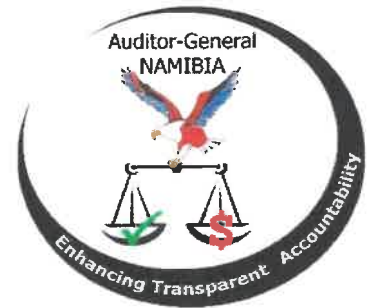




REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
REGIONAL COUNCIL OF THE ZAMBEZI REGION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Zambezi Regional Council for the financial year ended 31 March 2024 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

WINDHOEK, May 2025

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**8REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
REGIONAL COUNCIL OF ZAMBEZI
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

1. DSCLAIMER AUDIT OPINION

I have audited the financial statements of the Regional Council of Zambezi for the financial year ended 31 March 2024. These financial statements comprise the statement of financial position, statement of financial performance, statement of changes in net assets, and statement of cash flow for the year then ended.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

2. BASIS OF DSCLAIMER AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. 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 code of ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the code of ethics. I believe that the audit evidence I have obtained is not sufficient and appropriate to provide a basis for my opinion.

A Disclaimer audit opinion is being expressed due to the following:

2.1 Limitation of Scope – Incomplete Council Minutes

Section 38 of the Regional Council Act 1992 states that *“The accounting records of a regional council referred to in section 39 and its financial statements referred to in section 40 shall be audited by the Auditor-General”*.

In continuation section 40. (1) states *“The accounting officer of a regional council shall within three months or such longer period as the Auditor-General may approve, after the end of a financial year of the regional council make out financial statements in such form as may be determined by the Auditor-General in respect of that financial year and submit such financial statements to the Auditor-General.”*

(2) The financial statements referred to in subsection (1) shall consist of –

- (a) a balance sheet showing the assets and liabilities of the regional council at the end of that financial year;*
- (b) a statement of income and expenditure of the regional council for that financial year; and*
- (c) such other statements as may from time to time be required by the Auditor-General.*

The auditors observed minutes dated 25 October 2023 and 29 June 2023 have not been obtained despite attendance register indicating the above stated meetings occurred.

2.2 Cash control

The auditors noted that the Council reported an amount of N\$ 14 357 in its financial statements as current liability, this resulted from the Council not being able to reconcile amount deposited in the bank against receipts due to possible missing receipt books.

2.3 Investment in Regional Councils Electricity Company (Proprietary) Limited

The auditor noted that the Council did not disclose its investment in Regional Councils Electricity Company (Proprietary) Limited in the financial statements.

2.4 Key personnel daily subsistence and travel allowance

Daily subsistence and travel allowances for key personnel amounting to N\$ 44 917 were not supported by sufficient documents (no invitation and proof of attendance).

2.5 Negative balance - accounts payable

The auditors noted negative balances under the supplier age analysis, this is as a result of non-reconciliation of accounts payable transactions and remittance advice against the age analysis. From the age analysis tested this misstatement totalled to the value of N\$ 4 068 711.

3. OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I have nothing to report in this regard.

4. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and legislation and for such internal control as management determines 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 management is 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 management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

5. AUDITOR'S RESPONSIBILITY 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 a 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 the International Standards for Supreme Audit Institutions (ISSAIs), 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 the International Standards for Supreme Audit Institutions, I exercise 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 controls.
- 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 management.
- Conclude on the appropriateness of management'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 conclusions are based on the audit evidence obtained up to the date of my 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.
- Communicate with those charged with governance regarding, among 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.
- Provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements were submitted to the Office of the Auditor-General by the Accounting Officer in compliance with Section 40 (1) of the Regional Council Act, 1992, (Act 22 of 1992).

8. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Regional Council of Zambezi during the audit is appreciated.

WINDHOEK, May 2025



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

General information

Regional Council of Zambezi was established under Regional Council Act, (Act 22 of 1992) as amended and was entrusted with the responsibility of implementing central Government policies at regional level, with the mandate to govern and plan the socio-economic, physical and infrastructural development of the region, as well as to improve the living conditions of the inhabitants of the region and to ensure sustainable development. The financial powers, duties and functions of the Council are stipulated in Article 108 of the Namibian Constitution and section 28 of the Regional Councils Act. The accounts of Regional Council of Zambezi for the year ended 31 March 2024 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Regional Council Act, (Act 22 of 1992) as amended.

Zambezi Regional Council of is required to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the Regional Council's responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the Regional Council 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 International Public Sector Accounting Standards (IPSAS). The Office of the Auditor-General is engaged to express an independent opinion on the Annual Financial Statements.

The Regional Council acknowledges that it is ultimately responsible for the system of internal financial control established and places considerable importance on maintaining a strong control environment. To enable the Regional Council to meet these responsibilities, standards are set 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 Regional Council and all employees are required to maintain the highest ethical standards in ensuring the Regional Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Regional Council is on identifying, assessing, managing and monitoring all known forms of risk across the Regional Council. While operating risk cannot be fully eliminated, the Regional Council endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within the predetermined procedures and constraints.

