



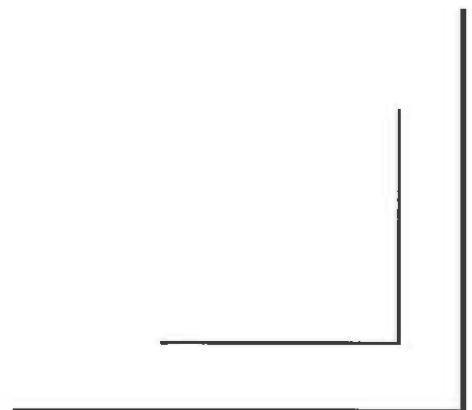
**Grant Thornton**

Neuhaus

**INSTITUTE FOR PUBLIC POLICY RESEARCH  
(Incorporated Association Not For Gain)  
COMPANY REGISTRATION NUMBER 21/2000/468**

**ANNUAL FINANCIAL STATEMENTS**

**28 FEBRUARY 2014**



**INSTITUTE FOR PUBLIC POLICY RESEARCH  
(Incorporated Association Not For Gain)**

**ANNUAL FINANCIAL STATEMENTS**

**28 FEBRUARY 2014**

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**INSTITUTE FOR PUBLIC POLICY RESEARCH**  
**(Incorporated Association Not For Gain)**

**GENERAL INFORMATION**

**28 FEBRUARY 2014**

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COUNTRY OF INCORPORATION	Namibia
COMPANY REGISTRATION NUMBER	21/2000/468
BOARD OF DIRECTORS	M M C Koep D Motinga A du Pisani W Lindeke G Hopwood N H Robiati
REGISTERED ADDRESS	12 <sup>th</sup> Floor, Sanlam Centre 145-157 Independence Avenue P O Box 2558 Windhoek Namibia
BUSINESS AND POSTAL ADDRESS	P O Box 6566 Ausspannplatz Windhoek Namibia
BANKERS	Standard Bank Namibia Limited
AUDITOR	Grant Thornton Neuhaus

**STATEMENT OF RESPONSIBILITIES AND APPROVAL**

**28 FEBRUARY 2014**

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The Board of Directors is required by the Companies Act of Namibia to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Board of Directors to ensure that the financial statements fairly present the state of affairs of the association as at 28 February 2014 and the results of its operations and cash flows for the year then ended, in conformity with IFRS for SMEs. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS for SMEs and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board of Directors acknowledges that it is ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Board of Directors to meet these responsibilities, it sets standards for internal control aimed at reducing the risk of error or loss 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board of Directors is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Board of Directors has reviewed the association's cash-flow forecast for the year to 28 February 2015 and, in the light of this review and the current financial position, the board is satisfied that the association has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the association's financial statements. The financial statements have been examined by the association's external auditors and their report is presented on page 4.

The financial statements, set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the Board of Directors on 4 November 2014 and are signed on its behalf by:

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DIRECTOR

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DIRECTOR

WINDHOEK

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of the Institutes for Public Policy Research  
(Incorporated Association Not For Gain)**

We have audited the financial statements of Institute for Public Policy Research (Incorporated Association Not For Gain), set out on pages 6 to 13, which comprise the statement of financial position as at 28 February 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

**Board of Directors' responsibility for the financial statements**

The association's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of Namibia, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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.

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

**Basis for qualified opinion**

In common with similar organisations, it is not feasible for the association to institute accounting controls over cash collections prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

**Qualified opinion**

In our opinion, except for the effects of the matter described in the "Basis for qualified opinion" paragraph, the financial statements present fairly, in all material respects, the financial position of Institute for Public Policy Research (Incorporated Association Not For Gain) at 28 February 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of Namibia.

**Other reports required by the Companies Act**

As part of our audit of the financial statements for the year ended 28 February 2014, we have read the Report of the Board of Directors for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The Report of the Board of Directors is the responsibility of the Board of Directors. Based on reading the Report of the Board of Directors, we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited the Report of the Board of Directors and accordingly do not express an opinion thereon.

