

Mammadu Trust
(Registration number)
Annual financial statements
for the year ended 31 December 2014

Mammadu Trust

(Registration number [REDACTED])
Annual Financial Statements for the year ended 31 December 2014

Index

The reports and statements set out below comprise the annual financial statements presented to the trustees:

Index	Page
Independent Auditor's Report	3 - 4
Trustees' Responsibilities and Approval	5
Trustees' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 12
Notes to the Annual Financial Statements	13 - 14
Detailed Income Statement	15

Independent Auditor's Report

To the trustees of Mammadu Trust

We have audited the annual financial statements of Mammadu Trust, as set out on pages 7 to 14, which comprise the statement of financial position as at 31 December 2014, and the statement of profit or loss and other 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.

Trustees' Responsibility for the Annual Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the Namibian Statement of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the annual 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 trust'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 annual 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 trust to institute accounting controls over donations received 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

Except for the effect of the matter described in the paragraph above, in our opinion, the annual financial statements present fairly, in all material respects, the financial position of Mammadu Trust as at 31 December 2014.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 15 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

SGA

SGA

Chartered Accountant and Auditors (Namibia)

Per: A.J. Esterhuizen
Partner

21 July 2015
Windhoek ... Namibia

Mammadu Trust

(Registration number [REDACTED])

Annual Financial Statements for the year ended 31 December 2014

Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the Namibian Statement of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities. The external auditor's are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the Namibian Statement of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.


The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 31 December 2015 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to

The external auditor's are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditor's and their report is presented on page 3.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the board of trustees on 20 July 2015 and were signed on its behalf by:



M.P. Kirsten



A. Albrecht

Mammadu Trust

(Registration number [REDACTED])

Annual Financial Statements for the year ended 31 December 2014

Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of Mammadu Trust and its associates for the year ended 31 December 2014.

1. The trust

The trust was formed in terms of a donation made and entered into by Mr M.P. Kirsten.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with Namibian Statement of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the trust are set out in these annual financial statements.

3. Trustees

The trustees in office at the date of this report are as follows:

Trustees

A. Albrecht
M.L. Conradie
K.N. Pohamba-Ndume
L. Kirsten
M.P. Kirsten

4. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Auditors

SGA continued in office as auditors for the trust for 2014.

They will continue in office for the 2015 financial year.

Mammadu Trust

(Registration number: [REDACTED])

Annual Financial Statements for the year ended 31 December 2014

Statement of Financial Position as at 31 December 2014

	2014 N\$	2013 N\$
Assets		
Non-Current Assets		
Property, plant and equipment	1 719 439	1 363 838
Current Assets		
Trade and other receivables	725	725
Cash and cash equivalents	908 601	229 424
Total Assets	2 628 765	1 593 987
Equity and Liabilities		
Equity		
Trust capital	2 625 658	1 585 657
Liabilities		
Current Liabilities		
Trade and other payables	3 107	8 330
Total Equity and Liabilities	2 628 765	1 593 987

Mammadu Trust

(Registration number:)

Annual Financial Statements for the year ended 31 December 2014

Statement of Comprehensive Income

	2014 N\$	2013 N\$
Other income	1 530 178	528 567
Operating expenses	(490 177)	(408 991)
Operating surplus	1 040 001	119 576
Surplus for the year	1 040 001	119 576

Mammadu Trust

(Registration number [REDACTED])

Annual Financial Statements for the year ended 31 December 2014

Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	N\$	N\$	N\$
Balance at 1 January 2013	1 466 079	-	1 466 079
Changes in equity			
Surplus for the year	-	119 576	119 576
Increase in trust capital	119 576	(119 576)	-
Total changes	119 576	-	119 576
Balance at 1 January 2014	1 585 657	-	1 585 657
Changes in equity			
Surplus for the year	-	1 040 001	1 040 001
Increase in trust capital	1 040 001	(1 040 001)	-
Total changes	1 040 001	-	1 040 001
Balance at 31 December 2014	2 625 658	-	2 625 658

Mammadu Trust

(Registration number:)

Annual Financial Statements for the year ended 31 December 2014

Statement of Cash Flows

	2014 N\$	2013 N\$
Cash flows from operating activities		
Cash receipts from customers	1 530 178	528 567
Cash paid to suppliers and employees	(435 761)	(342 529)
Cash generated from operations	1 094 417	186 038
Net cash from operating activities	1 094 417	186 038
Cash flows from investing activities		
Addition of property, plant and equipment	(415 239)	(56 891)
Cash flows from financing activities		
Total cash movement for the year	679 178	129 147
Cash at the beginning of the year	229 424	100 277
Total cash at end of the year	908 602	229 424

