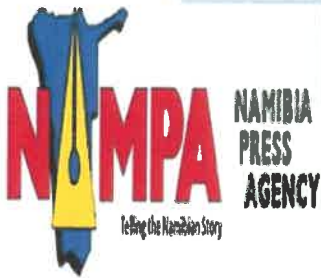
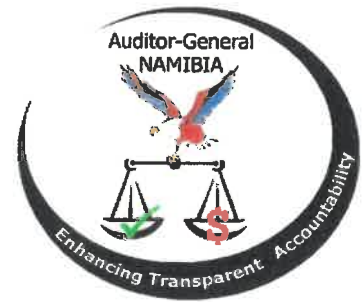




REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
NAMIBIA PRESS AGENCY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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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 2018, 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, May 2019

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
NAMIBIA PRESS AGENCY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

1. UNQUALIFIED AUDIT OPINION

I have audited the financial statements of Namibia Press Agency for the financial year ended 31 March 2018. These financial statements comprise the Statement of financial position, Statement of profit or loss and other comprehensive income, Statement of changes in equity, Statement of cash flow and a summary of significant accounting policies.

In my opinion the financial statements present fairly in all material respects the financial position of Namibia Press Agency as at 31 March 2018 and its financial performance and their receipts and payments /cash flows for the year then ended in accordance with General Accepted Accounting Principles.

2. BASIS FOR AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

3. KEY AUDIT MATTERS

Key audit matters are those matters that in my professional judgment were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon and I do not provide a separate opinion on these matters.

No key audit matters were observed during the year under review and in such I have nothing to report in this regard.

4. OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements my responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I have nothing to report in this regard.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with legislation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements management is responsible for assessing the Entity's ability to continue as a going concern disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

6. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions I exercise professional scepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists I am required to draw attention in my report to the related disclosures in the financial statements or if such

disclosures are inadequate to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding among other matters the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable related safeguards.

From the matters communicated with those charged with governance I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of Namibia Press Agency during the audit is appreciated.

WINDHOEK, May 2019



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

NAMIBIA PRESS AGENCY
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	2018 N\$	2017 N\$
ASSETS			
Non-current assets			
Property plant and equipment	5	38 891 929	39 247 115
Investment property	6	31 562 981	32 710 491
Current assets			
Trade receivables	8	454 522	1 654 179
Other current assets	7	40 150	27 918
VAT receivable		1 714 506	1 494 503
Cash and cash equivalents	9.2	21 654 858	21 875 548
TOTAL ASSETS		94 318 947	97 009 754
EQUITY AND LIABILITIES			
Share capital			
Government contributions - assets transferred		1 981 816	1 981 816
Fair value reserve		11 427 452	11 141 905
Retained income		41 633 681	43 658 185
Non-current liabilities			
Long-term borrowings	12	35 284 132	34 504 900
Finance lease liabilities	11	102 989	563 401
Current liabilities			
Trade payables		276 201	1 204 612
Other Payables	10	1 276 552	1 685 683
Current of Finance Lease	11	457 847	455 280
Current portion non-current borrowings	12	1 680 945	1 500 774
Receiver of revenue		197 332	313 198
TOTAL EQUITY AND LIABILITIES		94 318 947	97 009 754

**NAMIBIA PRESS AGENCY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 MARCH**

		2018	2017
	Note	N\$	N\$
REVENUE		6 219 196	5 262 840
Subscription news		3 707 281	4 031 469
IT trading income		80 336	68 964
Audio Visual Income & Publication Income		93 457	166 685
Property rental income		2 338 122	995 722
LESS: COST OF SALES		10 038 738	11 811 631
Subscription fees and editorial pay costs		9 367 473	11 467 862
IT trading – maintenance		307 479	157 500
Audio Visual and Publication Expenses		5 731	17 061
Property expenses		358 055	169 209
Gross loss		(3 819 542)	(6 548 791)
Government subsidy	2	22 600 000	18 900 000
Total contribution to running costs		18 780 458	12 351 209
LESS: ADMINISTRATIVE EXPENSES		18 144 077	14 588 447
Advertisement and promotion		169 537	182 953
Audit fees		11 720	332 594
Awards		29 888	26 632
Bad debts Provided		682 987	
Bank charges		105 934	157 161
Board members - other expenses	3	63 902	108 323
Board members sitting allowance	3	504 184	430 588
Building maintenance		130 893	336 381
Casual staff pay costs		284 678	157 706
Computer expenses		217 266	170 328
Consulting fees		61 676	435 951
Depreciation		1 386 223	821 643
Donations			
Electricity and water		301 700	247 075
Entertainment		48 923	76 966
Equipment repairs		1 260	9 597

