



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE NAMIBIA DEVELOPMENT CORPORATION

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015, 2016 AND 2017

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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 Namibia Development Corporation for the financial years ended 31 March 2015, 2016 and 2017 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.

WINDHOEK, January 2019

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIA DEVELOPMENT CORPORATION
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015, 2016 AND 2017**

1. ADVERSE AUDIT OPINION

I certify that I have audited the Namibia Development Corporation for the financial years ended 31 March 2015, 2016 and 2017. These financial statements comprise the statement of financial position statement profit and loss, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the accompanying financial statements do not give a true and fair view of the financial position of the entity as at 31 March 2015, 2016 and 2017, and its financial performance and its cash flows for the year then ended in accordance with the Namibian Statement of Generally Accepted Accounting Practice (NAC-001): Financial Reporting Standards for Small and Medium Sized Enterprises.

2. BASIS FOR 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 sufficient and appropriate to provide a basis for my opinion. The adverse audit opinion is expressed due to the following:

- Unreconciled bank clearing control account amounting to N\$ 13 434 000 for 2016;
- Bank control account amounting to N\$ 18 891 000 for 2017 not reconciled;
- Receipts amounting to N\$ 3 957 000 for (2015), N\$11 640 000 for (2016) and N\$ 11 038 000 for (2017) were not Reconciled;
- Completeness and existence of inventory related to the dates' stock of N\$ 12 105 million (2015), N\$ 9 972 000 (2016) as no observation of the physical counting process was facilitated.
- No transfer letter for special fund amounting to N\$ 8 200 000 for 2017 was provided for audit;
- No policies in place to ensure adequate valuation of vineyards, date plantation and agricultural produce;
- Accounting standard used are not applicable for Public Interest Entities (PIEs);
- The rights to properties without title deeds could not be determined and in addition valuation of the properties did not conform to the adopted company policies; and
- Understatement of VAT amounting to N\$ 1 746 000 for 2016.

3. KEY AUDIT MATTERS

Key audit matters are those matters that in my professional judgment were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon and I do not provide a separate opinion on these matters.

I have nothing to report in this regard.

4. OTHER INFORMATION

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with the 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 knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed I conclude that there is a material misstatement of this other information; I am required to report that fact.

5. 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 legislation and for such internal control as management determines it 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.

8. 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 an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions 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.

- 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 uses 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 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.

I 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.

I also 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.

**9. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
(COMPLIANCE)**

The Board in compliance with Section 17(3), of the Namibia Development Corporation Act, 1993, (Act No. 18 of 1993), submitted the financial statements to the Auditor-General except that they were only submitted on 28 February 2017 instead of three months after the year-end as required by the Act.

WINDHOEK, January 2019



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**NAMIBIA DEVELOPMENT CORPORATION
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2015,
2016 AND 2017**

GENERAL REVIEW

Objectives of the Namibia Development Corporation

The Corporation was established in terms of the Namibia Development Corporation Act 18 of 1993 and SOE Act, to promote, develop and support all sectors of the Namibian economic empowerment of its people in conformity with the development strategies and policies of the Government of the Republic of Namibia through inter alia:

- a) Promoting employment in both the formal and informal sectors;
- b) Promoting and encouraging sustainable local and foreign investment;
- c) Promoting trade, both nationally and internationally;
- d) Promoting and encouraging training and productivity;
- e) Promoting ecologically sound development;
- f) Promoting import substitution where economically viable;
- g) Promoting economic activities, which add value to local and imported resources;
- h) Promoting forward and backward linkages between all sectors of the economy;
- i) Promoting Namibia entrepreneurship through the stimulation of small and informal economic activities;
- j) Developing, with the participation of the private sector, commercially viable enterprises or projects; acting as agent for the Government and its institutions in the promotion of enterprises or the implementation of development schemes; and coordinating with other development agencies and institutions in order to facilitate co-operation and encouragement of an interdisciplinary and multidisciplinary approach.

In order to realise its objectives, the Corporation has adopted the following mission statement:

"Our mission is to be the leading, innovative and competitive development agency by offering agriculture and industrial development on an economically viable and sustainable basis, excellent professional and effective services to our clients and earning reasonable profit in order to efficiently meet our commitment towards the socio-economic upliftment of our people".

**NAMIBIA DEVELOPMENT CORPORATION
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2015,
2016 AND 2017**

NATURE OF BUSINESS

In order to meet its objectives, the principal activities of the Corporation include business advice and premises to prospective and existing enterprises. The Corporation also provides management services to other subsidiaries and divisions within the Group.

COUNTRY OF REGISTRATION OR DOMICILE: Namibia

REGISTERED ADDRESS

Development Centre
11 Goethe Street
Windhoek
Namibia

POSTAL ADDRESS

Private Bag 13252
Windhoek
Namibia

ULTIMATE SHAREHOLDER

Government of the Republic of
Namibia

MAIN BANKERS

Bank Windhoek Limited

COMPANY SECRETARY

Liezel du Plessis

DIRECTORS

Mr J. Nekwaya Chairman
Rev M.S. Semi
Ms M.S. Haiping
Ms R. Namoya - Jacobs
Mr K.S.M Kahuure

Ex officio directors:

Dr. M. Lindeque	Permanent Secretary: Industrialisation, Trade and SME Development
Ms E. Shafudah	Permanent Secretary: Finance
Mr J. Iita	Permanent Secretary: Agriculture, Water and Forestry
Mr A.L. Hungamo	Permanent Secretary: National Planning Commission
Mr P.F. de Wet	Acting Managing Director

**NAMIBIA DEVELOPMENT CORPORATION
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2015,
2016 AND 2017**

Directors' statement of responsibility

The directors are responsible for the preparation and fair presentation of the financial statements of Namibia Development Corporation, comprising the statement of financial position as 31 March 2017, and the statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and the notes to the financial statement, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with the Namibian Statement of Generally Accepted Accounting Practice (NAC-001): Financial Reporting Standards for Small and Medium Sized Enterprises, and the requirements of the Namibia Development Corporation Act 18 of 1993.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system risk management. The directors have made an assessment of the Company's ability to continue as a going concern and there is no reason to believe the business will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the Namibian Statement of Generally Accepted Accounting Practice (NAC-001): Financial Reporting Standards for Small and Medium Sized Enterprises, and the requirements of the Namibia Development Corporation Act 18 of 1993.

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

The directors have reviewed the Corporation's cash flow forecast for the year to 31 March 2017 and, in the light of this review and the current financial position, they are satisfied that the Corporation has or has access to adequate resources to continue in operational existence for the foreseeable future.

