



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 2015

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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 2015, 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 2016

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
FILM AND VIDEO DEVELOPMENT FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

1. INTRODUCTION

The accounts of the Film and Video Development Fund for the year ended 31 March 2015 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) hereafter called the Act.

The firm MAC & Associates 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. 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

The Fund's annual financial statements referred to in Section 17(2)(a) of the Act were audited in terms of Section 17(2) of the Act and are filed in the Office of the Auditor-General. Included in this report are:

- Annexure A: Balance Sheet
- Annexure B: Income Statement
- Annexure C: Detailed Expenditure
- Annexure D: Cash Flow Statement
- Annexure E: Notes to the Financial Statements

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 these statements and on the regularity of the financial transactions included in them and to report his opinion 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 plan and perform the audit to obtain reasonable assurance about 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.

4. ACKNOWLEDGEMENT

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

5. UNQUALIFIED AUDIT OPINION

The financial statements of the Film and Video Development Fund for the financial year ended 31 March 2015 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 financial position of the Film and Video Development Fund as at 31 March 2015, and the results of its operations and cash flows for the year ended.

WINDHOEK, June 2016

**JUNIAS ETUNA KANDJEKE
AUDITOR- GENERAL**

**FILM AND VIDEO DEVELOPMENT FUND
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

NATURE OF BUSINESS

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

Commissioners	Mr Obed Emvula Chairperson Ms Roselia Penda Vice-chairperson Ms Anna Shivute Ms Katriena Diedericks Mr Vickson Hangula
Business Address	17 Newton Street Windhoek
Executive secretary	Ms Florence Haifene

**FILM AND VIDEO DEVELOPMENT FUND
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

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:

Ms F Haifene Secretary

Date

Mr Obed Emvula Chairperson

Date

Windhoek

**FILM AND VIDEO DEVELOPMENT FUND
REPORT OF THE COMMISSIONERS
FOR THE YEAR ENDED 31 MARCH 2015**

The commissioners present their report for the year ended 31 March 2015. 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.

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 these financial statements. The commissioners are responsible for the Fund's system of internal control. Internal controls are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements.

The annual financial statements have been prepared on the going concern basis, since the Commissioners have every reason to believe that the Commission has or has access to adequate resources in place to continue in operation for the 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 during the year under review are as follows:

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

Operations

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

**FILM AND VIDEO DEVELOPMENT FUND
BALANCE SHEET
AS AT 31 MARCH**

	Note	2015 N\$	2014 N\$
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	2	563 228	679 453
CURRENT ASSETS			
		2 563 763	4 985 403
Prepayments		23 657	36 930
Cash and cash equivalents	3	2 540 106	4 948 473
TOTAL ASSETS		3 126 991	5 664 856
EQUITY AND LIABILITIES			
EQUITY			
Film and Video Development Fund		3 126 991	5 342 711
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable		-	322 145
TOTAL FUNDS AND LIABILITIES		3 126 991	5 664 856

**FILM AND VIDEO DEVELOPMENT FUND
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH**

	2015	2014
	N\$	N\$
REVENUE		
Interest received	1 685	426
Permit and visa fees	97 514	84 639
Government grant received - operations	8 500 000	8 000 000
Government grant received - IT infrastructure	-	900 000
Other	283 287	3 671
Total income	8 882 486	8 988 736
EXPENDITURE	(11 098 206)	(8 890 432)
(Deficit)/Surplus for the year	(2 215 720)	98 304
Retained surplus at the beginning of the year	5 342 711	5 244 407
ACCUMULATED SURPLUS FOR THE YEAR	3 126 991	5 342 711

**FILM AND VIDEO DEVELOPMENT FUND
DETAILED EXPENDITURE
FOR THE YEAR ENDED 31 MARCH**

EXPENDITURE

	2015	2014
	N\$	N\$
General expenses	11 098 206	8 890 432
Accounting and forensic fees	162 127	325 253
Advertising and promotions - local	-	476 851
Advertising and promotions - international	322 543	216 468
Bank charges	38 871	39 141
Commissioners' allowances	24 283	75 439
Computer expenses	10 730	-
Consulting fees	548 219	349 830
Consumables	6 079	-
Depreciation	171 359	165 308
Donations	-	2 791
Electricity and water	820	2 405
Entertainment expenses	63 497	54 855
Festival registrations and stands - local	418 538	356 695
Insurance	28 161	28 104
Legal fees	164 380	241 200
Motor vehicle expenses	51 966	58 962
Printing and stationery	45 842	57 878
Production fee	1 154 433	1 892 792
Rent paid	279 339	172 402
Repairs and maintenance - general	48 010	4 025
S & T - Local & foreign	2 164 136	2 554 340
Salaries and wages	119 991	102 097
Script expenditures	-	109 000
Security services	61 568	39 302
Sitting allowances and overtime	45 400	63 200
Subscriptions	30 272	18 403
Support to local film makers	4 340 554	642 335
Telephone and fax	154 858	144 193
Training - staff and commissioners	74 536	29 703
Travelling, living, air tickets and visas	540 094	667 460
Website amendments and development	27 600	-

