



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 2016

Published by authority

Price (Vat excluded) N\$ 25.00
Report no 2017/78

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 year ended 31 March 2016, 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, August 2017

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
FILM AND VIDEO DEVELOPMENT FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

1. INTRODUCTION

The accounts of the Film and Video Development Fund for the year ended 31 March 2016 are being reported on in accordance with the provisions set out in Section 17(3) of 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).

I certify that I have audited the accompanying financial statements of the Film and Video Development Fund for the financial year ended 31 March 2016. These financial statements comprise the following:

Annexure A: Balance sheet;
Annexure B: Income statement;
Annexure C: Detailed expenditure;
Annexure D: Statement of cash flows; and
Annexure E: Notes to the financial statements

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with section 17 (2) (b) of the Namibia Film Commission Act, 2000 (Act No. 6 of 2000), except that they were only submitted on 04 November 2016 instead of three months after the financial year-end as required by the Act.

The financial statements and notes to the financial statements provided by the Accounting Officer are attached as Annexures A to D.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 17(2) (a) of Namibia Film Commission Act, 2000 (Act 6 of 2000) and relevant 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.

3. AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

Powers and duties

Section 25(1)(c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) all reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) all reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and;
- (c) the expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1)(b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion.

4. ACKNOWLEDGEMENT

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

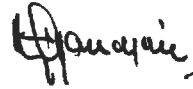
5. KEY AUDIT FINDINGS

No key audit findings were observed during the audit.

6. AUDIT OPINION

The financial statements of the Film and Video Development Fund for the financial year ended 31 March 2016 have been audited in accordance with the provisions of Section 17(3) of the Namibia Film Commission Act, 2000 (Act 6 of 2000).

In my opinion, these financial statements fairly present in all material aspects the financial position of the Film and Video Development Fund as at 31 March 2016, and their financial performance and cash flows for the year then ended.



WINDHOEK, August 2017

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

FILM AND VIDEO DEVELOPMENT FUND
ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2016

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 2016

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

Index	Page
Report of the Commissioners	7
Balance Sheet	8
Income Statement	9
Detailed Expenditure	10 - 11
Statement of cash flows	11
Notes to the annual financial statements	2 -4

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 2016

The commissioners present their report for the year ended 31 March 2016. 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.

Property, plant and equipment

Property, plant and equipment were acquired at a total cost of N\$ 208 429 (2015: N\$ 55 134) during the year under review and there have been no major 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.

ANNEXURE A

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

	Note	2016 N\$	2015 N\$
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	2	552 336	563 228
CURRENT ASSETS			
Prepayments		23 657	23 657
Cash and cash equivalents	3	1 537 498	2 540 106
TOTAL ASSETS		2 113 491	3 126 991
EQUITY			
Film and Video Development Fund		2 113 491	3 126 991
TOTAL EQUITY		2 113 491	3 126 991

ANNEXURE B

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

	<u>2016</u>	<u>2015</u>
	N\$	N\$
INCOME	9 146 072	8 882 486
Interest received	-	1 685
Permit and visa fees	210 412	97 514
Government grant received - operations	8 925 000	8 500 000
Other	10 660	283 287
EXPENDITURE	(10 159 572)	(11 098 206)
Deficit for the year	<u>(1 013 500)</u>	<u>(2 215 720)</u>

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

	2016	2015
	N\$	N\$
EXPENDITURE	10 159 572	11 098 206
Accounting and forensic fees	-	162 127
Advertising and promotions - international	720 749	322 543
Bank charges	35 521	38 871
Commissioners' allowances	-	24 283
Computer expenses	4 188	10 730
Consulting fees	846 032	548 219
Consumables	2 880	6 079
Depreciation	194 563	171 359
Development	150 000	-
Electricity and water	-	820
Entertainment expenses	62 459	63 497
Festival registrations and stands - local	442 570	418 538
Insurance	28 388	28 161
Launch expenses	121 045	-
Legal fees	151 987	164 380
Motor vehicle expenses	107 853	51 966
Location scouting and awareness	492 004	-
Printing and stationery	18 389	45 842
Production fees	2 276 411	1 154 433
Rent paid	199 725	279 339
Repairs and maintenance - general	34 117	48 010
Subsistence & Travelling - local & foreign	2 172 516	2 164 136
Salaries and Wages	50 279	119 991
Script expenditures	67 000	-
Security services	77 262	61 568
Sitting allowances and overtime	58 500	45 400
Subscriptions	156 110	30 272
Support to local film makers	816 609	4 340 554
Telephone and fax	140 215	154 858
Training - staff and Commissioners	96 690	74 536
Travelling, living, air tickets and visas	553 640	540 094
Website amendments and development	-	27 600
Loss on disposal of property, plant and equipment	20 958	-
Other	60 912	-

ANNEXURE D

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

	2016	2015
	N\$	N\$
Cash utilised by operating activities	(797 979)	(2 353 233)
Cash receipts from customers and government	9 145 572	8 880 799
Cash paid to suppliers and employees	(9 943 551)	11 235 717
Interest received	-	1 685
Net cash flows from investing activities	(204 629)	(55 134)
Proceeds on disposal of equipment	3 800	-
Acquisition of property, plant and equipment	(208 429)	(55 134)
Net movement in cash and cash equivalents	(1 002 608)	(2 408 367)
Beginning of the year	2 540 106	4 948 473
End of the year	1 537 498	2 540 106

FILM AND VIDEO DEVELOPMENT FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2016

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 recognised 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 stated at historical cost less accumulated depreciation and any accumulated impairment losses.

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 of any impairment loss.

1.4 Inventories

All consumables are written off in the year of purchase.

**FILM AND VIDEO DEVELOPMENT FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

ACCOUNTING POLICIES (continued)

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.

2 PROPERTY, PLANT AND EQUIPMENT

2016	Office equipment and furniture		Motor vehicles		Computer equipment		Other assets		TOTAL
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Closing carrying amount	68 344	254 669	63 532	165 791	552 336				
Cost	218 740	591 820	118 559	210 950	1 140 069				
Accumulated depreciation	(150 396)	(337 151)	(55 027)	(45 159)	(587 733)				
Additions	41 637	60 900	21 124	84 768	208 429				
Depreciation	(40 569)	(113 993)	(22 815)	(17 186)	(194 563)				
Disposals - cost	-	-	-	(31 056)	(31 056)				
Disposals- accum. dep	-	-	-	6 298	6 298				
Opening 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 FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

2 PROPERTY, PLANT AND EQUIPMENT

	Office equipment and furniture	Motor vehicles	Computer equipment	Other assets	TOTAL
	N\$	N\$	N\$	N\$	N\$
2015					
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)
Additions	-	-	46 435	8 699	55 134
Depreciation	(35 348)	(106 184)	(14 538)	(15 289)	(171 359)
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)

3 CASH AND CASH EQUIVALENTS

Petty cash	2 355	3 663
Bank balance	1 535 143	2 536 443
	1 537 498	2 540 106

