

# TABLE OF CONTENTS

1.	MESSAGE BY THE CHAIRPERSON .....	2
2.	REPORT OF THE CHIEF EXECUTIVE OFFICER .....	4
2.1	OPERATING HIGHLIGHTS .....	4
2.2	FINANCIAL HIGHLIGHTS .....	7
2.3	LOOKING AHEAD .....	7
3.	REPORT OF THE AUDITOR-GENERAL .....	9



# 1. MESSAGE BY THE CHAIRPERSON

The Namibia Press Agency (NAMPA) has grown into a formidable national and regional news agency, thanks to the continued support of its shareholder.

It is a fact that its impact and contribution to the media industry is growing steadily thereby fulfilling the vital role of main producer and distributor of news and information both locally, regionally and internationally.

Through close collaboration with various stake-holders especially state institutions, NAMPA has been able to provide extensive all-round coverage of news ranging from general news and information on national events to government activities and programmes, national economic performance and achievements, development projects, investment opportunities and regional as well as international relations.

As a state news and information rendering institution, we wish to assure the shareholder that we shall continue to support government efforts in uplifting the well-being of our people through the provision of information to all sectors of our society.

We shall continue to support our business and financial sectors by providing the necessary information on government policies and programmes in line with NDP4 and Vision 2030.

It is thus once more our pleasure to provide a summary of account for NAMPA's operations during the financial year 2012/13.

A handwritten signature in black ink, appearing to read 'R. R. Diergaard'. The signature is written in a cursive style with a horizontal line underneath the name.

**R. R. Diergaard**

Chairperson: NAMPA Board of Directors

## THE BOARD OF DIRECTORS



Seated: Honourable Minister Joel Kaapanda, Standing from (Left) R.R. Diergaardt (Chairperson), H. Basson-Namundjebo (Vice-Chairperson), G. Kamatuka (Member), E.M. Tuuneko (Member), C.M. Maketo (Member)



## 2. REPORT OF THE CHIEF EXECUTIVE OFFICER

### 2.1 OPERATING HIGHLIGHTS

#### 2.1.1 Editorial Operations

NAMPA editorial division performed well during the period under review, producing a total of 5,267 stories - which represents an increase of 426 stories from the 4,841 written during the same period last year. Many of our stories and pictures were used widely and extensively by the local newspapers, radio and television stations.

The regional offices have undoubtedly become our greatest strength as the Regional Bureau Chiefs continue to keep the nation informed from all parts of the country with various angles to stories.



During the period under review, we covered the visit of the World Health Organisation's (WHO) Director-General to Namibia, who addressed parliament on issues of health.

On 9 February 2013, Namibians laid the body of Dr Abraham Iyambo to rest at the Gammams cemetery in Windhoek.

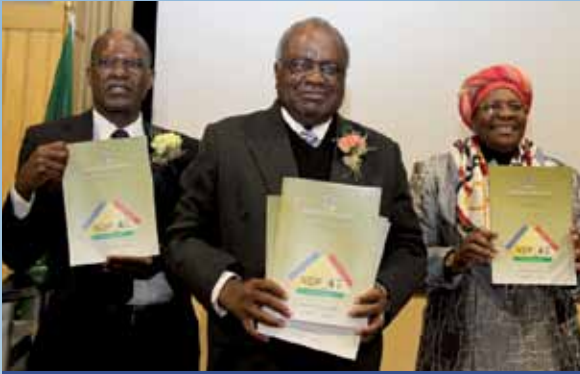
Thousands of mourners gathered to pay their last respects to this much-loved son of the Namibian



Late Dr. Abraham Iyambo

soil who dedicated his life unwaveringly to improving public service delivery.

NAMPA provided thorough coverage of Dr Iyambo's death and funeral. At the time of his death, Dr Iyambo was serving as Minister of Education.



**WINDHOEK, 19 July 2012 - President Hifikepunye Pohamba, flanked by Director General of the National Planning Commission Tom Alweendo (L) and Minister of Environment and Tourism Netumbo Nandi-Ndaitwah, show off copies of newly launched Fourth Namibia National Development Plan (NDP4) at NamPower Convention Center**

The business desk continued to give prominence to the fourth National Development Plan (NDP4), and many of our stories were derived from the NDP4 document.

