

NAMPA



ANNUAL REPORT 2010



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01 CORPORATE VALUES

Vision

- To make NAMPA the leading information communication company in the country, a comprehensive news, information and communication services provider, committed to excellence and customer satisfaction.

Mission

- To present to the public a timeous, objective, impartial news service and other reliable, affordable information communication products aimed at contributing to nation building and the economic development of the country.

Objectives

- To collect and produce local, regional, international news and feature articles, other information products and services through own reporters, correspondents, stringers, and other personnel, subscriptions to or exchange with other national or international news agencies or other means
- To distribute such news and services, material and feature articles to subscribers against payment either in the form of subscription fees or news exchange or on other terms as may be agreed upon
- To present complete objective and impartial information on any matter of public, national or international interest within and outside Namibia

Values

- NAMPA shall conduct and manage its business in an effective, efficient and ethical manner in accordance with the corporate values we share in the Agency.

02 THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES



03 MESSAGE OF THE CHAIRPERSON

The year under review was quite exciting and very successful in the Agency's efforts to improve the service delivery to the Namibian public.

Apart from improving the quality of the traditional news service, a new multi-media platform based on mobile phone was developed and successfully implemented to provide news and information services to the nation and beyond. Through this service, NAMPA was able to provide the public with real-time news coverage of national and historical events like the 2009 Parliamentary and Presidential elections in our country. The African Cup of Nations games which took place in Angola were also effectively relayed to the Namibian public through this multi-media mobile news service. Games, results and videos were continuously featured on this service.



Other events of national importance continue to be highlighted on this news medium as they occur.

Developments like these have a very big significance since they enable the citizens in remote parts of the country and isolated places to keep abreast of events and continue to be part of the socio-economic development of the country.

I am also pleased to note that the financial position of the Agency has significantly improved, thanks to the understanding and assistance of the shareholder in providing the necessary assistance and interventions sought. It is my hope that the shareholder will continue to provide the necessary funding required to enable NAMPA to engage in commercial projects which are aimed at reducing financial dependency on government.

I wish to thank the Board, management and staff for their efforts and commitment towards an efficient service delivery to the Namibian people.

I also wish to sincerely thank the shareholding Minister for the support and guidance.

A handwritten signature in black ink, appearing to read 'Hinda-Mbaziira', written over a horizontal line.

M. Hinda-Mbaziira
Chairperson

04 REPORT OF THE CHIEF EXECUTIVE OFFICER

1. Introduction

During the year ended 31 March 2010, significant efforts were made to improve the operations of NAMPA.

In line with the strategic objectives, both management and staff committed themselves to the three main challenges which the Agency has set itself to address:

- To provide the public with quality services which are relevant, appealing and meeting market demands
- To establish a strong client base by penetrating the media and IT markets
- To attain financial viability through sound economic and financial performance.



While not all of the above challenges have been met and dealt with exhaustively, a high degree of success has been achieved as shall be elaborated below.

2. Media Products and Services

2.1 Existing Services

The quality and quantity of our traditional text and picture services improved significantly during the year under review.

Not only did NAMPA sign up new clients but also saw an increase in the use of the services by existing clients.

The acquisition and provision of digital cameras to all our reporters as well as laptops in particular, increased the efficiency of news processing.

This enabled our reporters to file stories and pictures from anywhere. Since then, no story has ever left the Agency without an accompanying and visually telling picture of the event.

I am particularly pleased to note that this investment paid off during our coverage of the Presidential and National Assembly elections which took place in November 2009.

Our reporters spend sleepless nights travelling across the country, from polling station to station, to provide the public with the latest information and showing how lively and deep rooted democracy is in Namibia.

03 REPORT OF THE CHIEF EXECUTIVE OFFICER

2.2. New Services

NAMPA embraces the use of the latest information communication technology to achieve its objectives.

Thus, to reach the broader public a mobile news service called “NAMPA Mobile News” was introduced in November 2009.

Mobile news, which is the latest development around the world which started getting prominence from 2000, entails the creation and delivery of news text, visuals and audio using mobile devices (cell phones).



The term Mobile News in itself is not new, since with the introduction of mobile phones, often with cameras and text messaging capabilities, most people gained the capability of creating mobile news by sending text messages, taking pictures of events and sending them via cell phones.

