

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 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 2018

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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 2018

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) 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 Blottnitz (Appointed 12 December 2016) Mrs. H. Haufiku (Appointed 1 August 2018) Mrs. N. Uaandja (Appointed 1 August 2018) Mrs. N. Kafita (Appointed 1 August 2018)
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
INDEPENDENT AUDITORS	DCS Registered Accountants and Auditors PO Box 26546 Windhoek Namibia
COMPILERS	Don Consulting Services CC PO Box 26546 Windhoek Namibia
EMPLOYER TAX NUMBER	02911520-014
VALUE ADDED TAX NUMBER	02911520-015

PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

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

Annual Financial Statements for the year ended 31 December 2018

Boards' Responsibilities and Approval

The Board is 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 they are 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 and sub committees 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 organisations 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 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 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.

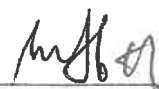
The Board have reviewed the organisation's cash flow forecast for the year ended 31 December 2019 and, in light of this review and the current financial position, they are satisfied that the organisation has or had access to adequate resources to continue in the operational existence for the foreseeable future.

DCS Registered Accountants & Auditors are responsible for independently auditing the annual financial statements. The annual financial statements have been examined by DCS Registered Accountants & Auditors and their report is presented on page 5 - 6.

The annual financial statements as set out on pages 9 to 20 were approved by the Board on 5 July 2019 and were signed on its behalf by:



Mr. J. Kandjeke
Chairperson



Mr. S. Von Blotnitz

Report of the Compiler

To the Public Accountants' and Auditors' Board

We have compiled the accompanying annual financial statements of Public Accountants' and Auditors' Board based on information you have provided. These annual financial statements comprise the statement of financial position of Public Accountants' and Auditors' Board as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of reserves and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME) and the requirements of the Public Accountants' and Auditors' Act (PAA Act, No.51 of 1951). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with IFRS for SME and the requirements of the PAA Act, No.51 of 1951.

Our compilation report is intended solely for your use in your capacity as management of Public Accountants' and Auditors' Board, and should not be distributed to other parties.

Don Consulting Services CC

5 July 2019



Per: **Faizel Vita Uaendere [BAP(SA)1291]**

Compiler

PO Box 26546

Windhoek

Namibia

DON CONSULTING SERVICES CC

Reg No: CC/2011/0924

P.O. Box 26546

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FAIZEL VITA UAENDERE

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Members: Faizel V. Uaendere & Donovan A. Pokoio
Reg No. CC/2011/0924

**INDEPENDENT AUDITOR'S REPORT
TO THE PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD**

Opinion

We have audited the annual financial statements of Public Accountants' and Auditors' Board set out on pages 9 to 20, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Public Accountants' and Auditors' Board as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for small and medium-sized entities (IFRS for SME) entities and the requirements of the PAA Act, No 51 as amended.

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 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.

Responsibilities of the Board for the Financial Statements

The Board are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS for SME and the requirements of the PAA Act, No 51 of 1951 as amended, and for such internal control as the Board 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 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 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 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the member of the board.
- Conclude on the appropriateness of the members of the Board 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 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 organisation 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.

We communicate with 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 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 21-22 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
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Donovan Pokolo
Partner
Windhoek
15 July 2019

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info@dcs.com.na | www@dcs.com.na

Managing Partner: Donovan A. Pokolo | Director: Faizel V. Uaendere
Practice Number: 21214

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 2018

Report of the Board

The Board presents its report for the year ended 31 December 2018.

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)
Mr. R. Kawana
Mrs. N. Du Preez
Mr. F. Kisting
Ms. J. Engels
Mr. S. Von Blottnitz
Mrs. H Haufiku
Mrs. N. Uaandja
Mrs. N. Kafita

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 2018

Report of the Board

6. Compiler

Don Consulting Services CC were the Compiler of the annual financial statements.

Postal Address

PO Box 26546
Windhoek
Namibia

Business Address

No. 41 Cnr of Johann Albrecht & Sturrock Street
Windhoek North, Windhoek
Namibia

7. 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.