Some stories focused on education, while others dealt with issues of poverty and health.

NAMPA followed the story of the ‘struggle kids’ who have been camping near the Swapo-Party headquarters in Katutura; with a view to ensure that the Namibian nation finds a solution to their plight.

More and more reporters wrote features during this period, and almost all of these features appeared in the local newspapers. Many of these features also had some impact, causing people in authority to act to right some social wrongs.

In August 2012, NAMPA covered King Mswati III’s five-day official visit to Namibia. The King held talks with President Hifikepunye Pohamba, visited the Namibian Port Authority, dry docks, fish factories and the Ohorongo Cement, amongst others.



**WINDHOEK, 28 July 2012 - President Hifikepunye Pohamba and the visiting King Mswati III of Swaziland view the cultural performances during the departure ceremony at State House**



**LUBUMBASHI, 01 OCTOBER 2012 - Deputy Minister of Trade and Industry, Tjekero Tweya receives the title of deeds to the site earmarked for the construction of a Trade and Industrial centre from Democratic Republic of Congo (DRC) Deputy Minister of Foreign Affairs, Celestin Tunda ya Kasende**

In September 2012, our Omaheke Regional Bureau Chief covered ground-breaking ceremonies for the construction of Namibian Investment Centres at Pointe-Noire in Congo and at Lubumbashi in the Democratic Republic of the Congo (DRC), and a business journalist accompanied Trade and Industry Deputy Minister Tjekero Tweya on his visits to China.

Two of our journalists also flew to Botswana and Zimbabwe with Air Namibia’s inaugural flights to those neighbouring countries.

A major highlight story for the year was the Fifth Swapo-Party Congress, which was held in Windhoek from the 29 November to 02 December 2012. This watershed congress



**GABORONE, 15 May 2012 - The Auditor-General of Namibia, Junias Kandjeke is seen here exiting Air Namibia’s first-ever direct flight to Gaborone**



*WINDHOEK, 02 Decembr 2012 - SWAPO-Party President Hifikepunye Pohamba congratulating Hage Geingob shortly after he was declared the winner of the position of Vice-President at the concluded 5th congress of the Party held at Safari Hotel*

elected a new executive leadership for the ruling party and discussed party policies and programmes. A NAMPA crew, which included a video cameraman, captured proceedings, interrogated issues and documented most of the events during the congress.

NAMPA introduced audio visual services towards the end of 2011 in order for the Agency to become a true Multi-Media news service provider, a “One Stop News Shop” for media houses, businesses, government institutions and the public

at large and to create additional content for the NAMPA Mobile News Services.

This service is currently accessible on You Tube and will soon be available on the main NAMPA news platform at [ww.nampa.org](http://ww.nampa.org) as well as the mobile platform at [mobi.nampa.org](http://mobi.nampa.org).

### 2.1.2 IT Services



*WINDHOEK, 04 December 2012 - Namibia Press Agency's (Nampa) Video Visual Service Sub-Editor Francois Lottering shows Information and Communication Technology Minister Joël Kaapanda the new video project during his visit to the Agency's Head Office*

NAMPA'S IT services continues to facilitate an efficient news service delivery by providing the most modern and advanced technology support.

With the introduction of audio visual services, the IT division ensured the acquisition of state of the art cameras, computer hardware and software to enable the production and delivery of a competent news service. The three laptops currently in use are all of high quality and the editing program is sufficient for the task ahead of us. This editing program is of high standard and is recommended by many professional editors and film makers.

The cameras which were acquired produce products which are compatible with those of local Television stations (NBC and One Africa).

Two cameras have already been prepared for two regions and both are packed in storm cases for safe transportation. These cases are water and dust proof, thus protecting the equipment from any damage during transit.

Routine IT support services to existing local and regional clients were also rendered successfully during the period under review.

### **2.1.3 Marketing and Business Development**

Arrangements for the commencement of the housing project on property which was donated to NAMPA by the shareholder, whereby the Agency is going to develop residential dwellings for income generating purposes is progressing well.

