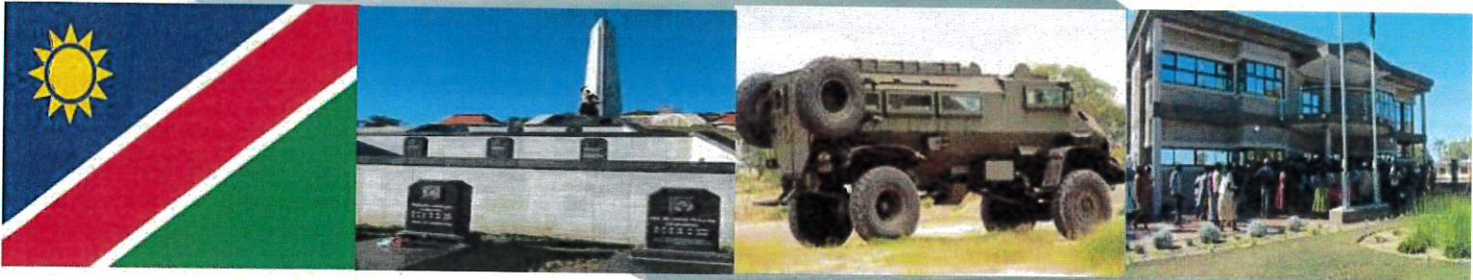




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2018 AND 2019

Published by authority

Price (Vat excluded) N\$ 36.00

Report no: 89/2020

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 Namibia National Liberation Veterans Association for the financial years ended 31 March 2018 and 31 March 2019, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Veterans Affairs in terms of Section 12(2) of Act of the Veterans Act, 2008 (Act No 2 of 2008), to be laid upon the Table of the National Assembly in terms of Section 12(2) of the Act.

WINDHOEK, October 2020

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
THE NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2018 AND 2019**

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Namibia National Liberation Veterans Association for the financial years ended 31 March 2018 and 2019. These financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to financial statements for the years then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion because of the significance of the matters discussed in the Basis for Adverse Audit Opinion paragraph the accompanying financial statements do not give a true and fair view of the financial position of the Namibia National Liberation Veterans Association as at 31 March 2018 and 2019 and its financial performance and its consolidated cash flows for the years then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

2. BASIS FOR ADVERSE 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, 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:

2.1 FINANCIAL REPORTING FRAMEWORK 2018-2019

Without an acceptable financial reporting framework, and the association does not have an appropriate basis for the preparation of the financial statements and the auditor does not have suitable criteria for auditing the financial statements (ISA 210).

The Association's financial statements were prepared in accordance with the Small and Medium-sized Entities (IFRS), while the Association is a public interest entity.

2.2 BUDGET

The Association did not provide an approved budget for both 2018 and 2019 financial years for audit purposes that was recommended by the National Executive Committee as per the constitution of the Namibia National Liberation Veterans Association.

2.3 COMPARATIVE FIGURES IN ANNUAL FINANCIAL STATEMENT

At the time of audit differences amounting to N\$ 77 662 (2018) were observed for comparative figures between amounts reflected in the current and prior year financial statement for non-current asset, cash and cash equivalents and accumulated funds.

A difference amounting to N\$ 8 295 (2018) were observed for comparative figures between amounts reflected in the current and prior year financial statement for depreciation of computers, and printers.

2.4 DIFFERENCES BETWEEN THE TRIAL BALANCE AND FINANCIAL STATEMENTS

Differences amounting to (N\$ 22 503) (2018) and (N\$ 48 836) (2019) were observed between the figures in the trial balance and balance sheet for computers and other office equipment and accumulated fund.

2.5 STATEMENT OF CHANGES IN EQUITY

An unexplained adjustment amounting to N\$ 4 963 (2018) was made to the opening balance as at 1st April 2016. Furthermore a difference of N\$ 33 872 (2018) was observed between the closing balance for retained earnings in the statement of changes and equity of N\$ 76 965 and the amount disclosed in the balance sheet of N\$ 110 837.

