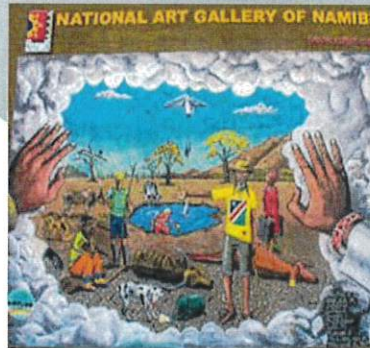




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NATIONAL ARTS COUNCIL OF NAMIBIA

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Published by authority

Price (Vat excluded) N\$ 44.00

Report no: 89/2022

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 National Arts Council of Namibia for the financial years ended 31 March 2021, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted through the Minister of Education, Arts and Culture in terms of Section 17(1) of the National Arts Fund Act, 2005 (Act 1 of 2005) to be laid upon the Table of the National Assembly by the Minister of Education, Arts and Culture in terms of Section 17(3) (c) of the Act.

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

WINDHOEK, October 2022

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR - GENERAL
ON THE ACCOUNTS OF THE NATIONAL ARTS COUNCIL OF NAMIBIA
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

1. ADVERSE OF AUDIT OPINION

I have audited the financial statements of the National Arts Council of Namibia for the financial year ended 31 March 2021. These financial statements comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flow and notes to the annual financial statements for the year then ended, and a summary of significant accounting policies.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Audit Opinion paragraph, the financial statements do not present fairly, in all material respects, the financial position of the National Arts Council of Namibia as at 31 March 2021 and its financial performance and cash flows for the year then ended.

2. BASIS FOR ADVERSE OF 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. An adverse audit opinion is being expressed due to the following:

2.1 REPORTING FRAMEWORK

The Council used an inappropriate financial reporting framework which is International Financial Reporting Standard for Small and Medium-sized entities instead of full International Financial Reporting Standard (IFRS).

3. 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 my audit of the financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. 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. I have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards 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.

5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies 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.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- Provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

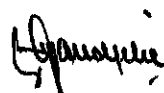
From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public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

6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (COMPLIANCE)

The financial statements were submitted by the Accounting Officer to the Auditor-General in terms of Section 5 of the National Arts Fund Act, 2005 (Act 1 of 2005).

7. ACKNOWLEDGEMENT

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



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, October 2022

**NATIONAL ARTS COUNCIL OF NAMIBIA
COUNCIL MEMBER'S REPORT FOR THE YEAR ENDED 31 MARCH 2021**

1. Review of activities

Main business and operations

The State Fund Organisation was constituted through the National Arts Fund (NAF) Act No 1 of 2005, which makes provision for the establishment of a Council to act as an advisory body to the Fund. The Council's mandate therefore, is to develop and support programmes and projects that will ensure the continued practice of all art forms in Namibia, to enrich and enhance the national heritage and above all unify all Namibians through arts practice. There were no major changes herein during the year.

The operating results and statement of financial position of the State Fund Organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Council Members believe that the State Fund Organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

The Council Members have satisfied themselves that the State Fund Organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The Council Members are not aware of any material changes that may adversely impact the State Fund Organisation. The Council Members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the State Fund Organisation.

The State Fund Organisation incurred a net deficit for the year ended 31 March 2021 of N\$ 931 802 (2020 surplus: N\$ 929 804).

The annual financial statements have been prepared on the going concern basis, since the Council Members have every reason to believe that the State Fund Organisation has adequate resources in place to continue in operation for the foreseeable future.

3. Events after the reporting period

The Council members are not aware of any material event which occurred after the reporting date and up to the date of this report.

**NATIONAL ARTS COUNCIL OF NAMIBIA
COUNCIL MEMBER'S REPORT FOR THE YEAR ENDED 31 MARCH 2021**

Impact of COVID-19

COVID-19 existed globally at the reporting date. COVID-19 in itself is not an event; however, the National State of Emergency and lockdown are events, which occurred after the reporting period date as a result of COVID-19. It was concluded that the declaration of COVID-19 as a pandemic is such a non- adjusting event. The impact of COVID-19 on accounting standards that required the use of forward- looking information (expected credit losses and good will impairment) was assessed based on information available as at 29 February 2020.

