



**REPUBLIC OF NAMIBIA**

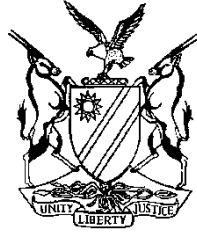


**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF**  
**NAMIBIA PRESS AGENCY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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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 Namibia Press Agency for the financial year ended 31 March 2015, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Agency in terms of Section 15(1) of the Namibia Press Agency Act, 1992 (Act 3 of 1992) to be laid upon the Table of the National Assembly by the Minister of information and Broadcasting in terms of Section 15(3) of the Act.

**WINDHOEK, December 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
NAMIBIA PRESS AGENCY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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**1. INTRODUCTION**

This report on the accounts of Namibia Press Agency for the financial year ended 31 March 2015 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in Section 15(3) of Namibia Press Agency Act, 1992 (Act No.3 of 1992).

Figures in this report are rounded off to the nearest Namibia dollar and deficits are indicated in (brackets).

I certify that I have audited the accompanying financial statements of Namibia Press Agency for the financial year ended 31 March 2015. These financial statements comprise of the following statements submitted for the year then ended.

Annexure A: Statement of Financial Position  
Annexure B: Statement of Comprehensive Income  
Annexure C: Statement of Cashflow  
Annexure D: Notes to the Annual Financial Statements

The financial statements were submitted on time by the Accounting Officer to the Auditor-General on 16 June 2015 in compliance with Section 26 of the State-owned Enterprises Governance Act, 2006 (Act No.2 of 2006).

**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 14(1) and (2) of the Namibia Press Agency Act, 1992 (Act No.3 of 1992) 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.

**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 co-operation and assistance given to the auditors by the Agency's personnel during the audit is appreciated.

#### **5. KEY AUDIT FINDINGS**

No key audit findings.

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

The accounts of the Namibia Press Agency for the financial year ended 31 March 2015, summarized in Annexure A to D, were audited in terms of the provisions of Section 15 of the Namibia Press Agency Act, 1992 (Act No. 3 of 1992).

In my opinion, the financial statements present fairly, in all material respects, the financial position of Namibia Press Agency as at 31 March 2015 and their financial performance and cash flows for the year then ended in accordance with GAAP (Generally Accepted Accounting Practices).

**WINDHOEK, December 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## NAMIBIA PRESS AGENCY

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Notes	2015 N\$	2014 N\$
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>15 061 171</b>	<b>12 634 220</b>
Property, plant and equipment	6	15 061 171	12 634 220
<b>Current assets</b>		<b>25 510 577</b>	<b>22 940 600</b>
Other debtors	7	34 251	43 933
Accounts receivables	8	477 719	511 737
VAT receivable		262 717	-
Cash and cash equivalents	9.2	24 735 890	22 384 930
<b>TOTAL ASSETS</b>		<b>40 571 748</b>	<b>35 574 820</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital</b>		<b>33 712 535</b>	<b>28 581 107</b>
Government contributions - Assets transferred		1 981 816	1 981 816
Revaluation account		3 181 747	7 279 747
Retained income/(loss)		19 319 544	15 220 658
Operating profit for current year		9 229 428	4 098 886
<b>Non-current liabilities</b>		<b>1 192 372</b>	<b>4 835 631</b>
Deferred income		-	3 500 000
Finance lease-long term portion	12	1 192 372	1 335 631
<b>Current liabilities</b>		<b>5 666 841</b>	<b>2 158 082</b>
Accounts payable	10	330 125	407 607
Other payables	11	1 625 963	1 083 530
Finance lease-short term portion	12	566 500	481 192
Bank overdraft		2 997 030	-
Receiver of revenue	9.2	147 223	185 753
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>40 571 748</b>	<b>35 574 820</b>

## NAMIBIA PRESS AGENCY

## STATEMENT OF COMPREHENSIVE INCOME AS AT 31 MARCH

	Notes	2015 N\$	2014 N\$
<b>REVENUE</b>	<b>1.1</b>	<b>4 220 037</b>	<b>4 121 200</b>
Subscription news		3 849 727	3 368 824
IT Trading income		336 397	752 376
Property rental income		33 913	-
<b>LESS: COST OF SALES</b>		<b>10 099 987</b>	<b>9 111 758</b>
Subscriptions fees and editorial pay costs		9 734 660	8 419 250
IT Trading – Maintenance		365 327	692 508
<b>Gross loss</b>		<b>(5 879 950)</b>	<b>(4 990 558)</b>
Government subsidy	<b>2</b>	20 000 000	17 000 000
Government subsidy – programme 3	<b>2</b>	3 500 000	-
<b>Total contribution to running costs</b>		<b>17 620 050</b>	<b>12 009 442</b>
<b>LESS : ADMINISTRATIVE EXPENSES</b>		<b>10 884 216</b>	<b>8 846 545</b>
Advertisements and promotion		87 740	73 822
Audit fees		115 812	34 482
Awards		10 540	-
Bad debts		28 000	11 918
Bank charges		42 601	39 068
Board members - Other expenses	<b>3</b>	8 335	2 962
Board members sitting allowance	<b>3</b>	422 940	259 060
Building maintenance		77 677	65 209
Casual staff pay costs		103 981	52 817
Computer expenses		198 471	62 673
Consulting fees		67 095	86 207
Depreciation		878 672	615 393
Donations		12 500	2 000
Electricity and water		162 020	182 396
Entertainment		86 774	77 530
Equipment repairs		5 865	19 239
Insurance		211 154	205 640
Interest paid		137 801	94 198
<b>Balance carried forward</b>		<b>2 657 978</b>	<b>1 884 614</b>