However, this is the first real-time multi-media news service by a national media institution in Namibia, featuring local and international breaking news including news photos, news videos, sports and entertainment on mobile.

It is a fact that mobile phones are becoming a primary connection tool and source of information for most of our people on daily basis, hence the importance for media institutions to migrate to the use of mobile phones.

In a country, where Newspapers, Radio and TV have yet to reach all corners of the country, this is a very significant development as it is helping to narrow the information divide between the cities, the rural and remote areas.

Our rural communities need to be brought into the mainstream of information dissemination through the utilisation of modern communication technologies.

This service will be an ideal means at the disposal of the Namibian public to receive customisable news services at any place and at any time.

Apart from traditional news products, a variety of information like weather, job opportunities, business information and advertisements will also be available on this service.

03 REPORT OF THE CHIEF EXECUTIVE OFFICER

It will be a very useful medium for our Government, to reach the people through public announcements, disaster management information and alerts.

This service will thus compliment other public media efforts to reach as many people in Namibia as possible there by contributing to the socio-economic advancement of our people.

The mobile news service was very effective during big national and international events like the 2009 Presidential and national elections as well as the African Cup of Nations in Angola.

3. Support Services Overview

3.1 Information Technology

IT services performed exceptionally well during the year.

One of the highlights of its performance is the development of the mobile news service referred to earlier.

The professionalism in the design, look and feel of the site is of exceptional quality which we are all proud of.

Further developments and enhancements are currently being carried out to ensure an efficient and reliable service delivery on mobile.

IT support to our clients has also been carried out successfully. Various system upgrades to accommodate audio visual services were implemented to expand service delivery in the near future.

3.2 Financial Performance

An average increase of 8% in subscription fees for the current year caused the increase in subscription. The subscription revenue for 2010 was N\$2 291 455.00 compared to N\$2 115 129.00 for 2009.

The subsidy received for Programme 1 for 2010 year end was N\$10 000 000.00, compared to the N\$9 000 000.00 of the prior year, which is an increase of N\$1 000 000.00. The subsidy for Programme 3 remained the same as in the previous financial year.

Operational expenditure decreased by N\$4 069 154.00 in 2010, from N\$9 697 844.00 in 2009 to N\$5 628 690.00 in 2010. The high operational expenditure in the prior year was mainly due to the further provision for penalties and interest due to the Receiver of Revenue.

The decrease is mainly due to penalties and interest of N\$4 992 743.00 owed to the Receiver of Revenue, which were written off.

03 REPORT OF THE CHIEF EXECUTIVE OFFICER

NAMPA paid off half of the penalties and interest owed to Receiver of Revenue in this financial year. An outstanding amount of N\$1 563 231.00, is expected to be paid off at the beginning of the 2010/11 financial year.

Renovations were done to the office building, but these were not completed and will continue in the new financial year.

5 vehicles were purchased when the lease term of the old vehicles ended. This caused a decrease in leasing charges in the current year.

Depreciation increased due to new vehicles and equipment bought. Expenses to the amount of N\$79 130.00 was incurred for the mobile project and N\$47 450.00 for the printing project.

A profit of N\$8 321 909.00 was incurred for the current year compared to the loss of N\$ 817 633.00 in 2009.

The profit, excluding penalties and interest owed to the Receiver of Revenue, written off, is N\$3 329 166.00. This is once again related to the further provision for penalties and interest due to Receiver of Revenue in the prior year.

IT income was N\$487 035.00 compared to N\$443 655.00 in 2009, which is more or less the same for the 2 years, as no new IT projects were implemented.

Interest received amounts to N\$361 968.00 compared to N\$409 282.00 in 2009. Interest accumulated on funds of Programme 3 for the past 3 years was invested.

Other income amounts to N\$16 884.00 compared to N\$22 020.00 in 2009.

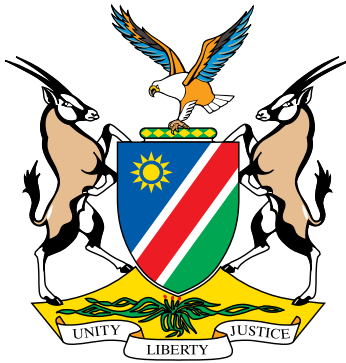
The negative net current asset position of the prior years no longer exist as NAMPA's total current assets exceeded its total current liabilities by N\$3 869 699.00 as at 31 March 2010.