ANNEXURE B

NAMIBIA PRESS AGENCY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 MARCH (continued)

	2018	2017
	N\$	N\$
Insurance	249 149	227 451
Interest paid	3 381 975	1 063 678
Legal fees	398 375	149 447
Licenses	67 563	81 834
Loss on foreign exchange	27303	-
Materials and supplies	32 280	12 526
Motor vehicle expenses	591 467	667 301
Office rental	99 107	403 756
Office supplies		180
Payroll costs	7 629 211	7 021 695
Penalties		
Photocopier rentals and charges	24 490	39 530
Postage and courier charges	9 542	8 994
Printing	4 320	5 200
Secretarial fees		1 000
Security costs		1 692
Staff welfare	86 233	20 397
Stationery	23 899	32 860
Sundry expenses		-1
Telephone and fax	71 894	116 005
Telephone IT dedicated line	332 165	386 526
Training and workshops	289 150	280 247
Transport costs		3 908
Travel and accommodation	676 751	420 032
VET levy	148 432	150 288
Operating profit	636 381	(2 237 239)
Other income	250 236	7 398 790
Fair value adjustments	(1 147 510)	4 964 606
Interest received	1 337 613	1 215 596
Profit on disposal of assets	21 385	50 932
Sundry income	38 748	1 167 656
PROFIT FOR THE YEAR	886 617	5 161 551

ANNEXURE C

NAMIBIA PRESS AGENCY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	Revaluation Reserve	Retained earnings	Total
	N\$	N\$	N\$
Balance as at 1 April 2017	16 111 391	38 432 987	54 544 378
Reconciliation of opening balance	(4 969 486)	4 969 486	
Opening balance error		486 570	486 570
Restated Balance as at 1 April 2017	11 141 905	43 889 044	55 030 949
Profit for the year		886 617	886 617
Current year revaluation	352 510		352 510
Amortization	(66 964)	66 964	
Opening Balance corrections and restatements		(3 208 944)	(3 208 944)
Balance as at 31 March 2018	11 427 451	41 633 681	53 061 132

ANNEXURE D

**NAMIBIA PRESS AGENCY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH**

	Note	2018 N\$	2017 N\$
Cash flows from operating activities		3 420 350	1 018 588
Cash receipts from customers		7 616 941	7 697 024
Receipts from government subsidies		22 600 000	18 900 000
Cash paid to suppliers and employees		(26 796 591)	(25 578 435)
Cash generated from operations			
Interest paid		3 381 975	1 063 678
Investment income		(1 337 612)	(1 215 596)
Net cash from operating activities	9.1	5 464 713	866 670
Change in Working Capital		(169 805)	551 716
Operating capital after working capital changes	9.1	5 294 908	1 418 386
Cash flows from investing activities			
Purchase of Property Plant and Equipment		-	(14 740 432)
Disposal of Property Plant and Equipment		(1 632 066)	-
Net cash from / (used in) investing activities		(1 632 066)	(14 740 432)
Cash flows from financing activities			
Proceeds from long-term borrowings		(3 883 532)	10 030 545
Net cash from / (used in) financing activities		(3 883 532)	(10 030 545)
Net change in cash and cash equivalents		(220 690)	(3 291 501)
Cash and cash equivalents at beginning of year		21 875 548	25 167 049
Cash and cash equivalents at end of year	9.2	21 654 858	21 875 548

NAMIBIA PRESS AGENCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

1. ACCOUNTING POLICIES**1.1 Revenue recognition**

Revenue from the sale of goods is recognised when the goods are delivered and the significant risks and rewards of ownership have passed to the buyer revenue from services when those services have been rendered under an agreement provided that the amount of revenue can be measure reliably and that it is probable that the economic benefits associated with the transaction will flow to the Agency.

