

**NAMIBIAN CHAMBER OF ENVIRONMENT**  
Annual Financial Statements  
for the year ended 30 June 2019

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**GENERAL INFORMATION**

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<b>Country of incorporation and domicile</b>	Namibia
<b>Nature of business and principal activities</b>	The Namibian Chamber of Environment (NCE) is an umbrella Association that provides a forum and mouthpiece for the broader environment sector, that can lobby with government and other parties, that can raise funds for its members and that can represent the sector
<b>Directors</b>	C Loots C Brown M Hauptfleisch M Lindeque M Louis S Bezuidenhout S Galloway J Pallett
<b>Registered office</b>	18 Nachtigal Street Ausspannplatz Windhoek Namibia
<b>Business address</b>	18 Nachtigal Street Ausspannplatz Windhoek Namibia
<b>Postal address</b>	P O Box 40723 Ausspannplatz Windhoek Namibia
<b>Bankers</b>	First National Bank of Namibia
<b>Auditors</b>	PKF-FCS Auditors Registered Accountants and Auditors Chartered Accountants (Namibia)

## **NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

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**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**EXECUTIVE COMMITTEE MEMBERS' RESPONSIBILITIES AND APPROVAL**

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The executive committee members are required by the Namibian Common Law, 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 voluntary association 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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The executive committee members acknowledge that they are ultimately responsible for the system of internal financial control established by the voluntary association and place considerable importance on maintaining a strong control environment. To enable the executive committee members to meet these responsibilities, the executive committee 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 voluntary association and all employees are required to maintain the highest ethical standards in ensuring the voluntary association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the voluntary association is on identifying, assessing, managing and monitoring all known forms of risk across the voluntary association. While operating risk cannot be fully eliminated, the voluntary 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 executive committee members 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 executive committee members have reviewed the voluntary association's cash flow forecast for the year to 30 June 2020 and, in the light of this review and the current financial position, They are satisfied that the voluntary association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the voluntary association's annual financial statements. The annual financial statements have been examined by the voluntary association's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 22, which have been prepared on the going concern basis, were approved by the executive committee on .....21/8/19.....and were signed on its behalf by:

Approval of annual financial statements

  
C Brown

  
C Loots

## INDEPENDENT AUDITOR'S REPORT

### To the executive committee of Namibian Chamber of Environment

#### Opinion

We have audited the annual financial statements of Namibian Chamber of Environment set out on pages 9 to 20, which comprise the statement of financial position as at 30 June 2019, 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 our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibian Chamber of Environment as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Namibian Common Law.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA's). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report.

We are independent of the voluntary association in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Revised July 2016), parts 1 and 3 of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

In common with similar organisations, it is not feasible for the voluntary association to institute accounting controls over cash collections from donations and sponsorship income, amounting to N\$ 2,210,687 prior to the initial entry of the collections in the accounting records. We were therefore unable to confirm whether all collections from donations and sponsorship income for the year ended 30 June 2019 were recorded. Thus it was impracticable for us to extend our examination beyond the receipts actually recorded.



## INDEPENDENT AUDITOR'S REPORT

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### Other information

The executive committee members are responsible for the other information. The other information comprises the Executive Committee Members' Report as required by the Namibian Common Law as well as the detailed income statement, presented on pages 21 to 22. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Annual Financial Statements

The executive committee members are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Namibian Common Law, and for such internal control as the executive committee members 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 executive committee members are responsible for assessing the voluntary association'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 executive committee members either intend to liquidate the voluntary association or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's 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 ISA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 voluntary association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee members.
- Conclude on the appropriateness of the executive committee members' 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 voluntary association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the voluntary association to cease to continue as a going concern.



## INDEPENDENT AUDITOR'S REPORT

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- 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.

