

**NAMIBIAN CHAMBER OF ENVIRONMENT**  
Annual Financial Statements  
for the year ended 30 June 2021

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2021

**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>	20 Nachtigal Street Ausspannplatz Windhoek Namibia
<b>Business address</b>	20 Nachtigal Street Ausspannplatz Windhoek Namibia
<b>Postal address</b>	P O Box 40723 Ausspannplatz Windhoek Namibia
<b>Bankers</b>	First National Bank of Namibia Pointbreak Wealth Management
<b>Auditors</b>	PKF-FCS Auditors Registered Accountants and Auditors Chartered Accountants (Namibia)

**NAMIBIAN CHAMBER OF ENVIRONMENT**  
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## NAMIBIAN CHAMBER OF ENVIRONMENT

Annual Financial Statements for the year ended 30 June 2021

### **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.

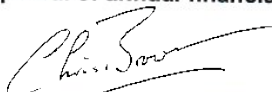
The executive committee members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system 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 2022 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 23, which have been prepared on the going concern basis, were approved by the executive committee on .....03 December 2021.....and were signed on its behalf by:

#### **Approval of annual financial statements**



C Brown



C Loots

## **INDEPENDENT AUDITOR'S REPORT**

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### **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 21, which comprise the statement of financial position as at 30 June 2021, 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 2021, 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 my report. We are independent of the company 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. 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\$ 1,036,906 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 2021 were recorded. Thus it was impracticable for us to extend our examination beyond the receipts actually recorded. Our opinion is not modified in respect of this matter.

#### **Other matter**

Countries and business globally have been affected by the outbreak of the COVID-19 virus, forcing many countries to implement actions aimed at containing the spread of this virus. Namibia is no exception, and has been reporting increased numbers of people affected by the virus.

The executive committee members assess the impact of the above on the cash flows of the voluntary association and based on the available information, is satisfied that the voluntary association was still able to generate revenue during this period and has sufficient access to cash resources and facilities through arrangements with some of its suppliers and financiers to meet their obligations as and when they become due and payable. Members will be advised of any new developments that may have a material effect on the operations of the company.

## **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 22 to 23. 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.
- 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.

## **INDEPENDENT AUDITOR'S REPORT**

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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)**

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**Windhoek**

**Per: U Wolff**  
**Partner**

## **NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2021

### **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 2021.

#### **1. Incorporation**

The voluntary association was incorporated on 09 March 2016.

The voluntary association is domiciled in Namibia. 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 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>
C Loots	South African
C Brown	Namibian
M Hauptfleisch	Namibian
M Lindeque	Namibian
M Louis	Namibian
S Bezuidenhout	Namibian
S Galloway	Namibian
J Pallett	Namibian

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

#### **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.



## **NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2021

### **EXECUTIVE COMMITTEE MEMBERS' REPORT**

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#### **6. Events after the reporting period**

Countries and business globally have been affected by the outbreak of the COVID-19 virus, forcing many countries to implement actions aimed at containing the spread of this virus. Namibia is no exception, and has been reporting increased numbers of people affected by the virus.

The executive committee assesses the impact of the above on the cash flows of the voluntary association and based on the available information, is satisfied that the voluntary association was still able to generate revenue during this period and has sufficient access to cash resources and facilities through arrangements with some of its suppliers and financiers to meet their obligations as and when they become due and payable. Shareholders will be advised of any new developments that may have a material effect on the operations of the company.

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

#### **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 an 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 an 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 appointment as the voluntary association's auditors for the 2021 financial year.

**NAMIBIAN CHAMBER OF ENVIRONMENT**  
Annual Financial Statements for the year ended 30 June 2021

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Notes	2021 N\$	2020 Restated * N\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	85,711	120,294
Other financial assets	3	2,899,577	2,598,474
		<u>2,985,288</u>	<u>2,718,768</u>
<b>Current Assets</b>			
Trade and other receivables	4	748,531	1,920,424
Cash and cash equivalents	5	1,646,768	468,320
		<u>2,395,299</u>	<u>2,388,744</u>
<b>Total Assets</b>		<u>5,380,587</u>	<u>5,107,512</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained surplus		<u>4,079,885</u>	<u>5,045,233</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	185,519	62,279
Other financial liabilities	7	1,115,183	-
		<u>1,300,702</u>	<u>62,279</u>
<b>Total Equity and Liabilities</b>		<u>5,380,587</u>	<u>5,107,512</u>

