



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NATIONAL YOUTH SERVICE

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2012 AND 2013

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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 Service for the financial years ended 31 March 2012 and 2013, 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, October 2014

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NATIONAL YOUTH SERVICE
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2012 and 2013**

1.1 INTRODUCTION

The accounts of the National Youth Service (herein after referred to as the “Service” as per the Act) for the years ended 31 March 2012 and 2013 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the National Youth Service Act, 2005 (Act 6 of 2005).

Figures in the report are rounded off to the nearest Namibia dollar. Deficits are indicated in brackets.

1.2 REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Youth Service for the years ended 31st March 2012 and 2013. These financial statements comprise the Balance sheets, Income statements and Cash flow statements for the years then ended, and a summary of significant accounting policies and other explanatory information.

The statements were submitted to the Auditor-General on 13 December 2013 instead of 3 months after year end.

The audited financial statements are in agreement with the general ledger and are filed in the Office of the Auditor-General. The balance sheets at Annexure B, are a true reflection of the originals signed by the Accounting Officer. The following annexure are also attached to this report:

- Annexure A: Report of the Board
- Annexure C: Income Statement
- Annexure D: Statement of changes in funds
- Annexure E: Cash flow statement
- Annexure F: Notes to the financial statements

1.3 MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Namibian Statements of Generally Accepted Accounting Practices 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.

1.4 AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

2. AUDIT FINDINGS AND COMMENTS

2.1 IT CONTROL ENVIRONMENT

No IT policy is in place which negatively impacts IT governance. It was also noted with concern that the Service does not have a disaster recovery plan in place.

Recommendation

The Service is urged to develop and implement policies to address IT risks as a matter of urgency.

Management comment

National Youth Service management concurs with the finding and also indicated that a draft IT policy is in place which will be forwarded to the Board for approval.

5. ACKNOWLEDGEMENT

The courtesy and assistance extended to the Auditor-General's staff by the Commissioner and his staff during the audit is appreciated.

6. UNQUALIFIED AUDIT OPINION

The accounts of the National Youth Services for the financial years ended 31 March 2012 and 2013 were audited in accordance with the provisions of Section 22(3) of the Act read with Section 25(1)(b) of the State Finance Act, 1991.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Youth Service as at 31 March 2012 and 2013, and of its financial performance and its cash flows for the years ended, in accordance with Namibian General Accepted Accounting Practice.

WINDHOEK, October 2014

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**NATIONAL YOUTH SERVICE
REPORT OF THE BOARD FOR THE YEARS ENDED AS AT 31 MARCH**

The Board presents its reports for the year ended 31 March 2012 and 2013.

1. BUSINESS AND OPERATIONS

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

The Service is engaged in Youth training.

2. STATEMENT OF RESPONSIBILITY

Directors' Responsibility for the Financial Statements

The Board of directors of the Service is responsible for the preparation and fair presentation of these annual financial statements in accordance with Namibian Generally Accepted Accounting Practice NAC 001: Financial Reporting for Small and Medium Sized Entities and in the manner required by the National Youth Service (Act 6 of 2005). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The board is also responsible for the system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and losses. Nothing has come to the attention of the Service to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the board has every reason to believe that it has adequate resources in place to continue its operations for the foreseeable future.

NATIONAL YOUTH SERVICE
REPORT OF THE BOARD FOR THE YEARS ENDED AS AT 31 MARCH

3. FINANCIAL RESULTS

The Service's deficit on ordinary activities for the years is shown below. Annual results can be summarized as follows:

	<u>2013</u>	<u>2012</u>
	N\$	N\$
Revenue	106 145 900	94 795 212
Interest received	833 108	3 578 155
Finance costs		-
	<u>106 979 008</u>	<u>98 373 367</u>
Expenditure	(110 876 890)	(113 237 412)
Net (deficit)/ surplus for the year	<u>(3 897 882)</u>	<u>(14 864 045)</u>
Cash and cash equivalents	<u>14 684 179</u>	<u>44 682 267</u>

4. PROPERTY, PLANT AND EQUIPMENT

The Service acquired property plant and equipment of N\$ 28 829 829(2012: N\$ 84 974 359) during the year under review.

5. EVENTS SUBSEQUENT TO THE YEAR END

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report.