We communicate with the executive committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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**PKF-FCS Auditors**  
**Registered Accountants and Auditors**  
**Chartered Accountants (Namibia)**

**Per: Uwe Wolff**  
**Partner**

*578119*

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**Windhoek**

## NAMIBIAN CHAMBER OF ENVIRONMENT

Annual Financial Statements for the year ended 30 June 2019

### EXECUTIVE COMMITTEE MEMBERS' REPORT

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The executive committee members have pleasure in submitting their report on the annual financial statements of Namibian Chamber of Environment for the year ended 30 June 2019.

#### 1. Incorporation

The voluntary association was incorporated on 9 March 2016.

The company is domiciled in Namibia where it is incorporated as a private company limited by shares under the Namibian Common Law. The address of the registered office is set out on page 1.

#### 2. Nature of business

Namibian Chamber of Environment was incorporated in Namibia with interests in the environmental sector. The voluntary association operates in Namibia.

There have been no material changes to the nature of the voluntary association's business from the prior year.

#### 3. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Namibian Common Law. 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 voluntary association are set out in these annual financial statements.

#### 4. Executive Committee Members

The executive committee members in office at the date of this report are as follows:

<b>Executive Committee</b>	<b>Nationality</b>	<b>Changes</b>
C Loots	South African	
C Brown	Namibian	
F Kreitz	Namibian	Resigned 1 July 2018
M Hauptfleisch	Namibian	
M Lindeque	Namibian	
M Louis	Namibian	
S Bezuidenhout	Namibian	
S Galloway	Namibian	
J Pallett	Namibian	Appointed 1 July 2018

The changes to the executive committee for the period under review are disclosed above.

#### 5. Executive Committee Members' interests in contracts

During the financial year, no contracts were entered into which Executive Committee Members or officers of the voluntary association had an interest and which significantly affected the business of the voluntary association.

#### 6. Events after the reporting period

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



**EXECUTIVE COMMITTEE MEMBERS' REPORT**

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**7. Going concern**

The executive committee members believe that the voluntary association has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The executive committee members have satisfied themselves that the voluntary association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The executive committee members are not aware of any new material changes that may adversely impact the voluntary association. The executive committee members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the voluntary association.

**8. Litigation statement**

The voluntary association becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The voluntary association is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

**9. Statement of disclosure to the voluntary association's auditors**

With respect to each person who is a executive member on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the voluntary association's auditors are unaware; and
- the person has taken all the steps that he or she ought to have taken as a executive member to be aware of any relevant audit information and to establish that the voluntary association's auditors are aware of that information.

**10. Terms of appointment of the auditors**

PKF-FCS Auditors continued its appointed as the voluntary association's auditors for the 2019 financial year.

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note(s)	2019 N\$	2018 N\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	116,507	125,633
Other financial assets	3	3,871,640	3,123,128
		<u>3,988,147</u>	<u>3,248,761</u>
<b>Current Assets</b>			
Trade and other receivables	4	1,901,261	1,373,436
Cash and cash equivalents	5	751,150	475,237
		<u>2,652,411</u>	<u>1,848,673</u>
<b>Total Assets</b>		<u>6,640,558</u>	<u>5,097,434</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained surplus		<u>6,584,385</u>	<u>5,045,835</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	56,173	51,599
<b>Total Equity and Liabilities</b>		<u>6,640,558</u>	<u>5,097,434</u>

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**STATEMENT OF COMPREHENSIVE INCOME**

	Note(s)	2019 N\$	2018 N\$
Sponsorship income	7	7,124,881	7,105,084
Cost of project expenses	8	(4,834,600)	(2,990,055)
<b>Gross surplus</b>		<b>2,290,281</b>	<b>4,115,029</b>
Other income	9	291,090	573,323
Operating expenses		(1,291,332)	(1,106,595)
<b>Operating surplus</b>	10	<b>1,290,039</b>	<b>3,581,757</b>
Investment revenue	11	248,511	73,585
<b>Surplus for the year</b>		<b>1,538,550</b>	<b>3,655,342</b>
Other comprehensive income		-	-
<b>Total comprehensive surplus for the year</b>		<b>1,538,550</b>	<b>3,655,342</b>

