

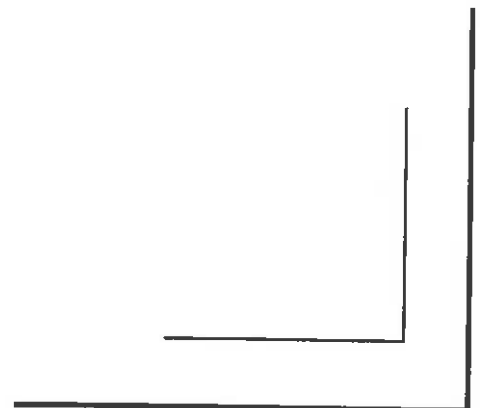


Grant Thornton
Neuhaus

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

ANNUAL FINANCIAL STATEMENTS

29 FEBRUARY 2016



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

ANNUAL FINANCIAL STATEMENTS

29 FEBRUARY 2016

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

GENERAL INFORMATION

29 FEBRUARY 2016

COUNTRY OF INCORPORATION	Namibia
COMPANY REGISTRATION NUMBER	21/2000/468
BOARD OF DIRECTORS	M M C Koep D Motinga W Lindeke G Hopwood N H Nghipandoka Robiati J Ellis M N Humavindu
REGISTERED ADDRESS	12 th Floor, Sanlam Centre 145-157 Independence Avenue P O Box 2558 Windhoek Namibia
BUSINESS AND POSTAL ADDRESS	70-72 Dr Frans Indongo Street P O Box 6566 Ausspannplatz Windhoek Namibia
BANKERS	Standard Bank Namibia Limited
AUDITOR	Grant Thornton Neuhaus

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

STATEMENT OF RESPONSIBILITIES AND APPROVAL

29 FEBRUARY 2016

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 29 February 2016 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.

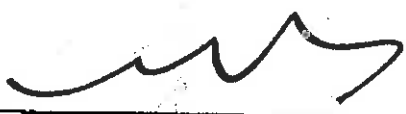
The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems 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 2017 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 pages 4 to 5.

The financial statements, set out on pages 6 to 14, which have been prepared on the going-concern basis, were approved by the Board of Directors on 18 September 2017 and are signed on its behalf by:



DIRECTOR



DIRECTOR

WINDHOEK

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF THE
INSTITUTE FOR PUBLIC POLICY RESEARCH
(Incorporated Association Not For Gain)

12th Floor
Sanlam Centre
Independence Avenue
P O Box 2558
Windhoek
Namibia

T (+264-61) 381200
F (+264-61) 227879
E angela.pretorius@na.gt.com

Qualified opinion

We have audited the financial statements of the Institute for Public Policy Research (Incorporated Association Not For Gain), set out on pages 7 to 14, which comprise the statement of financial position as at 29 February 2016, and the statements of profit or loss and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of the matter disclosed in the "Basis for qualified opinion" section of our report, the financial statements present fairly, in all material respects, the financial position of the association as at 29 February 2016, 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 (IFRS for SMEs) and the requirements of the Companies Act of Namibia.

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.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the association in accordance with the independence requirements applicable to performing audits of financial statements in Namibia which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We have fulfilled our other ethical responsibilities in accordance with the ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other information

The Board of Directors is responsible for the other information, which comprises the "Report of the Board of Directors" as set out on page 6.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the Board of Directors either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Contd/. . . .

Partners:

Thomas Newton (Managing)
André N Welzig
Reho A Maartens
Erwin C Scriba

Heimo A Koch
Uwe E Selck
Ndapandula J Tshitayi
Coreen Crous

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

INDEPENDENT AUDITOR'S REPORT (Contd)

29 FEBRUARY 2016

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also -

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 control.
- 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the use of the going-concern basis of accounting by the Board of Directors and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the association or business activities of the association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the board all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


GRANT THORNTON NEUHAUS

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

18 September 2017

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

REPORT OF THE BOARD OF DIRECTORS

29 FEBRUARY 2016

The Board of Directors herewith present its annual report, which forms part of the audited financial statements of the association for the year ended 29 February 2016.

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.

During the year under review, the association experienced a deficit of N\$810 995 (2015 : N\$425 492).