## ANNEXURE B

## NAMIBIA PRESS AGENCY

## STATEMENT OF COMPREHENSIVE INCOME AS AT 31 MARCH (continued)

	Notes	2015 N\$	2014 N\$
<b>Balance brought forward</b>		<b>2 657 978</b>	<b>1 884 614</b>
		<b>8 226 238</b>	<b>6 961 931</b>
Legal fees		83 242	-
Licenses		41 925	16 492
Loss on foreign exchange		-	14 965
Materials and supplies		19 843	8 564
Motor vehicle expenses		627 100	603 635
Office rental		650 364	71 309
Office supplies		1 749	-
Payroll costs		5 369 563	5 062 209
Penalties		15 815	-
Postage and courier charges		6 195	7 522
Printing		23 540	12 320
Rental and charges-photocopier		48 211	37 153
Secretarial fees		14 500	7 000
Security costs		49 600	39 685
Staff welfare		11 702	20 476
Stationery		22 743	24 420
Telephone and fax		120 508	150 329
Telephone IT dedicated line		488 990	439 672
Training and workshops		154 358	127 270
Transport costs		27 111	-
Travel and accommodation		324 029	318 910
VET levy		125 150	-
<b>Net operating profit</b>		<b>6 735 834</b>	<b>3 162 897</b>
<b>Other income</b>		<b>2 493 594</b>	<b>935 989</b>
Interest received		2 056 544	864 696
Profit on sale on disposal of assets		375 147	25 239
Sundry income		61 903	46 054
<b>NET PROFIT FOR THE YEAR</b>		<b>9 229 428</b>	<b>4 098 886</b>

## NAMIBIA PRESS AGENCY

## STATEMENT OF CASH FLOWS AS AT 31 MARCH

	Notes	2015 N\$	2014 N\$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		4 176 019	4 047 068
Receipts from Government subsidies		20 000 000	17 000 000
Cash paid to suppliers and employees		(19 662 769)	(16 680 654)
Cash generated by operations	<b>9.1</b>	4 513 250	4 366 414
Investment income		2 056 544	864 696
Finance charges		(137 801)	(94 198)
<b>Net cash in flow from operating activities</b>		<b>6 431 993</b>	<b>5 136 912</b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired		(6 949 650)	(1 302 112)
Property, plant and equipment disposed		391 941	28 544
		<b>(6 557 709)</b>	<b>(1 273 568)</b>
<b>Cash flows from financing activities</b>			
Finance leases repayments		(520 354)	437 891
<b>Net change in cash and cash equivalents</b>		(646 070)	4 301 235
Cash and cash equivalents at beginning of year		22 384 930	18 083 695
<b>Cash and cash equivalents at end of year</b>	<b>9.2</b>	<b>21 738 860</b>	<b>22 384 930</b>



**NAMIBIA PRESS AGENCY****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH**

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**1. PRINCIPAL ACCOUNTING POLICIES**

The annual financial statements are compiled in accordance with the historical convention modified by the restatement of financial instruments to fair value, except where otherwise stated.

The principal accounting policies of the Agency, which are set out below, had been consistent and comply with Namibian Statements of Generally Accepted Accounting Practices. The financial statements have been prepared in accordance with the requirements of the Namibia Press Agency Act, 1992 (Act 3 of 1992).

**1.1 Revenue recognition**

Revenue from services is recognized when the service is rendered. Revenue excludes VAT.

**1.2 Property, plant and equipment**

Fixed assets are stated at cost or at valuation where assets have been acquired by grant or donation, less depreciation written off over the expected useful lives as determined by the Board from time to time.

Computer equipment	3 years
Furniture and fittings	7 years
Motor vehicles	4 years

No depreciation is charged on property since it is considered to be an investment.

**1.3 Leased assets**

Leases of property, plant and equipment where the company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the useful life of the assets.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

## NAMIBIA PRESS AGENCY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH (continued)

**2. GOVERNMENT SUBSIDY**

The Government subsidy received by the Agency during the year amounted to N\$ 20 000 000 (2014: N\$ 17 000 000). An amount of N\$ 3 500 000, was received in 2013 for a housing project in Pionierspark. This was included under Deferred Income, and transferred to subsidy in this financial year. The housing project was finalised in this financial year.

**3. BOARD MEMBERS REMUNERATION**

2015			2014		
Meeting costs	Other costs	Total	Meeting costs	Other costs	Total
N\$	N\$	N\$	N\$	N\$	N\$
422 940	8 335	431 275	259 060	2 962	262 022

**4. LEASING COSTS**

No operating leases.

