



REPUBLIC OF NAMIBIA



*Fair
competition
Prosperous
economy*



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIAN COMPETITION COMMISSION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Published by authority

Price (Vat excluded) N\$ 35.48
Report no 61/2013

REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Namibian Competition Commission for the financial year ended 31 March 2012, 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'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, May 2013

**REPORT OF THE AUDITOR- GENERAL
ON THE ACCOUNTS OF THE NAMIBIAN COMPETITION
COMMISSION FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2012**

1. INTRODUCTION

The Namibian Competition Commission was established in terms of Section 4 of the Competition Act, 2003 (Act 2 of 2003), to safeguard and promote competition in the Namibian Market. The Commission's income consists of (a) money appropriated by parliament for the purpose of the Commission; (b) Fees payable to the Commission in terms of this Act; (c) Money vesting in or accruing to the Commission from any other source; and (d) Interest derived from the investment of funds of the Commission.

The objectives of the Commission are stipulated in terms of Section 2 of the Competition Act, 2003 (Act 2 of 2003) in order to:

- (a) Promote the efficiency, adaptability and development of the Namibian economy;
- (b) Provide consumers with competitive prices and product choices;
- (c) Promote employment and advance the social and economic welfare of Namibians;
- (d) Expand opportunities for Namibian participation in world markets while recognizing the role of foreign competition in Namibia;
- (e) Ensure that small undertakings have an equitable opportunity to participate in the Namibian economy; and
- (f) promote a greater spread of ownership, in particular to increase ownership stakes of historically disadvantaged persons.

Figures in the report are rounded off to the nearest Namibia dollar. Deficits are indicated in brackets.

2. FINANCIAL STATEMENTS

The financial statements published in this report are filed in the Office of the Auditor-General and comprise the following:

- Annexure A: Balance sheet
- Annexure B: Comprehensive income statement
- Annexure C: Statement of changes in equity
- Annexure D: Cash flow statement
- Annexure E: Notes to the financial statements
- Annexure F: Detailed income statement

3. SCOPE OF THE AUDIT

Management's responsibility for the financial statements

The Commission's Secretary is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his to the National Assembly. The said firm conducted the audit in accordance with International Standards on Auditing. Those

standards require that the firm comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

4. AUDIT OBSERVATIONS AND COMMENTS

No observations were observed during the audit.

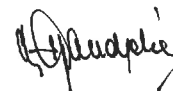
5. ACKNOWLEDGEMENT

The assistance and co-operation of the staff of the Commission during the audit is appreciated.

6. AUDIT OPINION

The financial statements of the Namibia Competition Commission for the financial year ended 31 March 2012 were audited by me in accordance with the provisions of Section 25 (1) of the State Finance Act, 1991 read with Section 20 (4) of the Competition Act, 2003 (Act 2 of 2003).

I certify that, in my opinion the financial statements fairly reflect the transactions and the financial position of the Commission for the financial year ended 31 March 2012; and in all material respects the income and expenditure have been applied to the purposes intended and conform to the authorities that govern them.



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, May 2013

NAMIBIAN COMPETITION COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

GENERAL INFORMATION

Country of Incorporation and domicile	Namibia
Nature of business and principal activities	The Commission is tasked with promoting competitive market conditions through investigations and prosecutions of anti-competitive activities, reviewing and approving mergers and exemption applications, and disseminating information to businesses, consumers and other stakeholders.
Secretary	H M Gaomab II
Business address	No. 14 BPI House Mezzanine Floor Independence Avenue Windhoek
Postal address	P. O. Box 2104 Windhoek Namibia
Bankers	Bank Windhoek Limited
Auditors	Auditor-General

NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

CONTENTS

The reports and statements set out below comprise the annual financial statements presented to the commission:

Contents	Page
Commission's Responsibilities and Approval	5
Auditor's Report	6
Secretary's Report	7
Balance Sheet	8
Comprehensive Income Statement	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Annual Financial Statements	12 – 21
Detailed Income Statement	22

NAMIBIAN COMPETITION COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

COMMISSION'S RESPONSIBILITIES & APPROVAL

The Commission is required by the Competition Act, 2003 (Act No. 2 of 2003), 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 their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Commission 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 Financial Reporting Standards and the Competition Act of Namibia (Act No. 2 of 2003).