Interest is recognised in profit or loss using the effective interest rate method.

1.2 Property plant and equipment

The cost of an item property plant and equipment is recognised as an asset when:

It is probable that the future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably.

Property plant and equipment is initially measured at cost;

Costs include costs incurred initially to acquire or construct an item of property plant and equipment and costs incurred subsequently to add to replace part of or service it. If a replacement cost is recognised in the carrying amount of an item of property plant and equipment the carrying amount of the replaced part is derecognized.

Major spare parts and standby equipment which are expected to be used for more than one period are included in property plant and equipment. In addition spare parts and standby equipment which can only be used in connection with an item of property plant and equipment are accounted for as property plant and equipment.

All property plant and equipment are stated at cost less accumulated depreciation and any impairment losses except for the land and building which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property plant and equipment is revalued any accumulated depreciation at the date of evaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Property plant and equipment are depreciated on the straight line basis over their expected useful life to their estimated residual value.

NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

The useful lives of items of property plant and equipment have been assessed as follows:

Building	50 years
Computer and Office Equipment	5 years
Furniture and fittings	10 years
Motor vehicles	5 years

Gains or losses on disposal are recognised in profit and loss.

The residual value useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from the previous estimates the change is accounted for as a change in accounting estimate.

The gain or loss arising from the derecognition of an item of property plant and equipment is included in the profit or loss when the item is de-recognised. The gain or loss arising from the derecognition is determined as the difference between the net disposal proceeds if any and the carrying amount of the item.

1.3 Investment property

Investment property comprises non-owner occupied building held to earn rentals and for capital appreciation. Investment property is initially recognised at cost inclusive of transaction costs. Subsequently investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise.

Investment property is derecognised when disposed of or when no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is recognised in profit or loss in the period in which the property is derecognised.

1.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee. All other leases are classified as operating leases.

**NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)**

Finance leases - lessee

Assets held under finance leases are recognised as assets at cost. The related liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between interest expenses and capital redemption of the liability. Interest is recognised immediately in profit or loss.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line bases over the lease term.

Operating leases - lessor

Rental income from operating leases is recognised on a straight-line base over the term of the relevant lease. Any balloon payments and rent-free periods are taken into account when determining the straight-line charge.

1.5 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event it is probable that the company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation.

2. RELATED PARTIES

The Government of the Republic of Namibia (Ministry of Information Communication and Technology).

Related Party transactions

The Government grant received by the Agency during the year amounted to N\$ 22 600 000 (2017: N\$18 900 000).

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose future performance conditions are recognised in income only when the condition has been met. Grants are measured at the fair value of the asset received or receivable.

NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

Government grants related to assets including non-monetary grants at fair value are presented in the statement of financial position by setting up the grant as a deferred income or by deducting the grant in arriving at the carrying amount of the asset.

3. BOARD MEMBERS REMUNERATION

2018			2017		
Meeting costs	Other costs	Total	Meeting costs	Other costs	Total
N\$	N\$	N\$	N\$	N\$	N\$
504 184	63 902	568 086	430 588	108 323	538 911

4. TAXATION

The Agency is not subject to Namibian income tax as per enabling Act 3 of 1992.

**NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)**

	N\$	N\$	N\$	N\$	N\$
	Land and building	Computer & Office equipment	Furniture & fittings	Motor vehicles	Total assets
5. PROPERTY PLANT AND EQUIPMENT					
Carrying amount at 31 March 2016	30 385 748	670 044	65 034	1 387 351	32 508 175
At cost/valuation	30 385 748	2 976 313	228 183	3 094 558	36 684 801
Accumulated depreciation	(12 410 123)	(2 306 270)	(163 149)	(1 707 207)	(4 176 626)
Additions	5 451 056	942 709	600 480		13 953 313
Transfers and adjustments	(18 866 004)	(685 919)	(101 161)		4 663 976
Reclassified to Investment Property	16 970 068				(18 866 004)
Revaluation	2 316 097				16 970 068
Borrowing cost capitalized	(6 763 094)				2 316 097
Disposal/demolishment during the year/ adjustments	(253 037)	(247 255)	(13 502)	(307 848)	(821 643)
Depreciation during the year	41 650 957	679 579	550 850	1 079 502	43 960 889
Carrying amount at 31/03/2017	41 903 994	2 033 603	670 289	3 088 918	47 696 805
At cost/valuation	(253 037)	(1 354 025)	(119 439)	(2 009 416)	(3 735 917)
Accumulated depreciation					