6. BOARD OF DIRECTORS

The Service consisted of the following members during the accounting period:

	Date of Appointment	End of Term
Major General James Tjivikua	01 February 2012	31 January 2015
Lt. Col. Elizabeth Mboti	01 February 2012	31 January 2015
Ms. Tsukhoe //Garoës	01 February 2012	31 January 2015
Ms. Aina Shekupe Ipinge	01 February 2012	31 January 2015
Mr. Mandela Kapere (Chairperson)	01 February 2012	31 January 2015
Ms Dolly Kandume	01 February 2012	31 January 2015
Mr Charles Kabajani	01 February 2012	31 January 2015
Mr Patrick Simataa	01 February 2012	31 January 2015
Mr. Onesmus Upindi (Ex-officio)		

**NATIONAL YOUTH SERVICE
REPORT OF THE BOARD FOR THE YEARS ENDED AS AT 31 MARCH**

7. APPROVAL

The financial statements were approved by the Service on 09 December 2013 and signed by the Chairperson.

.....
Mr. Mandela Kapere
Chairperson

Windhoek, December 2013

**NATIONAL YOUTH SERVICE
BALANCE SHEET AS AT 31 MARCH**

	NOTES	2013 N\$	2012 N\$
ASSETS			
Non-current assets		190 885 050	171 174 673
Property, plant and equipment	2	187 964 345	167 725 344
Intangible assets	3	654 030	532 875
Biological assets	4	2 266 675	2 916 454
Current assets		15 473 302	45 409 125
Trade and other receivables	5	789 123	726 858
Cash and cash equivalents	6	14 684 179	44 682 267
TOTAL ASSETS		206 358 352	216 583 798
FUNDS AND LIABILITIES			
Funds and reserves			
Accumulated funds		194 172 197	198 070 079
Non-current liabilities			
Deferred income	7	3 700 000	3 700 000
Current liabilities			
Trade and other payables	8	5 929 441	12 656 947
Provisions	9	2 556 714	2 156 772
TOTAL FUNDS AND LIABILITIES		206 358 352	216 583 798

NATIONAL YOUTH SERVICE
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 MARCH

	Notes	2013	2012
		N\$	N\$
Revenue	10	18 375 902	6 720 357
Government Subsidies	11	87 769 998	88 074 855
Other operating expenses	15	(110 286 610)	(112 807 650)
Operating surplus		(4 140 710)	(18 012 438)
Fair value adjustments biological assets		(590 280)	(429 762)
Interest received		833 108	3 578 155
Net (deficit) for the year		(3 897 882)	(14 864 045)

ANNEXURE D

NATIONAL YOUTH SERVICE
STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 MARCH

	Accumulated Funds
	<u>N\$</u>
Balance as at 01 April 2011	212 934 124
(Deficit) for the year	<u>(14 864 045)</u>
Balance as at 31 March 2012	<u>198 070 079</u>
Balance as at 01 April 2012	198 070 079
(Deficit) for the year	<u>(3 897 882)</u>
Balance as at 31 March 2013	<u>194 172 197</u>

ANNEXURE E

NATIONAL YOUTH SERVICE
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

	Notes	2013 N\$	2012 N\$
Cash flows from operating activities			
Cash receipts from Government and customers		105 636 121	94 431 686
Cash payments to employees and suppliers		(107 356 021)	(97 843 948)
Cash generated by operations	13	(1 719 900)	(3 412 262)
Interest received		833 108	3 578 155
		(886 792)	165 893
Cash flows from investing activities			
Purchases of property, plant and equipment	14	(28 829 829)	(84 974 359)
Proceeds from sale of property, plant and equipment	2	125 662	270 070
Purchases of intangible assets	3	(407 129)	(52 860)
Purchases of biological assets	4	-	(2 635 900)
Proceeds from sale of biological assets	4	-	190 646
		(29 111 296)	(87 202 403)
Net increase in cash and cash equivalents		(29 998 088)	(87 036 510)
Cash and cash equivalents - beginning of the year		44 682 267	131 718 777
Cash and cash equivalents - end of the year	6	14 684 179	44 682 267

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

1. ACCOUNTING POLICIES**1.1 Introduction**

The annual financial statements have been prepared in accordance with Namibian Generally Accepted Accounting Practice NAC 001: Financial Reporting for Small and Medium Sized Entities. The annual financial statements set out in Annexures A to E were prepared on the historical cost basis, modified for biological assets which are shown at fair value, and incorporate the following principal accounting policies, which are consistent in all material aspects with those applied in the previous year.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Significant judgement include:

Asset lives

Property, plant and equipment is depreciated over its useful life taking into account residual values where appropriate. In assessing useful lives, factors such as technological innovation, product life cycles as well as maintenance programmes are taken into account.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.

The fair values of biological assets are based on the auction prices prevailing close to the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

Provisions

Provisions were raised and management determined an estimate based on the information available.