The annual financial statements are prepared in accordance with International Financial Reporting Standards and Competition Act, 2003 (Act No. 2 of 2003) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Commission acknowledge that they are ultimately responsible for the system of internal financial control established by the Commission and place considerable importance on maintaining a strong control environment. To enable the Commission to meet these responsibilities, the Commission sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standard includes the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level risk. These controls are monitored throughout the Commission and all employees are required to maintain the highest ethical standard in ensuring the Commission's business is concluded in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Commission is identifying, assessing, managing and monitoring all known forms of risk across the Commission. While operating risk cannot be fully eliminated, the Commission endeavours to minimise it by ensuring that appropriate infrastructure, control, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Commission are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Commission have reviewed it's cash flow forecast for the 12 months to 31 March 2012 and, in light of this review and the current financial position, they are satisfied that the Commission has or has access to adequate resources to continues in operational existence for the foreseeable future.

The annual financial statements set out on pages 8 to 11 , which have been prepared on the going concern basis, were approved by the Commission and were signed on its behalf by:

Chairman of Commission
Windhoek

Commissioner

Office of the Auditor General

Auditor's report

To the Namibian Competition Commission

On the basis of financial statements and related information provided by the Secretary we have audited, in accordance with the Government Audit Standard on related services applicable to audit engagements, the balance sheet of the Namibian Competition Commission as at 31 March 2012 and the related statement of income and expenditure, statement of change in equity and the cash flow statement for the year then ended as set out on pages 8 to 11. The Commission is responsible for these annual financial statements.

**Auditor-General
Windhoek**

NAMIBIAN COMPETITION COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

SECRETARY'S REPORT

The Secretary submitted his report for the 12 months ended 31 March 2012.

1. INCORPORATION

The Commission was incorporated on 24 April 2003 in accordance with the promulgation of the Competition Act, 2003 (Act No. 2 of 2003).

2. REVIEW OF ACTIVITIES

Main business and operations

The Commission is tasked with promoting competitive market conditions through investigations and prosecutions of anti-competitive activities, reviewing and approving mergers and exemption applications, and disseminating information to businesses, consumers and other stakeholders, and operates principally in Namibia.

The operating results and state of affairs of the Commission are fully set out in the attached annual financial statements and do not in our opinion require any further comments.

Net surplus of the Commission was N\$ 3 481 497 (2011: surplus N\$ 5 105 719).

3. 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.

4. POST BALANCE SHEET EVENTS

The Secretary was not aware of any matter or circumstance arising from the end of the financial year ending 31 March 2012.

5. MEMBERS OF THE COMMITTEE

Members	Date Appointed	Nationality
Mr Lucius Murorua	01 February 2010	Namibian
Mr Festus Hangula	19 December 2008	Namibian
Ms Nelago Saima Kasuto	19 December 2008	Namibian
Dr Omu Kakujaha - Matundu	19 December 2008	Namibian
Mr Daniel Nghidinua	01 February 2010	Namibian

6. SECRETARY

The Secretary of the Commission during the date of this report is as follows:

Name	Date Appointed	Nationality
Mr Heinrich M. Gaomab II	01 September 2009	Namibian

NAMIBIA COMPETITION COMMISSION
BALANCE SHEET FOR THE FINANCIAL YEAR ENDED 31 MARCH

	Notes	2012 N\$	2011 N\$
ASSETS			
Non-current assets			
Property, plant and equipment	3	1 309 398	1 019 347
			-
Current assets			
Trade and other receivables	4	455 874	4 236 221
Cash and cash equivalents	5	20 558 247	13 158 792
Total assets		22 323 518	18 414 360
EQUITY AND LIABILITIES			
Accumulated surplus		21 724 051	18 269 594
Current Liabilities			
Trade and other payables	6	599 467	144 765
Total Equity and Liabilities		22 323 518	18 414 360

NAMIBIAN COMPETITION COMMISSION

INCOME STATEMENT FOR THE FINANCIAL YEAR ENED 31 MARCH

	Notes	2012	2011
		N\$	N\$
Revenue	7	16 801 575	11 117 544
Operating expenses		(14 238 766)	(6 760 723)
Operating profit		2 562 809	4 356 821
Investment revenue	8	891 648	748 898
Total comprehensive income for the 12 months		3 454 457	5 105 719