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**GRANT THORNTON NEUHAUS**

Per T Newton  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
Windhoek

5 November 2014

**Partners:**

Thomas Newton (Managing)  
Hartmuth M van Alphen  
André N Welzig  
Reho A Maartens  
Erwin C Scriba  
Heimo A Koch  
Uwe E Selck

Chartered Accountants – Practice no. 9401  
Member firm of Grant Thornton International Ltd

**INSTITUTE FOR PUBLIC POLICY RESEARCH  
(Incorporated Association Not For Gain)**

**REPORT OF THE BOARD OF DIRECTORS**

**28 FEBRUARY 2014**

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The Board of Directors herewith present its annual report, which forms part of the audited financial statements of the association for the year ended 28 February 2014.

**GENERAL**

The company is a not-for-profit organisation with a mission to deliver independent, analytical, critical yet constructive research on social, political and economic issues, which affect development in Namibia. The IPPR has been established in the belief that development is best promoted through free and critical debate informed by quality research.

The company is independent of Government, political parties, business, trade unions and other interest groups and is governed by a board of seven trustees from different areas of Namibian society. The company is mainly grant funded, but also undertakes paid research on public policy issues provided independent conclusions can be reached and made available to the public.

The work of the IPPR is divided into three core **programmes** so that issues can be examined on an ongoing basis:

- Democracy and Governance Research Programme
- Public Opinion Programme
- Public Policy Analysis Programme

**STATE OF AFFAIRS AND RESULTS**

All matters material to the appreciation of the state of the association's affairs and results are disclosed in the financial statements and do not require further comment or explanation.

The results are attributable to the main activity of the association.

The surplus of the association, amounts to N\$532 159 (2013 : N\$612 652), during the year under review.

**BOARD OF DIRECTORS**

The Board of Directors at the end of the financial year and at the date of this report is as stated under General Information on page 2.

**EVENTS SUBSEQUENT TO THE YEAR-END**

The Board of Directors is not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the financial statements, which significantly affects the financial position of the association or the results of its operations.

WINDHOEK  
4 November 2014

**INSTITUTE FOR PUBLIC POLICY RESEARCH**  
**(Incorporated Association Not For Gain)**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 28 FEBRUARY 2014**

	Notes	2014 N\$	2013 N\$
<b>ASSETS</b>			
<b>Current assets</b>		2 243 865	1 686 963
Trade and other receivables	2	67 346	18 416
Cash and cash equivalents	3	2 176 519	1 668 547
<b>TOTAL ASSETS</b>		2 243 865	1 686 963
<b>EQUITY AND LIABILITIES</b>			
<b>Accumulated funds</b>		2 156 561	1 624 402
Balance at 1 March		1 624 402	1 011 750
Surplus for the year		532 159	612 652
<b>Current liabilities</b>			
Trade and other payables	4	87 304	62 561
<b>TOTAL EQUITY AND LIABILITIES</b>		2 243 865	1 686 963

**INSTITUTE FOR PUBLIC POLICY RESEARCH**  
**(Incorporated Association Not For Gain)**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 28 FEBRUARY 2014**

	Notes	2014 N\$	2013 N\$
<b>INCOME</b>		2 979 394	3 619 863
Funding received	6	2 904 885	3 605 813
Book sales		47 201	10 303
Reimbursements		17 308	-
Insurance refund		10 000	-
Consultation income		-	3 747
<b>EXPENDITURE</b>		(2 447 235)	(3 007 211)
Administrative and project expenses:			
- Core account	7.1	712 067	557 966
- Finland	7.2	669 628	409 803
- Project One	7.3	281 609	531 855
- Governance	7.4	643 293	497 893
- European Union	7.5	140 638	-
- Freedom House	7.6	-	1 009 694
<b>SURPLUS</b> for the year		532 159	612 652
OPENING ACCUMULATED FUNDS		1 624 402	1 011 750
CLOSING ACCUMULATED FUNDS		2 156 561	1 624 402



**INSTITUTE FOR PUBLIC POLICY RESEARCH**  
**(Incorporated Association Not For Gain)**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 28 FEBRUARY 2014**