Approval of annual financial statements

The financial statements set out on pages 6 to 50, which have been prepared on the going concern basis, were approved and authorised for issue by the board of directors and are signed on their behalf by:

J. Nekwaya
Chairperson

P de Wet
Acting Managing Director

**NAMIBIA DEVELOPMENT CORPORATION
REPORT OF THE DIRECTORS FOR THE YEARS ENDED 31 MARCH 2015,
2016 AND 2017**

The directors present their report for the year ended 31 March 2017. This report forms part of the audited financial statements.

1. Nature of business

The Namibia Development Corporation operates within the Namibia Development Corporation Act, Act 18 of 1993 to promote, develop and support the Industrialisation programs of the Government of the Republic of Namibia aiming to empower the nation. The results of its business and operations and the results there off are clearly reflected in the attached financial statements. No material facts or circumstances have occurred between the accounting period and the date of this report, other than as disclosed in this report.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the entity specific basis of preparation and the requirements of the corporation's act. The accounting policies have been applied consistently compared to prior year. The corporation recorded a net profit for the year ended 31 March 2017 of N\$5 946 (2016: loss of N\$21 593). This represented an increase of 128% from the net loss of the prior year.

The corporation's income increased by 16% as a result of increased sales of produce. The cost of sales and administrative expenses increased as a result of strategies to improve future profits of the corporation.

Corporation's cash used in operations increased by 69% from N\$28 975 in the prior year to N\$49 102 for the year ended 31 March 2017. The corporation uses its own accumulated resources to fund its activities.

3. Joint ventures and associated companies

Name and nature of business	Issued	% Held		Shares		Year-end
	Capital	2017	2016	2017	2016	
Joint ventures and associates						
Pupkewitz Motors (North) (Pty) Ltd	7 500 000	40	40	3 000 000	3 000 000	28/2/17
Coca Cola Bottling Company (Pty) Ltd	100	25	25	25	25	31/12/16
Al-Dhahra & NDC Date Palm Development (Pty) Ltd	100	50	50	50	50	31/12/16
Naute Kristall Cellar and Distillery (Pty) Ltd	100	49	49	49	49	31/3/17

All other joint ventures have a 31 March year-end.

**NAMIBIA DEVELOPMENT CORPORATION
REPORT OF THE DIRECTORS FOR THE YEARS ENDED 31 MARCH 2015, 2016 AND 2017**

4. Directorate

The directors in office at the date of this report are as follows:

Ex officio directors	Government of the Republic of Namibia	Movement
Mr Gabriel Sinimbo	Permanent Secretary: Ministry of Industrialisation, Trade and SME Development	Appointed: 02 July 15
Ms Erica Shafudah	Permanent Secretary: Ministry of Finance	Appointed 03 April 10
Mr Joseph Iita	Permanent Secretary: Ministry of Agriculture, Water and Forestry	Redeployed: 02 July 15
Mr Percy Misika	Permanent Secretary: Ministry of Agriculture, Water and Forestry	Redeployed: 02 July 15
Mr Simeon Negumbo	Permanent Secretary: Ministry of Mines and Energy	Appointed 01 July 15
Mr Andries L Hungamo	National Planning Commission	

Non-executive directors

Mr J Nekwaya
Rev M S Semi
Ms M S Haipinge
Ms R Namoya - Jacobs

Appointment/ Resignation

20 July 2000
20 July 2000
20 July 2000
20 July 2000

Executive director

Mr P F de Wet
Acting Managing Director

Appointment/ Resignation

30 January 2008

There have been no changes to the directorate for the year under review other than those mentioned.

5. Share Capital

There was no change in issued share capital during the year.

6. Shareholder

The Government of the Republic of Namibia is the sole shareholder of the Company.

**NAMIBIA DEVELOPMENT CORPORATION
REPORT OF THE DIRECTORS FOR THE YEARS ENDED 31 MARCH 2015, 2016 AND
2017**

7. Events subsequent to the year-end

An Act has been passed subsequent to year-end (21 December 2016) NIDA ACT (6202) that will see the repealing of the NDC Act of 1993. On a date to be announced by the Minister of Trade, all the Assets and liabilities of the NDC will be transferred to the Namibia Industrial Development Agency (This will see the NDC and ODC becoming one agency).

There have been no other facts or circumstances of a material nature that have occurred between the accounting date and the date of this report, other than as disclosed in this report.

8. Corporate Governance

Namibia Development Corporation is committed to achieving high standards of corporate governance. The Board has developed self-governance principles over the years which are applied transparently and consistently. The Board also recognises that compliance with legislation is an important component of good governance and in this regard, the directors are satisfied with actions that management has taken to ensure compliance with all relevant legislation.

The governance structure consists of the Ministry of Industrialisation, Trade and SME Development who represent the government of the Republic of Namibia as the main shareholder; the Board of Directors, with three committees to assist the directors in the execution of their responsibilities as well as management under the supervision of the board. The board committees consist of: the Audit and Risk Management Committee, Remuneration Committee and the Tender Board Committee.

9. Company Secretary

The company secretary is Liezel du Plessis, whose business and postal addresses are:

NDC Building
11 Goethe Street
Windhoek
Namibia

NAMIBIA DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION AT 31 MARCH

	Note	2017 N\$'000	2016 N\$'000	2015 N\$'000	2014 N\$'000
ASSETS					
Non-current assets		836 060	679 562	657 299	616 102
Investment property	3	379 816	256 094	260 418	264 934
Property, plant and equipment	4	137 323	132 869	129 356	103 844
Intangible assets	5	18	25	32	38
Biological Assets	6	82 693	66 632	64 173	60 857
Investment in associates		236 210	223 942	203 320	182 611
Loans to agency projects		-	-	-	3 818
Current assets		65 052	62 540	99 228	176 487
Biological assets	7	25 835	9 580	9 312	19 167
Inventories	7	16 672	12 512	14 333	11 793
Trade and other receivables	8	22 114	18 291	36 657	58 915
Cash and cash equivalents	9	431	22 157	38 926	86 612
Total assets		901 112	742 102	756 527	792 589
EQUITY AND LIABILITIES					
Capital and reserves		800 849	665 448	687 041	714 297
Issued capital	10	234 935	234 935	234 935	234 935
Non-distributable reserve	11	523 922	394 466	394 466	394 466
Retained earnings		41 992	36 047	57 640	84 896
Non-current liabilities		53 786	50 175	50 175	43 086
Retirement benefit obligations	12	49 694	46 083	46 083	38 994
Project funds	13	4 092	4 092	4 092	4 092
Current liabilities		46 477	26 479	19 311	35 206
Trade and other payables	14	14 567	5 740	8 450	29 794
Provisions	15	11 412	10 392	7 679	5 412
Bank overdraft	9	20 498	10 347	3 182	-
Total equity and liabilities		901 112	742 102	756 527	792 589