As the pandemic increases on both magnitude and duration, entities are experiencing conditions often associated with a general economic downturn, including, but not limited to, financial market volatility and erosion, deteriorating credit, liquidity credit, liquidity concerns, further increases in government intervention, increasing unemployment, broad declines in consumer discretionary spending, increase inventory levels, reductions in production because of decreased demand, layoffs and furloughs, and other restructuring activities. The continuation of these circumstances could result in an even broader economic downturn that could have a prolonged negative impact on an entity's financial result.

Government intervention appears to be slowing the spread of COVID-19 at different countries. The severity will be influenced by the lockdown period and the easing thereof. It is anticipated that the COVID-19 pandemic may have a substantial impact on revenue countered by material reduction in expenses and therefore the residual impact on profitability for the year ending 28 February 2021 is not expected to be significant. It is, however, not possible to make an accurate estimate of its full financial effect for the year ahead as the virus's infection rate and impact on macro-economic condition is uncertain.

4. Council members' interest in contracts

To our knowledge none of the Council members had any interest in contracts entered into during the year under review.

5. Council members

Constitution of Council

The Council members of the State Fund organisation during the year and up to the date of this report are as follows:

**NATIONAL ARTS COUNCIL OF NAMIBIA
COUNCIL MEMBER'S REPORT FOR THE YEAR ENDED 31 MARCH 2021**

Council members	Nationality	Appointment period
Patrick Sam (Chairperson)	Namibian	01 April 2019-31 March 2022
Shareen Thude (Vice chairperson)	Namibian	01 April 2019-31 March 2022
Sanet Steenkamp	Namibian	01 April 2019-31 March 2022
M'Kariko Amagulu	Namibian	01 April 2019-31 March 2022
Dalicia Olivier	Namibian	01 April 2019-31 March 2022
Immanuel Nashivela	Namibian	01 April 2019-31 March 2022
Leitego /Narib	Namibian	01 April 2019-31 March 2022
Ervast Mutota	Namibian	01 April 2019-31 June 2020

6. Litigation statement

The Council becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The Council is not currently in any claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

NATIONAL ARTS COUNCIL OF NAMIBIA
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH

ASSETS	Note	2021	Restated 2020
		N\$	N\$
Non-current assets		1 122 818	1 613 574
Property and equipment	4	28 133	19 059
Unit Trusts	5	1 094 685	1 594 515
Current assets		308 143	749 189
Cash and cash equivalents	6	308 143	749 189
Total assets		1 430 961	2 362 763
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus		1 430 961	2 362 763
EQUITY AND LIABILITIES		1 430 961	2 362 763

*See Note 14

**NATIONAL ARTS COUNCIL OF NAMIBIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 MARCH**

		2021	Restated 2020
	Note	N\$	N\$
Grants Received	7	5 500 000	3 300 000
Other Income	8	1 150	520 269
Distribution costs	9	(299 288)	(2 876 312)
Administrative Expenses	10	(291 042)	(136 130)
Operating expenses	11	(5 943 202)	(1 908 337)
Deficit from operating activities		(1 032 382)	(1 100 510)
Finance Income	12	100 580	2 030 314
(Deficit)/surplus for the year		(931 802)	929 804

*See Note 14

**NATIONAL ARTS COUNCIL OF NAMIBIA
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH
2021**

	Accumulated surplus	Total
	N\$	N\$
Balance as at 01 April 2019	1 432 959	1 432 959
Surplus for the year	929 804	929 804
Balance as at 31 March 2020	2 362 763	2 362 763
Balance as at 1 April 2020	2 362 763	2 362 763
Change in Equity		
Deficit for the year	(931 802)	(931 802)
Balance as at 31 March 2020	1 430 961	1 430 961

ANNEXURE D

NATIONAL ARTS COUNCIL OF NAMIBIA
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH

	2021	Restated 2020
Note	N\$	N\$
Cash flows from/(used in) operations		
(Deficit)/ surplus for the year	(931 802)	929 804
Adjustment to reconcile(deficit)/surplus	20 752	(17 147)
Adjustment for finance income	(410)	(30 314)
Adjustment for depreciation and amortisation expense	21 162	13 167
Interest received	410	30 314
Net cash flow (used in)/ operating activities	(910 640)	942 971
Cash flows from investing activities		
Purchase of property plant and equipment	(30 236)	(4 096)
Interest earned on Unit Trusts	(100 170)	(743 168)
Unit trust redemption	600 000	
Cash flow from / (used in) investing activities	469 594	(747 264)
Net increase / (decrease) in cash and cash equivalents	(441 046)	195 707
Cash and cash equivalents		
at the beginning of the year	749 189	553 482
at the end of the year	308 143	749 189

*See Note 14

**NATIONAL ARTS COUNCIL OF NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH**

1. General Information

National Arts Council of Namibia (‘the State Fund Organisation’) was constituted through the National Arts Fund (NAF) Act No 1 of 2005, which provision for the establishment of a Council to act as an advisory. The Council’s mandate therefore, is to develop and support programmes and projects that will ensure the continued practice of all art forms in Namibia, to enrich and enhance the national heritage and above all unify all Namibians through arts practice.

The State Fund Organisation is incorporated as a Stated Fund Organisation and domiciles in Namibia. The address office is Luther Street, Government Office Park, Windhoek, Namibia.

2. Basis of preparation and summary of significant accounting policies

The financial statements of the National Arts Council of Namibia have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared on the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in Namibian dollar.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the State Fund Organisation accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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

2.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Council members.

The State Fund Organisation adds to the carrying amount of an item of property plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the State Fund Organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

**NATIONAL ARTS COUNCIL OF NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH**

2.1 Property, plant and equipment (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life/depreciation rate
Motor vehicles	5 years
Furniture and fixtures	10 years
Office equipment	5 years
Computer equipment	3 years

Property, plant and equipment is initially stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the council members.

The State Fund Organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when the cost is incurred if the replacement part is expected to provide incremental future benefits to the State Fund Organisation. The Carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

2.2 Financial instruments

Other financial assets.

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

Where other financial assets relate to shares that are publicly traded, or where fair values can be measured reliably without undue cost or effort, these assets are subsequently measured at fair value with the changes in fair value being recognised in profit or loss. Other investments are subsequently measured at cost less impairment.

Debt instruments are subsequently stated at amortised cost. Interest income is recognised on the basis if the effective interest method and is included in finance income.

Commitments to receive a loan that meets the conditions in paragraph 11. 8 (c) are measured at cost less impairment.

**NATIONAL ARTS COUNCIL OF NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH**

Cash and cash equivalents

Cash and cash equivalents include cash on hand demand deposits and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

2.3 Tax

Current tax assets and liabilities

No taxation is provided for, as the Council is exempt for income tax.

2.4 Revenue

Revenue is recognised to the extent that the Council has transferred the significant risk and rewards of ownership of good to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Council. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

2.5 Government grants

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the State Fund Organisation has complied with all attached conditions. Grants received where the State Fund Organisation has yet to comply with all attached condition are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with Government grants received are included in other income in profit or loss.

2.6 Related parties

A related party is a person or entity with the ability to control or jointly control the other party or exercise significant influence over the other party or vice versa or an entity that is subject to common control or joint control As a minimum the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
 - Has control or joint of the reporting entity;
 - Has significant influence over the reporting entity;
 - Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following condition apply:
- The entity and the reporting entity are members of the same group (which means that each parent subsidiary and fellow subsidiary is related to the others);

**NATIONAL ARTS COUNCIL OF NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH**

2.6 Related parties (continued)

One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

Both entities are joint ventures of the same third party;

One entity is a joint venture with third entity and the other entity is an associate of the third entity;

The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan the sponsoring employers are also related to the reporting entity;

The entity is controlled or jointly controlled by a person identified as a related party;

A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

The entity or any member of a group of which it is a part provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Critical accounting estimates and judgement

