



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NATIONAL HERITAGE COUNCIL
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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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 National Heritage Council for the financial year ended 31 March 2017, 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 2018

**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE NATIONAL HERITAGE COUNCIL
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

1. REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

The accounts of the National Heritage Council for the financial year ended 31 March 2017 are being reported on in accordance with the provisions set out in terms of section 23 (1) (b)(ii) of the National Heritage Act, 2004 (Act No. 27 of 2004).

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

I certify that I have audited the accompanying financial statements of the National Heritage Council for the financial year ended 31 March 2017. These financial statements comprise the following:

Annexure A: Statement of financial position;
Annexure B: Statement of income and retained earnings;
Annexure C: Statement of changes in equity;
Annexure D: Cash flow statement; and
Annexure E: Notes to the financial statements.

The financial statements for the financial year ended 31 March 2017 were submitted by the Accounting Officer to the Auditor-General in compliance with Section 22 (2) (a & b) and Section 22 (3) of the National Heritage Act, 2004 (Act No. 27 of 2004).

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexures A - E.

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 22 (2) (a & b) of the National Heritage Act, 2004 (Act No. 27 of 2004), 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 misstatements.

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

I would like to thank management and staff of the National Heritage Council for the assistance and cooperation rendered during the audit.

5. KEY AUDIT FINDINGS

No key material findings.

6. UNQUALIFIED AUDIT OPINION

The accounts of the National Heritage Council for the financial year ended 31 March 2017, summarized in Annexures A to E, were audited by me in terms of Section 23 (1) (b) (ii) of the National Heritage Act, 2004 (Act No. 27 of 2004).

In my opinion, the financial statements presents fairly, in all material respects, the financial position of the National Heritage Council as at 31 March 2017, and their financial performance and cash flows for the year then ended, in accordance with the State Finance Act, 1991.

WINDHOEK, August 2018



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**NATIONAL HERITAGE COUNCIL
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
GENERAL INFORMATION**

Country of Incorporation	Namibia
Registered address:	Number 52 Robert Mugabe Avenue Windhoek Namibia
Postal address:	P. O Box 12043 Ausspannplatz Windhoek
Directors:	Rev. S.M April Dr. B. Kangumu (Chairperson)
Principal business:	To provide for the protection and conservation of places and objects of heritage significance.
Bankers:	Nedbank Namibia Limited

**NATIONAL HERITAGE COUNCIL
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
STATEMENT BY THE DIRECTOR**

The director is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The director is also responsible for the company's systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, to adequately safeguard, verify and maintain accountability of assets and to prevent and detect misstatements and losses. Nothing has come to the attention of the Director to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on a going concern basis, since the member has every reason to believe that the corporation has adequate resources in place to continue in operation for the foreseeable future.

The financial statements for the year ended 31 March 2017 as set out on pages 6 to 15 were approved by the Director on 13 June 2017 and are signed by him in his capacity as the Director.

**Rev. S.M April
Director**

**NATIONAL HERITAGE COUNCIL
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH**

	Note	2017 N\$	2016 N\$
ASSETS			
Non-current assets			
Property, plant and equipment	2	3 300 661	3 870 586
Construction Work in Progress		2 370 751	-
Current assets			
Other Current Assets		10 363	-
Trade and other receivables		50 098	55 839
Cash and cash equivalents	3	11 444 568	17 886 159
TOTAL ASSETS		17 176 441	21 812 585
CAPITAL, RESERVES AND LIABILITIES			
Equity			
Retained Income		2 136 127	6 374 340
Non-Current liabilities			
Deferred Income		14 683 953	15 244 486
Current liabilities			
Trade and other payables		356 361	193 759
TOTAL EQUITY AND LIABILITIES		17 176 441	21 812 585