NAMIBIA DEVELOPMENT CORPORATION
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31

		2017	2016	2015	2014
	Note	N\$'000	N\$'000	N\$'000	N\$'000
Revenue	16	80 184	69 185	64 825	79 185
Cost of sales		(39 336)	(35 830)	(56 296)	(33 288)
Gross profit		40 848	33 355	8 529	45 897
Other income	17	64 432	33 072	45 772	85 108
Operating expenses		(45 438)	(43 845)	(43 215)	(38 920)
Distribution expenses		(1 900)	(1 510)	(4 759)	(4 939)
Administration expenses		(86 387)	(78 632)	(73 673)	(52 203)
Operating (loss) for the year		(28 445)	(57 560)	(67 346)	34 943
Net finance costs	20	(1 789)	(214)	(249)	(353)
Investment revenue	19	23 912	15 559	19 590	17 261
Income from equity accounted investment		12 268	20 622	20 749	28 449
Net profit/(loss) before taxation		5 946	(21 593)	(27 256)	80 300

ANNEXURE C

NAMIBIA DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 March

	Share capital	Non-Distributable reserves	Accumulated Profit/(Loss)	Total
	N\$'000	N\$'000	N\$'000	N\$'000
Balance as at 31 March 2017	234 935	523 922	41 992	800 849
Recognition of omitted properties (Note 11)	-	129 456	-	129 456
Net profit for the year	-	-	5 946	5 946
Balance at 31 March 2016	234 935	394 466	36 046	665 447
Balance at 31 March 2016	234 935	394 466	36 046	665 447
Net loss for the year	-	-	(21 593)	(21 593)
Balance as at 01 April 2015	234 935	394 466	57 639	687 040
Balance as at 31 March 2015	234 935	394 466	57 640	687 041
Net loss for the year	-	-	(27 256)	(27 256)
Restated balance 31 March 2014	234 935	394 466	84 896	714 297
Restated balance 31 March 2014	234 935	394 466	84 896	714 297
Prior period adjustment (note 23)	-	-	111 903	111 903
Net profit for the year	-	-	24 714	24 714
Movement in non-distributable reserves	-	564	1	565
Balance as at 01 April 2013	234 935	393 902	(51 722)	577 115

ANNEXURE D

NAMIBIA DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH

		2017	2016	2015	2014
	Note	N\$'000	N\$'000	N\$'000	N\$'000
Net cash out flows by operating activities		(26 979)	(13 631)	(21 726)	38 317
Cash generated by/ (used in) operations	22	(49 102)	(28 975)	(41 067)	21 409
Dividend received		23 300	14 595	16 338	14 194
Financing costs		(1 789)	(214)	(249)	(353)
Interest Income		612	963	3 252	3 067
Net cash (out) flows from investing activities		(4 897)	(10 304)	(29 142)	(39 447)
Property, plant and equipment acquired		(5 131)	(11 897)	(33 463)	(36 672)
Proceeds on disposal of assets		234	1 593	503	-
Proceeds from loans from group companies		-	-	3 818	-
Purchase of investment property		-	-	-	(45)
Movement in advances				-	(2 730)
Net cash (out)/in flows in financing activities		-	-	-	(44 085)
Repayment of other financial liabilities				-	(7 158)
Movement in project funds				-	(36 927)
Net change in cash and cash equivalents		(31 876)	(23 935)	(50 868)	(45 215)
Balance at the beginning of the year		11 810	35 744	86 612	131 827
Balance at the end of the year	9	(20 066)	11 809	35 744	86 612

**NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017**

1. Basis of preparation

The financial statements are prepared in accordance with the Namibian Statement of Generally Accepted Accounting Practice (NAC-001): International Financial Reporting Standards for Small and Medium Sized Enterprises, and the requirements of the Namibia Development Corporation Act as well as the Companies Act. The following principal accounting policies used by the Corporation have been consistently applied:

Significant judgements and sources of estimation uncertainty

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

Allowance for slow moving, damage and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realizable value. Management have made estimates of selling price and direct cost to sell on certain inventory items. The write down is included in the operation profit note.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the corporation is the current bid price.

Fair value estimation (continued)

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the corporation for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair value less cost to sell. These calculations require the use of estimates and assumptions. It is reasonable possible that the revaluation of biological assets assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of good will and tangible assets.

**NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)**

The corporation reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and intangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined and estimate based on the information available. Additional disclosure of these estimates of provisions is included in note – Provisions.

1.1 Significant judgements and sources of estimation uncertainty (continue)

Residual values

The annual financial statements have been prepared on the historical cost basis as modified by the revaluation of certain property, livestock and others to fair value, where relevant. The following are the principal accounting policies used by the corporation, which are consistent with those of the previous years and comply with International Financial Reporting Standards and the Namibia Development Act, Act 18 of 1993.

Discount rate

Discount rates used to calculate discounted cash flows are based on prevailing market related interest rates.

1.2 Investments property

The company owns property that is held to earn long-term rental income and for capital appreciation. This property is not occupied by the company.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction cost are included in the initial measurement.

Costs include costs incurred initially and cost incurred subsequently to add to, or to replace a part of or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

**NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017(continued)**

Fair value

Subsequent to initial measurement investment property is measured at fair value representing the open market value determined annually by external Valuers. Fair value is the bases on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuation are reviewed every third year.

A gain or loss arising from a change in fair value is included in the profit or loss for the period in which it arises.

If the fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable, or construction is complete.

There are property interests held under operating leases that are recognised as investment property.

Property interests held under operating leases are accounted for as investment property when the property is subleased, i.e. property under leasehold agreements.

Cost model

Investment property is carried at cost less depreciation less any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, is as follows:

Item	Useful life / Rate
Leasehold buildings and buildings	2%

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 benefits associated with the item will flow to the company;
- and
- the cost of the item can be measured at cost.

Property, plant and equipment is initially measured at cost.

**NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017(continued)**

1.3 Property, plant and equipment

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The initial estimate of the costs 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, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Property, plant equipment is carried at cost less accumulated depreciation and any impairment losses.

Land and building are subsequently shown at revaluation, on a valuation done by external independent valuers every fifth year, less subsequent depreciation for property, plant and equipment, which is stated at historical cost less depreciation. Is carried at the revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in a profit and loss in the current period. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation surplus in equity.