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
18 September 2017

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

STATEMENT OF FINANCIAL POSITION

AS AT 29 FEBRUARY 2016

	Notes	2016	2015
		N\$	N\$
ASSETS			
Current assets		974 600	1 783 655
Trade and other receivables	2	89 516	59 949
Cash and cash equivalents	3	885 084	1 723 706
TOTAL ASSETS		<u>974 600</u>	<u>1 783 655</u>
EQUITY AND LIABILITIES			
Accumulated funds		920 074	1 731 069
Balance at 1 March		1 731 069	2 156 561
(Deficit) for the year		(810 995)	(425 492)
Current liabilities			
Trade and other payables	4	54 526	52 586
TOTAL EQUITY AND LIABILITIES		<u>974 600</u>	<u>1 783 655</u>

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

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 29 FEBRUARY 2016

	Notes	2016 N\$	2015 N\$
INCOME		2 048 230	2 297 989
Funding received	6	2 044 480	2 081 046
Book sales		3 750	33 728
Reimbursements		-	183 215
EXPENDITURE		(2 859 225)	(2 723 481)
Administrative and project expenses:			
- Core account	7.1	346 760	358 993
- Finland	7.2	680 580	529 441
- Project One	7.3	280 421	191 100
- Governance	7.4	403 255	536 932
- European Union	7.5	1 148 209	1 107 015
(DEFICIT) for the year		(810 995)	(425 492)
OPENING ACCUMULATED FUNDS		1 731 069	2 156 561
CLOSING ACCUMULATED FUNDS		920 074	1 731 069

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 29 FEBRUARY 2016

	Note	2016 N\$	2015 N\$
Operating activities			
Cash receipts from donors and others		2 018 663	2 305 386
Cash paid to suppliers and employees		(2 857 285)	(2 758 199)
Cash (utilised by) operations	A	(838 622)	(452 813)
Net movement in cash and cash equivalents		<u>(838 622)</u>	<u>(452 813)</u>
Change in cash and cash equivalents			
Balance at beginning of the year		1 723 706	2 176 519
Net movement		(838 622)	(452 813)
Balance at end of the year		<u>885 084</u>	<u>1 723 706</u>
The balance comprises:			
Cash at bank		878 727	1 719 167
Petty cash		6 357	4 539
		<u>885 084</u>	<u>1 723 706</u>

NOTE A

Reconciliation of (deficit) for the year to cash (utilised by) operations

(Deficit) for the year	(810 995)	(425 492)
Working capital changes:		
• Decrease/(Increase) in receivables	(29 567)	7 397
• Increase/(Decrease) in payables	1 940	(34 718)
Cash (utilised by) operations	<u>(838 622)</u>	<u>(452 813)</u>

NOTES TO THE FINANCIAL STATEMENTS

29 FEBRUARY 2016

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements of the association for the year ended 29 February 2016 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.

INSTITUTE FOR PUBLIC POLICY RESEARCH
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NOTES TO THE FINANCIAL STATEMENTS (Contd)

29 FEBRUARY 2016

	2016	2015
	N\$	N\$
1.4 Revenue		
Revenue comprises funding, sales, rent received and donations received and excludes investment income and other non-operating income and value-added tax.		
1.5 Value-added tax		
Revenues, expenses and assets are recognised net of the amount of value-added tax except:		
<ul style="list-style-type: none"> • 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 • receivables and payables that are stated with the amount of value-added tax included. 		
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.		
2. TRADE AND OTHER RECEIVABLES		
Sundry debtors	46 799	26 056
VAT control account	42 717	33 893
Total receivables	89 516	59 949
3. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents include the following components:		
Cash at bank		
• Core account	301 933	32 137
• Governance account	152 758	299 593
• Finland account	259 722	936 414
• Project One account	96 985	322 335
• European Union	67 329	128 688
Petty cash		
• Core account	-	(1 818)
• Governance account	6 357	6 357
Total	885 084	1 723 706
4. TRADE AND OTHER PAYABLES		
Trade creditors	54 526	52 586
5. FINANCIAL ASSETS AND LIABILITIES		
Financial assets measured at cost less impairment		
Trade and other receivables	89 516	59 949
Cash and cash equivalents	885 084	1 723 706
Total financial assets	974 600	1 783 655
Financial liabilities measured at amortised cost		
Trade and other payables	54 526	52 586

INSTITUTE FOR PUBLIC POLICY RESEARCH
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NOTES TO THE FINANCIAL STATEMENTS (Contd)

29 FEBRUARY 2016

	2016	2015
	N\$	N\$
6. FUNDING RECEIVED		
Afrobarometer	113 676	152 723
BHC Red Tape Income	-	117 924
Canada High Commission	-	24 776
Core Fund Overhead Income	542 240	-
European Union	1 073 532	32 187
FES Media	99 525	-
Finland	-	1 369 783
GIZ (Nambic)	-	-
Hanns Seidel Foundation	15 000	185 200
JG Business Climate Monitor	-	50 000
NID	40 000	-
Open Budget Index	23 651	51 892
OSISA Minerals Index	56 350	-
World Economic Forum	80 506	33 373
Total funding received	2 044 480	2 017 858
7. ADMINISTRATIVE AND PROJECT EXPENSES		
7.1 Core account		
Accounting fees	24 000	22 000
Advertising and promotions	4 629	3 356
Audit fees	3 250	19 280
Bank charges	12 129	14 580
Cleaning expenses	-	2 681
Consulting fees	4 000	-
Courier and postage	264	298
Electricity and water	-	2 687
Insurance	15 460	17 115
IT expenses	12 675	12 590
Legal fees	830	-
Office expenses	16 692	22 497
Printing and stationery	3 659	1 778
Rent paid	104 735	138 616
Repairs and maintenance	-	3 570
Salaries and wages - IPPR	127 218	50 385
Secretarial fees	-	3 070
Security expenses	-	1 782
Subscriptions	4 012	4 040
Telephone and fax	6 448	29 448
Travelling and accommodation	6 759	9 220
Core account expenses	346 760	358 993