**5. TAXATION**

The Agency is not subject to Namibian Income Tax as per enabling Act 3 of 1992.

**6. PROPERTY, PLANT AND EQUIPMENT**

	Land and buildings	Computer equipment	Furniture & fittings	Motor vehicles	Total assets
	N\$	N\$	N\$	N\$	N\$
<b>Carrying amount at 01/04/2014</b>	<b>10 627 310</b>	<b>384 873</b>	<b>60 975</b>	<b>1 561 062</b>	<b>12 634 220</b>
At cost	1 614 183	2 141 009	274 109	2 911 827	6 941 128
At valuation	9 013 127	304 294	19 970	-	9 337 391
Accumulated depreciation	-	(2 060 430)	(233 104)	(1 350 765)	(3 644 299)
Additions	6 517 772	316 741	22 817	566 087	7 420 417
Disposal/demolishment during the year	(4 098 000)	(1 816)	(2 310)	(12 668)	(4 114 794)
Depreciation during the year	-	(249 250)	(25 616)	(603 806)	(878 672)

## NAMIBIA PRESS AGENCY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH (continued)

Carrying amount at 31/03/2015	13 047 082	450 548	55 866	1 510 675	15 061 171
At cost	8 131 955	2 243 331	198 382	2 841 930	13 415 598
At valuation	4 915 127	304 294	19 970	-	5 239 391
Accumulated depreciation	-	(2 100 078)	(162 486)	(1 331 255)	(3 593 819)

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

Land and buildings comprise of Erf 8010 – NAMPA head office and Erf 814 situated in Pionierspark, Windhoek. Both buildings on these erven were demolished during this financial year. 4 Flats were constructed on the Pionierspark erf.

	<u>2015</u>	<u>2014</u>
	N\$	N\$
<b>7. OTHER DEBTORS</b>		
Rent deposit	700	700
Other	33 551	43 233
	<u><b>34 251</b></u>	<u><b>43 933</b></u>
<b>8. ACCOUNTS RECEIVABLE</b>		
Accounts receivable	477 719	511 737
	<u><b>477 719</b></u>	<u><b>511 737</b></u>
<b>9. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>9.1 Cash generated from operating activities:</b>		
Net profit	9 229 428	4 098 886
Adjustments for :		
- Investment income	(2 056 544)	(864 696)
- Profit on sale of assets	(375 147)	(25 239)
- Finance costs	137 801	94 198
- Depreciation	878 672	615 393
Operating capital before working capital changes	<u><b>7 814 210</b></u>	<u><b>3 918 542</b></u>
Working capital changes:		
Increase in other debtors	(261 402)	(17 431)
Decrease in accounts receivable	34 018	74 132
Increase in accounts payable	(3 073 576)	391 169
Operating capital before working capital changes	<u><b>4 513 250</b></u>	<u><b>4 366 412</b></u>

## NAMIBIA PRESS AGENCY

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2015 (continued)

	<u>2015</u>	<u>2014</u>
	N\$	N\$
<b>9.2 Cash and cash equivalents</b>		
Cash and cash equivalents consist of cash on hand and balance with banks, and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet accounts:		
Cash on hand	11 586	13 623
Standard Bank - Current bank account	79 741	771 777
Nedbank - Building overdraft	(2 997 030)	-
Nedbank - Current account	393 546	1 394 781
Old Mutual Namibia Real Income Fund	24 251 017	20 204 749
<b>Cash and cash equivalents</b>	<b><u>21 738 860</u></b>	<b><u>22 384 930</u></b>
<b>10. ACCOUNTS PAYABLE</b>		
Trade payables	<b><u>330 125</u></b>	<b><u>407 607</u></b>
<b>11. OTHER PAYABLES</b>		
Income received in advance	39 193	47 080
Other	35 352	-
Provision for Leave	966 542	803 916
Provision for bonuses	390 035	185 642
Employees cost accruals	194 844	46 892
	<b><u>1 625 966</u></b>	<b><u>1 083 530</u></b>
A difference of N\$ 3 was observed between the Trial Balance and Statement Financial Position.		
<b>12. FINANCE LEASE</b>		
Payable within one year	566 500	481 192
Long term portion	1 192 372	1 335 631
	<b><u>1 758 872</u></b>	<b><u>1 816 823</u></b>

Above liabilities under finance lease are payable over a period of fifty four and sixty months, at an effective average interest rate of 8.5% with a monthly instalment of N\$60 779 and are secured by motor vehicles with a total book value of N\$ 1 510 675.

### **13. NON-DISTRIBUTABLE RESERVE**

The non-distributable reserve of N\$ 3 181 747 represent the fair value adjustment that resulted from the valuation of properties on the 13<sup>th</sup> and 14<sup>th</sup> of March 2009 of Erf 8010 – NAMPA head office and Erf 814 situated in Pionierspark, Windhoek. The non-distributable reserve was reduced with N\$ 4 098 000, when the buildings were demolished.