Postal Address

PO Box 26546
Windhoek
Namibia

Business Address

No. 41 Cnr of Johann Albrecht & Sturrock Street
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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 2018

Statement of Financial Position

Figures in N\$	Notes	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	3	166,372	137,381
		166,372	137,381
Current Assets			
Investments	4	4,952,268	6,602,602
Trade and other receivables	5	2,330,102	854,548
Cash and cash equivalents	6	151,463	147,092
		7,433,833	7,604,242
Total Assets		7,600,205	7,741,623
Reserves and Liabilities			
Reserves			
Accumulated surplus		5,980,237	7,591,367
		5,980,237	7,591,367
Current Liabilities			
Trade and other payables	7	1,619,968	150,256
		1,619,968	150,256
Total Reserves and Liabilities		7,600,205	7,741,623

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 2018

Statement of Profit or Loss and Other Comprehensive Income

Figures in N\$	Notes	2018	2017
Revenue	8	4,645,605	2,991,587
Cost of Regulation	9	(2,259,011)	(390,943)
Gross surplus		2,386,594	2,600,644
Operating costs		(4,467,390)	(2,680,502)
Operating deficit	10	(2,080,796)	(79,858)
Finance income	11	469,666	235,486
Finance costs	12	-	(11,382)
(Deficit)/surplus before tax		(1,611,130)	144,246
Tax expense		-	-
(Deficit)/surplus for the year		(1,611,130)	144,246
Retained income at 1 January 2018		7,591,367	7,447,121
(Loss)/surplus for the year		(1,611,130)	144,246
Retained income at 31 December 2018		5,980,237	7,591,367

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 2018

Statement of Reserves

Figures in N\$	Accumulated surplus
Balance at 1 January 2017	7,447,121
Surplus for the year	144,246
Balance at 31 December 2017	7,591,367
Balance at 1 January 2018	7,591,367
Deficit for the year	(1,611,130)
Balance at 31 December 2018	5,980,237

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 2018

Statement of Cash Flows

Figures in N\$	Note	2018	2017
Cash flows from / (used in) operating activities			
(Deficit) / surplus for the year		(1,611,130)	144,246
<i>Adjustments for:</i>			
Finance costs		-	11,382
Depreciation of tangible assets		64,187	46,803
Investment income		(469,666)	(235,486)
Adjustment of doubtful debt provision		(587,285)	267,606
Operating cash flow before working capital changes		(2,603,894)	234,551
<i>Working capital changes</i>			
Decrease / (increase) in financial assets		1,650,334	(6,357,705)
Increase in trade and other receivables		(1,475,554)	(256,822)
Increase / (decrease) in trade and other payables		2,056,997	(524,956)
Net cash flows used in operations		(372,117)	(6,904,932)
Investment income		304,874	167,065
Finance costs		-	(11,382)
Dividends received		164,792	68,421
Net cash flows from / (used in) operating activities		97,549	(6,680,828)
Cash flows used in investing activities			
Property, plant and equipment acquired	3	(93,178)	(76,190)
Net cash flows used in investing activities		(93,178)	(76,190)
Net increase / (decrease) in cash and cash equivalents		4,371	(6,757,018)
Cash and cash equivalents at beginning of the year		147,092	6,904,110
Cash and cash equivalents at end of the year	6	151,463	147,092

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 2018

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 the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME) and the requirements of the PAA Act, No.51 of 1951. They are presented in Namibia Dollars (N\$).

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 such as membership fees, training administration fees and practice reviews fees. 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:

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)

Annual Financial Statements for the year ended 31 December 2018

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

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)

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

Figures in N\$

Notes 2018 2017

3. Property, plant and equipment

	Cost	Accumulated depreciation	2018 Carrying value	Cost	Accumulated depreciation	2017 Carrying value
<i>Owned assets</i>						
Furniture and fittings	241,528	53,133	188,395	187,554	104,147	83,407
Office equipment	124,910	146,933	(22,023)	85,706	31,732	53,974
	366,438	200,066	166,372	273,260	135,879	137,381

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

	2018 Carrying value at beginning of year	Additions	Disposals	Depreciation	2018 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	83,407	39,204	-	(42,786)	79,825
Office equipment	53,974	53,974	-	(21,401)	86,547
	137,381	93,178	-	(64,187)	166,372

	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

4. Investments

Capricorn Investments Holdings - Money Market	4,934,965	6,585,818
Nedbank - Call Account	17,219	16,702
First National Bank - Call Account	84	82
	4,952,268	6,602,602

The investment in Capricorn Investments Holding (CIH) money market bears both interest income and dividend income.