1.3 Property, plant and equipment

All property, plant and equipment are initially recorded at cost and adjusted for any impairment in value.

Impairment losses and reversal of impairment losses are recognised in the income statement.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

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

- Land	0%
- Buildings	2% -5%
- Motor vehicles	20 %
- Furniture and fittings	20 %
- Office equipment	20 %
- Computer equipment	33.3 %
- Farm Equipment	10%

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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

Computer software - 33.33%

1.5 Biological assets

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets are measured at their fair value less costs to sell.

The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell is included in profit or loss for the period in which it arises.

An unconditional government grant related to a biological asset measured at its fair value less costs to sell is recognised as income when the government grant becomes receivable.

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

1.6 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

1.7 Financial instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents and trade and other payables.

Initial recognition and measurement

Financial instruments are recognised initially when the Service becomes a party to the contractual provisions of the instruments.

The Service classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

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

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and are subsequently measured at amortised cost.

1.8 Provisions

Provisions are recognised when the Service has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made

1.9 Leases**Operating leases - lessor**

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

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

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.10 Employee benefits**Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.11 Government grants

Government grants are recognised when there is reasonable assurance that:

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

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

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

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

1.12 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Service has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Service retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Service; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

Dividends are recognised, in profit or loss, when the Services' right to receive payment has been established.

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

2. PROPERTY, PLANT AND EQUIPMENT

	2013			2012		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Land and buildings	57 787 712	-	57 787 712	57 787 712	-	57 787 712
Motor Vehicles	30 689 290	(20 076 637)	10 612 653	29 897 070	(15 343 018)	14 554 052
Office equipment	1 263 782	(470 138)	793 644	924 640	(311 601)	613 039
Furniture and fixtures	9 223 393	(5 569 159)	3 654 234	8 715 952	(3 792 458)	4 923 494
Computer equipment	1 139 750	(556 548)	583 202	542 540	(372 184)	170 356
Farm equipment	14 292 424	(5 025 943)	9 266 481	12 712 796	(3 718 266)	8 994 530
Work in progress	105 266 419	-	105 266 419	80 682 161	-	80 682 161
	219 662 770	(31 698 425)	187 964 345	191 262 871	(23 537 527)	167 725 344

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value -beginning of the year	Additions	Disposals	Depreciation	Carrying value- end of the year
	N\$	N\$	N\$	N\$	N\$
2012					
Land	17 702 500	40 085 212	-	-	57 787 712
Motor Vehicles	14 327 258	5 408 361	(263 687)	(4 917 880)	14 554 052
Office equipment	579 503	174 657	-	(141 121)	613 039
Furniture & fixtures	4 013 772	2 410 477	-	(1 500 755)	4 923 494
Computer equipment	200 955	102 505	-	(133 104)	170 356
Farm equipment	9 917 120	343 336	(6 383)	(1 259 543)	8 994 530
Work in progress	44 232 350	36 449 811	-	-	80 682 161
	90 973 458	84 974 359	(270 070)	(7 952 403)	167 725 344

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

	Carrying value - beginning of the year	Additions	Disposals	Depreciation	Carrying value- end of the year
	N\$	N\$	N\$	N\$	N\$
2013					
Land	57 787 712	-	-	-	57 787 712
Motor Vehicles	14 554 052	1 218 271	(125 662)	(5 034 008)	10 612 653
Office equipment	613 039	343 022	-	(162 417)	793 644
Furniture & fixtures	4 923 494	507 440	-	(1 776 700)	3 654 234
Computer equipment	170 356	597 210	-	(184 364)	583 202
Farm equipment	8 994 530	1 579 628	-	(1 307 677)	9 266 481
Work in progress	80 682 161	24 584 258	-	-	105 266 419
	167 725 344	28 829 829	(125 662)	(8 465 166)	187 964 345

	2 013	2 012
	N\$	N\$
Land comprises of :		
Farm Rietfontein measuring 1 280 ha in the Grootfontein District	5 002 500	5 002 500
Erf 6451 & 6452 measuring 3 151 square metres situated in Haddy Street	3 700 000	3 700 000
Head office situated on Erf 6451 & 6451 Haddy street	40 085 212	40 085 212
Farm Gemsbokpan measuring 7 015 ha in Grootfontein district	9 000 000	9 000 000
TOTAL	57 787 712	57 787 712