Regional Councilors

Below are the names of the Councilors of the Regional Council of Zambezi as at 31 March 2024:

Hon. W.M. Simushi	Chairperson & Cllr: Katima Rural Constituency
Hon. J. M. Likando	MP & Cllr: Kabbe South
Hon. B.L. Busihu	MP & Cllr: Kongola Constituency
Hon. M.M. Lukaezi	MP & Cllr: Sibbinda Constituency
Hon. I. Kabunga	Cllr: Linyanti Constituency
Hon. K.S. Simasiku	Cllr: Katima Urban Constituency
Hon. H.G. Divai	Cllr: Lyabboloma Constituency
Hon. B.K. Sisamu	Cllr: Kabbe North Constituency

Management Committee Members

Below are the names of the members of the management committee of the Regional Council of Zambezi as at 31 March 2024

Hon. W.M. Simushi	(Chairperson)
Hon. H.G. Divai (up to May 2023)	Member of Management Committee
Hon. B.K. Sisamu	Member of Management Committee
Hon. I.V. Kabunga (from 01 June 2023)	Member of Management Committee

Regional Council Administrative Management as at 31st March 2024

Below are the names of the Management Cadre of the Regional Council of Zambezi

R. M. Ndopu-Lubinda	Chief Regional Officer
B. M. Walubita	Director: Development Planning, Monitoring and Evaluation
S. N. Simwanza	Director: Finance and Administration
R. K. Chaka	Deputy Director: Human Resources Management
C. N. Sibitwani	Deputy Director: Finance
C. S. Mubita	Deputy Director: Regional Planning
C. M. Mukata	Deputy Director: Monitoring and Evaluation
A. Shikoyeni	Deputy Director: Administration
H. Stefanus (up to 31 July 2023)	Deputy Director: Rural
C. Sihope (from 01 August 2023)	Deputy Director: Rural
Vacant	Deputy Director: Technical Services

Chief Regional Officers Responsibilities and Approval

In terms of section 40 of the Regional Council Act, 22 of 1992, the Accounting Officer of a Regional Council shall within three months or such longer period as the Auditor-General may approve, after the end of a financial year of the regional council make out financial statements in such form as may be determined by the Auditor-General in respect of that financial year and submit such financial statements to the Auditor-General.

The Chief Regional Officer is responsible for the preparation and presentation of the Council's financial statements, which give a true and fair view of the state of affairs of the Council for and as at the end of the financial year ended on 31 March 2023. These responsibilities include: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the council; (iii) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the council; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstance.

The Regional Council 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 Regional Council has reviewed its cash flow forecast for the year to 31 March 2024 and, in light of this review and current financial position, it is satisfied that the regional Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Council's financial statements were approved by the Chief Regional Officer on the

_____ 2025.

R.M. Ndopu-Lubinda
Chief Regional Officer

Date

REGIONAL COUNCIL OF ZAMBEZI
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH

		2024	2023
		N\$	N\$
Assets			
Current assets		28 755 612	28 574 296
Inventories	2	538 496	684 988
Receivables from exchange transactions	3	16 357 743	14 109 337
Other current assets	5	5 451	152 505
Receivables from non-exchange transactions	4	505 082	284 460
Cash and cash equivalents	6	11 348 840	13 343 006
Non-current assets		163 300 361	162 318 964
Property, plant and equipment	1	163 300 361	162 318 964
Total assets		192 055 973	190 893 260
Equity and liabilities			
Current liabilities		22 699 540	19 177 220
Provisions	9	14 883 619	12 502 075
Trade and other payables	10	7 626 038	6 493 703
Other current liabilities	11	175 526	175 526
Cash control	6	14 357	5 916
Equity		169 356 433	171 716 040
Capital projects development	7	110 765 767	110 765 767
Accumulated surplus		56 768 460	54 263 234
Other non-distributable reserves	8	1 822 206	6 687 039
Total equity and liabilities		192 055 973	190 893 260

REGIONAL COUNCIL OF ZAMBEZI

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH

		2024	2023
		N\$	N\$
Revenue		69 361 668	59 270 162
Government subsidies - Operational	12	50 663 834	45 114 650
Government subsidies - Development	12	4 869 538	4 867 755
5% Rates & Taxes	13	2 456 838	2 077 031
Fees, fines, penalties and licenses	14	55 536	8 525
Revenue from exchange transactions	15	1 004 376	1 118 376
Transfer from other government entities	16	10 311 546	6 083 825
Employee related costs and other expenditures		(72 085 617)	(120 204 112)
Salaries, Wages and employee benefits	19	(39 671 963)	(38 223 124)
Subsistence and travelling allowance	20	(1 482 744)	(2 268 661)
Material and supplies	21	(3 019 913)	(1 195 803)
Transport expenditures	22	(3 099 753)	(2 844 188)
Utilities	23	(2 818 575)	(3 422 789)
Maintenance	24	(600 852)	(470 445)
Properties and other related expenditures	25	(1 194 329)	(1 020 754)
Other expenditures	26	(7 661 772)	(8 877 491)
Membership fee and subscriptions	27	(151 529)	(83 848)
Grants and transfer	28	(37 202)	(122 780)
Current transfer	29	(1 565 341)	(1 114 452)
Impairment of property, plant and equipment		-	(49 648 333)
Depreciation charged for the year	30	(3 778 047)	(4 361 781)
Loss on asset transfer		(57 028)	(1 750 000)
Delegated expenses	31	(6 946 569)	(4 799 663)
Deficit for the year		(2 723 949)	(60 933 950)
Components of other comprehensive income that will not be reclassified to surplus or deficit			
Gains on revaluation		-	4 864 833
Total other comprehensive income that will not be reclassified to surplus or deficit		-	4 864 833
Total comprehensive income		(2 723 949)	(57 707 412)