	Note	2014 N\$	2013 N\$
<b>Operating activities</b>			
Cash receipts from donors and others		2 930 464	3 643 403
Cash paid to suppliers and employees		(2 422 492)	(3 024 409)
Cash generated from operations	A	<u>507 972</u>	<u>618 994</u>
<b>Net movement in cash and cash equivalents</b>		<u>507 972</u>	<u>618 994</u>
<b>Change in cash and cash equivalents</b>			
Balance at beginning of the year		1 668 547	1 049 553
Net movement		<u>507 972</u>	<u>618 994</u>
Balance at end of the year		<u>2 176 519</u>	<u>1 668 547</u>
<b>The balance comprises:</b>			
Cash at bank		2 165 155	1 654 237
Petty cash		<u>11 364</u>	<u>14 310</u>
		<u>2 176 519</u>	<u>1 668 547</u>

**NOTE A**

**Reconciliation of surplus for the year to cash generated from operations**

Surplus for the year		532 159	612 652
Working capital changes:			
• (Increase)/Decrease in receivables		(48 930)	23 540
• Increase/(Decrease) in payables		<u>24 743</u>	<u>(17 198)</u>
Cash generated from operations		<u>507 972</u>	<u>618 994</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**28 FEBRUARY 2014**

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**1. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The financial statements of the association for the year ended 28 February 2014 have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act of Namibia. These financial statements are presented in Namibia Dollars.

The principal accounting policies that have been used in the preparation of these financial statements are summarised below.

**1.1 Significant accounting judgements, estimates and assumptions**

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual outcomes may differ.

The estimates considered most significant are discussed below.

- Provision for impairment of trade receivables

This provision is calculated by identifying specific debtors to be impaired and by providing for certain customers exceeding a specific age, due to disputes with the customers or due to the inability of customers to pay.

- Provision for trade payables - Provision for credit requests not allowed.

This provision is calculated by identifying specific requests for credit which might not be granted by the suppliers.

Sources of estimation uncertainty:

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date that management has assessed as having a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

**1.2 Property, plant and equipment**

Property, plant and equipment is expensed in the year of acquisition.

**1.3 Financial instruments**

Financial assets

- Trade and other receivables and cash and cash equivalents

These financial assets are recognised initially at the transaction price. Subsequently, they are measured at amortised cost using the effective interest method, less provision for impairment. Sales are made on normal credit terms and trade receivables do not bear interest.

Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognised in profit or loss.

Financial liabilities

- Trade and other payables

These financial liabilities are recognised initially at the transaction price. After initial recognition, they are measured at amortised cost using the effective interest method. Trade payables are on normal credit terms and do not bear interest.

**NOTES TO THE FINANCIAL STATEMENTS (Contd)**

**28 FEBRUARY 2014**

	<b>2014</b>	<b>2013</b>
	<b>N\$</b>	<b>N\$</b>
<b>1.4 Revenue</b>		
Revenue comprises funding, sales, rent received and donations received and excludes investment income and other non-operating income and value-added tax.		
<b>1.5 Value-added tax</b>		
Revenues, expenses and assets are recognised net of the amount of value-added tax except:		
<ul style="list-style-type: none"> <li>• where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and</li> <li>• receivables and payables that are stated with the amount of value-added tax included.</li> </ul>		
The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.		
<b>2. TRADE AND OTHER RECEIVABLES</b>		
Sundry debtors	45 469	18 416
VAT control account	21 877	-
<b>Total</b>	<b>67 346</b>	<b>18 416</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents include the following components:		
Cash at bank		
<ul style="list-style-type: none"> <li>• Core account</li> <li>• Governance account</li> <li>• Finland account</li> <li>• Project One account</li> <li>• European Union</li> </ul>	128 762 397 687 93 658 309 346 1 235 702	590 763 364 264 401 163 298 047 -
Petty cash		
<ul style="list-style-type: none"> <li>• Core account</li> <li>• Governance account</li> </ul>	5 007 6 357	7 953 6 357
<b>Total</b>	<b>2 176 519</b>	<b>1 668 547</b>
<b>4. TRADE AND OTHER PAYABLES</b>		
Trade creditors	87 304	62 049
VAT control account	-	512
<b>Total payables</b>	<b>87 304</b>	<b>62 561</b>
<b>5. FINANCIAL ASSETS AND LIABILITIES</b>		
<b>Financial assets measured at cost less impairment</b>		
Trade and other receivables	67 346	18 416
Cash and cash equivalents	2 176 519	1 668 547
<b>Total financial assets</b>	<b>2 243 865</b>	<b>1 686 963</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables	87 304	62 561

