



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

# FILM AND VIDEO DEVELOPMENT FUND OF THE NAMIBIA FILM COMMISSION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

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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 of the Namibia Film Commission for the financial year ended 31 March 2012, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

**WINDHOEK, August 2013**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

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

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**1. INTRODUCTION**

The accounts of the Film and Video Development Fund for the year ended 31 March 2012 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Namibia Film Commission Act, 2000 (Act 6 of 2000) herein after called the Act.

The firm NC Tromp Accountants of Windhoek has been appointed in terms of Section 26(2) of the State Finance Act, 1991, to audit the accounts of the Fund on behalf of the Auditor-General and under his supervision.

Figures in the report are rounded off to the nearest Namibia Dollar and deficits are indicated in brackets.

**2. ESTABLISHMENT**

The Film and Video Development Fund was established in terms of section 14(1) of the Act. The Act provides for the establishment, management and administration of the funds appropriated by Parliament for the purpose of the fund. The Secretary of the Commission is the Accounting Officer in terms of the Act.

**3. FINANCIAL STATEMENTS**

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

(a) " keep such account of 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 financial statements are attached to this report.

**4. SCOPE OF THE AUDIT**

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion of to the National Assembly. The said firm conducted the audit in accordance with International Standards on Auditing. Those standards require that the firm complies with ethical requirements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures

in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## **5. AUDIT OBSERVATION AND COMMENTS**

### **5.1 Property, plant and equipment**

The auditors obtained a fixed asset register but were not able to confirm the existence and valuation of fixed assets since physical verification procedures could not be performed.

It is recommended that the assets being properly marked, for verification purposes, and referenced to the asset register.

## **6. ACKNOWLEDGEMENT**

The assistance and co-operation given by the staff of the Fund during the audit is appreciated.

## **7. AUDIT OPINION**

The financial statements of the Namibia Film Commission for the financial year ended 31 March 2012 have been audited in accordance with the provisions of Section 17(3) of the Namibia Film Commission Act, 2000, read with Section 25(1)(b) of the State Finance Act, 1991.

In my opinion these financial statements fairly present the net assets of the Namibia Film Commission at 31 March 2012, its net costs of operations and its cash flows for the year then ended.

**WINDHOEK, August 2013**

**JUNIAS ETUNA KANDJEKE  
AUDITOR- GENERAL**

**NAMIBIA FILM COMMISSION  
ANNUAL FINANCIAL STATEMENTS  
For the year ended 31 MARCH 2012**

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NATURE OF BUSINESS

To support, encourage and promote development of film production, the film industry and film marketing in Namibia.

Commissioners

Ms Roselia Penda	Chairperson
Mr Vickson Hangula	Vice-chairperson
Ms Anna Shivute	
Ms Katriena Diedericks	
Mr Obed Emvula	

Business Address

17 Newton Street  
Windhoek

Secretary

Edwin Kanguatjivi (upto 31/10/2011)

**NAMIBIA FILM COMMISSION  
ANNUAL FINANCIAL STATEMENTS  
For the year ended 31 MARCH 2012**

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

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The financial statements were approved by the Commissioners and were signed on their behalf by:

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F Haifene                      Executive Secretary

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Date

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Ms Roselia Penda      Chairperson

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Date

**Windhoek**

**NAMIBIA FILM COMMISSION  
REPORT OF THE COMMISSIONERS  
For the year ended 31 MARCH 2012**

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The Commissioners present their report for the year ended 31 March 2012. This report forms part of the audited financial statements.

**Incorporation**

Namibia Film Commission was established through an act of Parliament (Act 6 of 2000). It currently operates as a government Commission under The Ministry of Information and Communication Technology.

**Business Operations**

The Commission's business, operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

**Statement of responsibility**

The Commissioners are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The external auditors are responsible for independently auditing and reporting on financial statements.

The Commissioners are responsible for the commission's system of internal control. Internal controls are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements. Nothing has come to the attention of the Commission.

The annual financial statements have been prepared on the going concern basis, since the Directors have every reason to believe that the Commission still have adequate resources in place to continue in operation for foreseeable future.

**Fixed Assets**

There have been no major changes in the fixed assets during the period or any changes in the policy relating to their use.

**Commissioners**

The Commissioners of the Commission during the year under review were as follows:

Ms Roselia Penda	Chairperson
Mr Vickson Hangula	Vice-chairperson
Ms Anna Shivute	
Ms Katriena Diedericks	
Mr Obed Emvula	

**Operations**

The Commission was established in May 2000 by an act of Parliament (act 6 of 2000) and only started operations in 2004.

**NAMIBIA FILM COMMISSION  
BALANCE SHEET  
As at 31 MARCH**

	Note	2012 N\$	2011 N\$
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	2	176 636	19 599
		176 636	19 599
<b>CURRENT ASSETS</b>			
Bank and cash	3	2 795 475	55 190
		2 795 475	55 190
<b>TOTAL ASSETS</b>		2 972 111	74 789
<b>EQUITY AND LIABILITIES</b>			
Film and Video Development Fund		2 522 969	69 433
		2 522 969	69 433
<b>LIABILITIES</b>			
Accounts payable		449 142	5 356
		449 142	5 356
<b>TOTAL FUNDS AND LIABILITIES</b>		2 972 111	74 789



**NAMIBIA FILM COMMISSION**  
**INCOME STATEMENT**  
**For the year ended 31 MARCH**

	<b>Note</b>	<b>2012</b>	<b>2011</b>
		N\$	N\$
<b>REVENUE</b>			
Interest received		112	220
Other income			
- Permit and visa applications		85 604	108 080
- Screening		6 150	-
Government grant received		7 162 000	1 200 000
Total income		7 253 866	1 308 300
<b>EXPENDITURE</b>			
		(4 800 329)	(1 711 764)
Surplus/Deficit		2 453 537	(403 464)
Retained Profit at the beginning of the year		69 432	472 897
<b>SURPLUS FOR THE YEAR</b>		<b>2 522 969</b>	<b>69 433</b>

