



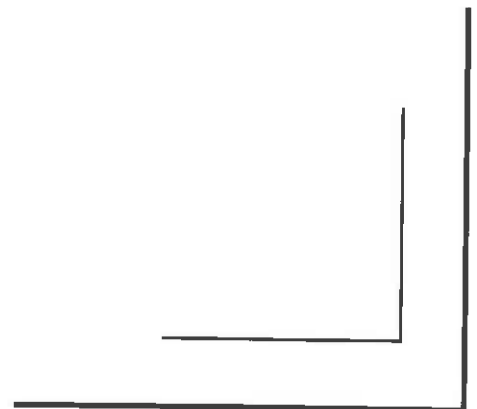
Grant Thornton

Neuhaus

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

ANNUAL FINANCIAL STATEMENTS

28 FEBRUARY 2015



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

ANNUAL FINANCIAL STATEMENTS

28 FEBRUARY 2015

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

GENERAL INFORMATION

28 FEBRUARY 2015

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

STATEMENT OF RESPONSIBILITIES AND APPROVAL

28 FEBRUARY 2015

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 2015 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 29 February 2016 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 23 February 2016 and are signed on its behalf by:

DIRECTOR

DIRECTOR

WINDHOEK



INDEPENDENT AUDITOR'S REPORT

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

T (+264-61) 381200
F (+264-61) 227879
E apretorius@gtneuhaus.com

**To the Board of Directors of the Institute 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 2015, 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 2015, 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 2015, 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.

GRANT THORNTON NEUHAUS

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

24 February 2016

Partners:

Thomas Newton (Managing)
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 2015

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 2015.

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\$425 492 compared to a surplus of N\$532 159 in the previous financial year. The association had accumulated funds of N\$1 731 069 on 28 February 2015.

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
23 February 2016

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

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2015

	Notes	2015 N\$	2014 N\$
ASSETS			
Current assets		1 783 655	2 243 865
Trade and other receivables	2	59 949	67 346
Cash and cash equivalents	3	1 723 706	2 176 519
TOTAL ASSETS		1 783 655	2 243 865
EQUITY AND LIABILITIES			
Accumulated funds		1 731 069	2 156 561
Balance at 1 March		2 156 561	2 156 561
(Deficit)/Surplus for the year		(425 492)	532 159
Current liabilities			
Trade and other payables	4	52 586	87 304
TOTAL EQUITY AND LIABILITIES		1 783 655	2 243 865

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2015

	Notes	2015 N\$	2014 N\$
INCOME		2 297 989	2 979 394
Funding received	6	2 081 046	2 904 885
Book sales		33 728	47 201
Reimbursements		183 215	17 308
Insurance refund			10 000
EXPENDITURE		(2 723 481)	(2 447 235)
Administrative and project expenses:			
- Core account	7.1	358 993	712 067
- Finland	7.2	529 441	669 628
- Project One	7.3	191 100	281 609
- Governance	7.4	536 932	643 293
- European Union	7.5	1 107 015	140 638
(DEFICIT)/SURPLUS for the year		(425 492)	532 159
OPENING ACCUMULATED FUNDS		2 156 561	1 624 402
CLOSING ACCUMULATED FUNDS		1 731 069	2 156 561

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	2015 N\$	2014 N\$
Operating activities			
Cash receipts from donors and others		2 305 386	2 930 464
Cash paid to suppliers and employees		(2 758 199)	(2 422 492)
Cash (utilised by)/generated from operations	A	(452 813)	507 972
Net movement in cash and cash equivalents		<u>(452 813)</u>	<u>507 972</u>
Change in cash and cash equivalents			
Balance at beginning of the year		2 176 519	1 668 547
Net movement		(452 813)	507 972
Balance at end of the year		<u>1 723 706</u>	<u>2 176 519</u>
The balance comprises:			
Cash at bank		1 719 167	2 165 155
Petty cash		4 539	11 364
		<u>1 723 706</u>	<u>2 176 519</u>

NOTE A

Reconciliation of (deficit)/surplus for the year to cash (utilised by)/generated from operations

(Deficit)/Surplus for the year		(425 492)	532 159
Working capital changes:			
• Decrease/(Increase) in receivables		7 397	(48 930)
• (Decrease)/Increase in payables		(34 718)	24 743
Cash (utilised by)/generated from operations		<u>(452 813)</u>	<u>507 972</u>

NOTES TO THE FINANCIAL STATEMENTS

28 FEBRUARY 2015

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements of the association for the year ended 28 February 2015 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
(Incorporated Association Not For Gain)

NOTES TO THE FINANCIAL STATEMENTS (Contd)

28 FEBRUARY 2015

	2015	2014
	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	26 056	45 469
VAT control account	33 893	21 877
Total receivables	59 949	67 346
3. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents include the following components:		
Cash at bank		
<ul style="list-style-type: none"> • Core account • Governance account • Finland account • Project One account • European Union 	32 137 299 593 936 414 322 335 128 688	128 762 397 687 93 658 309 346 1 235 702
Petty cash		
<ul style="list-style-type: none"> • Core account • Governance account 	(1 818) 6 357	5 007 6 357
Total	1 723 706	2 176 519
4. TRADE AND OTHER PAYABLES		
Trade creditors	52 586	87 304
5. FINANCIAL ASSETS AND LIABILITIES		
Financial assets measured at cost less impairment		
Trade and other receivables	59 949	67 346
Cash and cash equivalents	1 723 706	2 176 519
Total financial assets	1 783 655	2 243 865
Financial liabilities measured at amortised cost		
Trade and other payables	52 586	87 304