Land is not depreciated. Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

**NAMIBIA DEVELOPMENT CORPORATION
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Property, plant and equipment

Any increase in an asset's carrying amount, as a result of a revaluation, is credited to other comprehensive income and accumulated in the revaluation surplus equity. The increase is recognised in profit or loss to the extent that it reserves a revaluation decrease of the same asset previously recognised in profit and loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in a profit or loss in profit in the current period. The decrease is debited in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The useful lives of the items of property, plant and equipment have been asessed as follows:

	Useful life /Rate
Leasehold buildings	50 years
Buildings	50 years
Motor Vehicles	4 years
Plant and machinery	4 to 20 years
Furniture and fittings	10 years
Establishment costs	3 to 5 years
Computer equipment	5 years
Land	Indefinite

The residual value, useful life and depreciation methods of each asset are reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

1.4 Intangible assets

An intangible asset is recognised when:

- (a) It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- (b) The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

- (a) It is technically feasible to complete the asset so that it will be available for use or resale;
- (b) There is an intention to complete and use or sell it;
- (c) There is an ability to use or sell it;
- (d) It will generate probable future economic benefits;

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(e) There are available technical, financial and other resources to complete the development and to use or sell the asset;

(f) The expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Intangible assets

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual value as follows:

	Useful life / Rate
Intangible assets	6 years

Gains or losses on disposal are calculated by deducting the carrying value from the proceeds on the date of disposal and are included in profit or loss.

1.5 Research and development

All research and development costs are recognised as an expense unless they form part of the cost of another asset that meets the recognition criteria.

1.6 Biological assets

A biological asset is a living plant or animal. Biological assets are measured at cost on initial recognition and at each reporting date at their fair value less estimated point-of-sale costs.

Gains or losses arising from changes in fair value less point-of-sale costs are included in the profit or loss for the period in which they arise.

1.7 Investments

Investments are initially recognised at cost, including transaction costs.

After initial recognition investments are measured at their fair values, without any deduction for transaction costs that may be incurred on disposal. The following categories of investments are measured at amortised cost using the effective interest rate method if they have a fixed maturity, or at cost if there is no fixed maturity:

**NAMIBIA DEVELOPMENT CORPORATION
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Loans and receivables originated by the Corporation and not held for trading;
Held to maturity investments; and

An investment in a financial asset that does not have a quoted market price in an active market and whose fair value cannot be reliably measured.

Dividend income from investments is recognised when the right to receive payment is established and is included in other income.

1.8 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- (a) The fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the corporation; and
- (b) Any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.9 Investments in joint ventures

An investment in a joint venture is carried at cost less any accumulated impairment.

In respect of its interests in jointly controlled operations, the company recognises in its annual financial statements:

- (a) The assets that it controls and the liabilities that it incurs; and
- (b) The expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.

In respect of its interests in jointly controlled assets, the company recognises in its annual financial statements:

- (a) Its share of the jointly controlled assets, classified according to the nature of the assets;
- (b) Any liabilities that it has incurred;
- (c) Its share of any liabilities incurred jointly with the other ventures in relation to the joint venture;
- (d) Any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- (e) Any expenses that it has incurred in respect of its interest in the joint venture.

**NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
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1.10 Investments in associates

An investment in an associate is carried at fair value and classified as available for sale.

1.11 Financial instruments

Classification

The corporation classifies financial assets and financial liabilities into the following categories:

- (a) Financial assets at fair value through profit or loss - held for trading;
- (b) Financial assets at fair value through profit or loss – designated;
- (c) Held-to-maturity investment;
- (d) Loans and receivables;
- (e) Available-for-sale financial assets;
- (f) Financial liabilities at fair value through profit or loss - held for trading;
- (g) Financial liabilities at fair value through profit or loss – designated;
- (h) Financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated, as at fair value through profit or loss, which shall not be classified out the fair value through profit or loss category.

Initial recognition and measurement

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

The corporation 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 and are classified as available-for-sale financial assets.

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

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Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss included dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the Corporation's right to receive payment is established.

1.11 Financial instruments

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payment is established.

The changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation difference on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

**NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
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Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the corporation has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use market inputs and relying as little possible on entity-specific inputs.

Impairment of financial assets

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Discount rates used to calculate discounted cash flows are based on prevailing market related interest rates.

Assets that have an indefinite useful life (Including goodwill and land) are not subject to amortisation. These assets are tested annually for impairment and also whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have a definite useful life are subject to amortisation and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the statement of comprehensive income and expenses for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separate identifiable cash flows (cash-generating units).

At each reporting date an assessment is made whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated. The increased carrying amount of the asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had impairment loss been recognised for the asset in prior years. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation, other than goodwill, is recognised immediately in the statement of comprehensive income and expenses.

**NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
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Livestock (Biological assets)

Productive livestock is stated at market value at the commencement of their productive life cycle, and revalued annually. Market values are obtained from a livestock-marketing agency. Trading livestock is valued at the net realisable value on balance sheet date. Net realisable value is obtained from a life stock marketing agency.

Special Funds

The Corporation administers certain funds of the Government of the Republic of Namibia which have been earmarked for special purposes. A contract is drawn up whenever a special fund is accepted. The Corporation ensures that the funds are credited to a special liability account and duly applied in accordance with the agreement.

Loans to (from) agency projects

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees.

These financial assets are classified as loans and receivables.

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 the 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 allowance 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.

Trade and other receivables are classified as loans and receivables.

**NAMIBIA DEVELOPMENT CORPORATION
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Trade and other payables

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

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 and subsequently recorded at fair value.

1.12 Inventories (Biological assets)

Inventories are measured at the lower of cost and net realisable value. Cost is determined on an average cost basis and included transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective inventories.

1.13 Impairment of non-financial assets

The Corporation assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Corporation estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Corporation also:

- (a) Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period;
- (b) Tests goodwill acquired in a business combination for impairment annually. 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 a cash-generating unit is the 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.

**NAMIBIA DEVELOPMENT CORPORATION
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Impairment of non-financial assets (continued)

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.

1.14 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

The Corporation provided for retirement benefits of its staff by a way of pension fund. The contributions by staff members and the Corporation to this fund are in accordance with the fixed scales determined in consultation with the actuaries. The contribution of the Corporation is dealt with as charge against income in the year of payment.