NAMIBIAN COMPETITION COMMISSION

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

	Accumulated surplus	Total equity
	N\$	N\$
Balance at 01 April 2010		
Changes in equity	13 163 875	13 163 875
Total comprehensive income for the 12 months	5 105 719	5 105 719
Total changes	18 269 594	18 269 594
Balance at 01 April 2011	18 269 594	18 269 594
Changes in equity		
Total comprehensive income for the 12 months	3 454 457	3 454 457
Total changes	3 454 457	3 454 457
Balance at 31 March 2012	21 724 051	21 724 051

NAMIBIAN COMPETITION COMMISSION

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH

	Notes	2012 N\$	2011 N\$
Cash flow from operating activities			
Cash receipts from customers and government grants		16 801 575	11 117 544
Cash paid to suppliers and employees		(9 621 114)	(10 448 819)
Cash generated from operations	9	7 180 461	668 725
Interest income		891 648	748 898
Net cash from operating activities		8 072 109	1 417 623
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(672 653)	(662 958)
Total cash movement for the 12 months		7 399 456	754 665
Cash at beginning of the 12 months		13 158 792	12 404 127
Total cash at end of the 12 months	5	20 558 248	13 158 792

NAMIBIAN COMPETITION COMMISSION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH**1. ACCOUNTING POLICIES****1.1 PRESENTATION OF ANNUAL FINANCIAL STATEMENTS**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Competition Act (Act No. 2 of 2003). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

The annual financial statements are prepared in conformity with International Financial Reporting Standards and the requirements of the Competition Act of Namibia, appropriate to the business of the Commission. The annual financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1.1 Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standard (IFRS) and Interpretations of those standards, as adopted by the International Accounting Standard Board (IASB) the requirements of the Competition Act of Namibia.

1.1.2 Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affects the amounts represented in annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Loans and receivables

The Commission assesses its loans and receivables for impairment at each balance sheet date. In determining whether an impairment loss should be recorded in an income statement, the Commission makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flow from a financial asset.

Taxation

The Commission has interpreted the Competition Act and Tax laws and concluded that the Commission is exempted from taxation.

1.1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefit associated with the item will flow to the Commission; and
- the cost of the item can be measured reliably.

NAMIBIAN COMPETITION COMMISSION

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH (continued)**

The residual value and useful life of each asset are reviewed at each financial period-end.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to replace 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.

The initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Item	Average useful life
Furniture and fixture	3 Years
Motor vehicles	5 Years
IT equipment and softwares	3 Years
Other fixed asset	3 Years
Office equipment	3 Years
Cell phones	2 Years

The residual value and useful life of each asset are reviewed at the end of each financial period.

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 shall be depreciated separately.

The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposable proceeds, if any, and the carrying amount of the item.

1.1.4 Financial instruments

Initial recognition and measurements

Financial instruments are recognised initially when the Commission becomes a party to the contractual provisions of the instruments.

The Commission classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

NAMIBIAN COMPETITION COMMISSION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH (continued)**Fair value determination**

The fair values of quoted investments are not based on current bid prices. If the market for a financial asset is not active (and for utilised securities), the Commission establishes fair value by using valuation techniques. These discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowances recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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 known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

A lease is classified as an operating lease if it does not transfer substantially all risks and rewards incidental to ownership.

Operating Leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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 known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

NAMIBIAN COMPETITION COMMISSION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH (continued)**1.1.5 Leases (continued)**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

A lease is classified as an operating lease if it does not transfer substantially all risks and rewards incidental to ownership.

Operating Leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.1.6 Impairment of assets

The Commission assesses at each balance sheet date whether there is any indication that an asset may be impaired.

If any such indication exists, the Commission estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or cash-generating unit is higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.1.7 Provisions and contingencies**Provisions are recognised when:**

- The Commission has present obligation as a result of past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

NAMIBIAN COMPETITION COMMISSION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH (continued)**1.1.7 Provisions and contingencies (continues)**

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settle the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note.

1.1.8 Government grants

Government grants are unconditional and are recognized upon receipt in terms of the Competition Act, 2003 (Act No. 2 of 2003) of Namibia.

1.1.9 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discount and volume rebates, and value added tax.

Interest is recognized, in profit or loss, using effective rate method.

NAMIBIAN COMPETITION COMMISSION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH (continued)**2. INTERNATIONAL FINANCIAL REPORTING STANDARDS AND AMENDMENTS ISSUED
BUT NOT EFFECTIVE FOR THE MARCH 2012 YEAR END:**

The following table contains effective dates of new statements/IAS and recently revised statements which have not been early adopted by the Namibian Competition Commission and that might affect future financial periods.