REGIONAL COUNCIL OF ZAMBEZI

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH

Figures in N\$	Capital Projects Development	Revaluation surplus	Revolving Fund	Accumulated surplus	Total
	N\$	N\$	N\$	N\$	N\$
Balance at 1 April 2022	110 765 767	-	1 822 206	116 835 467	229 423 440
Changes in equity					
Deficit for the year	-	-	-	(62 572 245)	(62 572 245)
Other comprehensive income	-	4 864 833	-	-	4 864 833
Total comprehensive income for the year	-	4 864 833	-	(62 572 245)	(57 707 41)2
Balance at 31 March 2023	110 765 767	4 864 833	1 822 206	54 263 234	171 716 040
Balance at 1 April 2023	110 765 767	4 864 833	1 822 206	54 263 234	171 716 040
Transfers	-	(4 864 833)	-	4 864 833	-
Balance at 1 April 2023 as restated	110 765 767	-	1 822 206	59 128 067	171 716 040
Changes in equity					
Deficit for the year	-	-	-	(2 769 203)	(2 769 203)
Total comprehensive income for the year	-	-	-	(2 769 203)	(2 769 203)
Prior years adjustments	-	-	-	409 596	409 596
Balance at 31 March 2024	110 765 767	-	1 822 206	56 768 460	169 356 433

Note 7

REGIONAL COUNCIL OF ZAMBEZI
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH

		2024	2023
	Note	N\$	N\$
Cash flows from operations			
Cash receipts from customers			
Increase/(decrease) in receivables		(3 289 427)	1 908 006
Receipts from fees, commissions and other revenue		12 498 691	7 977 659
Receipts from government (Subsidies)		55 937 218	50 251 636
Cash paid to suppliers and employees			
Payments to suppliers for goods and services		(24 007 783)	(46 962 305)
Payments to and on behalf of employees		(39 671 963)	(39 861 419)
Net cash flows from / (used in) operations	17	1 466 736	(26 686 423)
Dividends and royalties received		237 230	202 216
Interest received		688 529	838 651
Net cash flows from / (used in) operating activities		2 392 495	(25 645 556)
Cash flows used in investing activities			
Proceeds from transfer of property, plant and equipment	18	-	1 750 000
Purchase of property, plant and equipment	18	(5 509 731)	(6 614 806)
Prior year adjustments on property plant and equipment		705 035	(2 212 047)
Cash flows used in investing activities		(4 804 696)	(7 076 853)
Cash flows from financing activities			
Prior year adjustments on accumulated funds		409 595	3 810 631
Cash flows from financing activities		409 595	3 810 631
Net decrease in cash and cash equivalents		(2 002 606)	(28 911 778)
Cash and cash equivalents at beginning of the year		13 337 090	42 248 868
Cash and cash equivalents at end of the year	6	11 334 484	13 337 090

ANNEXURE E

REGIONAL COUNCIL OF ZAMBEZI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL INFORMATION FOR 31 MARCH

	Original		Actual on		Performance difference	%	Explanation
	Budget	Adjustments	Final budget	comparable basis			
Revenue	N\$	N\$	N\$	N\$	N\$		
Government Grant and Subsidy - Re-current Government Grant and Subsidy - Capital/ Development	45 163 973	5 499 861	50 663 834	48 014 015	2 649 819	95%	The Council received additional funding for operational activities. Some capital projects were not fully implemented
	14 865 000	-	14 865 000	7 845 172	7 019 828	53%	
Other revenue	8 521 636	-	8 521 636	5 804 710	2 716 926	68%	Other revenue such as dividends were not paid by Nored
Opening bank balance	9 679 412	-	9 679 412	6 649 818	3 029 594	69%	Funds were transferred late towards the end of the financial year
Rendering of service	30 000	-	30 000	-	30 000	0%	None
							This was caused by the non payment of 5% levy
Fines, penalties and levies	2 346 832	-	2 346 832	452 970	1 893 862	19%	
Total revenue	80 606 853	5 499 861	86 106 714	68 766 685	17 340 029		

ANNEXURE E

**REGIONAL COUNCIL OF ZAMBEZI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL INFORMATION FOR 31 MARCH**

	Original Budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	%	Explanation
Employees related costs and other expenditures	N\$	N\$	N\$	N\$	N\$		
Compensation of employees	42 791 377	-	42 791 377	38 758 756	4 032 621	91%	Some positions were not filled
Goods and other services	22 933 553	-	22 933 553	19 885 943	3 047 610	87%	This was due to pending land compensation
Grants and subsidies paid	420 000	-	420 000	137 500	282 500	33%	There was a saving on donations
Acquisition of capital assets	270 000	-	270 000	107 633	162 367	40%	This was due to delays in procurement
Capital/ Development projects paid	14 865 000	-	14 865 000	7 845 172	7 019 828	53%	Some projects were not implemented
Total employees related costs and other expenditures	81 279 930	-	81 279 930	66 735 004	14 544 926		
Surplus for the period	(673 077)	5 499 861	4 826 784	2 031 681	2 795 103		

REGIONAL COUNCIL OF ZAMBEZI**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

General information

Zambezi Regional Council ('the regional council') was established under Regional Council Act, (Act 22 of 1992) as amended and was entrusted with the responsibility of implementing Central Government policies at regional level, with the mandate to govern and plan the socio-economic, physical and infrastructural development of the region, as well as to improve the living conditions of the inhabitants of the region and to ensure sustainable development.

