



ADVENTIST DEVELOPMENT AND RELIEF AGENCY NAMIBIA
(Registration number WO233)
Annual Financial Statements
for the year ended 28 February 2018

Adventist Development and Relief Agency Namibia

(Registration number: WO233)

Annual Financial Statements for the year ended 28 February 2018

General Information

Country of incorporation and domicile	Namibia
Principal activities	To provide humanitarian, development and disaster relief assistance irrespective of culture gender, origin or religion and give the necessary training and services in various areas in need to the Community.
Board members	Ps Gert Feris (Chairperson) Ps Moses Muyunda (Vice Chairperson) Mr Frank Mukube (Secretary) Mr Albert M Lushetile Mrs Elizaberth Kiangi Mrs Caroline Kamushinda Ms Gloria Siseho Ps Francescus Matamu Ps Milan Kashandula Mr Reuben Masasa Mr Morgan Simasiku Ms Anna Erastus Mr Tebs Xulu Mr Chris Mukubonda Mr Silvanus Lubasi Mr Joseph Mbucho Dr Reginah Rutakata Mr Ntesa Mahoto Mr Caston Mwaramba Mr Leonard Mukanwa Ms Margaret Siyunda
Registered office	43 Mostert Street Pioneers park Windhoek Namibia
Business address	43 Mostert Street Pioneers park Windhoek Namibia
Postal address	P.O. Box 2144 Windhoek Namibia
Bankers	Bank Windhoek Ltd
Auditor	Taziwa Consulting Registered Accountants and Auditors Chartered Accountants (Namibia)

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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 Namibian Generally Accepted Accounting Practice NAC001: Financial Reporting for Small and Medium Sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with Namibian 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 28 February 2019 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 is 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 and their report is presented on page 4.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the board of trustees on 31 August 2018 and were signed on its behalf by:

Ps Gert Feris (Chairperson)
Windhoek

31 August 2018



To the trustee of Adventist Development and Relief Agency Namibia

Opinion

I have audited the annual financial statements of Adventist Development and Relief Agency Namibia set out on pages 7 to 14, which comprise the statement of financial position as at 28 February 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In my opinion, the annual financial statements present fairly, in all material respects, the financial position of Adventist Development and Relief Agency Namibia as at 28 February 2018, and its financial performance and cash flows for the year then ended in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Namibian Generally Accepted Accounting Practice NAC001: Financial Reporting for Small and Medium Sized Entities.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of my report. I am independent of the trust in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Namibia. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The trustees are responsible for the other information. The other information comprises the detailed income statement set out on pages 15 to 16, which I obtained prior to the date of this auditor's report.

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

In connection with my audit of the annual financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Namibian 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 misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

My objectives are to obtain reasonable assurance about whether the annual 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 my 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual 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 my 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the trustees with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Taziwa Consulting
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: P.P. Taziwa
Partner

31 August 2018
Windhoek

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Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of Adventist Development and Relief Agency Namibia and its associates for the year ended 28 February 2018.

1. The trust

The Adventist Development and Relief Agency International (ADRA) is the worldwide humanitarian agency of the Seventh-day Adventist Church. Initiated for the specific purposes of individual and community development and disaster relief, ADRA International fulfills this primary directive of its charter without regard to race, gender, and political or religious affiliation

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with Namibian 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

Ps Gert Feris (Chairperson)

Ps Moses Muyunda (Vice
Chairperson)

Mr Frank Mukube (Secretary)

Mr Albert M Lushetile

Mrs Elizaberth Kiangi

Mrs Caroline Kamushinda

Ms Gloria Siseho

Ps Franciscus Matamu

Ps Milan Kashandula

Mr Reuben Masasa

Mr Morgan Simasiku

Ms Anna Erastus

Mr Tebs Xulu

Mr Chris Mukubonda

Mr Silvanus Lubasi

Mr Joseph Mbuhe

Dr Reginah Rutakata

Mr Ntesa Mahoto

Mr Caston Mwaramba

Mr Leonard Mukanwa

Ms Margaret Siyunda

There have been no changes to the trustees for the period under review.

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. Terms of appointment of the auditor

Taziwa Consulting were appointed as the trust's auditor at the general meeting held on 29 May 2018.

Taziwa Consulting continued in office as auditor of the trust.