New/Revised International Financial Reporting Standards and interpretations		Effective date
IFRS 7	Financial Instruments: Disclosures – Amendments resulting from May 2011 Annual Improvements to IFRSs.	01-Jan-13
IFRS 7	Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets.	01-Jan-15
IFRS 9	Financial Instruments – Classifications and measurements.	01-Jan-15
IFRS 9	Financial Instruments – Financial Instruments: Accounting for financial liabilities and de-recognition.	01-Jan-15
IFRS 10	Consolidated financial statements.	01-Jan-13
IFRS 11	Joints arrangements.	01-Jan-13
IFRS 12	Disclosure of interests in other entities.	01-Jan-13
IFRS 13	Disclosure of interests in other entities.	01-Jan-13
IFRS for SMEs	International Financial Reporting Standards for Small and Medium-sized entities.	01-Jan-13
IAS 1	Presentation of financial statements – Amendments to revise other comprehensive income.	01-Jan-12
IAS 12	Income Taxes – Limited scope amendment (recovery of underlying assets).	01-Jan-12
IAS 19	Employee benefits – Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects.	01-Jan-13
IAS 27	Consolidated and separate financial statements – Reissued as IAS 27 separate financial statements (as amended in 2011)	01-Jan-13
IAS 28	Investments in Associates – Re-issued as IAS 28 Investment in Associates and Joint Venture (as emended in 2011)	01-Jan-13
IAS 32	Financial Instruments; Amended to application guidance on the offsetting of financial assets and financial liabilities.	01-Jan-14
IFRIC 20	Stripping costs in the production phase of a surface mine.	01-Jan-13

NAMIBIAN COMPETITION COMMISSION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH (continued)

3. PROPERTY, PLANT AND EQUIPMENT

	2012			2011		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Furniture and fixtures	666 287	(212 428)	453 859	569 600	(99 036)	470 564
Motor vehicle	515 412	(122 156)	393 256	179 942	(57 582)	122 360
IT Equipment	712 521	(323 036)	389 486	523 641	(142 544)	381 097
Other fixed assets	34 128	(9 930)	24 198	32 616	(3 864)	28 752
Office equipment	34 962	(10 509)	24 453	19 098	(2 523)	16 575
Cell phone	34 240	(10 093)	24 147	-	-	-
Total	1 997 550	(688 152)	1 309 399	1 324 897	(305 549)	1 019 348

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Written off	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$
Furniture and fixtures	470 564	96 687	-	(113 392)	453 858
Motor vehicle	122 360	335 470	-	(64 574)	393 256
IT equipment	381 096	188 880	-	(180 491)	389 485
Other fixed assets	28 752	1 512	-	(6 066)	24 198
Office equipment	16 575	15 864	-	(7 986)	24 452
Cell phone	-	34 240	-	(10 093)	24 147
Total	1 019 347	672 653	-	(382 602)	1 309 398

Reconciliation of property, plant and equipment 2011

	Opening balance	Additions	Written off	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$
Furniture and fixtures	192 734	350 221	-	(72 391)	470 564
Motor vehicle	151 151	-	-	(28 791)	122 360
IT equipment	242 182	269 135	(8 366)	(121 854)	381 097
Other fixed assets	7 688	24 504	-	(3 440)	28 752
Office equipment	-	19 098	-	(2 523)	16 575
Total	593 755	662 958	(8 366)	(228 999)	1 019 348

Pledged as security

No assets were pledged as security

NAMIBIAN COMPETITION COMMISSION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH (continued)

	2012	2011
	N\$	N\$
4. TRADE AND OTHER RECEIVABLES		
Trade receivable	88 085	-
Accrued Income	158 410	4 000 000
Deposit	209 379	236 221
Total	455 874	4 236 221
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalent consist of:		
Cash on hand	542	542
Bank balances - Cheques account	6 405 402	1 184 155
Bank balances - Call account	4 893 810	1 496 061
Bank balances - Call account	4 258 492	3 552 614
Bank balances - Fixed account	5 000 000	6 925 419
Total	20 558 247	13 158 792
Credit quality of cash at bank and short term deposit, excluding cash on hand		
The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit rating (if available) or historical information about counterparty default rates:		
A1 +	20 558 247	13 158 792
6. TRADE AND OTHER PAYABLES		
Accrued expense - PAYE: penalties & Interest	-	2 114
Accrued expense - Creditors	437 200	67 225
Leave provision	162 267	75 427
Total	599 467	144 765
7. REVENUE		
Rendering of services	5 101 575	3 517 544
Government grants received	11 700 000	7 600 000
	16 801 575	11 117 544