Defined benefit plans: Medical post-retirement obligations

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The Corporation provided post-retirement medical aid benefits to its retirees. The entitlement to post-retirement medical aid is based on the employee remaining in service up to retirement age and the completion of a minimum service period. Provision is made in respect of the accrued liability for medical aid contributions of current and future pensioners. The expected cost of these benefits is accrued over the period of employment, using an accounting methodology, as prescribed by IAS 19 (post-retirement benefits). Contributions in the future medical aid benefits for pensioners are based on the valuation of the fund and the review of the provision on an annual basis.

Past service costs, experience adjustments, the effects of changes in actuarial assumptions and the effects of plans amendments in respect of existing employees in a defined benefit plan are recognised as an expense or as income systematically over the expected remaining working lives of those employees.

Defined benefit plans: Medical post-retirement obligations (continued)

When it is probable that a defined benefit plan will be terminated or that there will be a curtailment or settlement of the retirement benefits payable under that plan:

- (a) Resulting increase in the Corporation's retirement benefit cost is recognised as an expense immediately;
- (b) Any resulting Gain is recognised as income in the period in which the termination, curtailment or settlement occurs.

The effects of plan amendments in respect of retired employees in a defined plan are measured as the present value of the effect of the amended benefits, and are recognised as an expense or as income in the period in which the plan amendment is made.

The cost of providing retirement benefits under a defined benefit plan is determined using a projected credit unit valuation.

1.16 Provisions and contingencies

Provisions are recognised when:

- (a) The corporation has a present obligation as a result of a past event;
- (b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) A reliable estimate can be made of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
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1.17 Government grants

Government grants are recognised when there is reasonable assurance that:

- (a) The corporation will comply with the conditions attaching to them; and
- (b) The grants will be received.

Government grants whose primary condition is that the Corporation should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.18 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- (a) The corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured easily;
- (d) It is probable that the economic benefits associated with the transaction will flow to the group; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
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Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.19 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the annual financial statements in the period in which the directors of the company approve the dividends.

1.20 Risk management

Capital risk management

The corporation's objectives when managing capital are to safeguard the corporation's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital

The capital structure of the corporation consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 8 cash and cash equivalents disclosed in note 12, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the corporation may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the corporation monitors capital on the basis of the gearing ratio.

Capital risk management (continued)

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2017 and 2016 respectively were as follows:

Financial risk management objectives

The Finance Department provides services to the business, coordinates access to the domestic financial markets, monitors and manages the financial risks relating to the operations of the Corporation through internal risks reports, which analyse exposures by degree, and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

**NAMIBIA DEVELOPMENT CORPORATION
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The Corporation seeks to minimise the effects of these risks by limiting trading in foreign currencies. Currently, the Corporation has entered into no borrowings in foreign currencies. The Corporation does not enter into, or trade in financial instruments, including financial instruments for speculative purposes.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the company in and aggregated by company finance. Company finance monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all time so that the company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table below analyses the corporation'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.

Comparative information has been restated as permitted by the amendments to IFRS 7 for the liquidity risk disclosures.

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At 31 March 2017	Less than 1	Between 1	Between 2	Over 5 years
	year	and 2 years	and 5 years	
	N\$'000	N\$'000	N\$ '000	N\$ '000
Trade and other payables	14 567	-	-	-
Projects Funds	-	4 092	-	-
Bank Overdraft	20 498	-	-	-
At 31 March 2016				
Trade and other payables	5 740	-	-	-
Projects Funds	-	4 092	-	-
Bank Overdraft	10 347	-	-	-
At 31 March 2015				
Trade and other payables	8 450	-	-	-
Projects Funds	-	4 092	-	-
Bank Overdraft	3 182	-	-	-
At 31 March 2014				
Trade and other payables	29 794	-	-	-
Projects Funds	-	4 092	-	-
Bank Overdraft	-	-	-	-

Interest rate risk

The corporation is not exposed to interest rate risk.

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
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	Cost/Valuation	Accumulated depreciation	Carrying value
	N\$'000	N\$'000	N\$'000
3. Investment property			
2017	412 909	(33 093)	379 816
Investment property	412 909	(33 093)	379 816
2016	283 699	(27 605)	256 094
Investment property	283 699	(27 605)	256 094
2015	283 504	(23 086)	260 418
Investment property	283 504	(23 086)	260 418
2014	283 504	(18 570)	264 934
Investment property	283 504	(18 570)	264 934

The Carrying amounts can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation / impairment	Carrying value at end of year
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
2017	256 094	129 456	(167)	(5 567)	379 816
Investment property	256 094	129 456	(167)	(5 567)	379 816
2016	260 418	(195)	-	(4 519)	256 094
Investment property	260 418	(195)	-	(4 519)	256 094
2015	264 934	-	-	(4 516)	260 418
Investment property	264 934	-	-	(4 516)	260 418

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	Carrying value at beginning of year	Additions	Disposals	Depreciation / impairment	Carrying value at end of year
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
2014	269 450	-	-	(4 516)	264 934
Investment property	269 450	-	-	(4 516)	264 934

Investment property of N\$ 129 456 809 (2017) were completed by the Sites and Premises Development Program of the Ministry of Trade, Industrialisation and SME Development in prior years and registered into the name of the Namibia Development Corporation. These assets were however omitted from the NDC's financial records and only accounted for in the current year under review. Refer to note 11. An adjustment of N\$ 491 198 was made to the register due to an omission of sale of property of N\$ 245 599 at cost in prior year.

ANNEXURE E

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015, 2016 AND 2017

4. Property plant and equipment	Land and buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Computer equipment	Establishment Cost	Work in progress	Total
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
2017								
Cost	91 012	30 653	4 304	18 157	5 484	15 274	34 520	199 404
Accumulated depreciation (impairment).	(15 023)	(19 114)	(3 117)	(14 735)	(5 117)	(4 975)	-	(62 081)
Carrying value	75 989	11 539	1 187	3 422	367	10 299	34 520	137 323
2016								
Cost	90 884	26 709	4 304	16 990	5 413	12 268	30 889	187 457
Accumulated depreciation (impairment).	(13 205)	(16 859)	(2 741)	(13 154)	(4 748)	(3 881)	-	(54 588)
Carrying value	77 679	9 850	1 563	3 836	665	8 387	30 889	132 869
2015								
Cost	61 312	26 681	4 024	20 756	4 866	4 335	57 357	179 331
Accumulated depreciation (impairment).	(11 932)	(14 865)	(2 368)	(12 574)	(4 441)	(3 795)	-	(49 975)
Carrying value	49 380	11 816	1 656	8 182	425	540	57 357	129 356
2014								
Cost	61 078	23 915	3 596	14 567	4 582	4 336	35 066	147 139
Accumulated depreciation (impairment).	(10 711)	(12 768)	(2 022)	(9 847)	(4 171)	(3 776)	-	(43 295)
Carrying value	50 367	11 147	1 574	4 720	411	560	35 066	103 844