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Statement of Financial Position as at 28 February 2018

Figures in Namibia Dollar	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	266 749	254 285
Current Assets			
Cash and cash equivalents	3	165 781	187 807
Total Assets		432 530	442 092
Equity and Liabilities			
Equity			
Accumulated surplus		428 328	427 092
Liabilities			
Current Liabilities			
Trade and other payables	4	4 202	15 000
Total Equity and Liabilities		432 530	442 092

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Statement of Comprehensive Income

Figures in Namibia Dollar	Note(s)	2018	2017
Revenue	5	48 736	167 616
Other income	6	138 406	470
Operating expenses		(185 906)	(214 197)
Operating surplus (deficit)	7	1 236	(46 111)
Surplus (deficit) for the year		1 236	(46 111)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		1 236	(46 111)

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Statement of Changes in Equity

Figures in Namibia Dollar	Accumulated surplus	Total equity
Opening balance as previously reported	509 259	509 259
Adjustments		
Prior period error	(36 056)	(36 056)
Balance at 1 March 2016 as restated	473 203	473 203
Deficit for the year	(46 111)	(46 111)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(46 111)	(46 111)
Balance at 1 March 2017	427 092	427 092
Surplus for the year	1 236	1 236
Other comprehensive income	-	-
Total comprehensive income for the year	1 236	1 236
Balance at 28 February 2018	428 328	428 328

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Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	2018	2017
Cash flows from operating activities			
Cash receipts from donors		187 142	168 086
Cash paid to suppliers and employees		(175 884)	(221 146)
Cash generated from (used in) operations	9	11 258	(53 060)
Net cash from operating activities		11 258	(53 060)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(33 284)	-
Total cash movement for the year		(22 026)	(53 060)
Cash at the beginning of the year		187 807	240 867
Total cash at end of the year	3	165 781	187 807

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs. 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 assets which the trust holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the trust and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the trust.

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

Item	Depreciation method	Average useful life
Computer equipment	Straight line	3 years
Computer software	Straight line	5 years
Furniture and fixtures	Straight line	5 years
Land and buildings	Straight line	25 years
Office equipment	Straight line	5 years
Tools	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

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Accounting Policies

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.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of 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.

1.3 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.4 Revenue

Revenue is recognised to the extent that the trust has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the trust. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Donations received are recognised when it is probable that the economic benefits will flow into the trust and that the amount can be reliably measured.

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Notes to the Annual Financial Statements

Figures in Namibia Dollar

2018

2017

2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Computer equipment	42 126	(32 008)	10 118	42 126	(22 656)	19 470
Computer software	10 183	(4 106)	6 077	10 183	(2 070)	8 113
Furniture and fixtures	39 295	(8 073)	31 222	6 012	(6 012)	-
Land and buildings	294 811	(75 479)	219 332	294 811	(68 109)	226 702
Motor vehicles	152 500	(152 500)	-	152 500	(152 500)	-
Office equipment	15 297	(15 297)	-	15 297	(15 297)	-
Tools	7 609	(7 609)	-	7 609	(7 609)	-
Total	561 821	(295 072)	266 749	528 538	(274 253)	254 285

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	19 470	-	(9 352)	10 118
Computer software	8 113	-	(2 036)	6 077
Furniture and fixtures	-	33 284	(2 062)	31 222
Land and buildings	226 702	-	(7 370)	219 332
	254 285	33 284	(20 820)	266 749

Reconciliation of property, plant and equipment - 2017

	Opening balance	Depreciation	Closing balance
Computer equipment	24 160	(4 690)	19 470
Computer software	10 149	(2 036)	8 113
Land and buildings	234 072	(7 370)	226 702
	268 381	(14 096)	254 285

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	165 781	187 807
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4. Trade and other payables

Trade payables	4 202	15 000
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5. Revenue

Donations	48 736	167 616
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Notes to the Annual Financial Statements

Figures in Namibia Dollar	2018	2017
6. Other income		
Administration support fees received	118 646	-
Refunds	-	470
Sundry income	19 760	-
	138 406	470
7. Operating surplus (deficit)		
Operating surplus (deficit) for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	20 820	14 096
Employee costs	70 000	61 372
8. Auditor's remuneration		
Fees	-	15 000
9. Cash generated from (used in) operations		
Surplus (deficit) before taxation	1 236	(46 111)
Adjustments for:		
Depreciation and amortisation	20 820	14 096
Prior period adjustment	-	(36 045)
Changes in working capital:		
Trade and other payables	(10 798)	15 000
	11 258	(53 060)

10. Prior period error

The trustees of Adventist Development and Relief Agency Namibia, while preparing financial statements of the trust for the period ended 28 February 2018, noticed that they had made an arithmetical error on statement of financial position and statement of equity in the preceding year.

The correction of the error results in the adjustment as follows:

Statement of Financial Position

Current assets	-	(36 058)
Opening retained earnings	-	36 058

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Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2018	2017
Revenue			
Donations		48 736	167 616
Other income			
Administration and management fees received		118 646	-
Refunds		-	470
Sundry income		19 760	-
		138 406	470
Expenses (Refer to page 16)		(185 906)	(214 196)
Surplus (deficit) for the year		1 236	(46 110)