



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
NAMIBIA PRESS AGENCY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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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 2019, 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, July 2020**

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 THE  
NAMIBIA PRESS AGENCY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**1. QUALIFIED AUDIT OPINION**

I have audited the financial statements of the Namibia Press Agency for the financial year ended 31 March 2019, provided by the Accounting Officer as attached in Annexure A-E. 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, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects the financial position of the financial position of the Namibia Press Agency as at 31 March 2019 and its financial performance and their receipts and payments and cash flows for the year then ended in accordance with International Financial Reporting Standards.

**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. My opinion has been qualified due to the following:

**2.1. Incorrect accounting treatment**

The interest paid for loans amounting to N\$ 3 259 178 was incorrectly accounted for under loan repayment. This incorrect accounting treatment resulted in an over statement of cash flow from financing activities.

**2.2. Addition of Property Plant & Equipment**

- The addition of Property, Plant and Equipment note 5 does not agree with the Purchase of Property, Plant and equipment in the cash flow statement from investing activities. In addition the adjustments and transfer from the property, plant and equipment amounting to N\$ 294 494 could not be verified due to the lack of substantial evidence. Furthermore, the entity revised their accounting estimates during the financial year ending 2017, therefore the change of the useful life of selected assets was not correctly effected to reflect the correct depreciation and carrying amounts of the assets.

### **3. GOING CONCERN**

I draw attention to the statement of profit or loss and other comprehensive income in the financial statements, which indicates that Namibia Press Agency incurred a net loss of (N\$ 7 685 387) during the year ended 31 March 2019. As these events or conditions, along with other matters as set forth, indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. My opinion is not modified in respect of this matter.

### **4. 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.

### **5. 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.

### **6. 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.

## 7. 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 uses 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 audit 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 audit 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.

## **8. ACKNOWLEDGEMENT**

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

**WINDHOEK, July 2020**



**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



**NAMIBIA PRESS AGENCY**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH**

**ANNEXURE A**

	Note	<b>2019</b>	<b>2018</b>
		N\$	N\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	34 641 461	38 891 929
Investment property	6	28 758 838	31 562 982
<b>Current assets</b>			
Trade receivables	7	1 341 186	454 522
Other current assets	8	96 647	40 150
VAT receivable		1 591 105	1 714 506
Cash and cash equivalents	9.2	15 175 724	21 654 858
<b>TOTAL ASSETS</b>		<b>81 604 961</b>	<b>94 318 947</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital</b>			
Government contributions - assets transferred		1 981 816	1 981 816
Fair value reserve		8 274 179	11 427 452
Retained income		33 755 149	41 633 681
<b>Non-current liabilities</b>			
Finance lease liabilities	11	-	102 989
Long-term borrowings	12	33 453 896	35 284 132
<b>Current liabilities</b>			
Trade payables		285 523	276 201
Other Payables	10	1 694 945	1 276 552
Current Finance Lease	11	127 189	457 847
Current portion non-current borrowings	12	1 830 236	1 680 945
Receiver of revenue		202 028	197 332
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>81 604 961</b>	<b>94 318 947</b>

## ANNEXURE B

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

	2019	2018
Note	N\$	N\$
<b>REVENUE</b>	<b>6 392 834</b>	<b>6 219 196</b>
Subscription news	3 794 835	3 707 281
IT trading income	91 855	80 336
Audio Visual Income & Publication Income	188 795	93 457
Property rental income	2 317 349	2 338 122
<b>LESS: COST OF SALES</b>	<b>9 876 180</b>	<b>10 038 738</b>
Subscription fees and editorial pay costs	9 449 567	9 367 473
IT trading - maintenance	73 592	307 479
Audio Visual and Publication Expenses	230	5 731
Property expenses	352 791	358 055
<b>Gross loss</b>	<b>(3 483 346)</b>	<b>(3 819 542)</b>
Government subsidy	14 999 920	22 600 000
<b>Total contribution to running costs</b>	<b>11 516 574</b>	<b>18 780 458</b>
<b>LESS: ADMINISTRATIVE EXPENSES</b>	<b>17 979 200</b>	<b>18 144 077</b>
Advertisement and promotion	57 005	169 537
Audit fees	73 000	11 720
Awards	22 006	29 888
Bad debts Provided	-	682 987
Bank charges	66 983	105 934
Board members - other expenses	106 397	63 902
Board members sitting allowance	432 638	504 184
Building maintenance	52 949	130 893
Casual staff pay costs	254 869	284 678
Computer expenses	61 106	217 266
Consulting fees	77 658	61 676
Depreciation	1 223 470	1 386 223
Electricity and water	401 929	301 700
Entertainment	10 245	48 923
Equipment repairs	-	1 260
Insurance	220 703	249 149