\* See Note 19

**NAMIBIAN CHAMBER OF ENVIRONMENT**  
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**STATEMENT OF COMPREHENSIVE INCOME**

	Note(s)	2021 N\$	2020 Restated * N\$
Sponsorship income	8	6,094,697	5,295,074
Cost of project expenses	9	(5,880,034)	(5,353,967)
<b>Gross surplus / (deficit)</b>		<b>214,663</b>	<b>(58,893)</b>
Other income	10	463,517	172,210
Operating expenses		(1,725,567)	(2,323,293)
<b>Operating deficit</b>	11	<b>(1,047,387)</b>	<b>(2,209,976)</b>
Investment revenue	14	85,921	226,833
Finance costs	15	(3,881)	-
<b>Deficit for the year</b>		<b>(965,347)</b>	<b>(1,983,143)</b>
Other comprehensive income		-	-
<b>Total comprehensive deficit for the year</b>		<b>(965,347)</b>	<b>(1,983,143)</b>

\* See Note 19

**NAMIBIAN CHAMBER OF ENVIRONMENT**  
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**STATEMENT OF CHANGES IN EQUITY**

	Retained surplus N\$	Total equity N\$
<b>Restated* Balance at 01 July 2019</b>	<b>7,028,376</b>	<b>7,028,376</b>
Deficit for the year	(1,983,143)	(1,983,143)
Other comprehensive income	-	-
<b>Total comprehensive deficit for the year</b>	<b>(1,983,143)</b>	<b>(1,983,143)</b>
Opening balance as previously reported	4,601,241	4,601,241
Adjustments		
Prior period error	443,991	443,991
<b>Restated* Balance at 01 July 2020 as restated</b>	<b>5,045,232</b>	<b>5,045,232</b>
Deficit for the year	(965,347)	(965,347)
Other comprehensive income	-	-
<b>Total comprehensive deficit for the year</b>	<b>(965,347)</b>	<b>(965,347)</b>
<b>Balance at 30 June 2021</b>	<b>4,079,885</b>	<b>4,079,885</b>

\* See Note 19

**NAMIBIAN CHAMBER OF ENVIRONMENT**  
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**STATEMENT OF CASH FLOWS**

		2021	2020
	Notes	N\$	Restated * N\$
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	18	275,621	(1,753,229)
Interest income		85,921	226,833
Finance costs		(3,881)	-
<b>Net cash from operating activities</b>		<b>357,661</b>	<b>(1,526,396)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(29,600)
Sale of property, plant and equipment	2	6,708	-
Movement in financial assets		(301,103)	1,273,166
<b>Net cash from investing activities</b>		<b>(294,395)</b>	<b>1,243,566</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		1,115,183	-
<b>Net cash from financing activities</b>		<b>1,115,183</b>	<b>-</b>
<b>Total cash movement for the year</b>		<b>1,178,449</b>	<b>(282,830)</b>
Cash at the beginning of the year		468,320	751,150
<b>Total cash at end of the year</b>	5	<b>1,646,769</b>	<b>468,320</b>

\* See Note 19

## **NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2021

### **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.

## NAMIBIAN CHAMBER OF ENVIRONMENT

Annual Financial Statements for the year ended 30 June 2021

### 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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Item	Depreciation method	Average useful life
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

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.



## **NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2021

### **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.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2021 N\$	2020 N\$
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**2. Property, plant and equipment**

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	104,666	(39,776)	64,890	111,374	(29,309)	82,065
Office equipment	19,735	(8,520)	11,215	19,735	(6,547)	13,188
Computer equipment	76,812	(67,575)	9,237	76,812	(52,213)	24,599
Other fixed assets	730	(361)	369	730	(288)	442
<b>Total</b>	<b>201,943</b>	<b>(116,232)</b>	<b>85,711</b>	<b>208,651</b>	<b>(88,357)</b>	<b>120,294</b>

**Reconciliation of property, plant and equipment - 2021**

	Opening balance	Disposals	Depreciation	Closing balance
Furniture and fixtures	82,065	(6,708)	(10,467)	64,890
Office equipment	13,188	-	(1,973)	11,215
Computer equipment	24,599	-	(15,362)	9,237
Other fixed assets	442	-	(73)	369
	<b>120,294</b>	<b>(6,708)</b>	<b>(27,875)</b>	<b>85,711</b>