I wish to thank the Board, Management and staff for their relentless efforts in ensuring successful operations of the Agency.

Lastly, I wish to thank the shareholder for the continued financial support and guidance accorded to NAMPA.



N. Hamunime
Chief Executive Officer



Republic of Namibia



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NAMIBIA PRESS AGENCY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

Published by Authority

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Report no: 879



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 2010, in terms of Article 127(2) of the Namibian Constitution. My 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.

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, August 2010

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIA PRESS AGENCY FOR THE FINANCIAL YEAR ENDED
31 MARCH 2010**

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 Namibia Press Agency Act, 1992, (Act 3 of 1992). The accounts of the Namibia Press Agency for the year ended 31 March 2010 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Namibia Press Agency Act, 1992 (Act 3 of 1992).

The firm BDO 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 suppliers of the news and information on the one hand and customers on the other hand.

The principal objectives are to be customer need 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 Namibia Press Agency Act, 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: Abridged income statement

Annexure C: Cash flow statement

Annexure D: Notes to the financial statements

3. SCOPE OF THE AUDIT

The financial statements of the Agency for the period ended 31 March 2010 have been audited under the provisions of Section 15 of the Act and Section 25(1)(b) of the State Finance Act, 1991 (Act 31 of 1991).

The Chief Executive Officer is responsible for the preparation of the annual financial statements and for ensuring the regularity of the financial transactions. 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 statements included in them and to report his opinion to the National Assembly.

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIA PRESS AGENCY FOR THE FINANCIAL YEAR ENDED
31 MARCH 2010**

The audit as carried out by the said firm, included:

- a) examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements;
- b) assessment of the significant estimates and judgements made by the Chief Executive Officer of the Agency in preparation of the financial statements; and whether the accounting policies are appropriate to the Agency's circumstances, consistently applied and adequately disclosed; and
- c) evaluation of the overall adequacy of the presentation of information in the financial statements.

The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:

- the financial statements are free from material misstatement, whether caused by error, fraud or other irregularities;
- in all material respects, the expenditure and income have been applied to the purposes intended; and
- the financial transactions conform to the authorities which govern them.

4. AUDIT OBSERVATIONS AND COMMENTS

4.1 Receiver of Revenue - PAYE & VAT

The audit revealed that the Agency has paid the outstanding amounts on PAYE and VAT debts with the Receiver of Revenue amounting to N\$ 1 563 230. An amount of N\$ 4 992 743 was written off by the Receiver of Revenue, thus resulting in a balance of N\$ 1 717 382 (2009: N\$ 7 572 310) and N\$ (28 251) (2009: N\$ 658 683) for PAYE and VAT respectively. The write off of debts by the Receiver of Revenue has improved the liquidity position of the Agency. The Agency has signed an agreement with the Receiver of Revenue to pay off the balance of the PAYE in monthly installments of N\$260 538. However the Agency could not provide evidence for auditors to verify to correctness of the amount written off.

4.2 Going concern

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

The Agency has strategic plans to reduce the reliance on Government grants, such as to venture into the printing business. The Agency is in the process of acquiring a company called Printing Solutions. com; this will be done by taking over all assets and liabilities in that company. The Agency is also in the

process of converting its property located in Pionerspark 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.
- Budgets for the following year (if implemented) reflected positive trends i.r.o. decreasing operational losses and increases in revenue earnings from additional projects thus easing the Agency's liquidity problems.

5. ACKNOWLEDGEMENT

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

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIA PRESS AGENCY FOR THE FINANCIAL YEAR ENDED
31 MARCH 2010**

6. FINANCIAL RESULTS

	N\$	N\$	Balance N\$
Accumulated loss as at 01/04/2009			(2 877 179)
Revenue			
Subscription news		2 291 455	
IT Trading income		487 035	
Interest received		361 968	
Sundry income		16 884	
VAT credit		146 591	
Interest and Penalties waived		4 992 743	
Government subsidy		11 500 000	
Total income		19 796 676	
Expenditure			
Cost of sales - Subscription news & IT trading	5 846 077		
Administrative expenditure	5 628 690		
Total expenditure	11 474 767		
Net profit for the year 2010			8 321 909
Accumulated profit at 31/03/2010			5 444 730