**INSTITUTE FOR PUBLIC POLICY RESEARCH**  
**(Incorporated Association Not For Gain)**

**NOTES TO THE FINANCIAL STATEMENTS (Contd)**

**28 FEBRUARY 2014**

	<b>2014</b>	<b>2013</b>
	<b>N\$</b>	<b>N\$</b>
<b>6. FUNDING RECEIVED</b>		
Afrobarometer	82 695	70 897
BFS Private Equity Finance Survey	-	120 000
BHC Extractive Industries	4 387	256 293
BHC Red Tape Income	117 924	-
Canada High Commission	507 655	-
Core Fund Overhead Income	214 432	544 718
Embassy of Norway	-	528 885
European Union	1 408 750	-
Finland	364 319	606 870
Freedom House	-	857 900
Friedrich Ebert Stiftung	-	12 000
GIZ (Nambic)	116 273	183 416
Hanns Seidel Foundation	11 750	10 000
IJG Business Climate Monitor	-	30 000
UNDP African Governance Report	45 500	358 454
World Economic Forum	31 200	26 380
<b>Total funding received</b>	<b>2 904 885</b>	<b>3 605 813</b>
<b>7. ADMINISTRATIVE AND PROJECT EXPENSES</b>		
<b>7.1 Core account</b>		
Accounting fees	64 000	61 000
Audit fees	16 526	17 216
Bank charges	12 536	15 354
Cleaning expenses	10 627	9 484
Courier and postage	-	274
Electricity and water	5 157	7 718
Executive director's emoluments	229 114	162 126
Insurance	13 818	13 352
IT expenses	9 138	15 144
Legal fees	3 477	12
Office expenses	23 837	18 494
Printing and stationery	21 885	4 889
Rent paid	159 655	86 777
Repairs and maintenance	-	3 430
Salaries and wages - IPPR	100 621	97 939
Secretarial fees	2 540	4 047
Security expenses	4 496	4 649
Subscriptions	5 276	2 936
Telephone and fax	27 274	30 215
Travelling and accommodation	2 090	2 910
<b>Core account expenses</b>	<b>712 067</b>	<b>557 966</b>

**INSTITUTE FOR PUBLIC POLICY RESEARCH**  
**(Incorporated Association Not For Gain)**

**NOTES TO THE FINANCIAL STATEMENTS (Contd)**

**28 FEBRUARY 2014**

	<b>2014</b>	<b>2013</b>
	<b>N\$</b>	<b>N\$</b>
<b>7. ADMINISTRATIVE AND PROJECT EXPENSES (contd)</b>		
<b>7.2 Finland</b>		
Audit fees	-	11 935
Bank charges	1 689	6 270
Design, Monitoring and Printing	225 105	108 283
Guide to Economy	141 705	10 000
IPPR overheads	35 000	35 700
Launches and presentations	16 339	3 490
Research and coordination - Coordinator	150 000	150 750
Research and coordination - Junior researcher	46 415	83 000
Research and coordination - Lead researcher	53 000	-
Travelling and accommodation	375	375
<b>Total project expenses</b>	<b>669 628</b>	<b>409 803</b>
<b>7.3 Project One</b>		
British High Commission Extractive Industries	91 000	-
Business and Investment Climate Survey - GIZ	125 209	181 830
Guide to Namibian Economy	-	3 300
Hanns Seidel Foundation - Economy Watch	13 500	6 000
IJG Business Climate Monitor	13 200	39 400
Population Council - Demographic Data for Development	-	149 945
Private Equity Finance Survey	-	121 000
WEF Work Economic Forum	38 700	30 380
<b>Total project expenses</b>	<b>281 609</b>	<b>531 855</b>
<b>7.4 Governance</b>		
Afrobarometer	58 763	56 280
BHC Extractive Industries	186 462	97 562
Canada High Commission Election Watch	338 834	12 230
EU Delegation - ATI	32 410	-
Friedrich Ebert Stiftung	-	12 000
UNDP - African Governance Report	-	319 821
UNDP - Namibia and United Nations Convention	26 824	-
<b>Total project expenses</b>	<b>643 293</b>	<b>497 893</b>
<b>7.5 European Union</b>		
Accounting fees	11 104	-
Administrator	18 236	-
Office expenses	2 398	-
Project coordinator	53 107	-
Rent paid	17 386	-
Researcher	31 783	-
Telephone and fax	6 624	-
<b>Total project expenses</b>	<b>140 638</b>	<b>-</b>