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

	<b>2019</b>	<b>2018</b>
	N\$	N\$
Interest paid	3 259 178	3 381 975
Legal fees	-	398 375
Licenses	108 719	67 563
Loss on foreign exchange	8680	27 303
Materials and supplies	30 509	32 280
Motor vehicle expenses	649 868	591 467
Office rental	103 971	99 107
Payroll costs	9 542 694	7 629 211
Photocopier rentals and charges	27 104	24 490
Postage and courier charges	5 665	9 542
Printing	106 120	4 320
Staff welfare	118 682	86 233
Stationery	19 512	23 899
Telephone and fax	55 846	71 894
Telephone IT dedicated line	288 982	332 165
Training and workshops	82973	289 150
Travel and accommodation	358 627	676 751
VET levy	151 112	148 432
<b>Operating profit</b>	<b>(6 462 626)</b>	<b>636 381</b>
<b>Other income</b>	<b>(1 222 761)</b>	<b>250 235</b>
Fair value adjustments	(2 804 144)	(1 147 510)
Interest received	1 213 250	1 337 613
Profit on disposal of assets	10 675	21 385
Sundry income	357 458	38 748
<b>PROFIT FOR THE YEAR</b>	<b>(7 685 387)</b>	<b>886 617</b>

## ANNEXURE C

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

	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	N\$	N\$	N\$
<b>Balance at 1 April 2018</b>	<b>11 427 451</b>	<b>41 402 822</b>	<b>52 830 274</b>
Opening Balance adjustments		37 714	
Balance at 1 April 2018	<b>11 427 451</b>	<b>41 440 536</b>	<b>52 867 988</b>
Profit for the year	-	(7 685 387)	(7 685 387)
Current year revaluation	(3 153 272)	-	(3 153 272)
<b>Balance as at 31 March 2019</b>	<b>8 274 179</b>	<b>33 755 149</b>	<b>42 029 329</b>

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

**ANNEXURE D**

	<b>2019</b>	<b>2018</b>
Note	N\$	N\$
<b>Cash flows from operating activities</b>	<b>(3 657 774)</b>	<b>3 420 350</b>
Cash receipts from customers	7 974 216	7 616 941
Receipts from government subsidies	14 999 920	22 600 000
Cash paid to suppliers and employees	(26 631 910)	(26 796 591)
<b>Cash generated from operations</b>		
Interest paid	3 259 179	3 381 975
Investment income	(1 213 250)	(1 337 612)
<b>Net cash from operating activities</b>	<b>(1 611 845)</b>	<b>5 464 713</b>
	9.1	
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	294 494	(1 632 066)
<b>Net cash from / (used in) investing activities</b>	<b>294 494</b>	<b>(1 632 066)</b>
<b>Cash flows from financing activities</b>		
Loan repayments	(5 161 783)	(3 883 532)
<b>Net cash from / (used in) financing activities</b>	<b>(5 161 783)</b>	<b>(3 883 532)</b>
<b>Net change in cash and cash equivalents</b>	<b>(6 479 134)</b>	<b>(220 690)</b>
Cash and cash equivalents at beginning of year	21 654 858	21 875 548
<b>Cash and cash equivalents at end of year</b>	<b>15 175 724</b>	<b>21 654 858</b>
	9.2	

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

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## **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)**

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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 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)**

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**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**

**Relationships**

Governing Body: 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\$ 15 000 000 (2019: N\$ 22 600 000).

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



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

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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.

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**

<b>2019</b>			<b>2018</b>		
<b>N\$</b>	<b>N\$</b>	<b>N\$</b>	<b>N\$</b>	<b>N\$</b>	<b>N\$</b>
<b>Meeting costs</b>	<b>Other costs</b>	<b>Total</b>	<b>Meeting costs</b>	<b>Other costs</b>	<b>Total</b>
432 638	106 397	539 034	504 184	63 902	568 086

### **4. TAXATION**

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

## ANNEXURE E

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

	Land N\$	Building N\$	Computer & Office equipment N\$	Furniture & fittings N\$	Motor vehicles N\$	Total assets N\$
<b>5. PROPERTY PLANT AND EQUIPMENT</b>						
<b>Carrying amount at 01/04/2017</b>	<b>7 700 514</b>	<b>28 980 958</b>	<b>679 578</b>	<b>420 305</b>	<b>723 477</b>	<b>38 504 833</b>
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	-		(956)	352 509.87
Disposal/Scrapped			(58 000)			(58 956)
Depreciation during the year		(103 689)	(847 805)	(90 809)	(343 920)	(1 386 223)
<b>Carrying amount at 31/03/2018</b>	<b>7 774 009</b>	<b>29 156 283</b>	<b>916 345</b>	<b>290 158</b>	<b>755 135</b>	<b>38 891 929</b>
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)