NAMIBIA DEVELOPMENT CORPORATION
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	Furniture							Total N\$'000
	Land and buildings N\$'000	Plant and machinery N\$'000	Furniture and fixtures N\$'000	Motor vehicles N\$'000	Computer equipment N\$'000	Establishment Cost N\$'000	Work in progress N\$'000	
2017 Carrying amounts reconciled:								
Carrying value at end of year	75 861	11 566	1 265	3 423	388	10 298	34 522	137 323
Additions	-	3 971	80	1 928	91	3 005	3 632	12 707
Disposals	-	-	-	(234)	-	-	-	(234)
Depreciation	(1 818)	(2 255)	(376)	(2 108)	(368)	(1 094)	-	(8 019)
Carrying value at beginning of year	77 679	9 850	1 561	3 837	665	8 387	30 890	132 869
2016								
Carrying value at end of year	77 679	9 850	1 561	3 837	665	8 387	30 890	132 869
Additions	284	28	279	5	547	-	10 754	11 897
Disposals	-	-	-	(3 771)	-	-	-	(3 771)
Transfers	29 288	-	-	-	-	7 933	(37 221)	-
Depreciation	(1 273)	(1 994)	(374)	(579)	(307)	(86)	-	(4 613)
Carrying value at beginning of year	49 380	11 816	1 656	8 182	425	540	57 357	129 356
2015								
Carrying value at end of year	49 380	11 816	1 656	8 183	425	540	57 357	129 357
Additions	234	2 766	427	7 460	285	-	22 291	33 463
Disposals	-	-	-	(1 270)	-	-	-	(1 270)
Depreciation	(1 221)	(2 097)	(345)	(2 727)	(271)	(20)	-	(6 681)
Carrying value at beginning of year	50 367	11 147	1 574	4 720	411	560	35 066	103 844
2014								
Carrying value at end of year	50 367	11 147	1 574	4 720	411	560	35 065	103 845
Additions	-	3 874	488	1 748	437	-	30 125	36 672
Depreciation	(1 217)	(1 680)	(319)	(2 631)	(413)	(20)	-	(6 280)
Carrying value at beginning of year	51 584	8 953	1 405	5 603	387	580	4 940	73 452

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)

5. Intangible assets

Internally generated / other	Cost/ Valuation	Fair value adjustment	Carrying value
	N\$'000	N\$'000	N\$'000
2017	45	(27)	18
Intangible assets	45	(27)	18
2016	45	(20)	25
Intangible assets	45	(20)	25
2015	45	(13)	32
Intangible assets	45	(13)	32
2014	45	(7)	38
Intangible assets	45	(7)	38

The carrying amounts can be reconciled as follows:

	Carrying value at beginning of year	Additions	Reval. / other	Disposals	Amortisation	Carrying value at end of year
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
2017	25	-	-	-	(7)	18
Intangible assets	25	-	-	-	(7)	18
2016	32	-	-	-	(7)	25
Intangible assets	32	-	-	-	(7)	25
2015	38	-	-	-	(6)	32
Intangible assets	38	-	-	-	(6)	32
2014	-	45	-	-	(7)	38
Intangible assets	-	45	-	-	(7)	38

ANNEXURE E
NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)

6. Biological assets

Biological assets consist of cattle grapes vines and date palms. The corporate farms with cattle and grows dates to sell in the open market as part of normal activities. Cattle farm is located in the Kavango region and grapes and dates are located in the southern region of Namibia.

At 31 March 2017 the corporation held approximately 17 840 cattle (2016:14 000, 2015:14 000, 2014:13 000) on approximately 219 thousand hectares, grape vines planted on approximately 30 hectares (2016:30, 2015:30, 2014:30) and date palms on approximate 45 (2016:45, 2015:45, 2014:45) hectares of land leased by the Corporation. 20 hectares of dates (2016:20, 2015:20, 2014:20) and 10 hectares of dates (2016:10, 2015:10, and 2014:10) are currently in commercial production.

During the year ended 31, March 2017 the corporation harvested 42 thousand tonnes of grapes (2016: 40, 2015:40 and 2014:40) and 30 tonnes of dates (2016:30, 2015:30, and 2014:30). The Corporation sold approximately 6 000 cattle (2016:5 000, 2015:4 000, 2014:3 500).

	Cost/Valuation N\$'000	Fair value adjustment N\$'000	Carrying value N\$'000
2017	-	82 693	82 693
Cattle	-	82 693	82 693
Grape vines	-	-	-
Date palms	-	-	-
2016	-	66 632	66 632
Cattle	-	66 632	66 632
Grape vines	-	-	-
Date palms	-	-	-
2015	-	64 173	64 173
Cattle	-	64 173	64 173
Grape vines	-	-	-
Date palms	-	-	-
2014	-	60 857	60 857
Cattle	-	60 857	60 857
Grape vines	-	-	-
Date palms	-	-	-

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)

Biological assets (continued):

The carrying amounts can be reconciled as follows:

	Carrying value at beginning of year	Purchases	Physical changes	Price changes	Sales and losses	Carrying value at end of year
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
2017	66 632	-	39 420	(9 028)	(14 331)	82 693
Cattle	66 632	-	39 420	(9 028)	(14 331)	82 693
Grape vines	-	-	-	-	-	-
Date palms	-	-	-	-	-	-
2016	64 173	463	21 566	(7 809)	(11 761)	66 632
Cattle	64 173	463	21 566	(7 809)	(11 761)	66 632
Grape vines	-	-	-	-	-	-
Date palms	-	-	-	-	-	-
2015	60 875	342	21 962	(6 825)	(12 163)	64 191
Cattle	60 875	342	21 962	(6 825)	(12 163)	64 173
Grape vines	-	-	-	-	-	-
Date palms	-	-	-	-	-	-

The fair value of grape vines and date palms was not determined as at 31 March 2017, 2016, 2015 and 2014. Fair value is the amount for which the assets could have been sold between a knowledgeable willing buyer and a knowledgeable willing seller in an arms' length transaction as at the valuation date. The fair value of grape vines and date palm sales could not be determined as there are limited or none recent sales such as assets within Namibia.

The fair value of cattle is determined by using the average rate of cattle sales at the various auctions held in Namibia in the vicinity or close to the Corporation's farms.