A difference of N\$ 25 577 (2019) was observed between the closing balance for retained earnings in the statement of changes and equity of N\$ 74 647 and the amount disclosed in the balance sheet of N\$ 100 224.

2.6 PROVISION FOR LEAVE

The Association is required to disclose provision for leave in line with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, there was no provision for leave that was raised and disclosed in the financial statements for the financial years ended 2018 and 2019. Furthermore it was observed that all employees do not have personnel files with appointment letters and thus the accuracy of leave days in the leave files could not be verified.

2.7 PAYE

The Association did not use correct tax rates for PAYE deductions during the financial years 2018 and 2019 and thus under paid its PAYE to the Ministry of Finance by N\$ 29 927 (2018) and N\$ 8 053 (2019) respectively.

2.8 PENSION CONTRIBUTIONS

It was observed that the Association does not make any contribution to its employees' pension scheme funds as stipulated in paragraph 10.1 and 10.2 of its rules and procedures and owes its employees an amount of N\$ 92 208 (2018) and N\$ 91 924(2019) in pension contributions.

2.9 PRESIDENT AND VICE PRESIDENT SALARIES 2018 & 2019

In terms of Article 12 of the Constitution of the Association and rules and procedures No 3 Wage Structure and Grading the President and Vice President are not entitled to receive a salary as they are not part of the full time management committee. It was noted at the time of the audit that the President and Vice President receive salary which is contrary to Article 12 of the Constitution of the Association.

It is stipulated in IAS 24 that a disclosure is required "for related party transactions that have occurred, the nature of the relationship and detail of the transactions and outstanding balances". It is also observed that note 16 related parties of the financial statement did not comply with IAS 24 as the salaries paid to the president and vice president were not disclosed.

2.10 CASH BASIS OF ACCOUNTING

The Association uses cash based instead of accrual based accounting, consequently, accounts payable was not raised at the end of the year. Invoices as at 31 March 2018 and 2019 was not provided hence the value of unpaid supplier invoices at year end could not be determined.

2.11 CASH AND CASH EQUIVALENTS

The Association did not disclose any outstanding payments or receipts at year end, however differences amounting to N\$ 73 530 (2019) and N\$ 74 825 (2018) was observed between the cashbook and the cash and cash equivalents for the years under review.

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 have nothing to report in this regard.

4. 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 my 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 have nothing to report in this regard.

5. 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 legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. 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.

6. 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 a 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, 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.

- 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.

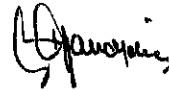
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies use 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.

**7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
(COMPLIANCE)**

The financial statements for 2018 were submitted by the Accounting Officer to the Auditor-General in compliance with Section 26 of the State-Owned Enterprises Governance Act, 2006, except that they were only submitted on 30 September 2019, instead of six months after year-end as required by the Act.

WINDHOEK, October 2020



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
BALANCE SHEET AS AT 31 MARCH**

	Note	2019 N\$	2018 N\$	2017 N\$
Non- Current Assets		25 577	33 872	-
Computer, Printers and Other Assets	3	25 577	33 872	-
Current Assets		74 647	76 965	125 542
Cash & Cash Equivalents		74 647	76 965	125 542
Total Assets		100 224	110 837	125 542
Funds		100 224	110 837	125 542
Accumulated Funds		100 224	110 837	125 542
Total Funds and Liabilities		100 224	110 837	125 542

ANNEXURE B

**NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH**

	Note	2019 N\$	2018 N\$	2017 N\$
Revenue		1 002 000	1 142 865	1 014 914
Government Grant	4	1 002 000	1 141 156	1 011 150
Interest Income	5	-	147	393
Other Income	6	-	1 562	3 371
Expenditure		1 011 318	1 188 105	992 503
Remunerative Expenses	7	779 846	667 044	780 411
Subsistence Travel Allowances	8	27 803	205 344	13 743
Sitting Allowances & Board Fees	9	-	19 500	27 000
Maintenance Expenses	14	4 725	-	550
Utilities	10	29 814	18 945	25 985
Rent Expense	11	125 297	46 720	72 674
Fuel Expenses	12	11 500	4 000	6 000
Funeral Assistance	13	2 000	-	10 000
Other Administrative Expenses	15	22 038	218 257	47 845
Depreciation & Interest Expenses		8 295	8 295	8 295
Net Surplus/(Deficit) for the year		(9 318)	(45 240)	22 411

NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	2019	2018	2017
	N\$	N\$	N\$
Beginning Balance as at 1 April	76 965	122 206	99 795
Surplus/(Deficit) for the year	(2 318)	(45 241)	22 411
Balance as at 31 March	74 647	76 965	122 206

ANNEXURE D

NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH

	2019	2018	2017
	N\$	N\$	N\$
Total cash Receipts	1 002 000	1 142 865	1 014 914
Cash paid for	(1 004 318)	(1 188 106)	(992 503)
Net Cash flow from Operations	(2 318)	(45 241)	22 411
Net increase/Decrease in Cash	(2 318)	(45 241)	22 411
Cash and Cash Equivalents at the beginning of the period	76 965	122 206	99 795
Cash and Cash Equivalents at End of Year: 31 March	74 647	76 965	122 206

**NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH**

1. General

1.1 Nature and purpose of organization

Namibia National Liberation Veterans Association was established

Namibia National Liberation Veterans Association (NNLVA) was formed in 2009 and recognised by the Ministry of Veterans Affairs on 20 August 2010. NNLVA is a non-profit making organization incorporated under section 21. It represents the interest of the Veterans.

The Association (Registration Number 20151376) is incorporated in Namibia with its principal place of business and registered office at Erf 122, Okarundu Street, Wanaheda, Windhoek. The financial statements are expressed in Namibian dollars. Financial statements of the Association and statement of financial position and statement of changes in equity of the company for the years ended March 31, 2018 and 2019 were authorised for issue by the Board of Directors. For all periods up to and including the years ended March 2018 and March 2019, the financial statements were prepared in accordance with GAAP.

2. Summary of significant accounting policies

2.1 Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Namibia Generally Accepted Accounting Practice-NAC 001: Financial Reporting for Small and Medium Sized Entities. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain property, plant and equipment and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars.

These accounting policies are consistent with the previous period.

2.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

ANNEXURE E

NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant 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, plant 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, plant and equipment, which is as follows:

Item	Average useful life
Buildings	40 years
Furniture and fixtures and other assets	5 years
Motor vehicles	4 years
Computer and office equipment	5 years
Depreciation on Computer and office equipment	20%

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

2.3 Taxation

The Association is exempt from Income Tax in terms of Section 16(1) of the Namibian Income Tax Act, 1981.

2.4 Provisions and contingencies

Provisions are recognised when:

- The Association has an obligation at the reporting date as a result of a past event;

**NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH (Continued)**

- It is probable that the Association will be required to transfer economic benefits in settlement; and
- The amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

2.5 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 and are recognised as a liability.

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

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

2.6 Revenue recognition

Revenue comprises revenue from subscription fees, government grants and fishing quotas. Revenue from major products and services is shown in Note 4. Revenue is measured by reference to the fair value of consideration received or receivable by the Association for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts. Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Association's different activities have been met. Details of the activity-specific recognition criteria are described below.

The group recognises revenue from the following major sources:

- Government Grants

Interest income is recognized into revenue when earned, on a time proportionate basis.

2.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with the Association's bank and highly liquid investments with original maturity dates of three months or less at the date of acquisition.

**NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH (Continued)**

3. Property Plant and Equipment

	2019			2018		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
	N\$	N\$	N\$	N\$	N\$	N\$
Computers	51 845	26 268	25 577	51 845	17 973	33 872
Total	51 845	26 268	25 577	51 845	17 973	33 872

Reconciliation of Property Plant Equipment - 2019

	Opening Balance	Additions	Transfer	Other changes, Movements	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$	N\$
Computers	33 872	-	-	-	(8 295)	25 577
Total	33 872	-	-	-	(8 295)	25 577

	2018			2017		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
	N\$	N\$	N\$	N\$	N\$	N\$
Computers	51 845	17 973	33 872	51 845	9 678	42 167
Total	51 845	17 973	33 872	51 845	9 678	42 167

NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH (Continued)

Reconciliation of Property Plant Equipment - 2018

	Opening Balance	Additions	Transfer	Other changes, Movements	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$	N\$
Computers	42 167	-	-	-	(8 295)	33 872
Total	42 167	-	-	-	(8 295)	33 872

	2019	2018	2017
	N\$	N\$	N\$
4. Revenue	1 002 000	1 141 156	1 011 150
GRN Grants	1 002 000	1 141 156	1 011 150
5. Interest revenue	-	147	393
Interest received / Bank	-	147	393

6. Other Income

Other income consists of an unpaid item retained by the bank N\$ 1 519, N\$ 43. Surplus.

7. Salaries and Wages

2019

Remunerative Expenses consists of N\$ Salaries N\$ 612,829, Income Tax N\$ 138,165, Social Security N\$ 6,851, Telephone Allowance N\$ 22,000.

2018

Salaries N\$ 614,719, Housing Allowance N\$ 17,050. Transport Allowance N\$ 19,560 Social Security N\$ 2,604., Income Tax N\$ 7,549., Telephone allowance N\$ 6,000.

**NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH (Continued)**

8. Subsistence and Travelling Allowances

2019

Subsistence and Travelling allowance consists of N\$ 27,803 for all travel related.

2018

Consists of Subsistence and Travelling Allowances amounting to N\$ 205,344.

9. Sitting Allowances

2018

Consists of Sitting Allowances for the management committee members amounting to N\$ 19,500.

10. Utilities

2019

Utilities Consists of Telephone N\$ 15,974, Vehicle Licencing N\$ 1,680, Water and electricity N\$ 11,075, Courier fees N\$ 1,085.

2018

Utilities consists of Telephone N\$ 12,412, Water and Electricity N\$ 6,532.

11. Rent Expenses

2019

Rent expenses consists of rental of N\$ 125,297.

2018

Consists of Rent expenses for N\$ 11,680 for four months N\$ 46,720.

12. Fuel Expenses

2019

Fuel expenses N\$ 1,500, N\$ 5,000, and N\$ 5,000.

2018

Fuel expenses N\$ 1,000, N\$ 1,500 and N\$ 1,500.

**NAMIBIA NATIONAL LIBERATION VETERANS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH (Continued)**

13. Funeral Assistance

Funeral Assistance of N\$ 2,000 (2019).

14. Property and Maintenance Expense

Property and maintenance expense of N\$ 4,725.00.

15. Other Administrative

2019

Other Administrative expenses consists of Insurance for two vehicles N\$ 8,061.74, Security services N\$ 2,174.00, Bank Charges N\$ 3,825.49, Photocopy Machine N\$ 7,976.81

2018

Other Administrative expenses consists of N\$ 12 500 Overtime, consultancy fee N\$ 230., workshop and training N\$ 31,800, Vehicle maintenance N\$ 5,487, maintenance expense N\$ 350, Bank Charges N\$ 5,854, Security services N\$ 2,132, Photocopy machine N\$ 2,633, Stationery N\$ 3,941, Refreshments N\$ 1,924, Legal fees N\$ 72,056, N\$ 79,350.

16. Related parties

Relationships

Members of key management

President

Vice President

Secretary General

Deputy Secretary General

Treasurer

Related party transactions

Government Grant

The Association under regulation 28 of the Veterans Act 2 of 2008 section 44(4) of the Act it may receive the sum not exceeding N\$ 1 000 000 000.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	N\$	N\$	N\$
Remuneration - Key management			
Remuneration	410,064.20	434,848	614,924