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**STATEMENT OF CHANGES IN EQUITY**

	Retained surplus N\$	Total equity N\$
<b>Balance at 1 July 2017</b>	<b>1,390,493</b>	<b>1,390,493</b>
Surplus for the year	3,655,342	3,655,342
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>3,655,342</b>	<b>3,655,342</b>
<b>Balance at 1 July 2018</b>	<b>5,045,835</b>	<b>5,045,835</b>
Surplus for the year	1,538,550	1,538,550
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1,538,550</b>	<b>1,538,550</b>
<b>Balance at 30 June 2019</b>	<b>6,584,385</b>	<b>6,584,385</b>
Note(s)		

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**STATEMENT OF CASH FLOWS**

	Note(s)	2019 N\$	2018 N\$
<b>Cash flows from operating activities</b>			
Cash generated from operations	14	791,247	2,657,910
Interest income		248,511	73,585
<b>Net cash from operating activities</b>		<b>1,039,758</b>	<b>2,731,495</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(15,333)	(14,811)
Movement in financial assets		(748,512)	(3,123,128)
<b>Net cash from investing activities</b>		<b>(763,845)</b>	<b>(3,137,939)</b>
<b>Total cash movement for the year</b>		<b>275,913</b>	<b>(406,444)</b>
Cash at the beginning of the year		475,237	881,681
<b>Total cash at end of the year</b>	5	<b>751,150</b>	<b>475,237</b>

**ACCOUNTING POLICIES**

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**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 International Financial Reporting Standard for Small and Medium-sized Entities, and the Namibian Common Law. The annual financial statements have been prepared on the historical cost basis, 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 Significant judgements and sources of estimation uncertainty**

**Critical judgements in applying accounting policies**

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

**Lease classification**

The voluntary association is party to leasing arrangements, both as a lessee and as a lessor. The treatment of leasing transactions in the annual financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

**Key sources of estimation uncertainty**

**Impairment testing**

The voluntary association reviews and tests the carrying value of property, plant and equipment and other assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

**1.2 Property, plant and equipment**

Property, plant and equipment are tangible assets which the voluntary association 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 voluntary association and the cost can be measured reliably. Day to day servicing costs are included in profit or loss 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.

**ACCOUNTING POLICIES**

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**1.2 Property, plant and equipment (continued)**

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 voluntary association.

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

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<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	10 years
Computer equipment	Straight line	5 years
Other fixed assets	Straight line	10 years

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The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

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 profit or loss 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 profit or loss when the item is derecognised.

**1.3 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 profit or loss) 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 profit or loss.

**ACCOUNTING POLICIES**

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**1.3 Financial instruments (continued)**

**Financial instruments at cost**

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

**Financial instruments at fair value**

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

**1.4 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

**Operating leases - lessor**

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

**Operating leases – lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

**1.5 Impairment of assets**

The voluntary association assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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 profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.



**ACCOUNTING POLICIES**

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**1.6 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.

**1.7 Provisions and contingencies**

Provisions are recognised when the voluntary association has an obligation at the reporting date as a result of a past event; it is probable that the voluntary association will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

**1.8 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents sponsorship income (contractual and voluntary) received from members and other income.

Interest is recognised, in profit or loss, using the effective interest rate method.

**1.9 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	81,774	(20,904)	60,870	81,774	(12,727)	69,047
Office equipment	19,735	(4,574)	15,161	19,735	(2,600)	17,135
Computer equipment	76,812	(36,851)	39,961	61,479	(22,616)	38,863
Other fixed assets	730	(215)	515	730	(142)	588
<b>Total</b>	<b>179,051</b>	<b>(62,544)</b>	<b>116,507</b>	<b>163,718</b>	<b>(38,085)</b>	<b>125,633</b>

**Reconciliation of property, plant and equipment - 2019**

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	69,047	-	(8,177)	60,870
Office equipment	17,135	-	(1,974)	15,161
Computer equipment	38,863	15,333	(14,235)	39,961
Other fixed assets	588	-	(73)	515
	<b>125,633</b>	<b>15,333</b>	<b>(24,459)</b>	<b>116,507</b>