7. CURRENT BANK ACCOUNT AND SHORT TERM DEPOSITS

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

	2010	2009
	N\$	N\$
Call account	389 930	368 576
Current account	(56 089)	177 448
32 Days notice deposit	-	533 151
Namibia Cash Plus Fund	6 166 363	3 925 247
Cash on hand	1 175	1 095
	6 501 379	5 005 518

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIA PRESS AGENCY FOR THE FINANCIAL YEAR ENDED
31 MARCH 2010**

8. INVESTMENTS AND INTEREST PROCEEDS

No long term investments have been made. On 31 March 2010 interest received on short term deposits amounted to N\$ 361 968 (2009: N\$ 409 282).

9. DISPOSAL OF PROPERTY

The Agency disposed of assets with a net book value of N\$ 1 519 (2009: N\$ 640).

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 affected during the year under review.

11. PAYROLL COSTS

Payroll expenses have increased by 10% during the year under review. This increase is mainly due to salary increments.

	2010	2009	Variance	Percentage
	N\$	N\$	N\$	%
Administration pay costs	1 536 339	1 354 605	181 734	13%
Editorial service pay costs	3 843 317	3 648 221	195 096	5%
IT Department pay costs	791 618	699 093	92 525	13%
Management pay costs	1 160 214	974 178	186 036	19%
Total	7 331 488	6 676 097	655 391	10%

12. AGENCY BOARD MEMBERS

Allowances for Board members of the Agency increased by 118% to N\$ 71 000 (2009: NS 32 500) during the year under review.

13. TRADING DIFFICULTIES

The annual financial statements indicate significant doubt that the Agency is commercially solvent stemming from major reliance on government grants. The situation raises fears that the Agency may not be a going concern in future if an urgent strategic re-think is not undertaken. The profit made in the current year is mainly due to the penalties and interest that was waived by the Receiver of Revenue.

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIA PRESS AGENCY FOR THE FINANCIAL YEAR ENDED
31 MARCH 2010**

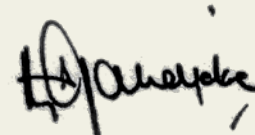
14. AUDIT OPINION

The accounts of the Namibia Press Agency for the financial year ended 31 March 2010, summarized in Annexure A to C, 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, (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 this financial statements fairly present the financial position of the Agency on 31 March 2010 and the results of the operation for the year then ended. In all material respect income and expenditure have been applied to the purposes intended by the Agency and the financial transactions confirm to the authorities which govern them.

WINDHOEK, August 2010



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**NAMIBIA PRESS AGENCY
BALANCE SHEET AS AT 31 MARCH**

	Notes	2010 N\$	2009 N\$
ASSETS			
Non-current assets			
Property, plant and equipment	6	11 424 101	10 920 966
Current assets			
Other debtors	7	171 079	117 391
Accounts receivable	8	328 647	217 050
Cash and cash equivalents	9.2	6 501 379	5 005 517
TOTAL ASSETS		18 425 206	16 260 924
EQUITY AND LIABILITIES			
Share capital			
Government contributions - Assets transferred		1 981 816	1 981 816
Revaluation account		7 279 747	7 279 747
Retained income/(loss)		(2 877 179)	(2 059 547)
Operating profit/(loss) for current year		8 321 909	(817 633)
Current liabilities			
Accounts payable	10	254 215	304 913
Other payables	11	916 107	970 777
Installment sales agreement	12	243 702	98 364
Receiver of revenue		1 717 382	8 230 993
Non-current liabilities			
Installment sales agreement	12	587 507	271 494
TOTAL EQUITY AND LIABILITIES		18 425 206	16 260 924