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	2018	2017
5. Trade and other receivables			
Fees outstanding		2,298,738	1,424,390
Provision for doubtful debts		(8,479)	(595,764)
		<u>2,290,259</u>	<u>828,626</u>
Value Added Taxation		39,843	25,923
		<u>2,330,102</u>	<u>854,549</u>
5.1 Items included in trade and other receivables not classified as financial instruments			
Value added tax		39,843	25,923
		<u>39,843</u>	<u>25,923</u>
Net trade and other receivables classified as financial instruments		<u>2,290,259</u>	<u>828,626</u>
6. Cash and cash equivalents			
Favourable cash balances			
Cash on hand		1,835	3,697
FNB current account		102,287	40,231
Nedbank current account		47,341	103,164
		<u>151,463</u>	<u>147,092</u>
Current assets		<u>151,463</u>	<u>147,092</u>
		<u>151,463</u>	<u>147,092</u>
7. Trade and other payables			
Accrued liabilities		61,201	55,701
Fees received in advance		135,469	94,555
Leave pay provision		25,282	-
Sundry creditors		1,398,016	-
		<u>1,619,968</u>	<u>150,256</u>

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 2018

Notes to the Annual Financial Statements

Figures in N\$

	Notes	2018	2017
8. Revenue			
An analysis of revenue is as follows:			
Membership fees			
Membership fees - in public practice		461,948	432,688
Membership fees - non-resident		13,380	22,000
Membership fees - not in public practice		405,031	468,900
		<u>880,359</u>	<u>923,588</u>
Other fees			
Assessor training		142,397	94,075
Audit development fund		76,480	-
Practice review fees		1,827,200	687,750
Trainee fees		1,719,169	1,286,174
		<u>3,765,246</u>	<u>2,067,999</u>
		<u>4,645,605</u>	<u>2,991,587</u>
9. Cost of Regulation			
Practice review costs			
Practice review: accommodation and travel		283,031	34,338
Practice review: expenses recovered		-	220,800
Practice review: fees recoverable		1,869,990	-
Practice review: visas		10,490	-
		<u>2,163,511</u>	<u>255,138</u>
Training cost			
Assessor training cost		-	81,641
Assessor training cost - recovered		95,500	23,799
Training office/ office accreditation		-	30,365
		<u>95,500</u>	<u>135,805</u>
		<u>2,259,011</u>	<u>390,943</u>

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 2018

Notes to the Annual Financial Statements

Figures in N\$

	Notes	2018	2017
10. Operating profit/(deficit)			
Operating profit is arrived at after taking into account the following items:			
<i>Depreciation</i>			
Property, plant and equipment		64,187	46,803
		64,187	46,803
<i>Auditors' remuneration</i>			
Audit fees			
-Current		55,702	55,701
-Under provision in prior year		-	9,303
		55,702	65,004
Accounting fees		5,500	20,881
<i>Board & committee fees</i>			
<i>Board emoluments</i>			
- Services as member	13.	261,917	178,067
<i>Board committee fees</i>			
- Sitting fees	13.	189,581	86,604
		451,498	264,671
11. Finance income			
Interest received		304,874	167,065
Dividends received from unit trusts		164,792	68,421
		469,666	235,486
12. Finance costs			
Penalties & Interest from Receiver of Revenue		-	11,382
		-	11,382