The commencement of the development project of NAMPA head office is currently waiting for Cabinet approval.

The printing project which should have started some years back has now been expanded to include New Era and NAMPRINT as partners on the advice of the shareholder. Preparations are currently underway to get this project off the ground.

## **2.2 FINANCIAL HIGHLIGHTS**

A profit of N\$5 055 612 was incurred for the year 2012/13 compared to N\$ 3 015 243 of 2011/12.

The increased profit of N\$2 040 365 was mostly due to improved income generation and increased subsidy to support operations. There was an increase of 10% in subscription revenue in the current year which increased the income from N\$2 813 051 in 2012 to N\$3 102 254 in the current year.

The subsidy for operations for 2012/13 was N\$15 000 000.00 compared to N\$12 500 000.00 in 2011/12. An additional amount of N\$3 500 000 for the housing project, was received. This is included under deferred income in the balance sheet.

Operational expenditure increased by N\$1 156 982, which is an increase of 18% from N\$6 424 387 in 2011/12 to N\$7 581 369 in 2012/13.

IT income for 2012/13 rose to N\$914 465 compared to N\$512 648 of the previous year, which is an increase of 78%. IT expenses increased by N\$187 730 from N\$488 001 in 2011/12 to N\$675 731.00 in 2012/13.

Five (5) new vehicles were purchased in 2012/13, and 4 were sold during 2012/13. A profit of N\$ 248 479 was realised from the sale.

The board fees increased from N\$168 953 in the prior year to N\$229 364. The board fees was aligned with the Cabinet approved guidelines in 2013.

The vacancy of a senior manager was filled causing the management salaries to increase by 40%

## **2.3 LOOKING AHEAD**

NAMPA is looking ahead with optimism.

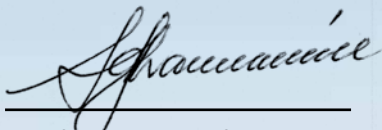
While resources have been the main obstacle to achieving main operational targets, there is hope that the Agency will be able to achieve its goals through income generated from additional business operations.

The Agency has stabilised its finances through the shareholder's support and prudent financial planning and savings and is now looking forward to be able to source outside funding to implement new income generating projects.

This will in the long-run enable the Agency to improve its operations and reduce current financial dependency on government funding.

We wish to thank the Board and our staff for the dedication and hard work in ensuring the successful operations of NAMPA.

Lastly we wish to thank the shareholder for the continued assistance and support which has enabled NAMPA to carry out its national obligation.



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Chief Executive Officer  
Nghidinwa Hamunime





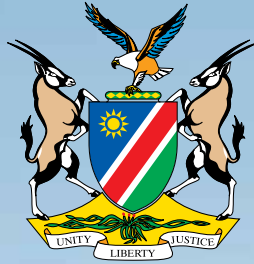
**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
NAMIBIA PRESS AGENCY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

Published by authority

Prie (VAT excluded) N\$26.87  
Report no: 106/13



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 2013, 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.

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WINDHOEK, November 2013

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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 2013

## 1. INTRODUCTION

The Namibia Press Agency delivers an agency service for the collection of news and information and distribution of such news and information to subscribers and has been established by the Namibian Press Agency Act, 1992, (Act 3 of 1992). The accounts of the Namibian Press Agency for the year ended 31 March 2013 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Namibian Press Agency Act, 1992 (Act 3 of 1992)

The firm Grand Namibia has been appointed under the provisions of section 26(2) of the state Finance Act, 1991 to perform the audit on behalf of the Auditor-General and under his supervision.

The main activities of the Agency are to provide news and information collection and distribution services to the Government of the Republic of Namibia and the public at large by establishing an appropriate network with the suppliers of the news and information on the one hand and customers on the other hand.

The principal objectives are to be customer needs driven and to improve the quality of services to customers, be they in public or private sector. Other objectives are to compile annual financial statements and achieve efficiency and quality of service targets as set by the Minister.

Figures in the report are rounded off to the nearest Namibia Dollar.