**NAMIBIA FILM COMMISSION**  
**INCOME STATEMENT/DETAILED EXPENDITURE**  
**For the year ended 31 MARCH**

**EXPENDITURE**

	<b>2012</b>	<b>2011</b>
	N\$	N\$
<b>General expenses</b>	<b>4 800 329</b>	<b>1 711 764</b>
Accounting fees	17 320	13 650
Advertising and promotions	296 381	233 365
Audit fees	61 990	-
Bank charges	17 670	9 148
Catering fees	6 435	-
Commissioners allowance	6 000	-
Consulting fees	22 120	10 800
Consumables	2 032	-
Courier and postage	-	381
Depreciation	7 443	3 659
Entertainment expenses	14 497	9 794
Intern allowance	1 932	-
Legal fees	19 032	32 660
Local film festival, award and sponsorship	-	73 000
Motor vehicle expenses	1 822	-
Production fee	2 241 073	694 176
Rent paid	35 681	1 320
S&T - Local & foreign	866 965	389 130
Salaries and wages	1 300	-
Script expenditures	144 751	97 443
Sitting allowance and overtime	11 100	-
Staff gratitude	6 640	-
Storage cost	918	-
Subscriptions	5 971	5 784
Support to local film makers	382 049	48 270
Telephone and fax	19 805	-
Training - staff and commissioners	333 839	3 495
Travelling, living, air tickets and visas	265 563	82 987
Website amendments and developments	10 000	2 702

**NAMIBIA FILM COMMISSION**  
**CASH FLOW STATEMENT**  
**For the year ended 31 MARCH**

	<b>Note</b>	<b>2012</b> N\$	<b>2011</b> N\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		7 253 866	1 308 300
Cash paid to suppliers		4 349 212	1 708 325
Cash (utilised)/generated by operations	<b>4.1</b>	2 904 654	(400 025)
Interest received		112	220
Net cash flow from operating activities		2 904 766	(399 805)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of fixed assets		(164 481)	-
Proceeds from disposal of asset		-	-
Movement in investments		-	-
Net cash flow from investing activities		(164 481)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long-term borrowings repaid - vehicles		-	-
Long-term borrowings repaid - buildings		-	-
Long-term borrowings raised - Government		-	-
Increase - Deferred income		-	-
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		2 740 285	(399 805)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<b>4.2</b>	55 190	454 995
CASH AND CASH EQUIVALENTS - END OF YEAR	<b>4.2</b>	<b>2 795 475</b>	<b>55 190</b>

**NAMIBIA FILM COMMISSION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended 31 MARCH 2012**

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**1. ACCOUNTING POLICIES**

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**1. Basis of presentation**

The financial statements are prepared on the historical cost basis and incorporated the following principal accounting policies set out below which are consistent with those of the previous year.

**1.1 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Commission and the revenue can be reliably measured. Revenue is mainly composed of Government Grants and is recognised on receipt basis.

**1.2 Film production cost**

All film production costs are written off in the year in which they are incurred.

**1.3 Recognition of assets**

All fixed assets are initially recorded at cost and adjusted for any impairment in value.

Depreciation is calculated on the straight line method to write off the cost of each asset, or the valued amounts to their residual values over their estimated use

Other fixed assets	10%
Office equipment	20%
Computer equipment	20%

**1.4 Inventories**

All consumables like clothing used in the firm are written off in the year of purchase.

**1.5 Government grants**

Government grants are recognised in the period received.

**1.6 Costs and expenditures paid directly by the Ministry of Information and Communication Technology**

All expenditures paid to suppliers or related directly from the Ministry of Information and Communication Technology are not reflected in this set of financial statements.

**NAMIBIA FILM COMMISSION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 MARCH**

	2012	2011	
	N\$	N\$	
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>			
	<b>Cost</b>	<b>Additions</b>	<b>Accumulated depreciation</b>
	N\$	N\$	N\$
<b>2012 YEAR</b>			<b>Carrying value</b>
			N\$
Office equipment and furniture	41 889	164 481	41 466
Computer equipment	278 220	-	272 940
Other fixed assets	22 376	-	15 924
	<b>342 485</b>	<b>164 481</b>	<b>330 330</b>
			<b>176 636</b>
<b>2011 YEAR</b>			
Office equipment and furniture	41 889	-	37 698
Computer equipment	278 220	-	271 500
Other fixed assets	22 376	-	13 689
	<b>342 485</b>	-	<b>322 887</b>
			<b>19 598</b>

**NAMIBIA FILM COMMISSION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 MARCH**

	Note	2012 N\$	2011 N\$
<b>3. CASH UTILISED BY OPERATIONS</b>			
3.1	Reconciliation of net loss before taxation to cash generated from operation	2 453 537	(403 464)
	Net Profit before Taxation		
	Adjustments for:		
	- Interest received	(112)	(220)
	- Depreciation	7 443	3 659
	Operating capital before working capital changes		
	Working capital changes:		
	- Decrease/(Increase) in accounts receivable	-	-
	- (Decrease)/Increase in accounts payable	443 786	-
	Cash generated from operations	2 904 654	(400 025)
3.2	Cash and cash equivalents		
	Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprises the following balance sheet accounts:		
	Current bank accounts		
	Cash and cash equivalents	2 795 475	55 190
		2 795 475	55 190