ANNEXURE E

**NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)**

Reconciliation of property plant and equipment - 2017

	Land	Building	Computer & Office equipment	Furniture & fittings	Motor vehicles	Total assets
	N\$	N\$	N\$	N\$	N\$	N\$
Separation of Land from Building	7 700 514	(7 700 514)				
Reclassification to Investment Property		(4 969 486)				
Prior year error				(130 545)	(356 025)	(486 570)
Restated carrying amount at 31/03/2017	7 700 514	28 980 958	679 578	420 305	723 477	38 504 833
At cost/valuation	7 700 514	29 489 707	2 033 603	539 744	2 732 893	42 496 461
Accumulated depreciation	-	(508 749)	(1 354 025)	(119 439)	(2 009 416)	(3 991 629)

	Land	Building	Computer & Office equipment	Furniture & fittings	Motor vehicles	Total assets
	N\$	N\$	N\$	N\$	N\$	N\$
Carrying amount at 01/04/2017	7 700 514	28 980 958	679 578	420 305	723 477	38 504 833
At cost/valuation	7 700 514	29 489 707	2 033 603	539 744	2 732 893	42 496 461
Accumulated depreciation		(508 749)	(1 354 025)	(119 439)	(2 009 416)	(3 991 629)
Additions			439 010	14 598		453 608
Transfers and adjustments			703 561	(53 936)	376 533	1 026 158
Revaluation	73 495	279 014				352 509
Disposal/Scrapped			(58 000)		(956)	(58 956)
Depreciation during the year		(103 689)	(847 805)	(90 809)	(343 920)	(1 386 223)

ANNEXURE E

**NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)**

	Land	Building	Computer & Office equipment	Furniture & fittings	Motor vehicles	Total assets
	N\$	N\$	N\$	N\$	N\$	N\$
Carrying amount at 31/03/2018	7 774 009	29 156 283	916 344	290 158	755 135	38 891 929
At cost/valuation	7 774 009	29 768 722	2 078 871	413 617	2 872 105	42 907 324
Accumulated depreciation		(612 439)	(1 162 526)	(123 459)	(2 116 970)	(4 015 395)

Land and building comprise of Erf 8010 - NAMPA head office. If the property was carried at cost the value would have been N\$24 718 247.

NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

6. INVESTMENT PROPERTY

	Head Office Land and Building	Pioneers Park Land and Building	Total
	N\$	N\$	N\$
Carrying amount at 01/04/2017			
At valuation	18 866 004	8 875 001	27 741 006
Fair value adjustment/ Impairment		(1 375 000)	(1 375 000)
Carrying amount at 31/03/2018	18 866 004	7 500 001	26 366 006
Reconciliation of Investment Property at 31 March 2017			
Transfer from Head Office Building	4 969 486		
Restated Carrying amount at 01/04/2017	23 835 490	8 875 001	32 710 491
Fair value adjustment/ Impairment	227 490	(1 375 000)	(1 147 510)
Carrying amount at 31/03/2018	24 062 980	7 500 001	31 562 981

The fair value was determined by an independent sworn appraiser using current market value on 04 September 2018. In determining the valuations the valuator refers to current market conditions and recent sales transactions of similar properties. If the property was carried at cost the combined cost value would have been N\$20 275 219.

NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2018	2017
	N\$	N\$
7. OTHER DEBTORS	40 150	27 918
Rent deposit	700	700
Other	21 527	27 218
Prepaid License fees	17 923	-
8. ACCOUNTS RECEIVABLE	454 522	1 654 179
Accounts receivable	1 137 509	1 654 179
Provision for Doubtful Debt	(682 987)	-
9. NOTES TO THE CASH FLOW STATEMENT		
9.1 Cash generated from operating activities:		
Net profit	886 617	5 161 551
Adjustments for:		
- Investment income	(1 337 612)	(1 215 596)
- Finance costs	3 381 975	1 063 678
- Revaluation Surplus	1 147 510	(4 964 606)
- Depreciation	1 386 223	821 643
Operating capital before working capital changes	5 464 713	866 670
Working capital changes:		
-Decrease/(Increase) in other debtors	(232 234)	671 424
-(Increase)/decrease in accounts receivable	1 199 657	(924 338)
-Increase/(decrease) in accounts payable	(1 137 228)	804 630
Operating capital after working capital changes	5 294 908	1 418 386