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

NOTES TO THE FINANCIAL STATEMENTS (Contd)

28 FEBRUARY 2015

	2015	2014
	N\$	N\$
6. FUNDING RECEIVED		
Afrobarometer	152 723	82 695
BHC Extractive Industries	51 892	4 387
BHC Red Tape Income	117 924	117 924
Canada High Commission	24 776	507 655
Core Fund Overhead Income	-	214 432
European Union	32 187	1 408 750
Finland	1 369 783	364 319
GIZ (Nambic)	-	116 273
Hanns Seidel Foundation	185 200	11 750
IJG Business Climate Monitor	50 000	-
UNDP African Governance Report	-	45 500
World Economic Forum	33 373	31 200
Total funding received	2 017 858	2 904 885
7. ADMINISTRATIVE AND PROJECT EXPENSES		
7.1 Core account		
Accounting fees	22 000	64 000
Advertising and promotions	3 356	-
Audit fees	19 280	16 526
Bank charges	14 580	12 536
Cleaning expenses	2 681	10 627
Courier and postage	298	-
Electricity and water	2 687	5 157
Executive director's emoluments	22 618	229 114
Insurance	17 115	13 818
IT expenses	12 590	9 138
Legal fees	-	3 477
Office expenses	22 497	23 837
Printing and stationery	1 778	21 885
Rent paid	138 616	159 655
Repairs and maintenance	3 570	-
Salaries and wages - IPPR	27 767	100 621
Secretarial fees	3 070	2 540
Security expenses	1 782	4 496
Subscriptions	4 040	5 276
Telephone and fax	29 448	27 274
Travelling and accommodation	9 220	2 090
Core account expenses	358 993	712 067

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

28 FEBRUARY 2015

	2015 N\$	2014 N\$
7. ADMINISTRATIVE AND PROJECT EXPENSES (contd)		
7.2 Finland		
Audit fees	57 866	-
Bank charges	-	1 689
Design, Monitoring and Printing	168 803	225 105
Guide to Economy	26 305	141 705
IPPR overheads	84 550	35 000
Launches and presentations	17 172	16 339
Research and coordination - Coordinator	69 437	150 000
Research and coordination - Junior researcher	21 808	46 415
Research and coordination - Lead researcher	83 500	53 000
Travelling and accommodation	-	375
Total project expenses	529 441	669 628
7.3 Project One		
British High Commission Extractive Industries	142 801	91 000
Business and Investment Climate Survey - GIZ	-	125 209
Hanns Seidel Foundation - Economy Watch	4 000	13 500
IJG Business Climate Monitor	14 400	13 200
WEF Work Economic Forum	29 899	38 700
Total project expenses	191 100	281 609
7.4 Governance		
Afrobarometer	98 434	58 763
BHC Extractive Industries	-	186 462
Canada High Commission Election Watch	181 115	338 834
EU Delegation - ATI	19 410	32 410
Friedrich Ebert Stiftung	27 960	-
Hanns Seidel - Publication	164 200	-
OBI Research expenses	45 813	-
UNDP - Namibia and United Nations Convention	-	26 824
Total project expenses	536 932	643 293
7.5 European Union		
Accounting fees	86 316	11 104
Administrator	124 837	18 236
Conference	6 247	-
Indirect costs	94 782	-
Layout Bulletin and Briefing Paper	13 150	-
Office expenses	1 817	2 398
Printing Bulletin and Briefing Paper	175 088	-
Project coordinator	361 432	53 107
Rent paid	26 079	17 386
Researcher	215 977	31 783
Telephone and fax	1 290	6 624
Total project expenses	1 107 015	140 638

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

28 FEBRUARY 2015

	2015	2014
	N\$	N\$
8. TAXATION		
<p>The association is by virtue of its incorporation, exempt from the payment of taxation and, accordingly, no provision for taxation has been made.</p>		
9. EXECUTIVE DIRECTOR'S REMUNERATION		
<p>For services rendered</p>		
G Hopwood	589 950	432 221

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

ADDITIONAL INFORMATION

28 FEBRUARY 2015

	Core account N\$	Finland N\$	Project One N\$	Governance N\$	European Union N\$	Freedom House N\$	Capital Reserve Fund N\$	T o t a l N\$
Funding received	280 131	1 369 783	222 297	425 778	-	-	-	2 297 989
Afrobarometer	-	-	-	152 723	-	-	-	152 723
BHC Extractive Industries	-	-	-	51 892	-	-	-	51 892
BHC Red Tape Income	-	-	117 924	-	-	-	-	117 924
Business Climate Monitor	-	-	50 000	-	-	-	-	50 000
Canada High Commission	-	-	-	24 776	-	-	-	24 776
European Union	63 188	-	-	32 187	-	-	-	95 375
Finland	-	1 369 783	-	-	-	-	-	1 369 783
Guide to Namibian Economy	33 728	-	-	-	-	-	-	33 728
Hanns Seidel Foundation	-	-	21 000	164 200	-	-	-	185 200
Reimbursements	183 215	-	-	-	-	-	-	183 215
World Economic Forum	-	-	33 373	-	-	-	-	33 373
Expenditure incurred	(358 993)	(529 441)	(191 100)	(536 932)	(1 107 015)	-	-	(2 723 481)
(Deficit)/Surplus for the year	(78 862)	840 342	31 197	(111 154)	(1 107 015)	-	-	(425 492)
Opening accumulated funds	(513 183)	96 072	31 248	229 846	1 235 702	(3)	1 076 879	2 156 561
Closing accumulated funds	(592 045)	936 414	62 445	118 692	128 687	(3)	1 076 879	1 731 069