

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD
Trading as
PAAB
(Established under Section 2 of PAA Act, No. 51 of 1951)
Annual Financial Statements
for the year ended 31 December 2017



PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Annual Financial Statements for the year ended 31 December 2017

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PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Annual Financial Statements for the year ended 31 December 2017

General Information

COUNTRY OF INCORPORATION AND DOMICILE	Namibia
REGULATION	Public Accountants' and Auditors' Act, No. 51 of 1951 as amended
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	A statutory board established in terms of Public Accountants' and Auditors' Act, No. 51 of 1951 as amended
MEMBERS OF THE BOARD	Mr. J. Kandjeke (Appointed 6 November 2013) Mr. E. Tjipuka (Appointed 1 December 2016) Ms. C. Gamses (Appointed 1 December 2016) Mr. R. Kawana (Appointed 1 December 2016) Mrs. N. Du Preez (Appointed 1 December 2016) Mr. F. Kisting (Appointed 1 December 2016) Ms. J. Engels (Appointed 1 December 2016) Mr. S. Von Blotnitz (Appointed 12 December 2016) Mrs. N. Uaandja (Term ended 30 September 2017)
BUSINESS ADDRESS	Auditor General Building 123 Robert Mugabe Avenue Windhoek Namibia
POSTAL ADDRESS	PO Box 11913 Windhoek Namibia
BANKERS	FNB Namibia Ltd Nedbank Namibia Ltd
VALUE ADDED TAX REGISTRATION NUMBER	2911520-01-5
PAYE REGISTRATION NUMBER	2911520-01-4
INDEPENDENT AUDITORS	DCS Registered Accountants and Auditors PO Box 26546 Windhoek Namibia

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Annual Financial Statements for the year ended 31 December 2017

Member's Report

The members of the board presents its report for the year ended 31 December 2017.

1. Review of activities

Main business and operations

The principal activity of the organisation is a statutory board established in terms of Public Accountants' and Auditors' Act, No. 51 of 1951 as amended and there were no major changes herein during the year.

The operating results and statement of financial position of the organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

4. Members of the Board interest in contracts

To our knowledge none of the board members had any interest in contracts entered into during the year under review.

5. The Board

The members of the board during the year and to the date of this report are as follows:

Mr. J. Kandjeke (Chairperson)
Mr. E. Tjipuka (Vice Chairperson)
Ms. C. Gamses
Mr. R. Kawana
Mrs. N. Du Preez
Mr. F. Kisting
Ms. J. Engels
Mr. S. Von Blottnitz
Mrs. N. Uaandja

6. Independent Auditors

DCS Registered Accountants and Auditors were the independent auditors for the year under review in accordance with Section 11(3) of the PAA Act, No. 51 of 1951 as amended.

Independent Auditor's Report

Opinion

We have audited the financial statements of Public Accountants' and Auditors' Board set out on pages 8 to 18, which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the organisation as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with the Namibian Generally Accepted Accounting Practice NAC:001 Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the PAA Act, No. 51 of 1951 as amended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the organisation in accordance with the independence requirements applicable to performing audits of financial statements in Namibia which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We have fulfilled our other ethical responsibilities in accordance with the 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.

Other Information

The members of the board are responsible for the other information. The other information comprises Members' Report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Members of the Board for the Financial Statements

The members of the board are responsible for the preparation and fair presentation of the financial statements in accordance with the Namibian Generally Accepted Accounting Practice NAC 001: Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the PAA Act, No. 51 of 1951 as amended, and for such internal control as the members of the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the board are responsible for assessing the PAAB'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 members of the board either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the board.
- Conclude on the appropriateness of the managements' 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 organisation'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 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 organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the members of the board 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.

We also provide the members of the board with a statement that we 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 our independence, and where applicable, related safeguards.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that the supplementary schedules set out on pages 19 - 20 do not form part of the financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

DCS

DCS

Registered Accountants and Auditors

Chartered Accountants (Namibia)

Per: Donovan Alfred Pokolo

Partner

Windhoek

10 August 2018

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Annual Financial Statements for the year ended 31 December 2017

Members' Responsibilities and Approval

The members 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

The board acknowledges that its ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the board to meet these responsibilities, the board 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board is of the opinion, based on the information and explanations given by the board 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The financial statements have been audited by the independent auditing firm, DCS Registered Accountants and Auditors, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. The board believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 4 to 6.