NATIONAL HERITAGE COUNCIL

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH

	Note	2017 N\$	2016 N\$
Revenue	4	20 595 650	21 473 281
Other Income		358 719	458 326
Risk Training Funds		8 095	-
Investment Income		350 624	458 326
Total Revenue		20 954 369	21 931 607
Less: Expenses		25 221 938	27 845 648
American project		-	85 140
Advertising expenses		390 235	299 091
Art & Culture project		-	1 986 697
Bank Charges		49 812	199 496
Brandberg project expenses		-	805 188
Cleaning expenses		138 721	179 780
Council and subcommittee expenses		583 490	277 486
Courier & Postage		26 690	11 911
Depreciation	2	889 703	620 321
Employee costs		16 720 330	14 152 919
Fuel and gas		27 231	28 702
Flight services		35 297	124 382
Insurance		320 004	223 207
Motor Vehicle expenses		309 673	275 221
General expenses		151 951	-
Minor Capital Project		366 363	1 087 491
MYNSSC MOP Expenses		-	1 199 126
National Heritage Register		176 367	354 944
Printing & Stationery		159 684	89 974
Professional services		446 536	356 780
Protective clothing		644 844	-
Promotions		-	1 137 785
Refuse Removal		144 088	71 148
Repair and maintenance		31 502	894 443
Royalties		18 000	18 000
Security fees		1 007 760	201 447
Site maintenance and repair		336 137	5 263
Site management expenses		-	3 967

NATIONAL HERITAGE COUNCIL
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH
(Continued)

	2017	2016
Note	N\$	N\$
Maintenance and restoration of monuments	113 335	-
Staff welfare	36 060	252 692
Subscription	15 264	20 734
Telephone & Fax	228 372	232 301
Training expenses	62 685	393 045
Travel & Accommodation	813 946	950 243
Tyres and batteries	50 013	69 176
Vehicle leasing and rental	7 942	15 770
Vehicle tools	2 624	-
Water and electricity	917 280	1 221 778
Total surplus/(loss) for the year	(4 267 569)	(5 914 041)

**NATIONAL HERITAGE COUNCIL
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017**

	Retained Income	Total
	N\$	N\$
Balance as at 1 April 2016	6 403 696	6 403 696
Net surplus/(loss) for the period	(4 267 569)	(4 267 569)
Balance as at 31 March 2017	2 136 127	2 136 127
Balance as at 1 April 2015	12 317 737	12 317 737
Net profit for the period	(5 914 041)	(5 914 041)
Balance as at 31 March 2016	6 403 696	6 403 696

**NATIONAL HERITAGE COUNCIL
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH**

		2017	2016
	Notes	N\$	N\$
Cash flows from operating activities			
Cash received from customers		20 599 124	21 417 442
Cash paid to suppliers and employers		(24 169 633)	(27 031 568)
Cash generated from operating activities		(3 570 509)	(5 614 126)
Add: Interest income		350 624	458 326
Net cash flow from operating activities		(3 219 886)	(5 155 800)
Cash flows from investing activities			
Property, plant and equipment acquired less disposals	2	(2 661 175)	(2 250 663)
Net cash flow from investing activities		(2 661 175)	(2 250 663)
Cash flows from financing activities			
Project funds received		-	-
Project funds utilised		(560 533)	(4 004 314)
Net cash flow from financing activities		(560 533)	(4 004 314)
Net change in cash and cash equivalents		(6 441 594)	(11 410 777)
Cash and cash equivalents			
at the beginning of the year		17 886 161	29 296 938
at the end of the year		11 444 567	17 886 161

NATIONAL HERITAGE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

1. ACCOUNTING POLICIES

1.1 Basis of preparation

Unless indicated otherwise the financial statements have been compiled on the historical-cost basis in accordance with Generally Accepted Accounting Practice and the Companies Act of Namibia. The following are principal accounting policies used which are consistent with those of the previous years.

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- Are held for use in the production or supply of goods or services for rental to others or for administrative purposes and are expected to be used during more than one period.