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

**NATIONAL ARTS COUNCIL OF NAMIBIA
NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2021(continued)**

4. Property, plant and equipment

	Motor Vehicles	Fixtures and Fittings	Office Equipment	Computer Equipment	Total
	N\$	N\$	N\$	N\$	N\$
Balance at 1 April 2020					
At Cost	273 000	153 564	37 184	73 622	537 370
Accumulated depreciation	(273 000)	(153 564)	(35 532)	(56 215)	(518 311)
Carrying amount	-	-	1 652	17 407	19 059

Movements for the year ended 31 March 2021

Addition from acquisition				30 236	30 236
Depreciation	-		(340)	(20 822)	(21 162)
Property, plant and equipment at the end of the year	-	-	1 312	26 821	28 133

Closing balance as 31 March 2021

At Cost	273 000	153 564	37 184	103 858	567 606
Accumulated depreciation	(273 000)	(153 564)	(35 872)	(77 037)	(539 473)
Carrying amount	-	-	1 312	26 821	28 133

ANNEXURE E

NATIONAL ARTS COUNCIL OF NAMIBIA
NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2021 (continued)

Reconciliation for the year ended 31 March 2020

	Motor Vehicles	Fixtures and Fittings	Office Equipment	Computer Equipment	Total
	N\$	N\$	N\$	N\$	N\$
Balance at 1 April 2019					
At cost	273 000	153 564	37 184	69 525	533 273
Accumulated depreciation	(273 000)	(153 564)	(35 485)	(43 094)	(505 143)
Carrying amount	-	-	1 699	26 431	28 130
Movement for the year ended 31 March 2020					
Addition from acquisitions	-	-	-	4 096	4 096
Accumulated depreciation	-	-	(47)	(13 120)	(13 167)
Property, plant and equipment at the end of the year	-	-	1 652	17 407	19 059
Closing balance at 31 March 2020					
At cost	273 000	153 564	37 184	73 622	537 370
Accumulated depreciation	(273 000)	(153 564)	(35 532)	(56 215)	(518 311)
Carrying amount	-	-	1 652	17 407	19 059

NATIONAL ARTS COUNCIL OF NAMIBIA
NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2021

	2021	2020
	N\$	N\$
5. Unit trusts		
Unit trusts comprise the following balances		
Capricorn Asset Management		
At fair value through profit or loss designated	1 094 685	1 594 515
6. Cash and cash equivalents		
Bank Windhoek Holdings Limited	308 143	749 189
7. Revenue		
Revenue comprises:		
Government Grant in Aid	5 500 000	3 300 000
8. Other Income	1 150	520 269
Membership fees	1 150	9 920
Refund by directorate Arts	-	340 349
Distribution - special projects	-	170 000
9. Distribution costs		
Distribution costs	299 288	2 876 312

NATIONAL ARTS COUNCIL OF NAMIBIA
NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2021

	2021	2020
	N\$	N\$
10. Administrative expenses	291 042	136 130
Administrative expenses comprise:		
Accounting fees	-	6 318
Membership fees - IFACCA	-	4 369
Council & Committee fees	257 743	93 373
Auditors remuneration - fees	-	5 172
Bank charges	18 026	16 687
Subscriptions	4 470	3 000
Telephone & fax	10 803	7 211
11. Other expenses	5 943 202	1 908 337
Other expenses comprise:		
Advertising & Promotion	63 550	241 356
Bursaries and awards	1 329 228	1 194 405
Depreciation	21 162	13 167-
Distribution- Grants	3 884 758	-
Employee benefit expenses	59 769	76 155
General Expenses	64 208	41 793
Legal expense	-	10 565
Motor Vehicle expenses	29 760	8 704
Postage	700	-
Printing and stationery	58 224	86 696
Projects	7 085	-
Refreshments	48 382	28 678
S&T Allowances	33 549	104 133
Sitting fees	-	8 696
Sponsorships	334 253	-
Travel & Accommodation	8 574	93 989

NATIONAL ARTS COUNCIL OF NAMIBIA
NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2021

	2021	2020
	N\$	N\$
12. Finance Income	100 580	2 030 314
Finance Income comprises:		
Investment Income	-	2 000 000
Interest received	100 580	30 314
13. Related parties		
Government related parties		
Entity name	Nature of relationship	
Ministry of Education, Arts and Culture	Governing Body	
Council members	Management	

The fund, in the ordinary course of business, enters into various transactions with the government of Namibia, Ministry of Education, as the sole shareholder.