**FILM AND VIDEO DEVELOPMENT FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH**

	Note	2015 N\$	2014 N\$
Cash receipts from customers and government		8 880 799	8 988 311
Cash paid to suppliers and employees		(11 235 717)	(8 429 619)
Cash (utilised)/generated by operations	4	(2 354 918)	558 692
Interest received		1 685	426
Net cash flows from operating activities		(2 353 233)	559 118
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(55 134)	(22 357)
Net cash flows from investing activities		(55 134)	(22 357)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(2 408 367)	536 761
CASH AND CASH EQUIVALENTS			
- BEGINNING OF THE YEAR		4 948 473	4 411 712
- END OF THE YEAR		2 540 106	4 948 473

**FILM AND VIDEO DEVELOPMENT FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

ACCOUNTING POLICIES

1. Basis of presentation

The financial statements are prepared on the historical cost basis and incorporate 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.

1.2 Film production cost

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

1.3 Property, plant and equipment

Property, plant and equipment are initially recorded at cost.

Depreciation is calculated on the straight line method to write off the cost of each asset, or the re-valued amounts to their residual values over their estimated useful lives which are as follows:

Other fixed assets	10 years
Office equipment and furniture	5 years
Computer equipment	5 years
Motor vehicles	5 years

At each reporting date, the property, plant and equipment are reported at the net book value net of any impairment loss.

1.4 Inventories

All consumables are written off in the year of purchase.

1.5 Government grants

Government grants are recognised in the year in which they are received.

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

All expenditures paid or incurred directly by the Ministry of Information and Communication Technology are not reported in the financial statements of the Fund.

FILM AND VIDEO DEVELOPMENT FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH

2. PROPERTY, PLANT AND EQUIPMENT

	Office equipment and furniture	Motor vehicles	Computer equipment	Other assets	TOTAL
	N\$	N\$	N\$	N\$	N\$
2014					
Opening carrying amount	137 972	520 130	43 526	120 776	822 404
Cost	177 103	530 920	51 000	126 182	885 205
Accumulated depreciation	(39 131)	(10 790)	(7 474)	(5 406)	(62 801)
Additions	-	-	-	22 357	22 357
Depreciation	(35 348)	(106 184)	(10 200)	(13 576)	(165 308)
Closing carrying amount	102 624	413 946	33 326	129 557	679 453
Cost	177 103	530 920	51 000	148 539	907 562
Accumulated depreciation	(74 479)	(116 974)	(17 674)	(18 982)	(228 109)
2015					
Opening carrying amount	102 624	413 946	33 326	129 557	679 453
Cost	177 103	530 920	51 000	148 539	907 562
Accumulated depreciation	(74 479)	(116 974)	(17 674)	(18 982)	(228 109)
Additions	-	-	46 435	8 699	55 134
Depreciation	(35 348)	(106 184)	(14 538)	(15 289)	(171 359)
Closing carrying amount	67 276	307 762	65 223	122 967	563 228
Cost	177 103	530 920	97 435	157 238	962 696
Accumulated depreciation	(109 827)	(223 158)	(32 212)	(34 271)	(399 468)

FILM AND VIDEO DEVELOPMENT FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH

	<u>2015</u>	<u>2014</u>
	N\$	N\$
3. CASH AND CASH EQUIVALENTS		
Petty cash	3 663	-
Bank balance	2 536 443	4 411 712
	<u>2 540 106</u>	<u>4 411 712</u>
4. CASH GENERATED BY OPERATIONS		
Reconciliation of surplus to cash generated from operations		
(Deficit)/surplus for the year	(2 215 720)	98 304
Adjustments for:		
- Interest received	(1 685)	(426)
- Depreciation	171 359	165 308
	<u>(2 046 046)</u>	<u>263 186</u>
Working capital changes:		
- Decrease/(increase) in accounts receivable	13 273	(4 771)
- (Decrease)/increase in accounts payable	(322 145)	300 277
Cash (utilised by)/generated from operations	<u>(2 354 918)</u>	<u>558 692</u>