## 2. FINANCIAL STATEMENTS

The Agency's annual financial statements were submitted to the Auditor-General by the Chief Executive Officer in compliance with section 15 of the Namibian Press Agency Act, of 1992. The audited annual financial statements published in this report are filed in the Office of the Auditor-General. The abridged balance sheet at annexure A is a true reflection of the original. The following annexures are also attached to this report:

**Annexure B:** Detailed income statement

**Annexure C:** Cash flow statement

**Annexure D:** Notes to the financial statements

## 3. SCOPE OF THE AUDIT

### Management's Responsibility for the Financial Statements

The Accounting Officer of the Board is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report the opinion of the Auditor-General to the National Assembly. The audit was conducted in accordance with International Standards on Auditing. Those standards require the auditor to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 statement 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 the management, as well as evaluating the overall presentation of the financial statements.

## **4. AUDIT OBSERVATIONS AND COMMENTS**

### **4.1 Going Concern**

The annual financial statements were prepared on a going concern basis.

The Agency has strategic plans to reduce reliance on Government grants such as to venture into the printing business. The Agency submitted a proposal to the Government to acquire new equipment for the printing business and is waiting for the approval thereof. The Agency is also rezoning its property in Pionierspark to convert it into townhouses which will be let to the public to generate additional income.

The other reasons as to why going concern cannot be qualified are as follows:

The Agency is receiving subsidies from the Namibian Government, the sole shareholder, who did not indicate so far that future budgetary allocations would not be honoured.

The Agency made a profit of N\$ 5 055 612 (2012: N\$ 3 015 247) for the year under review.

## **5. ACKNOWLEDGEMENT**

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

## 6. FINANCIAL RESULTS

	N\$	N\$	Balance N\$
Accumulated profit as at 01/04/2012			10 165 046
<b>Revenue</b>			
Subscription news		3 102 254	
IT Trading income		914 465	
Interest received		549 582	
PAYE credit		115 097	
Sundry income		290 578	
Government subsidy		15 000 000	
Total income		<b>19 971 976</b>	
<b>Expenditure</b>			
Cost of sales - Subscription news	6 659 264		
Cost of sales - IT Trading	675 731		
Administrative expenditure	7 581 369		
<b>Total expenditure</b>	<b>14 916 364</b>		
Net profit for the year 2013			5 055 612
Accumulated profit at 31/03/2013			<b>15 220 658</b>

## 7. CURRENT BANK ACCOUNT AND SHORT TERM DEPOSITS

The bank statement of the current account reflected a favourable balance at year- end and the balances kept in short term deposits are as follows:

	2013 N\$	2012 N\$
Call account	291 679	530 228
Current account	169 022	1 160 230
Money Market Fund	17 619 764	8 083 832
Cash on hand	3 229	1 270
	18 083 694	9 775 560

## 8. INVESTMENTS AND INTEREST PROCEEDS

No long term investments have been made. On 31 March 2013 interest received on short term deposits amounted to N\$ 549 582 (2012: N\$ 409 467).

## 9. DISPOSAL OF PROPERTY

The Agency disposed of assets with a net book value of N\$ 11 298 (2012: N\$ 13 192).

## 10. TARIFF ADJUSTMENTS

The Agency adopted a policy whereby tariffs are being reviewed annually and adjusted if found necessary. A 10% increase on subscription fees was effected during the year under review.

## 11. PAYROLL COSTS

Payroll expenses have increased by 12% during the year under review. This increase is due to salary increment and filling of two vacant positions.

	<b>2013</b>	<b>2012</b>	<b>Variance</b>	<b>Percentage</b>
	<b>N\$</b>	<b>N\$</b>	<b>N\$</b>	<b>%</b>
Administration pay costs	1 500 676	1 483 043	17 633	1%
Editorial service pay costs	4 975 268	4 772 334	202 934	4%
IT Department pay costs	1 204 835	913 404	291 431	32%
Management pay costs	1 721 798	1 228 297	493 501	40%
<b>Total</b>	<b>9 402 577</b>	<b>8 397 078</b>	<b>1 005 499</b>	<b>12%</b>

## 12. AGENCY BOARD MEMBERS

Allowances for Board members of the Agency increased by 36% to N\$ 229 364 (2012: NS 168 953) during the year under review.