The annual financial statements as set out on pages 8 to 18 were approved by the management committee on 10 August 2018 and were signed on its behalf by:



Mr. J. Kandjeke
Chairperson



Mr. E. Tjipuka
Vice Chairperson

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Financial Statements for the year ended 31 December 2017

Statement of Financial Position

Figures in N\$	Notes	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	3	137,381	107,994
		<u>137,381</u>	<u>107,994</u>
Current Assets			
Investments	4	6,585,818	-
Trade and other receivables	5	854,548	597,726
Cash and cash equivalents	6	163,876	7,149,007
		<u>7,604,242</u>	<u>7,746,733</u>
Total Assets		<u>7,741,623</u>	<u>7,854,727</u>
Reserves and Liabilities			
Reserves			
Accumulated surplus		7,591,367	7,447,121
		<u>7,591,367</u>	<u>7,447,121</u>
Current Liabilities			
Trade and other payables	7	150,256	407,606
		<u>150,256</u>	<u>407,606</u>
Total Reserves and Liabilities		<u>7,741,623</u>	<u>7,854,727</u>

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Financial Statements for the year ended 31 December 2017

Statement of Profit or Loss and Other Comprehensive Income

Figures in N\$	Notes	2017	2016
Revenue	8	2,209,762	2,170,950
Practice review costs	9	(255,138)	(859,031)
Gross surplus		1,954,624	1,311,919
Other income	10	781,825	4,053,654
Operating costs		(2,816,307)	(2,017,412)
Operating (deficit)/surplus	11	(79,858)	3,348,161
Finance income	12	235,486	95,529
Finance costs	13	(11,382)	-
Surplus before tax		144,246	3,443,690
Tax expense		-	-
Surplus for the year		144,246	3,443,690
Total comprehensive income for the year		144,246	3,443,690
Retained income at 1 January 2017		7,447,121	4,003,431
Surplus for the year		144,246	3,443,690
Retained income at 31 December 2017		7,591,367	7,447,121

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Financial Statements for the year ended 31 December 2017

Statement of Changes in Reserves

Figures in N\$	Accumulated surplus
Balance at 1 January 2016	4,003,431
Surplus for the year	3,443,690
Total comprehensive income for the year	<u>3,443,690</u>
Balance at 31 December 2016	<u>7,447,121</u>
Balance at 1 January 2017	7,447,121
Surplus for the year	144,246
Total comprehensive income for the year	<u>144,246</u>
Balance at 31 December 2017	<u>7,591,367</u>

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Financial Statements for the year ended 31 December 2017

Statement of Cash Flows

Figures in N\$	Note	2017	2016
Cash flows (used in) / from operating activities			
Surplus for the year		144,246	3,443,690
<i>Adjustments for:</i>			
Finance costs		11,382	-
Depreciation of tangible assets		46,803	39,414
Investment income		(235,486)	(95,529)
Adjustment of doubtful debt provision		267,606	378,133
Operating cash flow before working capital changes		234,551	3,765,708
<i>Working capital changes</i>			
Increase in financial assets		(6,585,818)	-
Increase in trade and other receivables		(256,822)	(595,878)
(Decrease) / increase in trade and other payables		(524,956)	393,728
Net cash flows (used in) / from operations		(7,133,045)	3,563,558
Investment income		167,065	95,529
Finance costs		(11,382)	-
Dividends received		68,421	-
Net cash flows (used in) / from operating activities		(6,908,941)	3,659,087
Cash flows (used in) / from investing activities			
Property, plant and equipment acquired	3	(76,190)	-
Other investments		-	2,500,000
Net cash flows (used in) / from investing activities		(76,190)	2,500,000
Net (decrease) / increase in cash and cash equivalents		(6,985,131)	6,159,087
Cash and cash equivalents at beginning of the year		7,149,007	989,920
Cash and cash equivalents at end of the year	6	163,876	7,149,007

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Financial Statements for the year ended 31 December 2017

Accounting Policies

1. General information

Public Accountants' and Auditors' Board (PAAB) is incorporated in Namibia. The address of the registered office of the PAAB is Auditor General Building, 123 Robert Mugabe Avenue, Windhoek, Namibia. It is a Statutory Body established in terms of the Public Accountants' and Auditors' Act (PAA Act), No. 51 of 1951 as amended.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with NAC 001: Financial Reporting for Small and Medium - Sized Entities and the requirements of the PAA Act, No. 51 of 1951. They are presented in Namibia Dollars.

2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the organisation's activities. Revenue is shown net of value-added tax, returns, and discounts.

The organisation recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the organisation's activities, as described below:

2.1.1 Interest income

Interest income is recognised using the effective interest rate method.

2.2 Government grants

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the organisation has complied with all attached conditions. Grants received where the organisation has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'other income' in profit or loss.