The Corporation is exposed to financial risk regarding agricultural activities. The quantity and quality of date and grape harvest is dependent on factors such as rainfall temperatures and pests. The Corporation manage these risk by protecting the grapes and dates with nets and minimising the harvest time as well as time to market.

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)

	2017	2016	2015	2014
	N\$'000	N\$'000	N\$'000	N\$'000
7. Inventories and short term biological assets				
Consumable stores	2 730	2 553	2 241	1
Trading Livestock(Disclosed as Biological assets on financial statements Dates	25 835	9 580	9 312	19 166
	13 955	9 972	12 105	11 805
	42 520	22 105	23 658	30 972
Provision for obsolete stock	(13)	(13)	(13)	(13)
	42 507	22 092	23 645	30 972
8 Trade and other receivables	22 114	18 291	36 657	58 915
Trade receivables	17 838	31 303	29 442	53 102
Other receivables	19 276	(4 344)	15 883	13 509
Provision for doubtful debts	(15 000)	(8 668)	(8 668)	(7 696)

Trade and other receivables past due but not impaired

As of 31 March 2017 trade receivable of N\$ 18 306 (2016: N\$ 20 909, 2015: N\$ 20 909, 2014: N\$ 44 277) were fully performing.

As of 31 March 2017 trade receivables of N\$ 11 075 (2016: N\$ 7 513, 2015: N\$ 7 513, 2014: N\$ 910) were past due but not impaired. These related to a number of independent customers whom there is no recent history of default. The aging analyses of these trade receivables are as follows:

1 to 2 months past due	984	1 617	2 170	211
Over 2 months past due	10 091	869	5 344	699

Trade and other receivables impaired

The amount of the provision was N\$ 15 000 as of 31 March 2017 (2016: N\$ 8 668, 2015: N\$ 8 668, 2014: N\$ 7 696). The individually impaired receivables mainly relate to small and medium enterprises and individual entrepreneurs which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The aging analysis of these trade receivables is as follows:

1 to 2 months past due	100	110	110	1 008
Over 2 months past due	14 900	8 558	8 558	6 688

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)

	2017	2016	2015	2014
	N\$'000	N\$'000	N\$'000	N\$'000

8 Trade and other receivables (continues)

Reconciliation of provisions of impairment of trade and other receivables

	15 000	8 668	8 668	7 696
Opening balance	8 668	8 668	7 696	6 182
Provision for impairment	6 680	371	1 062	1 532
Amounts written off as uncollectible	(348)	(371)	(90)	(18)
Unused amounts reversed	-	-	-	-

The creation and release of provision for impaired receivables have been included in other expenses in the Statement of Comprehensive Income. Amounts charge to the allowance account are usually written off when there is no expectation of recovering additional amounts.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables above. The Namibia Development Corporation does not hold any collateral as security.

9. Cash and cash equivalents (20 067) 11 810 35 744 86 612

Bank and cash balances as at year end comprise:

Cash on hand	43	26	18	19
Current account	110	1 896	35 089	7 580
Funds on call	278	20 235	3 819	79 013
Bank overdraft	(20 498)	(10 347)	(3 182)	-

	(20 067)	11 810	35 744	86 612
Current assets	431	22 157	38 926	86 612
Current liabilities	(20 498)	(10 347)	(3 182)	-

The Corporation has an overdraft facility of N\$ 18 000 (2016: N\$ 18 000, 2015: N\$ 18 000, 2014: N\$ 18 000) with Bank Windhoek Limited and which is secured by a mortgage bond over Erf 79 Windhoek.

10. Issued Capital

Authorised

Ordinary shares of N\$ 1 each: 234 935	234 935	234 935	234 935	234 935
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Issued

Ordinary shares of N\$ 1 each: 234 935	234 935	234 935	234 935	234 935
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NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)

	2017	2016	2015	2014
	N\$'000	N\$'000	N\$'000	N\$'000
11. Non-distributable reserve				
Balance at end of year	523 922	394 466	394 466	394 466
This reserve arose on the transfer of assets from the Sites and Premises Development Programme	162 366	162 366	162 366	162 366
Transfer of assets from S&P omitted in prior years- Refer note 3	129 456	-	-	-
Prior year adjustment on share certificate Surplus arising from revaluation of land and buildings	(2 500)	(2 500)	(2 500)	(2 500)
	234 600	234 600	234 600	234 600
12. Retirement benefit obligation				
Post-retirement medical aid benefits				
The Corporation contributes to a medical aid scheme for retired employees. The liability in respect of the future contributions to the scheme in respect of members is valued every two years by actuaries.				
The latest valuation was carried on 31 March 2016 by Strategic Actuarial Partners (Namibia) (Pty) Ltd. The valuation method used was the Projected Unit Cost Method as prescribed by IAS 19 (Employees benefits). There was no plan assets held against the current valuation. The next valuation will be carried out during the 2017 financial year.				
Present valuation	49 694	46 083	46 083	38 944
The principle assumptions used were:				
Discount rates	9.8%	8.8%	7.9%	7.9%
Health care inflation	8.5%	8.1%	8.1%	6.9%
Average retirement age	65	65	65	65
13. Special fund	4 092	4 092	4 092	4 092
PPP Framework	4 092	4 092	4 092	4 092
14. Trade and other payables	14 567	5 740	8 450	29 794
Trade payables	8 151	3 994	1 357	6 199
Maintenance deposits	1 662	1 613	1 567	1 552
Sundry creditors	4 754	133	5 526	22 043

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)

	Opening balance	Additions	Reversed during the year	Total
	N\$'000	N\$'000	N\$'000	N\$'000
15. Long-term provisions				
Reconciliation of provisions for 2017	10 392	5 735	(4 715)	11 412
Provision for long service	6 735	1 714	(828)	7 621
Provision for bonus	3 657	4 021	(3 887)	3 791
Other provisions	-	-	-	-
Reconciliation of provisions for 2016	7 679	7 034	(4 321)	10 392
Provision for long service	5 148	2 486	(899)	6 735
Provision for bonus	2 531	4 548	(3 422)	3 657
Other provisions	-	-	-	-
Reconciliation of provisions for 2015	5 412	7 340	(5 073)	7 679
Provision for long service	3 854	1 702	(408)	5 148
Provision for bonus	1 192	4 836	(3 497)	2 531
Other provisions	366	802	(1 168)	-
Reconciliation of provisions for 2014	4 477	10 540	(9 605)	5 412
Provision for long service	3 388	5 608	(5 142)	3 854
Provision for bonus	1 089	4 469	(4 365)	1 192
Other provisions	-	463	(98)	366
16. Revenue	80 184	69 185	64 825	79 184
Sale of goods	37 207	31 533	25 911	28 980
Rental Income	29 245	27 649	23 537	19 618
Management fees	13 732	10 003	15 377	30 586
17. Other Income	64 432	33 072	45 772	85 108
Profit/loss on sale of assets	184	155	463	-
Bad debts recovered	334	4 260	261	245
Fuel rebates	65	74	43	144
Other income	1 934	3 790	1 865	974
Gain on stock adjustments	56 642	16 898	25 554	32 852
Government grants	5 273	7 895	17 586	50 893