INSTITUTE FOR PUBLIC POLICY RESEARCH
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NOTES TO THE FINANCIAL STATEMENTS (Contd)

29 FEBRUARY 2016

	2016	2015
	N\$	N\$
7. ADMINISTRATIVE AND PROJECT EXPENSES (contd)		
7.2 Finland		
Audit fees	-	57 866
Bank charges	1 863	-
Courier and postage	1 493	-
Design, Monitoring and Printing	176 349	168 803
Guide to Economy	19 000	26 305
IPPR overheads	39 550	84 550
Launches and presentations	23 702	17 172
Research and coordination - Coordinator	177 154	69 437
Research and coordination - Junior researcher	98 469	21 808
Research and coordination - Lead researcher	143 000	83 500
Total project expenses	680 580	529 441
7.3 Project One		
British High Commission Extractive Industries	-	142 801
Business and Investment Climate Survey - GIZ	-	-
Hanns Seidel Foundation - Economy Watch	9 000	4 000
IJG Business Climate Monitor	13 200	14 400
WEF Work Economic Forum	38 221	29 899
Other expenses	220 000	-
Total project expenses	280 421	191 100
7.4 Governance		
Afrobarometer	149 911	98 434
Canada High Commission Election Watch	-	181 115
EU Delegation - ATI	-	19 410
Friedrich Ebert Stiftung	73 343	27 960
Hanns Seidel - Publication	-	164 200
NID - Research expenses	30 000	-
OBI Research expenses	23 651	45 813
OSISA Minerals - Index expenses	56 350	-
Other expenses	70 000	-
Total project expenses	403 255	536 932
7.5 European Union		
Accounting fees	74 599	86 316
Administrator	100 011	124 837
Conference	1 965	6 247
Indirect costs	85 751	94 782
Layout Bulletin and Briefing Paper	18 515	13 150
Office expenses	27 658	1 817
Printing Bulletin and Briefing Paper	375 372	175 088
Project coordinator	227 220	361 432
Rent paid	60 669	26 079
Researcher	159 739	215 977
Telephone and fax	16 710	1 290
Total project expenses	1 148 209	1 107 015

INSTITUTE FOR PUBLIC POLICY RESEARCH
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NOTES TO THE FINANCIAL STATEMENTS (Contd)

29 FEBRUARY 2016

	2016	2015
	N\$	N\$

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

For services rendered

G Hopwood	584 333	589 950
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INSTITUTE FOR PUBLIC POLICY RESEARCH
(Incorporated Association Not For Gain)

ADDITIONAL INFORMATION

29 FEBRUARY 2016

	Core account N\$	Finland N\$	Project One N\$	Governance N\$	European Union N\$	Freedom House N\$	Capital Reserve Fund N\$	Total N\$
Funding received	545 990	-	95 506	333 202	1 073 532	-	-	2 048 230
Afobarometer	-	-	-	113 676	-	-	-	113 676
Core fund overheads	542 240	-	-	-	-	-	-	542 240
European Union	-	-	-	-	1 073 532	-	-	1 073 532
FES Media Funding	-	-	-	99 525	-	-	-	99 525
Guide to Namibian Economy	3 750	-	-	-	-	-	-	3 750
Hanns Seidel Foundation	-	-	15 000	-	-	-	-	15 000
NID Donor Funding	-	-	-	40 000	-	-	-	40 000
OBI Donor Funding	-	-	-	23 651	-	-	-	23 651
OSISA Mineral Index	-	-	-	56 350	-	-	-	56 350
World Economic Forum	-	-	80 506	-	-	-	-	80 506
Expenditure incurred	(346 760)	(680 580)	(280 421)	(403 255)	(1 148 209)	-	-	(2 859 225)
Surplus/(Deficit) for the year	199 230	(680 580)	(184 915)	(70 053)	(74 677)	-	-	(810 995)
Opening accumulated funds	(592 045)	936 414	62 445	118 692	128 687	(3)	1 076 879	1 731 069
Closing accumulated funds	(392 815)	255 834	(122 470)	48 639	54 010	(3)	1 076 879	920 074