2.3 Income taxes

The receipts and accruals of the Public Accountants' and Auditors' Board (PAAB) are exempt from income tax in terms of section 16(e)(i) of the Income Tax Act, No 24, of 1981.

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Financial Statements for the year ended 31 December 2017

Accounting Policies

2.4 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Furniture and fittings	20.00%
Office equipment	20.00%

2.5 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

2.7 Employee benefit obligations

2.7.1 Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave 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.

2.8 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)
Financial Statements for the year ended 31 December 2017

Notes to the Annual Financial Statements

Figures in N\$

3. Property, plant and equipment

	Cost	Accumulated depreciation	2017 Carrying value	Cost	Accumulated depreciation	2016 Carrying value
<i>Owned assets</i>						
Furniture and fittings	187,554	104,147	83,407	155,185	70,051	85,134
Office equipment	85,706	31,732	53,974	41,885	19,025	22,860
	273,260	135,879	137,381	197,070	89,076	107,994

The carrying amounts of property, plant and equipment can be reconciled as follows:

	2017 Carrying value at beginning of year	Additions	Disposals	Depreciation	2017 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	85,134	32,369	-	(34,096)	83,407
Office equipment	22,860	43,821	-	(12,707)	53,974
	107,994	76,190	-	(46,803)	137,381

	2016 Carrying value at beginning of year	Additions	Disposals	Depreciation	2016 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	116,171	-	-	(31,037)	85,134
Office equipment	31,237	-	-	(8,377)	22,860
	147,408	-	-	(39,414)	107,994

4. Investments

Capricorn Investments Holdings - Money Market	6,585,818	-
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The investment in Capricorn Investments Holding (CIH) money market bears both interest income and dividend income.

5. Trade and other receivables

Fees outstanding	1,424,389	972,481
Value Added Taxation	25,923	-
Other receivable - ICAN	-	3,378
	1,450,312	975,859
Provision for doubtful debts	(595,764)	(378,133)
	854,548	597,726

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Financial Statements for the year ended 31 December 2017

Notes to the Annual Financial Statements

Figures in N\$	Notes	2017	2016
5.1 Items included in trade and other receivables not classified as financial instruments			
Value added tax		25,923	-
		25,923	-
Net trade and other receivables classified as financial instruments		828,625	597,726
6. Cash and cash equivalents			
Favourable cash balances			
Cash on hand		3,697	3,981
FNB current account		40,231	1,700,225
FNB call account		82	82
Nedbank current account		103,164	5,199,904
Nedbank call account		16,702	244,815
		163,876	7,149,007
Current assets		163,876	7,149,007
Current liabilities		-	-
		163,876	7,149,007
7. Trade and other payables			
Accrued liabilities		55,701	30,183
Sundry creditors		-	85,897
Value Added Taxation		-	212,137
Fees received in advance		94,555	79,389
		150,256	407,606
7.1 Items included in trade and other payables not classified as financial instruments			
Value Added Taxation		-	212,137
		-	212,137
Net trade and other payables classified as financial instruments		150,256	195,469

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Financial Statements for the year ended 31 December 2017

Notes to the Annual Financial Statements

Figures in N\$

Notes 2017 2016

8. Revenue

An analysis of revenue is as follows:

Membership fees - in public practice		432,688	553,696
Membership fees - not in public practice		468,900	484,000
Membership fees - non-resident		22,000	26,400
Trainee fees - registration		192,514	-
Trainee fees - annual levy		1,051,042	1,078,932
Trainee fees - extension		10,287	-
Trainee fees - remission		24,983	24,983
Trainee fees - suspension		7,348	2,939
		<u>2,209,762</u>	<u>2,170,950</u>

9. Practice review costs

Practice review costs	9.1	255,138	859,031
		<u>255,138</u>	<u>859,031</u>

9.1 Practice review costs consists of the following:

Practice Review: Meetings		-	-
Practice Review: Accommodation and travel		34,338	140,851
Practice Review: Visas		-	400
Practice Review: Additional costs		-	2,030
Practice Review: Expenses recovered		220,800	-
Practice Review: Fees recoverable		-	715,750
		<u>255,138</u>	<u>859,031</u>

10. Other Income

Assessor training fees		94,075	53,654
Grants received	10.1	-	4,000,000
Practice review fees		687,750	-
		<u>781,825</u>	<u>4,053,654</u>

10.1 Grants received consists of the following:

Government Grant: Ministry of Finance		-	4,000,000
		<u>-</u>	<u>4,000,000</u>

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)
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Notes to the Annual Financial Statements