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)

	2017	2016	2015	2014
	N\$'000	N\$'000	N\$'000	N\$'000
18. Operating profit				
Operating profit for the year is stated after accounting for the following				
Operating lease charges:	203	76	145	201
-Premises	91	35	80	193
-Equipment	112	41	65	8
Profit on sale of property, plant and equipment	184	155	463	-
Depreciation	13 593	11 428	12 439	10 763
Employee cost	59 709	61 241	50 642	40 631
19. Investment income	23 912	15 559	19 590	17 261
Dividend revenue				
Dividend income	23 300	14 595	16 338	14 194
Interest Income				
Interest income from banks	612	964	3 252	3 067
20. Finance cost	1 789	214	249	353
Interest paid-loans	1 304	48	26	86
Interest paid-other	485	166	223	267
21. Directors emoluments	323	341	399	369
For services as directors	300	314	364	306
Other cost	23	27	35	63

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017(continued)

	2017	2016	2015	2014
	N\$'000	N\$'000	N\$'000	N\$'000
22. Notes to the cash flow statement				
Cash (used) in generated from operations	(49 102)	(28 975)	(41 067)	21 409
Profit before tax	5 946	(21 593)	(27 256)	80 300
Adjustment for:				
Depreciation and amortisation	13 593	11 428	12 439	10 763
Adjustment for doubtful debt provision	6 680	371	1 062	1 532
Profit on sale of assets	-	(155)	(463)	-
Income from equity accounted investments	(12 268)	(20 622)	(20 709)	(28 488)
Dividends received	(23 300)	(14 595)	(16 338)	(14 194)
Interest received	(612)	(964)	(3 252)	(3 067)
Finance costs	1 789	214	249	353
Movement in retirement benefits assets and liabilities	3 611	-	7 089	-
Movements in provision	(1 020)	(2 713)	(2 266)	(936)
Movements in biological assets	(28 110)	2 445	149	(21 842)
Other non-cash items	-	-	-	941
Changes in working capital:				
(Increase)/Decrease in inventories	(4 160)	1 821	(2 540)	(513)
Increase)/Decrease in biological assets for sale	(16 254)	(268)	9 854	(7 794)
Increase)/Decrease in trade and other receivables	(3 823)	18 366	22 258	(17 905)
Increase)/Decrease in trade and other payables	8 826	(2 710)	(21 343)	22 259

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)

23 Note on restatement of 2014 Audited financials

The 2014 financial statements were adjusted during the 2015 year as shown below:

	2014 Restated	2014 Audited	Prior period adjustment	Reason for adjustment
	N\$'000	N\$'000	N\$'000	
Balance sheet				
Non-Current Assets				
Biological assets	60 857	-	60 857	Omission of dates inventory
Investment in associates	182 611	108 658	73 953	Corrections of profit sharing in associate
Loans to agency projects	3 818	39	3 779	Correct allocation of incorrect expenses
Current assets				
Biological assets	19 167	-	19 167	Correct market values of inventory
Inventories	11 793	60 862	(49 069)	Correct market values of inventory
Trade and other receivables	58 915	49 836	9 079	Correction of prior year's date/grape sales
Cash and cash equivalents	86 612	86 553	59	Reversal of prior year's outstanding items
Related party loans	-	5 980	(5 980)	Correct allocation of incorrect expenses
Equity				
Retained earnings	84 896	(27 007)	111 903	Corrections of profit sharing in associate
Non-Current Liabilities				
Provisions	5 413	-	5 413	Reallocation from Trade and other payables
Special funds	-	4 092	(4 092)	Correct presentation of funds
Current Liabilities				
Trade and other payables	29 794	34 744	(4 950)	Reallocations of funds/ Reverse prior year outstanding items
Project funds	4 092	-	(4 092)	Correct presentation of funds
Related party loans	-	520	520	Correct allocation of incorrect expenses

NAMIBIA DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2015, 2016 AND 2017 (continued)

	2014 Restated	2014 Audited	Prior period adjustment	Reason for adjustment
	N\$'000	N\$'000	N\$'000	
Income Statement				
Revenue	79 184	67 801	11 383	Correct omitted dates sales income
Cost of sales	(33 288)	(13 589)	(19 699)	Reallocation of cost due to updated reconciliations
Other income	(85 108)	(52 697)	32 411	Realisation of gains on adjusted market value of livestock
Operating expenses	(38 920)			
Distribution expenses	(4 939)			
Administration expenses	(52 203)			
Operating costs	(96 062)	(100 466)	4 404	Reallocations of cost due to updated reconciliations
Investment revenue	17 261	14 194	3 067	Change of presentation of interest received from net finance costs
Income from equity accounted investments	28 449	-	28 449	Correct omissions of profit sharing
Finance expenses	(353)	4 077	(4 430)	Change of presentation of interest received from net income costs

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 Namibia Development Corporation for the financial years ended 31 March 2015, 2016 and 2017 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, January 2019

REPUBLIC OF NAMIBIA



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**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

REPUBLIC OF NAMIBIA



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WINDHOEK, January 2019

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**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

8. 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 an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions 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.

- 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 uses 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 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.

I 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.

I also 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.

**9. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
(COMPLIANCE)**

The Board in compliance with Section 17(3), of the Namibia Development Corporation Act, 1993, (Act No. 18 of 1993), submitted the financial statements to the Auditor-General except that they were only submitted on 28 February 2017 instead of three months after the year-end as required by the Act.

WINDHOEK, January 2019



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

8. 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 an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions 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.

- 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 uses 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 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.

I 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.

I also 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.

**9. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
(COMPLIANCE)**

The Board in compliance with Section 17(3), of the Namibia Development Corporation Act, 1993, (Act No. 18 of 1993), submitted the financial statements to the Auditor-General except that they were only submitted on 28 February 2017 instead of three months after the year-end as required by the Act.

WINDHOEK, January 2019



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

8. 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 an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions 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.

- 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 uses 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 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.

I 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.

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