**NAMIBIA PRESS AGENCY
DETAILED INCOME STATEMENT AT 31 MARCH**

	Notes	2010 N\$	2009 N\$
REVENUE	1.1	2 778 490	2 558 783
Subscription news		2 291 455	2 115 129
IT Trading income		487 035	443 654
LESS: COST OF SALES		5 846 077	5 609 871
Subscriptions fees and editorial pay costs		5 522 302	5 237 934
IT Trading – Maintenance		323 775	371 937
Gross loss		(3 067 587)	(3 051 088)
Interest and Penalties waived		4 992 743	-
VAT credit		146 591	-
Government subsidy	2	11 500 000	11 500 000
Total contribution to running costs		13 571 747	8 448 912
LESS : ADMINISTRATIVE EXPENSES		5 628 690	9 697 847
Administration pay costs		1 536 339	1 354 605
Advertisements and promotion		6 870	30 773
Audit fees		37 380	30 074
Bad debts		-	5 829
Bank charges		25 661	19 124
Board members - Other expenses		-	549
Board members sitting allowance	3	71 000	32 500
Building maintenance		214 309	70 469
Casual staff pay costs		5 250	13 177
Computer stationery		19 329	11 671
Consulting fees		82 341	20 636
Depreciation		391 515	224 890
Donations		10 000	1 200
Electricity and water		140 972	91 596
Entertainment: Board and management		21 567	20 012
Insurance		132 812	95 728
Interest paid		84 441	59 928
Interest paid - Inland Revenue		-	3 508 021
Balance carried forward		2 779 786	5 590 782

NAMIBIA PRESS AGENCY

DETAILED INCOME STATEMENT AT 31 MARCH (CONTINUED)

	Note	2010	2009
		N\$	N\$
Balance brought forward		2 779 786	5 590 782
		2 848 904	4 107 065
IT Department pay costs		791 618	699 093
Legal fees		5 140	5 145
Leasing charges	4	25 102	103 678
Loss on forex		1 347	5 311
Management pay costs		1 160 214	974 178
Materials and supplies		17 739	9 041
Motor vehicle expenses		231 661	196 578
Office rental – Regions		18 414	16 917
Office stationery		19 262	22 752
Penalties - Inland Revenue		-	1 509 515
Postage and courier charges		4 815	8 881
Publication printing		10 309	2 025
Rentals - photocopier		26 519	19 875
Security costs		22 541	2 889
Staff welfare		3 819	-
Telephone and fax		115 626	112 131
Taxes withheld – Foreign		10 508	8 665
Telephone IT dedicated line		216 908	243 472
Training and workshops		15 014	43 284
Transport allowances – Cleaners		-	7 670
Travel and accommodation		152 348	115 967
Net operating profit/(loss)		7 943 057	(1 248 935)
Other income		378 852	431 302
Interest received		361 968	409 282
Profit on sale on disposal of assets		1 866	7 308
Sundry income		15 018	14 712
NET PROFIT/(LOSS) FOR THE YEAR		8 321 909	(817 633)

**NAMIBIA PRESS AGENCY
CASH FLOW STATEMENT AS AT 31 MARCH**

	Notes	2010 N\$	2009 N\$
Cash flows from operating activities			
Cash receipts from customers		2 666 895	2 564 738
Receipts from Government subsidies		11 500 000	11 500 000
Cash paid to suppliers and employees		(12 517 128)	(11 961 195)
Cash utilized by operations	9.1	1 649 767	2 103 543
Investment income		361 968	409 282
Finance charges		(84 441)	(59 928)
Net cash in/(out) flow from operating activities		1 927 294	2 452 897
Cash flows from investing activities			
Property, plant and equipment acquired/revaluated		(896 169)	(332 519)
Property, plant and equipment disposed off		3 386	7 948
		(892 783)	(324 571)
Cash flows from financing activities			
Installment sales agreement		461 351	(86 622)
Net change in cash and cash equivalents		1 495 862	2 041 704
Cash and cash equivalents at beginning of year		5 005 517	2 963 813
Cash and cash equivalents at end of year	9.2	6 501 379	5 005 517

**NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010**

1. PRINCIPAL ACCOUNTING POLICIES

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

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

1.1 Revenue recognition

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

1.2 Property, plant and equipment

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

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

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

1.3 Leased assets

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

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

2. GOVERNMENT SUBSIDY

The Government subsidy received by the Agency during the year amounted to N\$ 11 500 000 (2009: N\$ 11 500 000).

NAMIBIA PRESS AGENCY

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

3. BOARD MEMBERS REMUNERATION

2010		
Meeting costs	Other costs	Total
N\$	N\$	N\$
71 000	-	71 000
2009		
Meeting costs	Other costs	Total
N\$	N\$	N\$
32 500	549	33 049

4. LEASING COSTS

The operating lease on vehicles ended this financial year. The Agency has paid N\$ 25 102 (2009: N\$ 103 678) during the year under review.