Figures in N\$	Notes	2017	2016
11. Operating profit			
Operating profit is arrived at after taking into account the following items:			
<i>Depreciation</i>			
<i>Owned assets</i>			
Furniture and fittings		34,096	31,037
Office equipment		12,707	8,377
		<u>46,803</u>	<u>39,414</u>
Auditors' remuneration			
Audit fees			
-current		55,701	47,183
-under provision in prior year		9,303	-
		<u>65,004</u>	<u>47,183</u>
<i>Members' emoluments</i>			
Non-executive			
- Services as member		178,067	-
	14.	<u>178,067</u>	<u>-</u>
Board committee fees			
- Sitting fees		86,604	-
		<u>86,604</u>	<u>-</u>
<i>Operating lease charges</i>			
Premises		43,654	3,780
		<u>43,654</u>	<u>3,780</u>
12. Finance income			
Interest income			
Interest received		167,065	95,529
		<u>167,065</u>	<u>95,529</u>
Dividend income			
Dividends received from unit trusts		68,421	-
		<u>68,421</u>	<u>-</u>
		<u>235,486</u>	<u>95,529</u>

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)
Financial Statements for the year ended 31 December 2017

Notes to the Annual Financial Statements

Figures in N\$

	Notes	2017	2016
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13. Finance costs

Penalties & Interest from Receiver of Revenue		11,382	-
		<u>11,382</u>	<u>-</u>

14. Members' emoluments

Name	Fees paid to director for services	Total
2017		
Mr. J. Kandjeke	-	-
Mr. E. Tjipuka	-	-
Ms. C. Gamses	23,038	23,038
Mr. R. Kawana	23,724	23,724
Mrs. N. Du Preez	31,908	31,908
Mr. F. Kisting	20,925	20,925
Ms. J. Engels	26,589	26,589
Mr. S. Von Blottnitz	25,837	25,837
Mrs. N. Uaandja	26,046	26,046
	<u>178,067</u>	<u>178,067</u>

15. Going Concern

The members believe that the board will be a going concern in the year ahead. For this reason we continue to adopt the going concern basis in preparing the annual financial statements.

16. Approval of annual financial statements

These financial statements were approved by the board of directors and authorised for issue on 10 August 2018.

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Financial Statements for the year ended 31 December 2017

Detailed Income Statement

Figures in N\$	Note	2017	2016
Gross Revenue			
Membership fees - in public practice		432,688	553,696
Membership fees - non-residents		22,000	26,400
Membership fees - not in public practice		468,900	484,000
Trainee fees - annual levy		1,051,042	1,078,932
Trainee fees - extension		10,287	-
Trainee fees - registration		192,514	-
Trainee fees - suspension		7,348	2,939
Trainee fees - transfer		24,983	24,983
		2,209,762	2,170,950
Practice review costs			
Practice review costs		255,138	859,031
		255,138	859,031
Gross Profit			
		1,954,624	1,311,919
Other Income			
Assessor training fees		94,075	53,654
Dividends received		68,421	-
Grants received		-	4,000,000
Interest received		167,065	95,529
Practice review fees recovery		687,750	-
		1,017,311	4,149,183
		2,971,935	5,461,102

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

(Established under Section 2 of PAA Act, No. 51 of 1951)

Financial Statements for the year ended 31 December 2017

Detailed Income Statement

Figures in N\$	Note	2017	2016
continued...			
Expenditure			
Accounting fees		20,881	-
Advertising		22,566	185,154
Other expenses 4		50,001	61,082
Assessor training costs		105,440	88,291
Auditors' remuneration		65,004	47,183
Bad debts		3,378	-
Bank charges		23,198	10,802
Cleaning		530	10,389
Computer expenses		34,458	1,295
Consulting fees		192,995	310,504
Depreciation - Tangible assets		46,803	39,414
Entertainment		30,037	11,064
Finance costs		11,382	-
General office expenses		630	2,914
Hire - Equipment		-	2,501
Lease rental on operating lease		43,654	3,780
Legal expense		325,119	146,019
Members' emoluments	14	178,067	-
Postage		6,481	5,717
Printing and stationery		50,477	27,994
Provision for doubtful debts		267,606	378,133
Repairs and maintenance		166	941
Salaries		1,090,501	597,520
Sub-committee fees		86,604	-
Subscriptions		-	357
Sundry expenses		210	-
Telephone and fax		55,764	51,575
Training		8,522	2,174
Travel - local		107,215	32,609
		2,827,689	2,017,412
Surplus for the year		144,246	3,443,690