**INSTITUTE FOR PUBLIC POLICY RESEARCH**  
**(Incorporated Association Not For Gain)**

**NOTES TO THE FINANCIAL STATEMENTS (Contd)**

**28 FEBRUARY 2014**

	<b>2014</b>	<b>2013</b>
	<b>N\$</b>	<b>N\$</b>
7. ADMINISTRATIVE AND PROJECT EXPENSES (contd)		
7.6 <b>Freedom House</b>		
Accounting fees	-	77 589
Bank charges	-	1 874
Courier and postage	-	456
Editor fees - Specialist author	-	91 284
Equipment hire	-	56 769
Office expenses	-	34 324
Personnel costs - Lead Researcher	-	152 381
Personnel costs - Office Administrator Assistant	-	27 340
Personnel costs - Project Coordinator	-	174 516
Personnel costs - Researchers	-	152 367
Printing, stationery and design	-	106 136
Rent paid	-	29 682
Research and coordination	-	44 185
Telephone and fax	-	13 180
Travelling and accommodation	-	23 198
Workshops and conferences	-	24 413
<b>Total project expenses</b>	<b>-</b>	<b>1 009 694</b>
8. TAXATION		
The association is by virtue of its incorporation, exempt from the payment of taxation and, accordingly, no provision for taxation has been made.		
9. EXECUTIVE DIRECTOR'S REMUNERATION		
<b>For services rendered</b>		
G Hopwood	432 221	492 204
10. RELATED PARTY TRANSACTIONS		
Consulting fees paid to R C D Sherbourne	-	99 750

**INSTITUTE FOR PUBLIC POLICY RESEARCH**  
(Incorporated Association Not For Gain)

**ADDITIONAL INFORMATION**

**28 FEBRUARY 2014**

	Core account N\$	Finland N\$	Project One N\$	Governance N\$	European Union N\$	Freedom House N\$	Capital Reserve Fund N\$	Total N\$
<b>Funding received</b>	288 875	364 385	277 147	672 647	1 376 340	-	-	2 979 394
Afrobarometer	214 432	-	-	82 695	-	-	-	297 127
BHC Extractive Industries	-	-	-	4 387	-	-	-	4 387
BHC Red Tape Income	-	-	117 924	-	-	-	-	117 924
Canada High Commission	-	-	-	507 655	-	-	-	507 655
European Union	-	-	-	32 410	1 376 340	-	-	1 408 750
Finland	-	364 319	-	-	-	-	-	364 319
GIZ (Nambic)	-	-	116 273	-	-	-	-	116 273
Guide to Namibian Economy	47 201	-	-	-	-	-	-	47 201
Hanns Seidel Foundation	10 000	-	11 750	-	-	-	-	11 750
Insurance refund	17 242	66	-	-	-	-	-	10 000
Reimbursements	-	-	-	45 500	-	-	-	17 308
UNDP AGR III	-	-	-	-	-	-	-	45 500
World Economic Forum	-	-	31 200	-	-	-	-	31 200
<b>Expenditure incurred</b>	(712 067)	(669 628)	(281 609)	(643 293)	(140 638)	-	-	(2 447 235)
<b>(Deficit)/Surplus for the year</b>	(423 192)	(305 243)	(4 462)	29 354	1 235 702	-	-	532 159
Opening accumulated funds	(89 991)	401 315	35 710	200 492	-	(3)	1 076 879	1 624 402
Closing accumulated funds	(513 183)	96 072	31 248	229 846	1 235 702	(3)	1 076 879	2 156 561

# Institute for Public Policy Research

(Incorporated Association Not For Gain)

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P O Box 6566 • Windhoek • Namibia

5 November 2014

Grant Thornton Neuhaus  
P O Box 2558  
Windhoek  
Namibia

Dear Sirs

## **FINANCIAL STATEMENTS OF INSTITUTE FOR PUBLIC POLICY RESEARCH FOR THE YEAR ENDED 28 FEBRUARY 2014**

This representation letter is provided in connection with your audit of the financial statements of Institute for Public Policy Research for the year ended 28 February 2014 for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of Institute for Public Policy Research at 28 February 2014 and the results of its operations and cash flows for the year then ended in accordance with IFRS for SMEs and the Companies Act of Namibia.

