

**LIGHTHOUSE CHILDREN
AND YOUTH MINISTRY**

ANNUAL FINANCIAL STATEMENTS

31 MARCH 2021

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Nature of business	The non-profit organisation providing care and support to needy children and youth, and their families.	
Auditor	Kisting Consult Garthanri Park 4, Southern Industrial Thorpe Street PO Box 338 Windhoek	
Managing board members	Patrick Kafuka Kenneth Shipipa Gerritje Bruijnes Sarah Fortuin Basil van Wyk Kaylin van Wyk Marie Hagen van Wyk	Chairperson Vice Chairperson Director Member Member Secretary Treasurer
Business address	Erf 703, Block E Rehoboth NAMIBIA	
Postal address	P. O. Box 3080 Rehoboth NAMIBIA	
Bankers	Nedbank Namibia	
Registration number	WO 492	

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

MEMBERS' RESPONSIBILITIES AND APPROVAL OF FINANCIAL STATEMENTS

The members are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the entity as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standards 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 members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, they set 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2022 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently reviewing and reporting on the entity's financial statements. The financial statements have been examined by the entity's external auditor and his report is presented on pages 4 to 6.

The financial statements, set out on pages 7 to 16, which have been prepared on the going-concern basis, were approved by the members and are signed by:


.....
Member
23.09.2021
.....
Date


.....
Member
23-09-2021
.....
Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

Opinion

I have audited the annual financial statements of Lighthouse Children and Youth Ministry ("the entity"), set out on pages 7 to 15, which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and the member's report.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the entity as of 31 March 2021 and of 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's) and the requirements of the National Welfare Act.

Basis for Opinion

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

Other Information

The members are responsible for the other information. The other information comprises the general information on page 2, members' responsibilities and approval on page 3 and the detailed income statement on page 17. Other information does not include the annual financial statements and my auditor's report thereon. My opinion on the annual financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

AUDIT REPORT(continued)

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

Responsibilities of the members for the Financial Statements

The members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities of the National Welfare Act, and for such internal control as the members determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

AUDIT REPORT(continued)

- Conclude on the appropriateness of the member's 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 entity's ability to continue as a going-concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the entity audit. I remain solely responsible for my audit opinion.

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

Kisting Consult
.....
KISTING CONSULT
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: FG Kisting (Proprietor)
Practice No: 21219

01/10/2021
.....
Date
Windhoek

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

MEMBERS' REPORT

The members have pleasure in submitting their report on the financial statements of Lighthouse Children and Youth Ministry and its for the year ended 31 March 2021.

Review of financial results and activities

The non-profit organisation providing care and support to needy children and youth and their families. There were no major changes herein during the year.

Full details of the financial position, results of operations and cash flows of the entity are set out in these financial statements.

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.

Auditors

Kisting Consult will be in office as auditor for the entity for 2021.

Members

The members of the entity are as stated on page 2 of this report.

Events after reporting date

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

The members are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the non-profit organisation.

Donation

No donation was declared or paid to the director during the year.

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

ASSETS	<u>Notes</u>	<u>2021</u> <u>NS</u>
Current Assets		
Cash and cash equivalents	3	45,319
		<hr/>
Total assets		<u>45,319</u>
 EQUITY AND LIABILITIES		
Equity		
Accumulated surplus		45,319
		<hr/>
Total equity and liabilities		<u>45,319</u>

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

STATEMENT OF COMPREHENSIVE INCOME AND AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2021

	<u>Notes</u>	<u>2021</u> <u>N\$</u>
Revenue	4	502,883
Administrative expenses		(1,679)
Other expenses		<u>(455,890)</u>
Surplus before finance income		45,314
Finance income	5	<u>5</u>
Surplus for the year		45,319
Surplus at the beginning the year		<u>-</u>
Surplus at the end of the year		<u><u>45,319</u></u>

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	<u>Accumulated surplus</u>
Changes in equity	
Balance at the beginning of the year	-
Surplus for the year	<u>45,319</u>
Balance at the end of the year	<u><u>45,319</u></u>

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	<u>Notes</u>	<u>2021</u> <u>N\$</u>
Cash flows from operating activities		
Cash (used in)/generated from operations		45,319
Adjustments for finance income		<u>(5)</u>
Net cash from operations		45,314
Interest received		<u>5</u>
Net cash flows from operating activities		45,319
Cash and cash equivalents at beginning of the year		<u>-</u>
Cash and cash equivalents at the end of the year	3	<u><u>45,319</u></u>

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Presentation of financial statements

The financial statements are prepared in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities, issued by the International Accounting Standards Board. The financial statements have been prepared on the historical cost basis and are consistent with the previous years.

They are presented in Namibian Dollar.

These accounting policies incorporate the principal accounting policies set out below.

1.1 Revenue recognition

Revenue comprises revenue from donations and grants received. Revenue is measured by reference to the fair value of the consideration received or receivable by the entity for goods supplied and services rendered, excluding VAT, rebates and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the cost incurred or to be incurred can be measured reliably, and when the criteria for each of the entity's different activities have been met. Details of the activity specific recognition criteria are described below:

Donations received

Donations received comprise of gifts that will not provide any economic return to the donor other than the knowledge that someone will benefit from the donation.

Donations collected including cash and goods for resale, are recognised as revenue when the entity gains control, economic benefits are probable and the amount of the donations can be measured reliably.

Grants received

Grant income is any voluntary income or transfer of property received by the entity from a person or an institution. Grant income is recognised as receivable, to the extent that the grant has been spent by the end of the financial year. Unspent grants are shown as liabilities.

Interest received

Interest received is recognised in profit or loss on the accrual basis using the effective interest rate method.

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1.2 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the services or at the date of their origin.

1.3 Financial instruments

Initial Measurement

Financial instruments are initially measured at the transaction price (this includes transaction cost except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss). If however the arrangement constitutes a financing transaction it is then measured at the present value of the future payments, discounted at a market related interest rate.

Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Namibia Dollars using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

Cash and cash equivalents

Cash and cash equivalents compass cash on hand and demand deposits together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.6 Taxation

The entity is a charity receiving donations and grant income. The entity is therefore not subject to normal taxation. Charitable institutions are subject to taxation only if they carry out commercial activities.

If the charity carries out commercial activities, taxation will be recognised as follows:

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1.6 Taxation (continued)

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax movement for the current period. The tax currently payable is based on taxable profit for the year.

2.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3. CASH AND CASH EQUIVALENTS	<u>2021</u>
	<u>NS</u>
Cash and cash equivalents consist of:	
Bank balances	42,476
Cash on hand	2,843
	<u>45,319</u>
4. REVENUE	
Revenue comprises:	
Donation income	<u>502,883</u>
5. FINANCE INCOME	
Interest received	<u>5</u>
6. COMPARATIVE FIGURES	

No comparative figures are included in the financial statements as these are the first audited financial statements of the entity.

LIGHTHOUSE CHILDREN AND YOUTH MINISTRY

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	<u>Notes</u>	<u>2021</u> <u>N\$</u>
Revenue		
Grants received	4	502,883
Other income		
Interest received	5	<u>5</u>
Total income		502,888
Expenses		457,569
Activities and outings		3,892
Allowances		114,000
Bank charges		1,679
Cleaning		2,954
Clothes		27,283
Community help		2,382
Food packages		72,060
Fuel		3,097
Gardening		315
General expenses		18,249
Help-out program		14,152
Hostel and school fees		8,414
Materials		34,693
Meals		76,372
Office supplies		9,993
Repairs and maintenance		538
School materials and uniforms		59,168
Toiletries		8,328
Surplus for the year		<u><u>45,319</u></u>