ANNEXURE E

NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2018	2017
	N\$	N\$
9.2 Cash and cash equivalents		
Cash on hand	2 708	(1 858)
Standard Bank - Current bank account	(659)	(659)
Nedbank - Current bank account	566 437	323 185
Old Mutual Namibia Managed Fund	11 499 219	10 862 005
Old Mutual Namibia Real Income Fund	9 587 153	10 692 875
Cash and cash equivalents	21 654 858	21 875 548
Cash and cash equivalents consist of cash on hand and balance with banks and investments in money market instruments.		
10. OTHER PAYABLES	1 276 552	1 685 683
Income received in advance	44 447	50 393
Other	30 506	66 232
Provision for leave	713 969	966 754
Provision for bonuses	400 403	518 086
Employees cost accruals	87 227	84 218
11. FINANCE LEASE	560 836	1 018 681
Payable within one year	457 847	455 280
Long term portion	102 989	563 401

Above liabilities under finance lease are payable over a period of fifty four and sixty months at an effective average interest rate of 9% (2017:9%) monthly instalment of N\$4 757 (2017: N\$4 890) and are secured by motor vehicles with a total book value of N\$1 211 024 (2017: N\$1 079 502).

NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2018	2017
	N\$	N\$
12. LONG-TERM BORROWING	36 965 077	36 005 674
Payable within one year	1 680 945	1 500 774
Long term portion	35 284 132	34 504 900

Above long-term borrowing is payable over a period of 10 year. The borrowing is secured by the building with a market value of N\$61 350 000 and a cession over Old Mutual Investment Account for the amount of N\$ 8 000 000.

13. PRIOR PERIOD ERROR

Included in the Property Plant and Equipment was a balance of N\$7 700 514 which was disclosed as Land and Building. This amount related to the land portion that should be separately disclosed in the financial statements as required by the financial reporting standards. In addition an amount of N\$4 969 486 related to the Land portion of Investment property that was incorrectly recorded under Property Plant and Equipment as a result the Investment property was understated. The 2017 revaluation gain in the Statement of Comprehensive income was therefore understated by N\$4 969 486.

The correction of the error results in the adjustment as follows:

Statements of Financial Position	2017
	N\$
Decrease in Revaluation reserve	(4 969 486)
Increase in Investment Property	4 969 486
Decrease in Building	(4 969 486)
Increase in Retain Profit	4 969 486

Property Plant and Equipment - Note 5

Decrease in Head Office Building	(7 700 514)
Increase in Land	(7 700 514)

**NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)**

14. RISK MANAGEMENT

Capital risk management

There is no significant capital risk exposure. The Agency Investment is loan risk held at Old Mutual Namibia in their managed funds and real income investment portfolios. The Agency reviews this investment on a quarterly basis to minimize risk exposure.

Liquidity risk

The Agency's risk to liquidity is a result of the funds available to cover future commitments. The Agency manages the liquidity risk through an ongoing review of future commitments credit facilities investments and Cash flow management.

Interest rate risk

The Agency has a significant long term interest bearing loan of N\$ 36.9 million link to the prime lending rate. The risk exposure is therefore in the interest rate variations over the long term. The Agency's income and operating Cash flow are however independent of changes in the market interest rates.

Credit risk

The Agency credit risk consists of cash deposits, cash equivalents, investments and trade debtors. The Agency deposits and investments are with financial institutions with high quality credit standing which limits exposure to one counter party.

15. GOING CONCERN

The annual financial statements have been prepared on a going concern basis of accounting policies applicable to a going concern. This assumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities contingent obligations and commitments will occur in the ordinary course of business.

It is however important to note that the Agency is highly depended on government funding therefore any significant reduction in the government funding to the Agency will significantly affect the Agency's operations its investments financial obligations and hence its going concern.