The regional council is established as a Regional Council and domiciled in Namibia. The address of its registered office is in Katima Mulilo.

Going concern

Zambezi Regional Council will continue to exist long enough to carry out its objectives and commitments and will not liquidate in the foreseeable future.

Basis of preparation and summary of significant accounting policies

The financial statements of Zambezi Regional Council have been prepared in accordance with International Public Sector Accounting Standards and the Regional Council Act, (Act 22 of 1992). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available- for sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through surplus or deficit.

The preparation of financial statements in conformity with International Public Sector Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the regional council's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Property, plant and equipment**Definition**

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

REGIONAL COUNCIL OF ZAMBEZI
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

Recognition

Property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement - Cost model

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent measurement - Revaluation model

After initial recognition, property, plant and equipment is measured at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Subsequent measurement - Revaluation and cost model

Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

An increase in the carrying value of an asset as a result of a revaluation is recognised in other comprehensive income and accumulated in equity under the revaluation surplus except where the

REGIONAL COUNCIL OF ZAMBEZI**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

increase reverses a previously recognised revaluation decrease for the same asset, the increase is recognised in surplus or deficit to that extent

A decrease in the carrying value of an asset as a result of a revaluation is recognised in surplus or deficit except where the decrease reverses a previously recognised revaluation increase for the same asset, the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus.

Subsequent expenditure

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life.

The depreciable amount of an asset is determined after deducting its residual value. Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Useful life / depreciation rate	Depreciation method
Buildings	50 years	Straight line
Motor vehicles	5 years	Straight line
Fixtures and fittings	5 years	Straight line
Office equipment	3 years	Straight line
Computer equipment	3 years	Straight line
Capital project - W.I.P	Non-depreciable	

REGIONAL COUNCIL OF ZAMBEZI**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in surplus or deficit when the compensation becomes receivable.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are classified as other gains on the face of the statement of surplus or deficit and other comprehensive income

Trade and other receivables

Trade receivables are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses. For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

Up to 31 March 2022, trade receivables were recognised initially at the transaction price. They were subsequently measured at amortised cost using the effective interest method, less provision for impairment

REGIONAL COUNCIL OF ZAMBEZI**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

A provision for impairment of trade receivables was established when there was objective evidence that the company would not be able to collect all amounts due according to the original terms of the receivables. Trade and other receivables were classified as loans and receivables up to 31 March 2022.

Other financial assets

Other financial assets are recognised initially at the fair value, including transaction costs except where the asset will subsequently be measured at fair value.

Other financial assets that are equity investments are subsequently measured at fair value through profit or loss. Other investments are subsequently measured at cost less impairment.

Other financial assets that are debt instruments are subsequently measured at amortised cost. Interest income is recognised on the basis of the effective interest method and is included in finance income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

Budget information - IPSAS 24

The annual budget is prepared on the cash basis, that is all planned costs and income are presented in a single statement to determine the needs of the Regional Council.

Taxes**Sales tax (VAT)**

Expenses and assets are recognised net of the amount of sales tax, except:

When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case,

REGIONAL COUNCIL OF ZAMBEZI**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

The sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Investment property - IPSAS 16

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Agency fees

Commission received or receivable that do not require the agent to render further service are recognised as revenue.

Loans and borrowing - IPSAS 29

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognised as income or expense when the liabilities are derecognized as well as through the effective interest method amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Inventory - IPSAS 12

Inventory items in stock are kept for internal consumption only. Inventory is measured at cost upon initial recognition. In the case where inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is recognised at fair value at the date of acquisition. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Regional Council.

Provisions - IPSAS 19

Provisions are recognised when the Regional Council has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the

REGIONAL COUNCIL OF ZAMBEZI**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

amount of the obligation. Where the Regional Council expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Regional Council does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is certain.

Contingent assets

The Regional Council does not recognise a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Regional Council in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

Nature and purpose of reserves

The Regional Council creates and maintains reserves in terms of specific requirements. Regional Council to state the reserves maintained and appropriate policies.

Accounting policies, changes in accounting estimates and errors- IPSAS 3

The Regional Council recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Employee benefits - IPSAS 39

Are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. Provisions for short and long-term leave as well as provision for bonuses should to be disclosed in the Financial Statements.

REGIONAL COUNCIL OF ZAMBEZI**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

Investment in associates and joint ventures - IPSAS 36

Zambezi Regional Council holds 15% shareholdings in Nored Investment. Therefore, the Regional Council cannot disclose the investment which is less than 20% or more of the voting powers of the investee.

Related party disclosures

The Regional Council regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity, or vice versa. The key management are regarded as related parties and comprise of the councilors, executive managers and middle managers.

Borrowing costs - IPSAS 5

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

Cash and cash equivalent

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. In the instance where the Council's account is overdrawn at year-end, the overdrawn amount should be reflected as liability in the statement of financial position.