Mammadu Trust

(Registration number: [REDACTED])

Annual Financial Statements for the year ended 31 December 2014

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the Namibian Statement of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities. The annual financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value through profit and loss, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

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

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Property		Indefinite
Furniture and fixtures	Straight line	3 years
Motor vehicles	Straight line	3 years
Office equipment	Straight line	3 years

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Mammadu Trust

(Registration number [REDACTED])

Annual Financial Statements for the year ended 31 December 2014

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

1.3 Revenue

Donations are recognised on the date funds are received by the trust.

Mammadu Trust

(Registration number [REDACTED])
Annual Financial Statements for the year ended 31 December 2014

Notes to the Annual Financial Statements

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Property	1 682 227	-	1 682 227	1 266 988	-	1 266 988
Furniture and fixtures	128 682	(114 308)	14 374	128 682	(73 445)	55 237
Motor vehicles	55 000	(33 275)	21 725	55 000	(15 125)	39 875
Office equipment	1 894	(781)	1 113	1 894	(156)	1 738
Total	1 867 803	(148 364)	1 719 439	1 452 564	(88 726)	1 363 838

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Property	1 266 988	415 239	-	1 682 227
Furniture and fixtures	55 237	-	(40 863)	14 374
Motor vehicles	39 875	-	(18 150)	21 725
Office equipment	1 738	-	(625)	1 113
Total	1 363 838	415 239	(59 638)	1 719 439

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Buildings	1 266 988	-	-	1 266 988
Furniture and fixtures	98 088	-	(42 851)	55 237
Motor vehicles	-	55 000	(15 125)	39 875
Office equipment	-	1 891	(153)	1 738
Total	1 365 076	56 891	(58 129)	1 363 838

Details of properties

Property consists of Erf 3452, Frankfurt Street, Extension 9, Windhoek, registered division "K", measuring 4 727 square meters.

3. Trade and other receivables

Deposits	725	725
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4. Cash and cash equivalents

Cash and cash equivalents consist of

Bank balances	908 590	228 542
Other cash and cash equivalents	11	882
	908 601	229 424

Mammadu Trust

(Registration number [REDACTED])
Annual Financial Statements for the year ended 31 December 2014

Notes to the Annual Financial Statements

	2014 N\$	2013 N\$
5. Trust capital		
Capital account / Trust capital		
Balance at beginning of year	1 585 657	1 466 079
Investments introduced	1 040 001	119 578
	<u>2 625 658</u>	<u>1 585 657</u>
6. Trade and other payables		
Other payables	-	4 960
Provision for municipal fees	3 107	3 370
	<u>3 107</u>	<u>8 330</u>
7. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	59 639	58 132
Employee costs	76 651	59 642
	<u>76 651</u>	<u>59 642</u>
8. Cash generated from operations		
Surplus before taxation	1 040 001	119 576
Adjustments for:		
Depreciation and amortisation	59 639	58 132
Changes in working capital:		
Trade and other payables	(5 223)	8 330
	<u>1 094 417</u>	<u>186 038</u>

Mammadu Trust

(Registration number [REDACTED])

Annual Financial Statements for the year ended 31 December 2014

Detailed Income Statement

	2014 N\$	2013 N\$
Other income		
Donations received	1 530 178	528 567
Operating expenses		
Advertising	-	380
Bank charges	8 177	4 786
Cleaning	2 281	2 593
Clothing and schoolwear	2 335	6 534
Computer expenses	454	-
Consumables	63 926	59 053
Delivery expenses	-	94
Depreciation, amortisation and impairments	59 639	58 132
Employee costs	76 651	59 642
Functions	-	720
General expense	1 118	3 428
Gym and coaching fees	-	4 150
Insurance	8 179	9 580
Medical expenses	3 950	-
Motor vehicle expenses	55 805	53 778
Municipal expenses	39 952	40 020
Packaging	-	148
Petrol and oil	8 977	9 165
Printing and stationery	378	271
Repairs and maintenance	13 210	2 060
School and hostel fees	38 145	29 812
Security	61 039	58 400
Teaching aids	5 551	3 865
Telephone and fax	2 070	2 380
Travel - local	38 340	-
	490 177	408 991
Surplus for the year	1 040 001	119 576