**Reconciliation of property, plant and equipment - 2018**

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	68,912	7,805	(7,670)	69,047
Office equipment	11,777	7,006	(1,648)	17,135
Computer equipment	51,159	-	(12,296)	38,863
Other fixed assets	661	-	(73)	588
	<b>132,509</b>	<b>14,811</b>	<b>(21,687)</b>	<b>125,633</b>

**3. Other financial assets**

**At amortised cost**

Pointbreak - Main	1,846,839	1,531,074
Pointbreak - Projects	1,969,538	1,540,696
Pointbreak - Aircraft	55,263	51,358
	<b>3,871,640</b>	<b>3,123,128</b>

NCE maintains three money market accounts for investment purposes with the sole reason to generate maximum interest returns on surplus funds. The accounts have been opened to account for surplus funds in the three broad categories of projects currently managed by NCE. The interest rate at year-end for these investment accounts were 7.36% (2018: 7.36%).

**Non-current assets**

At amortised cost	3,871,640	3,123,128
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**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2019 N\$	2018 N\$
<b>4. Trade and other receivables</b>		
Trade receivables	1,901,261	1,346,607
Other receivable - Westair Aviation Namibia	-	26,829
	<b>1,901,261</b>	<b>1,373,436</b>
<b>The trade receivables balance comprises of:</b>		
B2Gold Namibia (Pty) Ltd	1,028,909	232,200
Barloworld Equipment Namibia	842,676	-
FNB Namibia Holdings	-	250,000
Chamber of Mines	-	825,939
Other	29,676	38,468
	<b>1,901,261</b>	<b>1,346,607</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	391	970
Bank balances	750,759	474,267
	<b>751,150</b>	<b>475,237</b>
<b>6. Trade and other payables</b>		
Trade payables	4,308	4,449
Accrued audit fees	51,865	47,150
	<b>56,173</b>	<b>51,599</b>
<b>7. Sponsorship income</b>		
Bannerman Mining Resources Namibia	50,000	50,000
Barloworld Equipment Namibia	832,010	-
Bulk Mining Explosives Namibia (Pty) Ltd	113,686	83,543
B2Gold Namibia (Pty) Ltd	4,800,508	5,050,000
Chamber of Mines	500,000	825,939
FNB Namibia Holdings	-	500,000
First Rand Namibia Foundation Trust	250,000	-
Total Namibia (Pty) Ltd	189,404	194,590
Westair Aviation	-	52,580
Woodtiger Trust	389,273	348,432
	<b>7,124,881</b>	<b>7,105,084</b>

The sponsorship income received from Barloworld Equipment Namibia, comprises of fees received for the 2017, 2018 and 2019 financial years.

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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**8. Cost of project expenses****Project**

Bring EIS into NCE and Upgrade	265,399	288,557
CEO Discretionary Fund (Donations)	-	31,780
Environmental Policy Research	532,640	109,650
Namibian Journal of Environment	-	35,242
NCE Grants Fund	1,139,170	883,472
Other project expenses and donations	1,801,110	1,037,134
Pangolin Rewards	93,500	55,000
Student Bursary Trust Fund	1,002,781	549,220
	<u>4,834,600</u>	<u>2,990,055</u>

**9. Other income**

Profit and loss on exchange differences	10,666	-
Refund - Pangolin Rewards	-	1,500
Refunds - Student Aerial Photographs	-	204,601
Reimbursements - Contour Project Managers CC	56,700	232,200
Rental income	153,724	132,173
Sundry income	70,000	2,849
	<u>291,090</u>	<u>573,323</u>

NCE sublets part of the offices hired in terms of a lease agreement entered into for the offices situated at 18 Nachtigal Street, Windhoek, Namibia.