Comparative figures

When comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation it should be disclosed

Significant judgments and sources of estimation uncertainty - IPSAS 1

The preparation of the Regional Council's Annual Financial Statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

REGIONAL COUNCIL OF ZAMBEZI**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

Estimates and assumptions - IPSAS 3

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Regional Council based its assumptions and estimates on parameters available when the Annual Financial Statements were prepaid. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Regional Council. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset is based on the assessment of experts sourced by the Regional Council.
- b) The nature of the asset, its susceptibility to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed
- d) Availability of funding to replace the asset
- e) Changes in the market in relation to the asset

Subsequent events - IPSAS 14

Zambezi Regional Council was compelled by the High Court to settle a total amount of N\$ 4 840 275.00 in favour of Fischer Engineering Consultancy cc, for the supervision of the up-earthing projects for Muzii, Nankutwe and Mpukano Schools. However, Zambezi Regional Council only processed an amount of N\$ 4 600 000.00 based on the condition given. This affected the financial statement for 31 March 2023 since the activity was not budgeted for in the financial year under review.

Revenue recognition**Revenue from non-exchange transactions - IPSAS 23****Fines, penalties and levies**

The Regional Council recognises revenues from Fines, penalties and levies when the event occurs and the asset recognition criteria are met.

Transfers from government entities

Revenues from non-exchange transactions with government entities are measured at fair value and recognised on obtaining control of the asset (cash, goods, services and property) if the transfer is free

REGIONAL COUNCIL OF ZAMBEZI**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Regional Council and can be measured reliably. In case there are related condition attached that would give rise to a liability to repay the amount, deferred income is recognised instead of revenue.

Revenue from exchange transactions - IPSAS 9**Rendering of services**

The Regional Council recognises revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are recoverable.

Interest income

Interests are accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period. ZRC recognises interest from commercial banks.

Royalties and dividends

Dividends or similar distributions must be recognised when the shareholder's or the Regional Council's right to receive payments is established.

Rental income

Rental Income arising from operating leases on investment properties is accounted for on a an agreement whereby the lessor conveys to the lease, in return for a payments, the right to use an asset for an agreed period of time.

ANNEXURE F

REGIONAL COUNCIL OF ZAMBEZI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

1. Property, plant and equipment

1.1 Balances at year end and movements for the year

	Buildings	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Capital project - W.I.P	Capital Infrastructure	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Reconciliation for the year ended 31 March 2024								
Balance at 1 April 2023								
At cost	181 364 835	14 199 395	3 845 885	1 016 394	1 204 554	39 318 678	-	240 949 741
Accumulated depreciation and impairment	(60 620 399)	(12 524 397)	(3 750 758)	(810 784)	(924 439)	-	-	(78 630 777)
Carrying amount	120 744 436	1 674 998	95 127	205 610	280 115	39 318 678	-	162 318 964

Movements for the year ended 31 March 2024

Additions from acquisitions		-	-	-	-	5 509 731	-	5 509 731
Depreciation	(2 586 475)	(741 742)	(28 796)	(172 202)	(248 831)	-	(45 254)	(3 823 300)
Increase (decrease) through transfers from construction in progress	850 043	-	-	-	-	(3 112 720)	2 262 677	-
Prior year adjustments through accumulated funds	(90 540)	-	-	-	-	(324 119)	(290 376)	(705 035)
Property, plant and equipment at the end of the year	118 917 464	933 256	66 331	33 408	31 284	41 391 570	1 927 047	163 300 360

ANNEXURE F

**REGIONAL COUNCIL OF ZAMBESI
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

1. Property, plant and equipment (continued)

1.1 Balances at year end and movements for the year

	Buildings	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Capital project - W.I.P	Capital Infrastructure	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Closing balance at 31 March 2024								
At cost	182 214 878	12 553 547	3 595 287	913 876	1 165 307	41 391 571	2 262 677	244 097 143
Accumulated depreciation and impairment	(63 297 414)	(11 620 291)	(3 528 956)	(880 468)	(1 134 023)	-	(335 630)	(80 796 782)
Carrying amount	118 917 464	933 256	66 331	33 408	31 284	41 391 571	1 927 047	163 300 361

Reconciliation for the year ended 31 March 2023

Balance at 1 April 2022

At cost	179 000 000	14 199 395	3 845 885	728 449	789 697	32 703 872	-	231 267 298
Accumulated depreciation	(10 020 000)	(12 228 019)	(3 411 920)	(563 504)	(656 463)	-	-	(26 879 906)
Carrying amount	168 980 000	1 971 376	433 965	164 945	133 234	32 703 872	-	204 387 392

Movements for the year ended 31 March 2023

Additions from acquisitions	-	-	-	-	-	6 614 806	-	6 614 806
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ANNEXURE F

REGIONAL COUNCIL OF ZAMBEZI
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

1. Property, plant and equipment**Reconciliation for the year ended 31 March 2023 (continued)**

	Buildings	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Capital project - W.I.P	Capital Infrastructure	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Depreciation	(2 555 580)	(883 656)	(481 387)	(173 182)	(267 976)	-	-	(4 361 781)
Impairment loss recognised in surplus or deficit	(49 648 333)	-	-	-	-	-	-	(49 648 333)
Revaluation increase (decrease)	4 864 833	-	-	-	-	-	-	4 864 833
Prior year adjustments through accumulated funds	853 516	587 278	142 549	213 847	414 857	-	-	2 212 047
Disposals	(1 750 000)	-	-	-	-	-	-	(1 750 000)
Property, plant and equipment at the end of the year	120 744 436	1 674 998	95 127	205 610	280 115	39 318 678	-	162 318 964
Closing balance at 31 March 2023								
At cost	181 364 835	14 199 395	3 845 885	1 016 394	1 204 554	39 318 678	-	240 949 741
Accumulated depreciation and impairment	(60 620 399)	(12 524 397)	(3 750 758)	(810 784)	(924 439)	-	-	(78 630 777)
Carrying amount	120 744 436	1 674 998	95 127	205 610	280 115	39 318 678	-	162 318 964