## 13. AUDIT OPINION

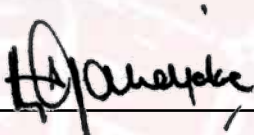
The accounts of the Namibia Press Agency for the financial year ended 31 March 2013, summarized in Annexure A to D, were audited in terms of the provisions of Section 15 of the Namibia Press Agency Act, 1992 (Act 3 of 1992) and read with Section 25(1)(b) of the State Finance Act, 1991 (Act 31 of 1991).

Attention is drawn to the fact that the Agency's operations are funded by Government grants. This condition indicates the existence of a material uncertainty, which cast significant doubt on the Agency's ability to continue as a going concern.

In my opinion these financial statements are a true view of the Namibia Press Agency's (NAMPA) net assets as at 31 March 2013 and of its operational profit and cash flows for the year then ended, and have been properly prepared in accordance with the NAMPA Act, 1992 and the State Finance Act, 1991 (Act 31 of 1991).

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WINDHOEK, November 2013



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JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL

## ANNEXURE A

NAMIBIA PRESS AGENCY

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	<u>Notes</u>	<u>2013</u> N\$	<u>2012</u> N\$
<b>ASSETS</b>			
Non-current assets		<b>11 950 808</b>	<b>11 046 953</b>
Property, plant and equipment	6	11 950 808	11 046 953
Current assets		<b>18 696 066</b>	<b>10 290 631</b>
Other debtors	7	26 502	34 612
Accounts receivables	8	585 869	480 460
Cash and cash equivalents	9.2	18 083 695	9 775 559
<b>TOTAL ASSETS</b>		<b><u>30 646 874</u></b>	<b><u>21 337 584</u></b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		<b>24 482 221</b>	<b>19 426 609</b>
Government contributions - Assets transferred		1 981 816	1 981 816
Revaluation account		7 279 747	7 279 747
Retained income/(loss)		10 165 046	7 149 799
Operating profit for current year		5 055 612	3 015 247
Non-current liabilities		<b>4 442 053</b>	<b>337 088</b>
Deferred income		3 500 000	-
Finance lease-long term portion		942 053	337 088
Current liabilities		<b>1 722 600</b>	<b>1 573 887</b>
Accounts payable	10	327 490	378 162
Other payables	11	869 029	825 004
Finance lease-short term portion	12	436 879	241 799
Receiver of revenue		89 202	128 922
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>30 646 874</u></b>	<b><u>21 337 584</u></b>

## ANNEXURE B

### NAMIBIA PRESS AGENCY DETAILED INCOME STATEMENT AT 31 MARCH 2013

	<b>Notes</b>	<b>2013</b> <b>N\$</b>	<b>2012</b> <b>N\$</b>
<b>REVENUE</b>		<b>4 016 719</b>	<b>3 325 735</b>
Subscription news	1.1	3 102 254	2 813 051
IT Trading income		914 465	512 684
<b>LESS: COST OF SALES</b>		<b>7 334 995</b>	<b>6 859 718</b>
Subscriptions fees and editorial pay costs		6 659 264	6 371 717
IT Trading – Maintenance		675 731	488 001
<b>Gross loss</b>		<b>(3 318 276)</b>	<b>(3 533 983)</b>
PAYE credit		115 097	-
Government subsidy	2	15 000 000	12 500 000
Total contribution to running costs		<b>11 796 821</b>	<b>8 966 017</b>
<b>LESS : ADMINISTRATIVE EXPENSES</b>		<b>7 581 369</b>	<b>6 424 387</b>
Administration pay costs		1 500 677	1 483 043
Advertisements and promotion		37 177	50 808
Audit fees		32 057	28 455
Bad debts		-	51 222
Bank charges		42 555	24 779
Board members - Other expenses	3	9 154	8 176
Board members sitting allowance	3	229 364	168 953
Building maintenance		103 246	118 275
Casual staff pay costs		19 480	9 654
Computer stationery		10 136	22 921
Consulting fees		129 446	72 151
Depreciation		581 254	488 203
Donations		2 000	-
Electricity and water		162 242	152 167
Entertainment		45 044	115 687
Equipment repairs		18 778	1 925
Insurance		181 972	150 288
Interest paid		68 365	63 049
<b>Balance carried forward</b>		<b>3 172 947</b>	<b>3009 756</b>