**10. Operating surplus**

Operating surplus for the year is stated after accounting for the following:

**Operating lease charges**

Premises		
• Contractual amounts	<u>352,970</u>	<u>315,679</u>
Depreciation on property, plant and equipment	24,459	21,687
Employee costs	<u>29,679</u>	<u>21,440</u>

**11. Investment revenue****Interest revenue**

Bank	<u>248,511</u>	<u>73,585</u>
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**12. Taxation**

No provision for taxation has been made as the voluntary association is exempt from income tax.

**13. Auditor's remuneration**

Fees	<u>102,043</u>	<u>51,650</u>
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**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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**13. Auditor's remuneration (continued)****Audit fees comprises of:**

Provision for 2017 audit fees	-	51,650
Audit fee 2018	47,495	-
Attendance at AGM 2018	2,683	-
Provision for 2019 audit fees	51,865	-
	<u>102,043</u>	<u>51,650</u>

**14. Cash generated from operations**

Surplus for the year	1,538,550	3,655,342
<b>Adjustments for:</b>		
Depreciation and amortisation	24,459	21,687
Profit on foreign exchange	(10,666)	-
Interest received	(248,511)	(73,585)
<b>Changes in working capital:</b>		
Trade and other receivables	(517,159)	(992,736)
Trade and other payables	4,574	47,202
	<u>791,247</u>	<u>2,657,910</u>

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**DETAILED INCOME STATEMENT**

	Note(s)	2019 N\$	2018 N\$
<b>Sponsorship income</b>			
Bannerman Mining Resources		50,000	50,000
Barloworld Equipment Namibia		832,010	-
Bulk Mining Explosives Namibia (Pty) Ltd		113,686	83,543
B2Gold Namibia (Pty) Ltd		4,800,508	5,050,000
Chamber of Mines		500,000	825,939
First Rand Namibia Foundation Trust		250,000	-
FNB Namibia Holdings		-	500,000
Total Namibia (Pty) Ltd		189,404	194,590
Westair Aviation		-	52,580
Woodtiger Trust		389,273	348,432
	7	<u>7,124,881</u>	<u>7,105,084</u>
<b>Cost of project expenses</b>	8	<u>(4,834,600)</u>	<u>(2,990,055)</u>
<b>Gross surplus</b>		<b>2,290,281</b>	<b>4,115,029</b>
<b>Other income</b>			
Rental income		153,724	132,173
Sundry income		70,000	2,849
Refund - Pangolin Rewards		-	1,500
Reimbursements - Contour Project Managers CC		56,700	232,200
Refunds - Student Arial Photographs		-	204,601
Interest received	11	248,511	73,585
Profit and loss on exchange differences		10,666	-
		<u>539,601</u>	<u>646,908</u>
<b>Expenses (Refer to page 22)</b>		<u>(1,291,332)</u>	<u>(1,106,595)</u>
<b>Surplus for the year</b>		<u><b>1,538,550</b></u>	<u><b>3,655,342</b></u>

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2019

**DETAILED INCOME STATEMENT**

	Note(s)	2019 N\$	2018 N\$
<b>Operating expenses</b>			
Accounting fees		22,283	-
Aircraft registration		49,757	-
Annual general meeting costs		46,368	47,473
Auditors remuneration	13	102,043	51,650
Bank charges		14,682	10,587
Computer expenses		11,776	8,533
Consulting and professional fees		256,950	54,775
Depreciation		24,459	21,687
Employee costs		29,679	21,440
Entertainment		75,310	59,567
General expenses		27,936	9,472
Bushskies - Intern costs		-	152,933
Interns		133,275	109,800
Insurance		5,840	5,098
Lease rentals on operating lease		352,970	315,679
Licence fees - Accounting Software		-	3,709
Municipal expenses		23,699	25,984
Office expenses		12,654	-
Postage		602	381
Printing and stationery		7,078	18,214
Publicity and promotional supplies		34,734	96,433
Repairs and maintenance		2,761	36,864
Security		10,298	11,551
Telephone and fax		32,571	30,177
Travel - local		13,607	14,588
		<b>1,291,332</b>	<b>1,106,595</b>