REGIONAL COUNCIL OF ZAMBEZI
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

	2024	2023
	N\$	N\$
Property, plant and equipment continued...		
1.2 Additional disclosures		
1.3 Depreciation and impairment losses		
Depreciation and impairment losses have been included under the following expenditures:		
Other expenditures	3 823 301	54 010 114
Buildings	2 586 476	52 203 913
Motor vehicles	741 742	883 656
Fixtures and fittings	28 796	481 387
Office equipment	172 202	173 182
Computer equipment	248 831	267 976
Capital Infrastructure	45 254	-
1.4 Other disclosures		
Explanation of basis of preparation of unadjusted comparative information		
The adjustments to the property plant and equipment on basis of the physical verifications and counts are yet to be effected before the final draft.		
2 Inventories		
Inventories comprise:		
Inventory	538 496	684 988
3 Receivables from exchange transactions	16 357 743	14 109 337
Receivables from exchange transactions comprise:		
Accounts receivables	16 187 215	14 109 337
Land Compensation	98 219	-
Value added tax	72 309	-
4 Receivables from non-exchange transactions		
Receivables from non-exchange transactions comprise the following balances		
Accounts receivables - S&T	505 082	284 460

REGIONAL COUNCIL OF ZAMBEZI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

	2024	2023
	N\$	N\$
5 Other current assets		
Other current assets incorporates the following balances:		
GRN individual employee	2 500	2 500
Revenue received on behalf of ministries and other entities	138 503	147 517
Sundry creditors	(135 552)	2 488
	5 451	152 505
6 Cash and cash equivalents		
6.1 Cash and cash equivalents included in current assets:		
Cash		
Balances with banks	11 348 840	13 343 006
6.2 Net cash and cash equivalents	11 334 483	13 337 090
Current assets	11 348 840	13 343 006
Current liabilities	(14 357)	(5 916)
6.3 Detail of cash and cash equivalent balances		
Bank balances	11 348 840	13 343 006
Bank-Bank WHK Revenue Acc 8000163179	36 628	972 308
Bank-Bank WHK RDP Acc 1157263002	487 913	2 316 696
Bank-Bank WHK Agric Water 8003798558	2 941 779	1 214 350
Bank-Bank WHK Dev 1074524702	1 598 431	2 551 116
Bank-Bank WHK Call Dep 3000102409	7 650	7 498
Bank-FNB Disaster Fund 62058267420	635 273	596 791
Bank-Bank WHK Remun 8001284571	446 144	397 852
Bank-Bank WHK Operational 1074524701	4 080 702	1 600 548
Bank-Btp Receipts -8000307100	79 154	69 048
Bank-Bank Whk-NDP Acc-3000071420	11 715	11 715
Bank-Bank Whk-Call Deposit Pjct300010240	178	178
Bank-Bank Whk-btp Special Acc - 3000174860	1 023 273	3 604 906
Cash control	(14 357)	(5 916)
7 Other equity		
Capital projects development		
Capital projects development	110 765 767	110 765 767

REGIONAL COUNCIL OF ZAMBEZI
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

	2024	2023	
	N\$	N\$	
8 Reserves			
Classification of reserves			
Revolving funds	-	1 822 206	
Revaluation reserves	1 822 206	4 864 833	
Total reserves	1 822 206	6 687 039	
9 Provisions			
9.1 Provisions comprise:			
Provisions for employee benefits	13 916 166	12 502 075	
Other provisions	967 453	-	
	14 883 619	12 502 075	
Provisions for employee benefits	13 916 166	12 502 075	
Other provisions	967 453	-	
Current portion	14 883 619	12 502 075	
	14 883 619	12 502 075	
9.2 Provisions for employee benefits			
	Leave pay provision	Provision for bonus	Total
	N\$	N\$	N\$
Balance at 1 April 2023	11 491 650	1 010 425	12 502 075
Leave pay-out	483 090	931 001	1 414 091
Total changes	483 090	931 001	1 414 091
Balance at 31 March 2024	11 974 740	1 941 426	13 916 166
Balance at 1 April 2022	13 093 195	-	13 093 195
Increase in provision	(255 434)	-	(255 434)
Other changes	(1 420 026)	1 010 425	(409 601)
Total changes	(1 675 460)	1 010 425	(665 035)
Balance at 31 March 2023	11 417 735	1 010 425	12 428 160

REGIONAL COUNCIL OF ZAMBEZI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

9.3 Other provisions

	Provision for doubtful debts	Total
	N\$	N\$
Balance at 1 April 2023	-	-
New provisions	967 453	967 453
Total changes	967 453	967 453
Balance at 31 March 2024	967 453	967 453
	2024	2023
	N\$	N\$
10 Trade and other payables		
Trade and other payables comprise:		
Trade payables	7 433 589	6 287 465
Accruals - GRV accrual	12 000	-
Sundry creditors	196 000	196 000
Payroll control	(15 551)	10 238
Total trade and other payables	7 626 038	6 493 703
11 Other current liabilities		
Other current liabilities comprise:		
GRN individual employee	175 526	175 526
12 Subsidies		
Government subsidies - Operational	50 663 834	45 114 650
Government subsidies - Development	4 869 538	4 867 755
	55 533 372	49 982 405
13 Rates & taxes		
5% Rates & taxes	2 456 838	2 077 031
14 Fees, fines, penalties and licenses		
Fees, fines, penalties and licenses	55 536	8 525