Related party transactions

Remuneration paid to key management	182 303	85 547
Capital grants received from the Government	5 500 000	3 300 000

Transaction entered into in the normal course of business with fellow stated owned entities in Namibia are not regarded as related party transaction for disclosure purpose.

14. Prior period errors

Prior period errors are omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available and could reasonably be expected to have been obtained and taken into account in preparing those statements.

The general principle in IAS 8 is that entity must correct all material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by: (IAS 8.42).

Restating the comparative amounts for the prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

NATIONAL ARTS COUNCIL OF NAMIBIA
NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

14. Prior period errors (continued)

However, if it is impracticable to determine the period specific effects of an error on comparative information for one or more prior periods presented, the entity must restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable (which may be the current period). (IAS 8.44).

Further, if it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods; the entity must restate the comparative information to correct the error prospectively from the earliest practicable. (IAS 8.45).

During 2021, the Council discovered that there were some accounts that had been erroneously presented in its financial statements as at 31 March 2020. As a consequence the following accounts were overstated, property, plant and equipment, Investment account, Trade and other receivables, equity. The cash and cash equivalent account was understated.

The following table summarises the impacts on the annual financial statements:

	<u>As previously reported</u>	<u>Adjustments</u>	<u>As restated</u>
	N\$	N\$	N\$
Non-current assets	8 171 999	(6 558 425)	1 613 574
Property and equipment	248 878	(229 819)	19 059
Investment	7 923 121	(6 328 606)	1 594 515
Current assets	2 202 135	(1 452 946)	749 189
Trade and other receivables	2 055 952	(2 055 952)	-
Cash and cash equivalents	146 183	603 006	749 189
Total assets	10 374 134	(8 011 371)	2 362 763
Equity and liabilities			
Equity			
Accumulated surplus/deficit	10 374 134	(8 011 371)	2 362 763
Total Equity and liabilities	10 374 134	(8 011 371)	2 362 763

NATIONAL ARTS COUNCIL OF NAMIBIA
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

		2021	Restated 2020
	Note	N\$	N\$
Revenue			
Government Grants	7	5 500 000	3 300 000
Other Income			
Distribution – Special project	8	1 150	520 269
Membership fees		-	170 000
Refund by Directorate Arts		1 150	9 920
		-	340 349
Distribution Costs			
Distribution Costs	9	(299 288)	(2 876 312)
Administrative expenses			
Accounting fees	10	(291 042)	(136 130)
Auditors remuneration-fees		-	(6 318)
Bank charges		-	(5 172)
Council & Committee fees		(18 026)	(16 687)
Membership fees- IFACA		(257 743)	(93 373)
Subscriptions		-	(4 369)
Telephone & Fax		(4 470)	(3000)
		(10 803)	(7 211)
Other expenses			
Advertising & Promotions	11	(5 943 202)	(1 908 337)
Bursaries and awards		(63 550)	(241 356)
Depreciation- Property, plant and equipment		(1 329 228)	(1 194 405)
Distribution grants		(21 162)	(13 167)
Employee costs- Salaries		(3 884 758)	-
General expenses		(59 769)	(76 155)
Legal expense		(64 208)	(41 793)
Motor vehicle expense		-	(10 565)
Postage		(29 760)	(8 704)
Printing & Stationery		(700)	-
Projects		(58 224)	(86 696)
Refreshments		(7 085)	-
S&T Allowance		(48 382)	(28 678)
		(33 549)	(104 133)

NATIONAL ARTS COUNCIL OF NAMIBIA
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

	2021	Restated 2020
Note	N\$	N\$
Other expenses (continued)		
Sitting allowances	-	(8 696)
Sponsorships	(334 253)	
Travel & Accommodation	(8 574)	(93 989)
	(1 032 382)	(1 100 510)
Deficit from operating activities		
	(931 802)	(929 804)
(Deficit)/surplus for the year		