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 services 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 derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives as follows:

Buildings are not depreciated

IT Equipment	5 years
Moter vehicles	5 years
Office equipment	5 years
Camping equipment	5 years
Tools and equipment	10 years

The residual value depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property plant and equipment with costs that are significant in relation to the total cost of the item and has significantly different patterns of consumption of economic benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

**NATIONAL HERITAGE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)**

1. ACCOUNTING POLICIES (Continued)

1.3 Revenue recognition

Revenue is recognised only when it is probable that economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises of grants received from the Government of Namibia donations entrance fees property rentals and interest received.

1.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows cash and cash equivalents comprise cash on hand, deposits held at call with banks and investments in money market instruments net of bank overdrafts. In the statements of financial position, bank overdrafts are included in current liabilities. Actual bank balances are disclosed.

1.5 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grants relates to an expense item it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset the fair value is credited to a deferred income amount and is released to the income statement over the expected useful life to the relevant asset by equal annual instalments.

1.6 Financial Instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans, trade and other payables.

At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so an important loss is recognised.

**NATIONAL HERITAGE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

2. PROPERTY, PLANT & EQUIPMENT

2017	Tools and Equipment	IT Equipment	Office Equipment	Camping Equipment	Motor Vehicles	Land & Buildings	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Carrying amount 01/04/2016	80 591	96 856	170 454	8 359	2 726 108	817 573	3 899 940
At cost	156 491	501 820	673 066	43 659	3 711 886	817 573	5 904 495
Accumulated Depreciation	(75 901)	(404 964)	(502 612)	(35 300)	(985 779)	-	(2 004 555)
Additions	24 121	88 435	177 868	-	-	-	290 424
Current year charge	(16 083)	(44 569)	(82 494)	(4 179)	(742 377)	-	(889 703)
Carrying amount 31/3/2017	88 628	140 722	265 827	4 180	1 983 730	817 573	3 300 661
At cost	180 612	590 255	850 934	43 659	3 711 886	817 573	6 194 919
Accumulated Depreciation	(91 984)	(449 533)	(585 106)	(39 479)	(1 728 156)	-	(2 894 258)

**NATIONAL HERITAGE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

2. PROPERTY, PLANT & EQUIPMENT (Continued)

2016	Tools and Equipment		IT Equipment		Office Equipment		Camping Equipment		Motor Vehicles		Land & Buildings		Total N\$
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	
Carrying amount 31/3/2015	46 803	81 085	129 306	12 538	1 152 938	817 573	2 240 244						
At cost	114 027	447 599	572 851	43 659	1 658 122	817 573	3 653 831						
Accumulated Depreciation	(67 224)	(366 514)	(443 544)	(31 121)	(505 184)		(1 413 587)						
Additions	42 465	54 221	100 215		2 053 764	-	2 250 665						
Current year charge	(8 677)	(38 450)	(57 253)	(4 179)	(511 762)	-	(620 321)						
Carrying amount 31/3/2016	80 591	96 856	172 268	8 359	2 694 940	817 573	3 870 587						
At cost	156 491	501 820	673 066	43 659	3 711 886	817 573	5 904 495						
Accumulated Depreciation	(75 901)	(404 964)	(500 797)	(35 300)	(1 016 946)	-	(2 033 908)						

NATIONAL HERITAGE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

	2017	2016
	N\$	N\$
3. CASH AND CASH EQUIVALENTS	11 444 568	17 886 159
Petty Cash	3 640	1 798
Nedbank Namibia Limited - Current account	4 497 330	1 002 559
Nedbank Namibia Limited - Investment account	138 669	866 574
Standard Bank Namibia Limited - Call account	5 645 331	13 254 110
Nampost Limited - Current account	1 159 598	2 761 119
4. COMPREHENSIVE INCOME	20 954 369	22 001 607
Entrance Fees Income	10 633 824	7 944 317
Government Grants	9 697 000	9 235 000
Interest Received	350 624	458 326
MYSSC MOP Project	-	1 199 126
Art & Culture Project	-	2 000 000
Rental Income	83 505	146 907
Royalties received	-	384
UNESCO/ RISK PREP	8 095	24 285
Brandberg Project	-	805 188
Other Income	181 322	188 074