REGIONAL COUNCIL OF ZAMBEZI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

	2024	2023
	N\$	N\$
15 Revenue from exchange transactions	1 004 376	1 118 376
Interest received from banks	688 529	838 651
Tender fees received	11 800	8 435
2.5% Commission from insurance	63 817	69 074
Dividends and royalties received from Nored	237 230	202 216
Grants and donations received	3 000	-
16 Transfer from other government entities	10 311 546	6 083 825
Rural Development Funds/Rural Sanitation	1 346 000	1 346 000
Rural Development Funds/Food/Cash For Work	-	269 231
Delegated Funds Income/Minstry Of Agriculture	8 334 670	4 468 594
Rural Development Funds/Micro Finance	403 846	-
Delegated Funds Income/Office of the Prime Minister	227 030	-
17 Cash flows from operating activities		
Deficit for the year	(2 769 203)	(62 572 245)
Adjustments for:		
Finance income	(925 759)	(1 040 867)
Depreciation and amortisation expense	3 823 301	4 361 781
Impairment losses and reversal of impairment losses recognised in surplus or deficit	967 453	49 648 333
Change in operating assets and liabilities:		
Adjustments for decrease / (increase) in inventories	146 492	(141 168)
Adjustments for increase in trade accounts receivable	(3 045 331)	(2 083 412)
Adjustments for (increase) / decrease in other operating receivables	(244 096)	3 991 418
Adjustments for increase / (decrease) in trade accounts payable	1 146 124	(2 917 131)
Adjustments for decrease in other operating payables	(13 789)	(15 342 012)
Adjustments for provisions	2 381 544	(591 120)
Net cash flows from operations	1 466 736	(26 686 423)

REGIONAL COUNCIL OF ZAMBEZI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

	2024	2023
	N\$	N\$
18 Cash flow calculations		
18.1 Proceeds from transfer of property, plant and equipment		
Proceeds from transfer of property, plant and equipment before adjustments	-	1 750 000
18.2 Purchase of property, plant and equipment		
Purchase of property, plant and equipment before adjustments	(5 509 731)	(6 614 806)
19 Employee costs - IPSAS 39		
19.1 Remuneration of staff members	31 823 065	32 374 932
Salaries and wages	23 071 477	23 624 521
Transport/car allowances	2 284 649	2 375 377
Housing allowances/ subsidies	2 611 942	2 232 114
Overtime payments	489 557	666 482
Bonuses	2 749 017	2 716 555
Other allowances	616 423	759 883
19.2 Remuneration of Chairperson	755 484	552 933
Salary	465 767	306 109
Housing allowance	127 304	106 087
Telephone allowance	4 350	60
Water and electricity allowance	40 650	33 210
Contribution to SSC - POB	10 594	729
Employer contribution to pension - POB	106 819	106 738
19.3 Remuneration of Management Committee	1 735 541	1 638 295
Salary	884 884	906 005
Transport/car allowances	236 100	236 920
Housing allowances/subsidies	268 272	269 336
Other allowances	123 120	109 500
Contribution to SSC	13 635	1 539
Employer contribution to pension	209 530	114 995

REGIONAL COUNCIL OF ZAMBEZI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

	2024	2023
	N\$	N\$
Employee costs - IPSAS 39 continued...		
19.3 Remuneration of Councillors	526 370	777 643
Salaries	252 987	419 815
Transport/car allowances	78 700	78 700
Housing allowances/subsidies	89 424	89 424
Other allowances	41 040	37 620
Contribution to SSC	6 162	729
Employer contribution to pension	58 057	151 355
19.4 Other conditions of service - Staff member	4 831 503	4 517 616
Employer contribution to pension - Staff members	3 331 263	3 617 541
Employer contribution to SSC - Staff members	566 997	102 272
Leave gratuity	933 243	797 803
Grand Total	39 671 963	38 223 124
20 Subsistence and travelling allowance	1 482 744	2 268 661
CRO's office	106 102	209 921
General services:		
Human resources	48 544	91 827
Finance	76 040	108 055
Administration	953 852	1 493 343
Planning	138 054	204 819
Rural services	120 650	87 146
Technical services	24 760	14 498
Foreign travel	4 369	12 278
Monitoring and evaluation	10 373	46 774

REGIONAL COUNCIL OF ZAMBEZI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

	2024	2023
	N\$	N\$
21 Material and supplies	3 019 913	1 195 803
Stationeries	316 663	260 464
Cleaning materials	187 207	386 787
Snacks for special guests	18 929	-
Computer Software	229 509	245 964
General office supplies	91 410	66 809
Protective clothing	212 010	2 250
Water & electricity meters	197 158	223 689
Building Supplies	1 761 405	-
Fuel & lubricants for the generators	5 622	9 840
22 Transport expenditures	3 099 753	2 844 188
Fuel & lubricants	1 829 209	2 322 739
Tyres	107 508	-
Batteries	11 135	-
Spare parts	-	14 991
Service fees	35 823	-
Repairs	651 156	307 682
Licenses	229 354	62 298
Insurance	207	-
Tracking fees	223 907	122 650
Air transport	8 576	13 828
Mass distance charges	2 878	-
23 Utilities	2 818 575	3 422 789
Electricity - Nored	1 352 474	1 924 111
Water & sewerage	253 826	207 347
Telephone and Fax	750 321	936 729
Courier charges	39 507	45 258
Cellphone for management	302 132	244 237
Tango recharge	120 315	65 087
Fire fighting	-	20