We acknowledge our responsibility for fair presentation in the financial statements in accordance with the Companies Act of Namibia and IFRS for SMEs applied on a basis consistent with the previous year and acknowledge that the financial statements are the representations of the Board of Directors.

We confirm to the best of our knowledge and belief, the following representations:

1. We have made available to you all books of account and supporting documentation and all minutes of meetings of the Board of Directors.
2. Nothing has come to our notice that causes us to doubt the reliability of the financial records.
3. No material breakdown in the functioning of the association's internal controls, procedures and systems has occurred during the year.
4. The financial statements fairly present the results and cash-flow information for the year and the financial position at the year-end date.
5. The financial statements are free of material misstatements, including omissions; the effects of those uncorrected financial statement misstatements aggregated by the auditor during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
6. All income has been included in the financial statements.
7. All transactions undertaken
  - have been included in the financial statements
  - were in the normal course of business
  - were at arm's length
8. Except as disclosed in the financial statements, the results of operations for the year were not materially affected by transactions of an extraordinary or abnormal nature, or items relating to a prior year.



9. The following have been properly recorded and when appropriate, adequately disclosed in the financial statements:
- The identity of, and balances and transactions with, related parties.
  - Losses arising from sale and purchase commitments.
  - Agreements and options to buy back assets previously sold.
  - Assets pledged as collateral.
10. The major accounting policies adopted are as set out in the financial statements. The accounting policies remained unchanged from the previous year.
11. The accounting policies comply with all the requirements of each applicable IFRS for SMEs and each applicable approved Interpretation.
12. All final adjusting journal entries have been approved by ourselves, are appropriate and have been entered in the accounting records.
13. The association has satisfactory title to all assets and there are no liens or encumbrances on the association's assets, except for those that are disclosed in the financial statements.
14. No securities/guarantees/encumbrance/cession of assets have been given by the entity other than those disclosed in the financial statements.
15. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
16. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties.
17. VAT has been correctly accounted for where relevant on all transactions undertaken.
18. PAYE and other payroll deductions have, where applicable, been correctly deducted and paid to the Receiver of Revenue.
19. Fair value information in the financial statements has properly been prepared from appropriate and reasonable assumptions; management has the ability and intent to carry out specific courses of action relevant to fair value measurements and disclosures.
20. We confirm the completeness and accuracy of the information provided regarding the identification of related parties as well as related party disclosures in the financial statements.
21. No claims in connection with litigation have been or are expected to be received.
22. The association has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
23. Other than described in the financial statements, there have been no events subsequent to the year-end, which require adjustment of or disclosure in the financial statements or the notes thereto.
24. The financial statements have been prepared on the basis of accounting practices applicable to a going concern; after making enquiries we have no reason to believe that the association will not be a going concern in the year ahead.
25. We acknowledge that management is responsible for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.
26. We have assessed as minimal the risk that the financial statements may be materially misstated as a result of fraud.

27. No irregularities have come to our attention during the year under examination and to the date of approval of the financial statements. We have disclosed to you all facts relating to any fraud or suspected fraud known to management that may have affected the entity involving:
- Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements
28. We have disclosed to you any allegations known to management of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
29. All known, actual or possible, non compliance with laws and regulations, the effects of which should be considered when preparing financial statements, has been disclosed to the auditor.
30. There were no transactions or arrangements involving the Board of Directors that should be disclosed except as disclosed in the financial statements.
31. We have discussed insurable risks with our insurance advisers and are satisfied that the insurance (including for political riot and fidelity cover), is both current and adequate.
32. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. Except as disclosed in the financial statements, we have no other line of credit arrangements.

We appreciate that Grant Thornton Neuhaus have prepared the financial statements on behalf of the Board of Directors. The financial statements have been fully explained to and discussed with us and we are of the opinion that they fairly present the results and cash-flow information for the year and the financial position at the year-end date.

Yours faithfully

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**CHAIRPERSON**

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**DIRECTOR**