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

**ANNEXURE E**

	Land	Building	Computer & Office equipment	Furniture & fittings	Motor vehicles	Total assets
	N\$	N\$	N\$	N\$	N\$	N\$
<b>Carrying amount at 31/03/2018</b>	<b>7 774 009</b>	<b>28 925 425</b>	<b>897 388</b>	<b>298 090</b>	<b>646 009</b>	<b>38 540 921</b>
At cost/valuation	7 774 009	29 768 722	2 078 871	413 617	2 872 105	42 907 324
Accumulated depreciation	-	(843 297)	(1 181 483)	(115 527)	(2 226 096)	(4 366 403)
Additions	-	-	101 061	31 921	-	132 982
Transfers and adjustments	-	-	(263 185)	(31 309)	-	(294 494)
Revaluation	(779 935)	(2 373 337)	-	-	-	(3 153 272)
Depreciation during the year	-	(645 182)	(256 731)	(38 356)	(283 201)	(1 223 470)
<b>Carrying amount at 31/03/2019</b>	<b>6 994 074</b>	<b>25 956 714</b>	<b>256 731</b>	<b>322 962</b>	<b>362 808</b>	<b>34 641 461</b>
At cost/valuation	6 994 074	27 395 385	2 078 871	414 229	2 872 105	39 754 664
Accumulated depreciation	-	(1 438 671)	(1 073 967)	(91 267)	(2 509 297)	(4 113 203)

Land and building comprise of Erf 8010 - NAMPA head office. If the property was carried at cost the value would have been N\$ 25 862 576.

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

**6. INVESTMENT PROPERTY**

	<b>Head Office Property</b>	<b>Pioneers Park Property</b>	<b>Total</b>
	N\$	N\$	N\$
<b>Carrying amount at 01/04/2018</b>			
At valuation	23 835 490	8 875 001	32 710 491
Fair value adjustment/ Impairment	227 490	(1 375 000)	(1 147 510)
<b>Carrying amount at 31/03/2018</b>	<b>24 062 980</b>	<b>7 500 001</b>	<b>31 562 981</b>
Fair value adjustment/ Impairment	(2 414 143)	(390 001)	(2 804 144)
<b>Carrying amount at 31/03/2019</b>	<b>21 648 838</b>	<b>7 110 000</b>	<b>28 758 838</b>

The fair value was determined by an independent sworn appraiser using current market value on 20<sup>th</sup> June 2019. 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\$17 849 500.

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

	2019	2018
	N\$	N\$
<b>7. TRADE ACCOUNTS RECEIVABLE</b>	<b>1 341 186</b>	<b>454 552</b>
Accounts receivable	1 717 468	1 137 509
Provision for Doubtful Debt	(376 282)	(682 987)
<b>8. OTHER CURRENT ASSETS</b>	<b>96 647</b>	<b>40 149</b>
Rent deposit	700	700
Other	39 988	21 527
Prepaid License fees	55 958	17 923
<b>9. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>9.1 Cash generated from operating activities:</b>		
Net profit	(7 685 387)	886 617
Adjustments for:		
- Investment income	(1 213 250)	(1 337 612)
- Finance costs	3 259 179	3 381 975
- Revaluation Surplus	2 804 144	1 147 510
- Depreciation	1 223 470	1 386 223
<b>Operating capital before working capital changes</b>	<b>1 611 844</b>	<b>5 464 713</b>

## ANNEXURE E

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

	<b>2019</b>	<b>2018</b>
	N\$	N\$
<b>9.2 Cash and cash equivalents</b>		
Cash on hand	(6)	2 708
Standard Bank - Current bank account	(659)	(659)
Nedbank - Current bank account	550 047	566 437
Old Mutual Namibia Managed Fund	6 398 752	11 499 219
Old Mutual Namibia Real Income Fund	8 227 590	9 587 153
<b>Cash and cash equivalents</b>	<b>15 175 724</b>	<b>21 654 858</b>

Cash and cash equivalents consist of cash on hand and balance with banks and investments in money market instruments.

<b>10. OTHER PAYABLES</b>	<b>1 694 945</b>	<b>1 276 552</b>
Income received in advance	51 500	44 447
Other	413 377	30 505
Provision for leave	844 094	713 969
Provision for bonuses	-	400 403
Employees cost accruals	385 974	87 227
<b>11. FINANCE LEASE</b>	<b>127 189</b>	<b>560 836</b>
Payable within one year	127 189	457 847
Long term portion	-	102 989

Above liabilities under finance lease are payable over a period of fifty four and sixty months at an effective average interest rate of 9% (2018:9%) monthly instalment of N\$4 757 (2018: N\$4 890) and are secured by motor vehicles with a total book value of N\$ 533 409 (2018: N\$1 211 024).

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

	2019	2018
	N\$	N\$
<b>12. LONG-TERM BORROWING</b>	<b>35 284 132</b>	<b>36 965 077</b>
Payable within one year *	1 830 236	1 680 945
Long term portion	33 453 896	35 284 132

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\$ 55 195 000 and a cession over Old Mutual Investment Account for the amount of N\$ 8 000 000.

**14. RISK MANAGEMENT**

**Capital risk management**

There are no significant capital risk exposure the Agency Investment are 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.

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

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**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.