

SGA  
P.O. Box 30  
Windhoek  
NAMIBIA

Dear Sir/Madam

**Letter of representation: Mammadu Trust**

This representation letter is provided in connection with your compilation of the financial statements of Mammadu Trust for the year ended 31 December 2015 for the purpose of determining that the financial statements are in agreement with the accounting records, in accordance with Namibian Statement of Generally Accepted Accounting Practice NAC001: Financial Reporting for Small and Medium Sized Entities and in the manner required by the Trust Act of Namibia.

We confirm that, to the best of our knowledge and belief, and having made such enquiries as we considered necessary for the purpose of appropriately informing yourselves, the following:

**1. Financial statements**

We have fulfilled our responsibilities, as set out in the terms of the Trust Act of Namibia for the preparation of the financial statements, and confirm that the financial statements fairly present, in all material respects, the state of affairs, results of the operations and cash flows of Mammadu Trust.

**2. Information provided**

We have provided you with:

- (a) Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- (b) Additional information that you have requested from us for the purpose of the compilation; and
- (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain evidence.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

### **3. Accounting estimates and fair value measurements**

We confirm that the following representations made to you or implied by us during the course of the compilation are, to the best of our knowledge and belief accurate:

- (a) That the assumptions and models used in determining the accounting estimates are appropriate in the context and applied consistently throughout the process;
- (b) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable;
- (c) That the assumptions appropriately reflect management's intent;
- (d) That disclosures related to accounting estimates are complete and appropriate; and
- (e) That no subsequent event requires adjustment to the accounting estimates and disclosures included in the financial statements.

### **4. Laws and regulations**

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

### **5. Litigations and claims**

The estimated effect of pending or threatened litigation and claims against Mammadu Trust have been properly recorded or disclosed in the financial statements.

Except as disclosed in the notes to the financial statements, we are not aware of any additional claims that have been or are expected to be received.

### **6. Related parties**

We have disclosed to you the identity of all related parties to Mammadu Trust and all related party relationships and transactions of which we are aware.

We have appropriately accounted for and disclosed the identity of, and balances and transactions with, related parties in accordance with the requirements of Namibian Statement of Generally Accepted Accounting Practice NAC001: Financial Reporting for Small and Medium Sized Entities.

### **7. Subsequent events**

All events subsequent to the date of the financial statements and for which require adjustment or disclosure have been adjusted for or disclosed in the financial statements and notes thereto.

## **8. Fraud**

We understand that the term 'fraud' includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in the financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve theft of an entity's assets, often accompanied by false or misleading records or documents to conceal the fact that the assets are missing or have been pledged without proper authorisation.

We acknowledge responsibility for the design, implementation and operation of internal controls to prevent and detect fraud and error. There have been no instances of fraud or suspected fraud that we are aware of and that affects the Trust and involves:

- (a) Management;
- (b) Employees who have significant roles in internal control; or
- (c) Others where the fraud could have a material effect on the financial statements.

There have been no allegations of fraud, or suspected fraud, affecting Mammadu Trust's financial statements communicated by employees, former employees, analysts, regulators or others.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

## **9. Uncorrected misstatements**

The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

## **10. Comparatives**

There are no significant matters that have arisen that would require a restatement of the comparatives.

## **11. Current assets**

Current assets have a value, on realisation in the normal course of business or an expected cost benefit, at least equal to the amounts at which they are stated in the statement of financial position.

Receivables reported in the financial statements represent valid claims against debtors for sales or other charges arising on or before year-end date and appropriate provisions have been made for any impairment losses that may be sustained.

## **12. Property, plant and equipment**

The carrying values at which property, plant and equipment are stated in the balance sheet were arrived at after:

- (a) Taking into account, as additions, all expenditure (excluding expenditure of a revenue nature) during the year, which represented capital outlay on these assets.
- (b) Writing off of all amounts relating to items which have been sold and scrapped by year-end date.
- (c) Providing for depreciation / amortisation on a scale to cover obsolescence as well as wear and tear and thus reduce the net book value of the assets to their estimated residual values over the economically useful lives thereof.

## **13. Impairment**

We have reviewed the carrying amount of assets whenever events or changes in the circumstances have indicated that the carrying amount of assets may not be recoverable and have appropriately recorded any impairment adjustment.

## **14. Financial instruments**

We confirm that we have reviewed all financial assets and liabilities outstanding as at 31 December 2015 and have correctly classified them as required by Namibian Statement of Generally Accepted Accounting Practice NAC001: Financial Reporting for Small and Medium Sized Entities.

Financial assets and financial liabilities were offset and the net amount reported in the balance sheet only where the entity had a legal enforceable right to offset the recognised amounts; and the entity intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Information regarding financial risk exposure and our financial risk management objectives and policies has been adequately disclosed in the notes to the financial statements, as required by Namibian Statement of Generally Accepted Accounting Practice NAC001: Financial Reporting for Small and Medium Sized Entities.

The necessary information about financial instruments with off-balance-sheet risk and those financial instruments with credit risk and / or interest rate risk have been properly disclosed in the financial statements as required by Namibian Statement of Generally Accepted Accounting Practice NAC001: Financial Reporting for Small and Medium Sized Entities.

## **15. Income tax**

The deferred tax valuation has been determined pursuant to the provisions of including the close corporation's estimation of future taxable income.

The deferred tax valuation has been recognised for all deductible temporary differences as required by Namibian Statement of Generally Accepted Accounting Practice NAC001: Financial Reporting for Small and Medium Sized Entities.

**16. Contractual agreements**

The Trust has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. All contractual arrangements entered into by the Trust have been properly reflected in the accounting records and where material or potentially material to the financial statements has been disclosed.

**17. Encumbrances**

The Trust has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, except those disclosed in the notes to the financial statements.

**18. Commitments**

At year-end date, there were no material commitments under contracts concluded for capital expenditure, forward contracts of purchase and sale of foreign exchange or amounts of capital expenditure authorised by the director which had not been contracted for, other than those provided for or disclosed in the financial statements.

**19. Financial statement disclosure**

The following have been properly recorded and when appropriate, adequately disclosed in the financial statements:


- (a) Losses arising from sale and purchase commitments;
- (b) Agreement and options to buy back assets previously sold;
- (c) Assets pledged as collateral;
- (d) Off-balance-sheet activities, including transactions with special purpose entities, non-consolidation and revenue recognition;
- (e) Significant common ownership or management control relationships;
- (f) Changes in accounting principles affecting consistency; and
- (g) Share repurchase options and agreements and share reserved for options, warrants, conversions and other requirements.

Except as disclosed in the financial statements or notes thereto, there are no:

- (a) Other gain or loss contingencies or other liabilities that are recognised or disclosed in the financial statements, including liabilities or contingencies arising from environmental matters resulting from illegal or possible illegal acts, or possible violations of human rights; or
- (b) Other environmental matters that may have a material impact on the financial statements.

Yours faithfully

  
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Trustee

  
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Trustee

  
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Windhoek ... Namibia

2016-07-08