

Mammadu Trust
(Registration number T161/2008)
Annual financial statements
for the year ended 31 December 2015

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

General Information

Trust registration number	T161/2008
Country of incorporation and domicile	Namibia
Type of trust	Day Care Centre
Trustees	A. Albrecht M.L. Conradie K.N. Pohamba-Ndume L. Kirsten P. Bassi V. Folcher M.P. Kirsten
Registered office	24 Orban Street Klein Windhoek Windhoek Namibia
Auditor's	SGA Chartered Accountant and Auditors (Namibia)

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

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

The following supplementary information does not form part of the annual financial statements and is unaudited:

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 2015, 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 requirements of the Close Corporations Act, 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 aspects, the financial position of Mammadu Trust as at 31 December 2015 and its financial performance and its cashflows for the year then ended in accordance with the Namibian Statement of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities, and the requirements of the Companies Act of Namibia.

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
Per: A.J. Esterhuizen
Partner

8 July 2016
Windhoek ... Namibia

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

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.

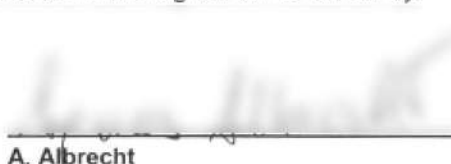
The trustees have reviewed the trust's cash flow forecast for the year to 31 December 2016 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 7 July 2016 and were signed on its behalf by:



M.P. Kirsten



A. Albrecht

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

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 2015.

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
P. Bassi
V. Folcher
M.P. Kirsten

4. Events after the reporting period

The trustees are not aware of any other 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 2015.

They will continue in office for the 2016 financial year.

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

Statement of Financial Position as at 31 December 2015

	Note(s)	2015 N\$	2014 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 860 840	1 719 439
Current Assets			
Trade and other receivables	3	62 725	725
Cash and cash equivalents	4	1 795 969	908 601
		1 858 694	909 326
Total Assets		3 719 534	2 628 765
Equity and Liabilities			
Equity			
Trust capital	5	3 719 534	2 625 658
Liabilities			
Current Liabilities			
Trade and other payables	6	-	3 107
Total Equity and Liabilities		3 719 534	2 628 765

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

Statement of Comprehensive Income

	Note(s)	2015 N\$	2014 N\$
Other income		1 548 875	1 530 178
Operating expenses		(454 999)	(490 177)
Operating surplus	7	1 093 876	1 040 001
Surplus for the year		1 093 876	1 040 001

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	N\$	N\$	N\$
Balance at 1 January 2014	1 585 657	-	1 585 657
Changes in equity			
Surplus for the year	-	1 040 001	1 040 001
Transfer of income surplus to trust capital	1 040 001	(1 040 001)	-
Total changes	1 040 001	-	1 040 001
Balance at 1 January 2015	2 625 658	-	2 625 658
Changes in equity			
Surplus for the year	-	1 093 876	1 093 876
Increase in trust capital	1 093 876	(1 093 876)	-
Total changes	1 093 876	-	1 093 876
Balance at 31 December 2015	3 719 534	-	3 719 534

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

Statement of Cash Flows

	Note(s)	2015 N\$	2014 N\$
Cash flows from operating activities			
Cash receipts from customers		-	1 530 178
Cash paid to suppliers and employees		1 061 276	(435 761)
Cash generated from operations	8	1 061 276	1 094 417
Net cash from operating activities		1 061 276	1 094 417
Cash flows from investing activities			
Addition of property, plant and equipment	2	(173 908)	(415 240)
Total cash movement for the year		887 368	679 177
Cash at the beginning of the year		908 601	229 424
Total cash at end of the year	4	1 795 969	908 601

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

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	Straight line	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 T161/2008)

Annual Financial Statements for the year ended 31 December 2015

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 the funds are received by the trust.

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1 856 135	-	1 856 135	1 682 227	-	1 682 227
Furniture and fixtures	128 682	(128 665)	17	128 682	(114 308)	14 374
Motor vehicles	55 000	(51 425)	3 575	55 000	(33 275)	21 725
Office equipment	1 894	(781)	1 113	1 894	(781)	1 113
Total	2 041 711	(180 871)	1 860 840	1 867 803	(148 364)	1 719 439

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Buildings	1 682 227	173 908	-	1 856 135
Furniture and fixtures	14 374	-	(14 357)	17
Motor vehicles	21 725	-	(18 150)	3 575
Office equipment	1 113	-	-	1 113
Total	1 719 439	173 908	(32 507)	1 860 840

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Buildings	1 266 987	415 240	-	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	1 363 837	415 240	(59 638)	1 719 439

Details of properties

Property consists of Erf 3452, Frakfurt Street, Extention 9, Windhoek, registered division "K", measuring 4727 square meters.

3. Trade and other receivables

Deposits	62 725	725
----------	--------	-----

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1 795 577	908 590
Other cash and cash equivalents	392	11
Total	1 795 969	908 601

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

	2015 N\$	2014 N\$
5. Trust capital		
Capital account / Trust capital		
Balance at beginning of year	2 625 658	1 585 657
Investments introduced	1 093 876	1 040 001
	3 719 534	2 625 658
6. Trade and other payables		
Provision for municipal fees	-	3 107
7. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	32 507	59 639
Employee costs	111 512	76 651
8. Cash generated from operations		
Surplus before taxation	1 093 876	1 040 001
Adjustments for:		
Depreciation and amortisation	32 507	59 639
Changes in working capital:		
Trade and other receivables	(62 000)	-
Trade and other payables	(3 107)	(5 223)
	1 061 276	1 094 417

Mammadu Trust

(Registration number T161/2008)

Annual Financial Statements for the year ended 31 December 2015

Detailed Income Statement

	Note(s)	2015 N\$	2014 N\$
Other income			
Donations received		1 548 875	1 530 178
Operating expenses			
Advertising		1 202	-
Bank charges		5 018	8 177
Cleaning		3 767	2 281
Clothing and schoolwear		160	2 335
Computer expenses		-	454
Consumables		52 593	63 926
Depreciation, amortisation and impairments		32 507	59 639
Employee costs		111 512	76 651
Function expenses		2 260	-
General expense		5 051	1 118
Insurance		8 563	8 179
Medical expenses		9 045	3 950
Motor vehicle expenses		43 309	55 805
Municipal expenses		44 620	39 952
Petrol and oil		10 870	8 977
Postage		76	-
Printing and stationery		560	378
Repairs and maintenance		5 486	13 210
School and hostel fees		23 100	38 145
Security		83 854	61 039
Teaching aids		9 576	5 551
Telephone and fax		1 870	2 070
Travel - local		-	38 340
		454 999	490 177
Surplus for the year		1 093 876	1 040 001