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

3. INTANGIBLE ASSETS

	2013			2012		
	Cost	Amortisation	Carrying Value	Cost	Amortisation	Carrying Value
	N\$	N\$	N\$	N\$	N\$	N\$
Computer Software	1 365 253	(711 223)	654 030	958 124	(425 249)	532 875
	1 365 253	(711 223)	654 030	958 124	(425 249)	532 875

The carrying value of intangible assets can be reconciles as follows:

	Carrying value at beginning year			Carrying value end of year
	N\$	Additions	Amortisation	N\$
2013				
Computer Software	532 875	407 129	(285 974)	654 030
	532 875	407 129	(285 974)	654 030
2012				
Computer software	751 022	52 860	(271 007)	532 875
	751 022	52 860	(271 007)	532 875

4. BIOLOGICAL ASSETS

	2013 Fair Value		2012 Fair Value	
	Quantity	N\$	Quantity	N\$
Goats	36	21 636	41	29 807
Sheeps	34	18 462	32	20 416
Bulls	16	76 000	15	73 995
Cows	131	284 270	104	436 800
Calves (< 1 year)	99	338 857	53	162 180
Heifer (1-2 years)	336	744 912	332	1 529 856
Tollies (1-2 years)	47	122 153	24	83 520
Oxen (> 3 years)	31	180 885	21	100 380
Kudu	40	140 000	40	140 000
Eland	37	240 500	37	240 500
Giraffe	6	99 000	6	99 000
TOTAL	813	2 266 675	705	2 916 454

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

The carrying value of the biological assets can be reconciled as follows:

	2013	2012
	N\$	N\$
Opening balance	2 916 454	900 962
Purchases	-	2 635 900
Disposals	-	(190 646)
Fair value adjustments	(649 779)	(429 762)
TOTAL	2 266 675	2 916 454

The quantities of the biological assets can be reconciled as follows:

	Opening balance	Births	Purchases	Transfers in/ (out)	Sales	Deaths	Closing balance
2012							
Bulls	26	-	12	-	(19)	(4)	15
Goats	-	11	-	34	-	(4)	41
Sheeps	-	-	-	38	-	(6)	32
Cows	90	-	-	15	(1)	-	104
Calves (< 1 year)	25	30	-	-	(2)	-	53
Heifer (1-2 years)	17	-	300	15	-	-	332
Tollies (1-2 years)	20	-	-	10	(6)	-	24
Oxen (> 3 years)	16	-	-	15	(10)	-	21
Kudu	-	-	40	-	-	-	40
Eland	-	-	37	-	-	-	37
Giraffe	-	-	6	-	-	-	6
TOTAL	194	41	395	127	(38)	(14)	705

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

	Opening balance	Births	Donations	Transfers in/ (out)	Sales	Deaths	Closing balance
2013							
Bulls	15	-	-	1	-	-	16
Goats	41	6	-	-	-	(11)	36
Sheep	32	9	-	-	-	(7)	34
Cows	104	-	-	27	-	-	131
Calves (< 1 year)	53	72	-	(26)	-	-	99
Heifer (1-2 years)	332	-	8	1	-	(5)	336
Tollies (1-2 years)	24	-	-	23	-	-	47
Oxen (> 3 years)	21	10	4	-	-	(4)	31
Kudu	40	-	-	-	-	-	40
Eland	37	-	-	-	-	-	37
Giraffe	6	-	-	-	-	-	6
TOTAL	705	97	12	26	-	(27)	813

5. TRADE AND OTHER RECEIVABLES

	2013	2012
	N\$	N\$
Government grants outstanding	6 000 000	6 000 000
Loans due from MYNSSC	5 939 388	5 939 388
Pre-paid rental farm Stampriet	2 300 000	2 300 000
Sundry debtors	488 920	769 267
Provision for doubtful debts	(14 854 424)	(14 854 424)
Ministry of Agriculture, Water and Forestry	594 861	-
NYS Security Services (PTY) LTD	107 564	330 577
Staff loans	212 814	242 050
TOTAL	789 123	726 858

6. CASH AND CASH EQUIVALENTS

	2013	2012
	N\$	N\$
Cash on hand	21 947	63 526
Bank balances	14 662 232	44 618 741
TOTAL	14 684 179	44 682 267

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

7. DEFERRED INCOME

	2013	2012
	N\$	N\$
Government grants	3 700 000	3 700 000
	3 700 000	3 700 000
Balance comprise of:		
Erven 6451 and 6542 Haddy Street-		
Transferred by government	3 700 000	3 700 000