**Reconciliation of property, plant and equipment - 2020**

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	60,870	29,600	(8,405)	82,065
Office equipment	15,161	-	(1,973)	13,188
Computer equipment	39,961	-	(15,362)	24,599
Other fixed assets	515	-	(73)	442
	<b>116,507</b>	<b>29,600</b>	<b>(25,813)</b>	<b>120,294</b>

**3. Other financial assets**

**At amortised cost**

Pointbreak - Main	708,037	2,061,748
Pointbreak - Projects	1,014,460	477,496
Pointbreak - Aircraft	61,897	59,230
Pointbreak - GOSCAR	1,115,183	-
	<b>2,899,577</b>	<b>2,598,474</b>

NCE maintains four money market accounts (2020: 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 3.79% (2020: 5.81%).

**Non-current assets**

At amortised cost	2,899,577	2,598,474
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**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2021

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2021 N\$	2020 N\$
<b>4. Trade and other receivables</b>		
Trade receivables	693,531	1,865,424
Deposit - Rent	55,000	55,000
	<b>748,531</b>	<b>1,920,424</b>
<b>The trade receivables balance comprises of:</b>		
B2Gold Namibia (Pty) Ltd	684,586	588,807
B2Gold Namibia Property (Pty) Ltd	-	194,540
Barloworld Equipment Namibia	-	842,676
Bulk Mining Explosives Namibia (Pty) Ltd	8,675	14,029
Development Workshop Namibia	-	225,372
Other	270	-
Rent deposit	55,000	55,000
	<b>748,531</b>	<b>1,920,424</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	988	569
Bank balances	1,645,780	467,751
	<b>1,646,768</b>	<b>468,320</b>
<b>6. Trade and other payables</b>		
Trade payables	129,974	6,734
Accrued audit fees	55,545	55,545
	<b>185,519</b>	<b>62,279</b>
<b>7. Other financial liabilities</b>		
<b>At amortised cost</b>		
GOSCAR Fund Liability	1,115,183	-
The GOSCAR Fund Liability is fully covered by a Point Break money market account disclosing a balance of N\$ 1,115,183 (refer to note 3).		
<b>Current liabilities</b>		
At amortised cost	1,115,183	-

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2021

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS****8. Sponsorship income**

Bannerman Mining Resources Namibia	50,000	50,000
Rooikat Trust	-	199,300
Housing for Future	-	346,581
Wilsdorf Mettler Future Foundation	-	149,701
Barloworld Equipment Namibia	859,185	-
Bulk Mining Explosives Namibia (Pty) Ltd	111,131	96,190
B2Gold Namibia (Pty) Ltd	3,000,000	3,000,000
Futureenergy	-	10,000
Deloitte	-	15,000
First Rand Namibia Foundation Trust	600,000	650,001
Total Namibia (Pty) Ltd	607,568	304,036
Woodtiger Trust	437,475	418,665
Other	429,338	55,600
	<b>6,094,697</b>	<b>5,295,074</b>

**9. Cost of project expenses**

<b>Project</b>		
Bring EIS into NCE and Upgrade	183,127	337,590
Environmental Policy Research	1,038,740	1,159,204
NCE Grants Fund	2,801,266	2,020,648
Other project expenses and donations	199,629	845,922
Pangolin Rewards	36,000	78,500
Student Bursary Trust Fund	958,456	912,103
Socio Economic	662,816	-
	<b>5,880,034</b>	<b>5,353,967</b>

**10. Other income**

Rental income	434,160	170,740
Discount received	28,789	-
Sundry income	568	1,470
	<b>463,517</b>	<b>172,210</b>

NCE sublets part of the offices hired in terms of a lease agreement entered into for the offices situated at 20 Nachtigal Street, Windhoek, Namibia.

