

**Amounts included in Trade receivable (Trade Payable) regarding related parties**

Ministry of Sport, Youth and National Service	2 904	-
Ministry of Sport, Youth and National Service	-	(985 000)

**Deferred Income**

Ministry of Sport, Youth and National Service	<b>(10 619 390)</b>	-
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Deferred income relates to grants received from Government through the Ministry of Sports, Youth and National Service to be utilised specifically for Youth Empowerment Projects and will only be reclassified to the Statement of Performance when the conditions are met. The balance is currently accounted under the FNB - Call Account (*Refer to note 12*).

**NATIONAL YOUTH COUNCIL OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

<b>22. Related parties (continued)</b>	<b>2020</b>	<b>2019</b>
	N\$	N\$
<b>Other balances with related parties</b>		
Regional Youth Forum Chairpersons	<b>2 920</b>	-

Regional Youth Forum Chairpersons balance relate to amounts transferred to Regional Youth Forum Chairpersons to cater for transport and meal allowances youth delegates that were expected to attend Regional Executive Committee meetings prior to the commencement with the renewal of mandates process at Constituency level.

Based on the signed agreement between the Council and each respective Regional Youth Forum Chairperson, the balance will only be cleared after all completed and signed reimbursement claim forms plus other appropriate and sufficient supporting documents has been delivered to the Council's Head Office.

**Related party transactions**

<b>Interest charged to subsidiary</b>	<b>(15 235)</b>	<b>(1 998)</b>
Bridgehead Group Holdings (Pty) Ltd	(15 235)	(1 998)

<b>Dividend received</b>	<b>62 853</b>	-
Bridgehead Group Holdings (Pty) Ltd	62 853	-

<b>Government grants and sponsorship</b>	<b>(19 380 610)</b>	<b>(10 700 000)</b>
Line Ministry - operations	(15 000 000)	(10 700 000)
Line Ministry - renewal of mandates	(3 028 000)	-
Line Ministry - Youth Empowerment Projects	(1 352 610)	-

**Key management information**

<b>Class</b>	<b>Description</b>	<b>Number</b>
Chairperson of the Board	Executive Chairperson	1
Top management	Director	1
Senior management	Management	3

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

**22. Related parties (continued)**

**Remuneration of management**

	Basic salary	Bonus	Car allowance	Housing allowance	Pension contribution	Medical aid contribution	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
<b>2020</b>							
Annual Remuneration	1 304 422	108 906	581 862	626 241	227 572	141 222	2 990 225
<b>2019</b>							
Annual Remuneration	1 817 634	146 535	822 000	904 194	305 103	166 802	4 162 268

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

**23. DIRECTORS' EMOLUMENTS**

Directors remuneration comprise of board retainer fees, sitting fees, travelling allowance and other expenses that are included under the detailed statement of performance.

Board of Council	Retainer fees	Board sitting fees	Special board meeting fees	Travelling and accommodation allowance	Stipend Allowance	Committees fees	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
2020							
Mandela Kapere	-	-	-	101 336	-	-	101 336
Elsariën Asante Katiti	69 373	16 273	10 302	754	42 656	12 797	152 155
Lot Ndamanomhata	74 082	16 273	4 068	5 000	-	15 010	114 433
Alfeus Kapolo	74 082	16 273	8 137	61 375	-	15 010	174 877
Ndahafa Hapulile	74 082	16 273	4 068	-	-	15 010	109 433
Beatrice Kotungondo	69 373	16 273	8 137	12 492	-	12 797	119 072
Bensen Katjirijova	69 373	16 273	8 137	71 148	-	12 797	177 728
Kapanda Kaveriua Marenga	69 373	16 273	8 137	-	-	12 797	106 580
Orben Muluti	69 373	16 273	8 137	-	-	10 664	104 447
Edingtone Tafirenyika	17 479	-	-	-	-	4 266	21 745
Olivia Kamati	17 479	-	-	-	-	4 266	21 745
Grace Hidinua	11 653	-	-	-	-	-	11 653
	<b>615 722</b>	<b>130 184</b>	<b>59 123</b>	<b>252 105</b>	<b>42 656</b>	<b>115 414</b>	<b>1 215 204</b>

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

**23. Directors' emoluments (continued)**

	Retainer fees	Board sitting fees	Travelling and accommodation allowance	Committees fees	Accrued fees	Total
	N\$	N\$	N\$	N\$	N\$	N\$
2019						
Mandela Kapere	-	-	92 008	-	-	92 008
Elsarien Asante Katiti	59 524	14 932	-	11 322	10 515	96 293
Lot Ndamanomhata	62 953	14 932	5 627	17 418	11 682	112 612
Alfeus Kapolo	62 953	14 932	53 541	17 418	13 446	162 290
Ndahafa Hapulile	62 953	11 553	6 577	11 516	10 606	103 205
Beatrice Kotungondo	59 524	14 932	11 922	14 850	10 884	112 112
Bensen Katjirijova	59 524	10 846	57 318	14 850	12 648	155 186
Kapanda Kaveriua Marenga	59 524	14 932	28 795	15 460	13 258	131 969
Orben Muluti	59 524	14 932	332	11 147	12 648	98 583
Edingtone 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
	<b>532 871</b>	<b>111 991</b>	<b>256 120</b>	<b>128 463</b>	<b>103 575</b>	<b>1 133 020</b>

**NATIONAL YOUTH COUNCIL OF NAMIBIA  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
(Continued)**

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**24. RISK MANAGEMENT**

**Liquidity risk**

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents and other receivables. The Council only deposits cash with major banks with high quality credit standing and limits exposure to any counter-party.

**25. Budget differences**

**Differences between budget and actual amounts basis of preparation and presentation**

The budget and the accounting bases differ. The annual financial statements are prepared on the accrual basis; however, the budget was approved on the cash basis.