## ANNEXURE B

### NAMIBIA PRESS AGENCY DETAILED INCOME STATEMENT AT 31 MARCH 2013 (continued)

<b>Notes</b>	<b>2013</b>	<b>2012</b>
	<b>N\$</b>	<b>N\$</b>
<b>Balance brought forward</b>	<b>3 172 947</b>	<b>3 009 756</b>
	<b>4 408 422</b>	<b>3 414 631</b>
IT Department pay costs	1 204 835	913 404
Legal fees	1 335	13 873
Licenses	16 357	19 464
Loss on foreign exchange	2 242	943
Loss on disposal of fixed assets	-	8 413
Management pay costs	1 721 798	1 228 297
Materials and supplies	31 732	14 449
Motor vehicle expenses	467 124	421 729
Office rental – Regions	47 680	45 659
Office stationery	27 923	23 276
Postage and courier charges	5 135	9 417
Publication printing	16 002	41 435
Rentals and charges – photocopier	19 938	21 676
Security costs	3 834	-
Staff welfare	3 670	6 416
Telephone and fax	193 107	178 504
Taxes withheld – Foreign	-	6 423
Telephone IT dedicated line	356 085	268 561
Training and workshops	103 929	35 130
Travel and accommodation	185 696	157 562
<b>Net operating profit</b>	<b>4 215 452</b>	<b>2 541 630</b>
Other income	<b>840 160</b>	<b>473 617</b>
Interest received	549 582	409 467
Profit on sale on disposal of assets	248 479	-
Sundry income	42 099	64 150
<b>NET PROFIT FOR THE YEAR</b>	<b><u>5 055 612</u></b>	<b><u>3 015 247</u></b>

## ANNEXURE C

NAMIBIA PRESS AGENCY

### STATEMENT OF CASHFLOWS AS AT 31 MARCH 2013

	<b>Notes</b>	<b>2013</b> N\$	<b>2012</b> N\$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		4 122 128	3 509 974
Receipts from Government subsidies		15 000 000	12 500 000
Cash paid to suppliers and employees		<u>(14 358 624)</u>	<u>(12 694 834)</u>
Cash generated by operations	9.1	4 763 504	3 315 140
Investment income		549 582	409 467
Finance charges		(68 365)	(63 049)
<b>Net cash inflow from operating activities</b>		<b><u>5 244 721</u></b>	<b><u>3 661 558</u></b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired		(1 496 406)	(120 982)
Property, plant and equipment disposed		259 776	4 779
Government grant received		<u>3 500 000</u>	<u>-</u>
		<b><u>2 263 370</u></b>	<b><u>(116 203)</u></b>
<b>Cash flows from financing activities</b>			
Finance lease		800 045	(329 750)
<b>Net change in cash and cash equivalents</b>		<b>8 308 136</b>	<b>3 215 605</b>
Cash and cash equivalents at beginning of year		<u>9 775 559</u>	<u>6 559 954</u>
<b>Cash and cash equivalents at end of year</b>	9.2	<b><u>18 083 695</u></b>	<b><u>9 775 559</u></b>

## **ANNEXURE D**

NAMIBIA PRESS AGENCY

### **NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2013**

#### **I. 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).

##### **I.1 Revenue recognition**

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

##### **I.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.

##### **I.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.

#### **2. GOVERNMENT SUBSIDY**

The Government subsidy received by the Agency during the year amounted to N\$ 15 000 000 (2012: N\$ 12 500 000). An amount of N\$ 3 500 000 was received for a housing project in Pionierspark. This is included under deferred income.