5. TAXATION

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

6. PROPERTY, PLANT AND EQUIPMENT

2010	Land and buildings	Computer equipment	Furniture & fittings	Motor vehicles	Total assets
	N\$	N\$	N\$	N\$	N\$
Carrying amount at 01/04/2009	10 298 000	219 842	103 038	300 086	10 920 966
At cost	1 284 873	1 135 750	217 991	464 649	3 103 263
Adjustment	-	-	(10 486)	-	(10 486)
At valuation	9 013 127	304 294	19 970	-	9 337 391
Accumulated depreciation	-	(1 220 202)	(124 437)	(164 563)	(1 509 202)
Additions	-	283 067	5 930	607 172	896 169
Disposal during the year	-	(3 217)	-	-	(3 217)
Depreciation during the year	-	(143 917)	(17 591)	(230 007)	(391 515)
Carrying amount at 31/03/2010	10 298 000	357 473	91 377	677 251	11 424 101
At cost	1 284 873	1 418 817	223 921	1 071 821	3 999 432
Adjustment	-	(3 217)	(10 486)	-	(13 703)
At valuation	9 013 127	304 294	19 970	-	9 337 391
Accumulated depreciation	-	(1 362 421)	(142 028)	(394 570)	(1 899 019)

NAMIBIA PRESS AGENCY

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

	2010	2009
	N\$	N\$
7. OTHER DEBTORS		
Salary advances	13 982	5 408
Rent deposit	700	700
Other	55 364	38 500
VAT	28 251	-
Sundry debtors	72 783	72 783
	171 079	117 391
8. ACCOUNTS RECEIVABLE		
Accounts receivable	542 256	430 659
Provision for doubtful debts	(213 609)	(213 609)
	328 647	217 050
9. NOTES TO THE CASH FLOW STATEMENT		
9.1 Cash (utilized by) generated from operating activities:		
Net profit /(loss)	8 321 909	(817 633)
Adjustments for :		
- Investment income	(361 968)	(409 282)
- Profit on sale of assets	(1 867)	(7 308)
- Loss on foreign exchanges	1 347	5 311
- Movement in provisions	-	-
- Finance costs	84 441	59 928
- Depreciation	391 515	224 890
Operating capital before working capital changes	8 435 378	(944 094)
Working capital changes :	N\$	N\$
- (Increase) in other debtors	(55 035)	(17 439)
- (Increase)/decrease in accounts receivable	(111 595)	5 955
- (Decrease) / increase in accounts payable	(6 618 981)	3 059 120
Cash utilized by operating activities	1 649 767	2 103 543

NAMIBIA PRESS AGENCY

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

	2010	2009
	N\$	N\$
9.2 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balance(s) 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	1 175	1 095
Standard Bank - Call account	389 930	368 576
Standard Bank - 32 Days notice account	-	533 151
Standard Bank - Current bank account	(56 089)	177 448
Standard Bank – Namibia Cash Plus Fund	6 166 363	3 925 247
Cash and cash equivalents	6 501 379	5 005 517
The Agency has an overdraft balance of N\$ 39 995 (with a limit of N\$ 300 000) this is secured by N\$300 000 in the investment account.		
10. ACCOUNTS PAYABLE		
Trade payables	254 215	304 913
11. OTHER PAYABLES		
Income received in advance	36 326	60 246
Provision for Leave	575 039	540 400
Provision for bonuses	112 273	196 111
Employees cost accruals	192 469	174 020
	916 107	970 777
12. INSTALLMENT SALES		
Payable within one year	243 702	98 364
Long term portion	587 507	271 494
	831 209	369 858

Above liabilities under installment sale agreement are payable over a period of thirty eight months, at an effective interest rate of 12.75% with a monthly installment of N\$ 26 488 and are secured by motor vehicles with a total book value of N\$ 677 251.

13. NON- DISTRIBUTABLE RESERVE

The non- distributable reserve of N\$ 7 279 747 represent the fair value adjustment that resulted from the valuation of properties (Erf 8010 - NAMPA head office and Erf 814 situated in Pioneerspark, Windhoek).