REGIONAL COUNCIL OF ZAMBEZI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

	2024	2023
	N\$	N\$
24 Maintenance	600 852	470 445
Repair & maintenance - Office equipment	207 973	9 022
Repair & maintenance - Computers	13 300	51 818
Repair & maintenance - Buildings	371 059	304 248
Repair & maintenance - Furniture and fittings	-	13 660
Repair & maintenance - Plant & equipment	8 520	91 697
25 Properties and other related expenditures		
Property rental & related charges	1 194 329	1 020 754
26 Other related expenditures	7 661 772	8 877 491
Training courses	376 253	355 551
Printing	37 760	2 913
Security contracts	1 509 060	1 586 291
Entertainment - Politician	345 070	4 343
Official entertainment	125 924	96 589
Performance hiring	7 000	26 194
Advertisement	67 015	10 965
Professional fees - Consultancy charge	635 581	221 575
Catering services	609 500	328 981
Inventory variance	-	12 728
Wellness	12 313	-
Bank charges	284 640	132 244
Cleaning services	36 304	116 000
Constituency Projects	834 502	-
Building Materials	1 220	-
Constituency development committee	12 457	-
Donation paid	59 000	92 000
Increase in allowance for doubtful debts	967 453	-
Software purchases & license renewal	77 073	21 827
Fines and Penalties	1 663 647	1 029 014
Legal cost	-	4 840 276

REGIONAL COUNCIL OF ZAMBEZI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

	2024	2023
	N\$	N\$
27 Membership Fees and subscription	151 529	83 848
TV Subscriptions & license fees	660	1 848
Association of Regional Council	82 000	82 000
International	68 869	-
28 Grants and transfer	37 202	122 780
Transfer: Government Organisations	11 202	-
Food Security Action Plan	26 000	122 780
29 Current transfer	1 565 341	1 114 452
Cash/food for work	196 821	272 338
Micro finance	104 741	389 171
Rural sanitation	1 263 779	452 943
30 Depreciation charged for the year		
Property, plant and equipment:	3 778 047	4 361 781
Motor vehicles	741 742	883 656
Computer equipments	248 831	267 976
Furniture, fixture and fittings	28 796	481 387
Office equipment	172 202	173 182
Building	2 586 476	2 555 580
31 Delegated Function Expenditure	6 946 569	4 799 663
Ministry Of Agriculture	6 811 571	4 799 663
Office of the Prime Minister	133 498	-
Ministry Of Gender	1 500	-

REGIONAL COUNCIL OF ZAMBEZI
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

32. Delegated functions

Under delegation, the Regional Council acts as an agent on behalf of the relevant ministry, however, retains overall responsibility for performance for a particular line Ministry, while the latter retains full control and overall responsibility to approve the related function, and retains overall responsibility to approve the related budget. This budget allocation transferred to the Regional Council via monthly cash transfers.

Transactions for DCCP, ECD and Drought accounts are part of the Regional Council operations, because they are not delegated yet, however the Council is taking care of the financial transactions at the Regional level.

Description

Income

	131 025 013	154 678 866
Ministry of Works and Transport (maintenance)	1 633 500	1 643 590
Ministry of Information, Communication and Technology	722 203	511 636
Ministry of Land Reform	1 086 235	412 571
Ministry of Education, Arts and Culture	99 783 153	104 713 232
Rural Water Supply and Sanitation Coordination	5 582 387	7 570 889
Ministry of Gender, Equality and Child Welfare	3 531 360	6 660 379
Directorate of Education - Covid-19 account	18 686 175	33 166 569

EXPENDITURES

	(125 588 562)	(143 489 964)
Ministry of Works and Transport (maintenance)	(1 382 369)	(1 550 470)
Ministry of Information, Communication and Technology	(445 537)	(194 394)
Ministry of Land Reform	(1 009 083)	(393 209)
Ministry of Education, Arts and Culture	(95 723 417)	(103 757 891)
Rural Water Supply and Sanitation Coordination	(203 253)	(2 147 643)
Ministry of Gender, Equality and Child Welfare	(4 273 589)	(3 212 927)
Directorate of Education - Covid-19 account	(18 551 314)	(32 233 430)

REGIONAL COUNCIL OF ZAMBEZI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

32. Delegated functions (continued)

BANK BALANCES

		14 778 580	11 188 901
Ministry of Works and Transport (maintenance)	8002495304	375 158	93 120
Ministry of Information, Communication and Technology	8005377580	636 719	317 242
Ministry of Land Reform	8003633130	46 359	19 363
Ministry of Education, Arts and Culture	8001979854	4 059 736	955 340
Rural Water Supply and Sanitation Coordination	8013443985	6 819 041	5 423 246
Ministry of Gender, Equality and Child Welfare	8001979504	2 706 706	3 447 451
Directorate of Education - Covid-19 account	8018602731	134 861	933 139