**11. Operating deficit**

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

**Operating lease charges**

Premises		
• Contractual amounts	661,300	399,547
Depreciation on property, plant and equipment	27,875	25,813
Employee costs	45,175	53,030

**12. Employee cost**

<b>Employee costs</b>		
Basic	45,175	53,030

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**13. Depreciation, amortisation and impairments**

The following items are included within depreciation, amortisation and impairments:

**Depreciation**

Property, plant and equipment	27,875	25,813
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**14. Investment revenue**

**Interest revenue**

Bank	85,921	226,833
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**15. Finance costs**

Other - Alexander Forbes	3,881	-
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**16. Taxation**

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

**17. Auditor's remuneration**

Fees	55,890	55,890
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**Audit fees comprises of:**

Disbursements	345	345
Audit fees	55,545	55,545
	<b>55,890</b>	<b>55,890</b>

**18. Cash generated from (used in) operations**

(Deficit) / surplus for the year	(965,347)	(1,983,143)
<b>Adjustments for:</b>		
Depreciation and amortisation	27,875	25,813
Interest received	(85,921)	(226,833)
Finance costs	3,881	-
<b>Changes in working capital:</b>		
Trade and other receivables	1,171,893	424,828
Trade and other payables	123,240	6,106
	<b>275,621</b>	<b>(1,753,229)</b>

**19. Prior period errors**

Trade and other receivables balance reported for the 2019 financial year end (in particular B2Gold Namibia (Pty) Ltd debtor) included Total Namibia revenue transactions which were accounted for against the B2Gold Namibia (Pty) Ltd debtor account. The error was observed in the current year under review on requesting supporting documentation from the debtor. The prior year statement of financial position and the statement of equity balances have been restated.

Statement of financial performance comparative figures have not been restated as the errors relate to the 2019 financial reporting period.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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**19. Prior period errors (continued)**

The correction of the error(s) results in adjustments as follows:

**Statement of Financial Position**

Trade and other receivables	-	443,991
Opening retained earnings	-	(443,991)

**20. Events after the reporting period**

Countries and business globally have been affected by the outbreak of the COVID-19 virus, forcing many countries to implement actions aimed at containing the spread of this virus. Namibia is no exception, and has been reporting increased numbers of people affected by the virus.

The executive committee assesses the impact of the above on the cash flows of the voluntary association and based on the available information, is satisfied that the voluntary association was still able to generate revenue during this period and has sufficient access to cash resources and facilities through arrangements with some of its suppliers and financiers to meet their obligations as and when they become due and payable. Members will be advised of any new developments that may have a material effect on the operations of the voluntary association.

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2021

**DETAILED INCOME STATEMENT**

		2021	2020
	Notes	N\$	Restated * N\$
<b>Sponsorship income</b>			
Sponsorship income - various entities (refer to note 8)		6,094,697	5,295,074
<b>Cost of project expenses</b>	9	<b>(5,880,034)</b>	<b>(5,353,967)</b>
<b>Gross (deficit)/surplus</b>		<b>214,663</b>	<b>(58,893)</b>
<b>Other income</b>			
Rental income		434,160	170,740
Discount received		28,789	-
Sundry income		568	1,470
Interest received	14	85,921	226,833
		<b>549,438</b>	<b>399,043</b>
<b>Expenses (Refer to page 23)</b>		<b>(1,725,567)</b>	<b>(2,323,293)</b>
<b>Operating loss</b>	11	<b>(961,466)</b>	<b>(1,983,143)</b>
Finance costs	15	(3,881)	-
<b>(Deficit)/Surplus for the year</b>		<b>(965,347)</b>	<b>(1,983,143)</b>

\* See Note 19

**NAMIBIAN CHAMBER OF ENVIRONMENT**

Annual Financial Statements for the year ended 30 June 2021

**DETAILED INCOME STATEMENT**

		2021	2020
	Notes	N\$	Restated * N\$
<b>Operating expenses</b>			
Accounting fees		15,285	14,534
Aircraft registration		88,048	7,133
Annual general meeting costs		-	29,926
Auditors remuneration	17	55,890	55,890
Bank charges		22,351	16,074
Computer expenses		10,243	12,742
Consulting and professional fees		9,396	968,900
Depreciation		27,875	25,813
Donations		149,219	50,000
Employee costs		45,175	53,030
Entertainment		30,591	31,592
General expenses		23,120	21,849
Insurance		15,774	6,819
Interns		108,600	110,350
Lease rentals on operating lease		661,300	399,547
Motor vehicle expenses		21,214	-
Municipal expenses		131,303	27,846
Namibian Journal of Environment		-	25,000
Office expenses		23,452	13,077
Postage		85	2,232
Printing and stationery		10,488	10,207
Publicity and promotional supplies		199,713	339,586
Repairs and maintenance		12,849	23,656
Security		20,736	27,559
Staff welfare		5,876	-
Telephone and fax		32,551	42,702
Travel - local		4,433	7,229
		<b>1,725,567</b>	<b>2,323,293</b>