NAMIBIAN COMPETITION COMMISSION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH (continued)

	<u>2012</u>	<u>2011</u>
	N\$	N\$
8. INVESTMENT REVENUE		
Interest revenue		
Bank	<u>891 648</u>	<u>748 898</u>
9. CASH GENERATED FROM OPERATIONS		
Profit before taxation	3 454 457	5 105 719
Adjustments for:		
Depreciation and amortisation	382 603	231 090
Loss written off on stolen asset		6 275
Interest received	(891 648)	(748 898)
Finance cost	-	-
Changes in working capital:		
Trade and other receivables	3 780 347	(4 068 420)
Trade and other payables	454 701	142 958
	<u>7 180 460</u>	<u>668 725</u>
10. COMMITMENTS		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	1 164 456	1 096 042
- in second to fifth year inclusive	2 023 203	3 055 036
	<u>3 187 659</u>	<u>1 451 078</u>

Operating lease payments represent rentals payable by the Commission for certain of its office properties. The lease was negotiated for a term of three years and rentals are fixed for the three years.

NAMIBIAN COMPETITION COMMISSION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH (continued)**11. RISK MANAGEMENT****Capital risk management**

The Commission is not exposed to Capital risk.

There are no externally imposed capital requirements.

Financial risk management**Liquidity risk**

The Commission's risk to liquidity is a result of the funds available to cover future commitments. The Commission manages liquidity risk through an on-going review of future commitments and credit facilities

The below table analyses the Commission's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

At 31 March 2012	<i>Less than 1 year</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>
	N\$	N\$	N\$	N\$	N\$
Trade and other receivables	480 865	-	-	-	-

Interest rate risk

The Commission is not exposed to interest rate risk.

As the Commission has no significant interest-bearing assets the Commission's Income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents derivative financial instruments and trade debtors. The Secretary only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Foreign exchange risk

The Commission is not exposed to foreign exchange risk.

Price risk

The Commission is not exposed to Price risk.

NAMIBIAN COMPETITION COMMISSION

ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH

DETAILED INCOME STATEMENT

	Note	2012 N\$	2011 N\$
Revenue			
Rendering of Services		5 101 575	3 517 544
Government grants received		11 700 000	7 600 000
	7	16 801 575	11 117 544
Other Income			
Interest received	8	891 648	748 898
Operating expenses			
Accommodation & meals		(120 436)	(105 045)
Advertising		(773 503)	(86 181)
Auditing & accounting fees		-	(22 080)
Bank Charges		(18 723)	(13 709)
Cleaning		(9 804)	(3 565)
Board seating fees		(135 933)	(71 800)
Computer expenses		(53 457)	(100 657)
Consulting and professional fees		(1 067 279)	(313 294)
Depreciation, amortisation and impairments		(382 603)	(231 090)
Donations		(5 190)	(5 000)
Loss written off on stolen asset		5 227	(6 275)
Employee costs		(5 750 567)	(2 931 687)
Entertainment		(4 231)	(6 178)
Fines and penalties		-	(307)
Insurance		(33 667)	(13 738)
Lease rental on operating lease		(1 164 456)	(1 096 042)
Legal fees		(1 352 009)	(64 860)
Levies		-	(948)
Library Materials		(16 527)	(3 307)
Motor vehicle expenses		(44 544)	(13 380)
Postages		(2 664)	(7 472)
Printing and stationery		(164 722)	(86 703)
Repairs and maintenance		(74 744)	(18 078)
Security		(5 541)	(6 277)
Staff relocation		(5 582)	(1 430)
Staff welfare		(88 598)	(30 864)
Subscriptions		(86 201)	(16 139)
Subsistence and travelling		(652 103)	(316 169)
Telephone and fax		(257 004)	(221 349)
Training		(917 772)	(465 923)
Travelling Transport		(1 056 135)	(501 175)
		(14 238 766)	(6 760 723)
Surplus for the year		3 454 457	5 105 719