



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

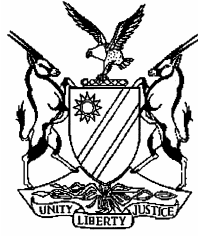
# FILM AND VIDEO DEVELOPMENT FUND

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2004 AND 2005

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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 Film and Video Development Fund for the financial years ended 31 March 2004 and 2005, 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, June 2009**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR GENERAL  
ON THE ACCOUNTS OF THE NAMIBIA  
FILM AND VIDEO DEVELOPMENT FUND  
FOR THE FINANCIAL YEARS ENDED  
31 MARCH 2004 AND 2005**

## **1. INTRODUCTION**

The Film and Video Development Fund was established in terms of Section 14(1) of Namibia Film Commission Act, 2000 (Act 6 of 2000), to administer funds appropriated by Parliament for the purpose of the Fund, that is the establishment of a film industry in Namibia, to financially assist Namibia film producers and to develop, produce and distribute Namibian film, video and television production projects. The Secretary of the Commission is the Accounting Officer in terms of the Act.

## **2. FINANCIAL STATEMENTS**

In terms Section 17 (2) (a) of the Act, the Secretary shall:

“(a) keep such account books as are necessary to represent fairly the state of affairs and business of the Fund and to explain the transactions and financial position of the business of the Fund.”

The following financial statements are attached to the report:

Annexure A – Balance sheets

Annexure B – Detailed income and expenditure statements

No cash-flow statement has been prepared by the Accounting Officer.

## **3. SCOPE OF THE AUDIT**

**3.1** The Accounting Officer of the Fund is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions. It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly.

The audit as carried out by staff of the Office of the Auditor-General included:

- (a) examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements,
- (b) assessment of the significant estimates and judgements made by the Accounting Officer of the Fund in the accounting of the transactions, his determination of and decision on relevance of transactions to the Fund and of whether the accounting policies are appropriate to the Fund’s circumstances, consistently applied and adequately disclosed, and

- (c) evaluation of the overall adequacy of the presentation of information for its inclusion in the financial statements.
- 3.2** The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:
- (a) the financial statements are free from material misstatement, whether caused by error, fraud or other irregularity,
  - (b) in all material respects, the expenditure and income have been applied to the purposes intended; and
  - (c) the financial transactions conform to the authorities which govern them.

#### **4. AUDIT OBSERVATIONS**

##### **4.1 Fixed Assets**

The Fund has no depreciation policy in place. The accuracy of neither depreciation nor the net book value as recorded in the financial statements could be confirmed.

##### **4.2 Annual financial statements**

The annual financial statements were prepared without any notes to it. According to the General Accepted Accounting Practice there must be notes prepared to the financial statements. It is recommended that the Accounting Officer takes recognition of this practice.

##### **4.3 Expenditure 2003/04**

The Ministry of Information and Broadcasting spent N\$ 728 240 for the script development of the film "Where others waivered" and N\$ 340 000 relating to the business plan consultants, administrative costs and a fund raising gala dinner. These expenses are not reflected in the income and expenditure statements as the suppliers have been paid directly by the Ministry.

#### **5. ACKNOWLEDGEMENT**

The courtesy extended and assistance rendered by the staff of the Namibia Film and Video Development Fund during the audit is appreciated.

#### **6. AUDIT OPINION**

The accounts and the financial statements of the Film and Video Development Fund for the financial years ended 31 March 2004 and 2005 were audited by me in terms of Section 17 (3) of the Act, read with Section 25(1)(b) of the State Finance Act, 1991.

Without qualifying my opinion, attention is drawn to the fact that the correctness of the value of assets disclosed in the balance sheet could not be confirmed.

In my opinion the financial statements fairly present the financial position of the Fund and the results of its operations for the years ended 31 March 2004 and 2005.

**WINDHOEK, June 2009**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## ANNEXURE A

## NAMIBIA FILM AND VIDEO DEVELOPMENT FUND

## Balance sheets as at 31 March 2004 and 2005

	<b>2005</b>	<b>2004</b>
	N\$	N\$
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>8 540 531</b>	-
Computer equipment	195 422	-
Office equipment	33 063	-
Other non-current assets	7 586	-
Investments	8 304 460	
<b>Current assets</b>	<b>298 185</b>	<b>10 688 918</b>
Petty cash	25 000	-
Current bank account	189 624	10 688 918
Provisions: Interest on investments	53 561	
Loan account	30 000	-
<b>TOTAL ASSETS</b>	<b>8 838 716</b>	<b>10 688 918</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Retained income</b>		
Retained income/ (Accumulated loss)	10 688 918	-
Net profit/ (loss)	(1 850 202)	10 688 918
<b>TOTAL EQUITY</b>	<b>8 838 716</b>	<b>10 688 918</b>

## ANNEXURE B

## NAMIBIA FILM AND VIDEO DEVELOPMENT FUND

## Income and expenditure accounts for the financial years ended 31 March 2004 and 2005

	<b>2005</b>	<b>2004</b>
	N\$	N\$
<b>REVENUE</b>	<b>6 659 085</b>	<b>10 689 149</b>
Government grants	6 221 061	10 689 149
Interest received	418 021	--
<b>Other income</b>		
Discount received	20 003	--
<b>EXPENDITURE</b>	<b>8 509 287</b>	<b>231</b>
Accounting fees	12 656	--
Audit fees	6 208	--
Investment fees	60 000	--
Advertising & promotions	11 658	--
Audition fees & venues	5 500	--
Bank charges	6 995	231
Camera equipment – Rent	625 000	--
Catering fees	6 034	--
Casting fees	40 914	--
Computer expenses	7 808	--
Consulting fees	2 500	--
Courier & postage	1 654	--
Shipping/ import expenses	16 246	--
Construction set & design	103 902	--
Design labour	3 500	--
Depreciation	26 410	--
Lightning equipment - Rent	880 000	--
Water & electricity	6 559	--
Entertainment	11 328	--
Sponsorship fees	46 151	--
Grip equipment	970 153	--
Grant transfer to Pacon	2 766 798	--
Insurance	53 413	--
Interest paid	118	--
Vehicle Hire & lease	3 096	--
Legal fees	15 640	--
Locations	50 000	--
Minor furniture & equipment	1 553	--
Medical expenses	1 522	--
Motor vehicle expenses - Fuel & oil	17 390	--
Travel/ living expenses	48 745	--
S& T fees - NFC	6 718	--

## ANNEXURE B

## NAMIBIA FILM AND VIDEO DEVELOPMENT FUND

## Income and expenditure accounts for the financial years ended 31 March 2004 and 2005

	<b>2005</b>	<b>2004</b>	
	N\$	N\$	
Marketing contribution-Cannes festival	150 000		--
Donations towards film production	59 208		--
Stationery & printing	85 519		--
Rent paid - Leases	136 563		--
Rental - Buildings/equipment	27 540		--
Rental vehicles	1 380		--
Repairs & maintenance	5 933		--
Salaries & wages	717 297		--
Security fees	22 320		--
Subscriptions - Other	899		--
Sound equipment	3 020		--
Telephone & fax	32 246		--
Transport/travel & living	414 925		--
Airport taxes & visas	24 923		--
Teletransmission outward - Forex	888 390		--
Unit publicity	10 914		--
Wardrobe - Material & machinery	84 901		--
Suspense - Miscellaneous	27 140		--
<b>NET PROFIT/ (LOSS) FOR THE YEAR</b>	<b>(1 850 202)</b>	<b>10 688 918</b>	