8. TRADE AND OTHER PAYABLES

Trade creditors	4 870 007	7 658 677
Ministry of Fisheries & Marine resources	-	550 000
VAT on fishing quota usage fees	-	435 000
Ministry of Agriculture, water and forestry	-	3 753 039
Sundry accruals	22572	52 668
Payroll accruals	1 036 861	207 563
TOTAL	5 929 440	12 656 947

9. PROVISIONS**9.1. LEAVE PAY**

Opening balance	1 467 617	991 686
Additions	325 483	475 931
	1 793 100	1 467 617

9.2 BONUS PAY

Opening balance	689 155	590 173
Additions	74 459	98 982
	763 614	689 155

TOTAL

2 556 714	2 156 772
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The leave pay provision is based on the leave days accumulating at the end of each financial year limited to a maximum of sixty (60) days per employee. The bonus provision is based on the 13th cheque paid to employees in the month of birth.

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

10. REVENUE

	2013	2012
	N\$	N\$
Major classes of revenue comprise:		
Rental income	412 714	335 231
Sales- Farm produce	2 447 669	1 105 978
Donations received	10 000	-
Fishing quota usage fee	2 900 000	2 900 000
Contribution from Namibia Grape Company	12 000 000	-
De-bushing management fees	-	1 811 185
Other income	535 519	497 963
Dividends	70 000	70 000
TOTAL	18 375 902	6 720 357

11. GOVERNMENT SUBSIDIES

Government grants	87 769 998	88 074 855
TOTAL	87 769 998	88 074 855

12. OPERATING SURPLUS

Operating surplus is stated after:

Expenditure		
Consultancy services	639 325	820 148
Depreciation	8 465 166	7 952 403
Amortisation on intangible assets	285 974	271 007
Operating lease/rental payments	1 713 270	737 448
Employee costs	40 412 680	35 769 495
Provision for doubtful debts	-	2 915 037

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

13. CASH GENERATED BY OPERATIONS

	2013	2012
	N\$	N\$
Net operating surplus for the year	(3 897 882)	(14 864 045)
Adjustments for:		
Depreciation	8 465 166	7 952 403
Amortisation- intangible assets	285 974	271 007
Provision for doubtful debts	-	2 915 037
Fair value adjustments biological assets	649 779	429 762
Interest received	(833 108)	(3 578 155)
Operating (deficit)/surplus before changes in working capital	4 669 929	(6 873 991)
Changes in working capital	(6 389 829)	3 461 730
Increase in accounts receivables	(62 265)	(3 278 563)
Increase in accounts payables	(6 727 506)	6 165 380
Increase in provisions	399 942	574 913
Cash generated by operations	(1 719 900)	(3 412 262)

14. PURCHASES OF PROPERTY, PLANT AND EQUIPMENT

	2013	2012
	N\$	N\$
Additions per note 2	28 829 829	84 974 359
	28 829 829	84 974 359

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

15. OTHER OPERATING EXPENSES	2013	2012
	N\$	N\$
Advertising and promotion	1 582 356	1 718 529
Bank charges	479 894	361 964
Consumables- cleaning	743 106	705 144
Computer expenses (ICT & Internet)	585 095	551 428
Consulting fees	639 325	820 148
Corporate social responsibility	154 957	1 110
Courier and postages	97 701	217 638
Depreciation and amortisation	8 751 141	8 223 409
Electricity and water	3 986 279	1 476 580
Entertainment	16 671	8 067
Small farming equipment	560 799	914 047
Agricultural expenses	41 356	54 502
Seeds and fertiliser	1 207 762	1 236 186
Fuel and oil	3 526 199	3 225 184
Licences (vehicles & computers)	1 70 307	154 886
Loss on disposal of property, plant & equipment	89 055	23 421
Insurance	884 076	772 651
Magazines, books and periodicals	48 998	56 541
Other expenses	126 622	20 971
Printing and stationery	562 578	456 124
Provision for doubtful debts	-	2 915 037
Rent paid	1 713 270	737 448
Refreshment	42 215	133 646
Vehicles	379 451	181 626
Infrastructure	5 598 140	7 073 493
Computers	47 525	51 391
Salaries and wages	41 238 813	35 769 478
Catering services	15 145 971	17 913 787
Trainee allowances	12 141 070	10 929 128
Training expenses	2 351 413	2 257 708
Training insurance	289 964	31 668

	2013	2012
	N\$	N\$
Training materials	1 938 376	5 000 720
Uniforms and garments	1 723 845	5 270 118
Security	12 501	122 742
Staff training	115 245	104 635
Telephone and fax	631 112	654 449
Travel and accommodation	2 663 423	2 660 939
Workmen's compensation	-	1 107
TOTAL	110 286 610	112 807 650