## ANNEXURE D

NAMIBIA PRESS AGENCY

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2013 (continued)

### 3. BOARD MEMBERS REMUNERATION

<b>2013</b> <b>Meeting costs</b> N\$	<b>Other costs</b> N\$	<b>Total</b> N\$
229 364	9 154	238 518
<b>2012</b> <b>Meeting costs</b> N\$	<b>Other costs</b> N\$	<b>Total</b> N\$
168 953	8 176	117 129

### 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

	<b>Land and buildings</b> N\$	<b>Computer equipment</b> N\$	<b>Furniture &amp; fittings</b> N\$	<b>Motor vehicles</b> N\$	<b>Total assets</b> N\$
Carrying amount at 01/04/2012	10 298 000	261 072	86 546	401 334	11 046 952
At cost	1 284 873	1 678 999	251 389	1 409 930	4 625 191
At valuation	9 013 127	304 294	19 970	-	9 337 391
Accumulated depreciation	-	(1 722 221)	(184 813)	(1 008 596)	(2 915 630)
Additions	73 878	352 268	10 173	1 060 088	1 496 407
Disposal at cost	-	(14 627)	-	(464 649)	(479 276)
Accumulated Depreciation	-	3 334	-	464 644	467 978
Depreciation during the year	-	(166 904)	(23 434)	(390 916)	(581 254)
Carrying amount at 31/03/2013	10 371 878	435 143	73 285	1 070 501	11 950 808
At cost	1 358 751	2 016 640	261 562	2 005 369	5 642 322
At valuation	9 013 127	304 294	19 970	-	9 337 391
Accumulated depreciation	-	(1 885 791)	(208 247)	(934 868)	(3 028 906)

## ANNEXURE D

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

Land and buildings comprise of Erf 8010 – NAMPA head office, valued at N\$ 8 600 000 and Erf 814 situated in Pionierspark, Windhoek, valued at N\$ 1 698 000.

NAMIBIA PRESS AGENCY

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2013 (continued)

	<b>2013</b>	<b>2012</b>
	N\$	N\$
<b>7. OTHER DEBTORS</b>		
Salary advances	1 249	7 848
Rent deposit	700	700
Other	12 635	14 145
Sundry debtors	11 918	11 918
	<b>26 502</b>	<b>34 611</b>
<b>8. ACCOUNTS RECEIVABLE</b>		
Accounts receivable	585 869	480 460
	<b>585 869</b>	<b>480 460</b>

### 9. NOTES TO THE CASH FLOW STATEMENT

9.1 Cash generated from operating activities:

Net profit	5 055 612	3 015 247
Adjustments for :		
- Investment income	(549 582)	(409 467)
- Loss/(Profit) on sale of assets	(248 479)	8 413
- Finance costs	68 365	63 049
- Depreciation	581 254	488 203
Operating capital before working capital changes	4 907 170	3 165 445

## ANNEXURE D

NAMIBIA PRESS AGENCY

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2013 (continued)

	2013	2012
	N\$	N\$
Working capital changes :		
- Decrease in other debtors	8 110	84 162
- Increase in accounts receivable	(105 409)	(184 239)
- Increase in accounts payable	(46 367)	249 772
Cash utilized by operating activities	4 763 504	3 315 140

#### 9.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances 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	3 229	1 270
Standard Bank - Call account	291 679	530 228
Standard Bank - Current bank account	169 022	1 160 230
Standard Bank – Namibia Money Market Fund	17 619 765	8 083 831
Cash and cash equivalents	18 083 695	9 775 559

#### 10. ACCOUNTS PAYABLE

Trade payables	327 490	378 162
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#### 11. OTHER PAYABLES

Income received in advance	44 856	31 000
Provision for Leave	615 100	513 131
Provision for bonuses	168 332	218 229
Employees cost accruals	40 741	62 644
	869 029	825 004

#### 12. FINANCE LEASE

Payable within one year	436 879	241 799
Long term portion	942 053	337 088
	1 378 932	578 887

Above liabilities under finance lease are payable over a period of fifty four months, at an effective average interest rate of 7.5% with a monthly instalment of N\$ 57 950 and are secured by motor vehicles with a total book value of N\$ 1 070 501.

## **ANNEXURE D**

NAMIBIA PRESS AGENCY

### **NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2013 (continued)**

#### **14. NON-DISTRIBUTABLE RESERVE**

The non-distributable reserve of N\$ 7 279 747 represent the fair value adjustment that resulted from the valuation of properties on the 13th and 14th of March 2009 of Erf 8010 – NAMPA head office and Erf 814 situated in Pionierspark, Windhoek.

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