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 2018

Notes to the Annual Financial Statements

Figures in N\$

	Notes	2018	2017
13. Board & committee fees			
Boards' emoluments			
Name		Fees paid to board for services	Fees paid to board for services
Mr. J. Kandjeke		74,029	-
Mr. E. Tjipuka		-	-
Mr. R. Kawana		30,621	23,724
Mrs. N. Du Preez		27,054	31,908
Mr. F. Kisting		27,099	20,925
Ms. J. Engels		35,852	26,589
Mr. S. Von Blottnitz		40,492	25,837
Mrs. H Haufiku		14,747	-
Mrs. N. Uaandja		12,023	26,046
Mrs. N. Kafita		-	-
Ms. C. Gamses		-	23,038
		261,917	178,067
Committee fees			
Name		Sitting fees paid to committee members	Sitting fees paid to committee members
C Britz		12,925	8,004
K Xarages		10,024	1,106
T De Jager		24,726	6,468
M Dikua		15,280	8,004
R Mc Donald		8,134	-
P Carlson		9,393	5,395
J Hamukwaya		10,058	-
R P Niddrie		11,748	8,004
T F Mashoko		14,625	9,574
R Cloete		16,203	8,004
G B Cloete		12,925	8,004
S Riruako		10,570	8,004
J Lourens		16,700	9,574
J Sheya		16,270	6,467
		189,581	86,604
		451,498	264,671

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 2018

Notes to the Annual Financial Statements

Figures in N\$

Notes

2018

2017

14. Contingent liabilities

Penalties were charged amounting to N\$ 24,834 for late submission of tax returns, although evidence shows that the tax returns were submitted on time. The Board will apply to the Receiver of Revenue to wave the penalties.

15. Going Concern

The Public Accountants' and Auditors' Board (Board) will be a going concern in the year ahead. Although a loss of N\$ 1,611,130 was made during the year under review, with current reserves on hand the Board will 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 and authorised for issue on 5 July 2019.

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 2018

Detailed Income Statement

Figures in N\$	Note	2018	2017
Gross Revenue			
Assessor training		142,397	94,075
Audit development fund		76,480	-
Membership fees - in public practice		461,948	432,688
Membership fees - non-residents		13,380	22,000
Membership fees - not in public practice		405,031	468,900
Practice review fees		1,827,200	687,750
Trainee fees - annual levy		1,406,413	1,051,042
Trainee fees - extension		9,391	10,287
Trainee fees - registration		245,452	192,514
Trainee fees - remission		45,391	24,983
Trainee fees - suspension		12,522	7,348
		4,645,605	2,991,587
Cost of Regulation			
Practice review costs		2,259,011	390,943
		2,259,011	390,943
Gross Profit		2,386,594	2,600,644
Other Income			
Dividends received		164,792	68,421
Interest received		304,874	167,065
		469,666	235,486
		2,856,260	2,836,130

The supplementary information presented does not form part of the annual financial statements and is unaudited

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 2018

Detailed Income Statement

Figures in N\$	Note	2018	2017
Expenditure			
Accounting fees		5,500	20,881
Advertising		87,509	22,566
Auditors' remuneration		55,702	65,004
Bad debts		-	3,378
Bank charges		15,824	23,198
Board committee fees		189,581	86,604
Cleaning		420	530
Computer expenses		40,794	34,458
Consultation/Accreditation Fees		66,455	19,636
Consulting fees		130,710	192,995
Depreciation - Tangible assets		64,187	46,803
Employee training		13,208	8,522
Finance costs		-	11,382
General office expenses		11,784	630
Legal expense		1,659,950	325,119
Meeting and staff refreshments		38,956	30,037
Members' emoluments	13	261,917	178,067
Postage		6,005	6,481
Printing and stationery		60,440	50,477
Provision for doubtful debts		(587,285)	267,606
Repairs and maintenance		1,388	166
Salaries		2,034,409	1,090,501
Sundry expenses		-	210
Telephone and fax		70,455	55,764
Travel - local		188,584	107,215
Venue hire		50,897	43,654
		4,467,390	2,691,884
(Deficit)/surplus for the year		(1,611,130)	144,246

The supplementary information presented does not form part of the annual financial statements and is unaudited