



# **ANNUAL REPORT 2014**

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## STATEMENT BY THE CHAIRPERSON

The national news Agency has continued to strengthen its operations and expand its footprint in the country.

The diversification of its services, to include audio visual services has made a significant difference in its product offering.

Not only is NAMPA currently providing audio-visual news which is accessible from anywhere in the world but the Agency is also producing documentaries, especially of a developmental nature. Our new office in Otjozondjupa region has added a new dimension in expanding coverage in the country and the office in the Zambezi region is expected to be opened towards the end of 2014.

NAMPA has continued to contribute to the development of the media in the country by providing media training and attachment to numerous media trainees both at UNAM and the Polytechnic of Namibia. During the period under review, four trainees from the said institutions did their attachments at NAMPA.

With regard to financial performance, I am pleased to report that the Agency has considerably improved its financial position. While income from editorial services remains minimal, it has improved with the diversification of services and is expected to grow in the near future.

As a result, Agency credit worthiness has improved and NAMPA has now managed to secure a commercial loan from a local financial institution to develop and build its news head office.

The new building will house the Agency operations in Windhoek but the additional offices shall be leased to lessen total financial dependency on the shareholder.

Another property donated to NAMPA by the shareholder in Windhoek is currently being prepared for development for income generation purposes.

I wish to thank the shareholder for the continued support.

My thanks also go to my fellow directors, management and staff for their relentless efforts in making the operations of the Agency a success.

**R. R. Diergaardt**



**Chairperson: NAMPA Board of Directors**

# 1. REPORT OF THE CHIEF EXECUTIVE OFFICER

## 2.1. SUMMARY OF REPORT

The report for the year ended March 2014 was prepared in line with the targets and timelines contained in the NAMPA Strategic Plan as agreed in January 2013.

It summarises the business analysis of the Agency, the activities carried out and provides a financial summary as well as the full audit report by Auditor General.

## 2.2. BUSINESS ANALYSIS

As articulated in the mission and vision statement, NAMPA is a leading and comprehensive news, information and communication services provider, in the country which is committed to excellence and customer satisfaction.

It remains the mission of NAMPA to present to the public a timeous, objective, impartial news services and other reliable, affordable information communication products aimed at contributing to nation building and the economic development of the country.

In carrying out its national obligations, the Agency is guided by the national goals outlined in Vision 2030 as well as NDP4.

NAMPA falls under the ICT sector, whose sectoral implementation plan in NDP4 describes ICT as an enabling pillar to promote economic growth by providing postal, telecommunication, Broadcasting and Media services to the nation in a transparent, accountable and equitable manner.

This sector is expected to ensure the availability of adequate ICT infrastructure which is imperative for economic development and competitiveness.

Thus in line with Vision 2030 and NDP4, NAMPA compiled its Strategic Plan for 2013-2018 at the beginning of 2013, which outlines the strategies and measures to be taken in order to attain the objectives of the Agency, and contribute to the overall goals of NDP4, which are Economic Growth; Employment Creation and Income Equality.

## 2.3. BRIEF OF ACTIVITIES

### 2.3.1 Media Services

More than ever before, NAMPA improved and expanded its core operations, which is the editorial news and information services.

Of great importance is the recognition accorded to NAMPA by the shareholder as a true national news service provider to such an extent that government has now been requesting for regular news coverage by the news agency both at home and abroad.

This recognition was in our view not only prompted by the improvement in quality of news coverage but also due to the addition of audio visual services, which had made a great impact on the comprehensiveness of news.

To single out but a few, the Office of the President, Office of the Prime Minister, Environment & Tourism and Trade & Industry have made numerous request for NAMPA to provide international coverage of official visits by those offices.

In all cases, these offices have provided financial assistance to enable our journalist to cover their activities, a move which has greatly assisted NAMPA to provide such news nationally and feedback to the outside world.

Our regional offices have continued to play a great role in providing national coverage in all 14 regions. Due to its strategic importance, a new regional office was opened in Otjiwarongo. The opening of the Otjiwarongo regional bureau has greatly covered the vacuum of coverage which had existed over the years in the central regions.

Because of the proximity of Rundu to Katima Mulilo, the Zambezi region continues to get an effective coverage from the Rundu regional bureau but opening of an office in that region shall also be considered as soon as possible.

### **2.3.2. Information Technology Services**

IT is the backbone and enabling tool in the provision of NAMPA services to the clients. Ongoing system upgrades and improvements have enabled the Agency to render a continuous and reliable news and information service to our subscribers with no known downtimes and service complaints as in the past.

New computers, cameras and audio visual equipment were bought during the period under review.

The IT services project at government stores continues to run smoothly even though there may be consideration of a new contract. Our services to the Mozambican and Lesotho news agencies continues.

### **2.3.3. Marketing & Business Development**

In line with our strategy, NAMPA has continued to compete for the media market in the country.

Although the market is very small, the Agency added two additional clients to its list of subscriber as well as a contract to produce an audio visual documentary.

Omalaeti Technology signed up for a new service for its mobile news service, as well as Hit Radio Namibia, while our Audio Visual service clinched its first deal with UNAM to produce a documentary for the RAEIN project.

This documentary is covering a cattle artificial insemination project at Otjinene in Omaheke region in Namibia as well as in Swaziland. Other SADC countries like Zimbabwe and Malawi are expected to be added soon.

While the printing project appears to have stalled due to new instructions by the shareholder the construction projects have progressed well.

The housing project in Pionierspark has gone through tender and a contractor shall be appointed soon.

The Head Office project is also expected to start soon once the project leader and quantity surveyor has finalised the project documentation and approval granted by the Board for the tendering process to start.

## 2.3.4 Finance and Human Resources

### General

This division has consistently continued to provide a vital support service. Apart from ensuring a reliable financial support and sound financial management, it has also provided an efficient human resources and administrative support.

### Financial Overview

A profit of N\$4 098 884 was incurred for the year under review, compared to N\$ 5 055 612 of the prior year. There was an increase of 8% in subscription revenue in the current year; this increased subscription income from N\$3 102 254 in 2013 to N\$3 368 824 in the current year.

The subsidy for operations for 2013/4 was N\$17 000 000 compared to N\$15 000 000 in 2013. Operational expenditure increased by N\$1 265 176, which is an increase of 16%, from N\$7 581 369 in 2013 to N\$8 846 545 in 2014.

IT income for 2014 was N\$752 376 compared to N\$914 465 of the previous year. IT expenses increased by N\$16 777 from N\$675 731 in 2013 to N\$692 508 in 2014. Five (5) new vehicles were purchased in 2014.

Board fees increased from N\$229 364 to N\$259 060. This is a 12% increase compared to the previous year.

**N. Hamunime**



**Chief Executive Officer**



# **REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE NAMIBIA PRESS AGENCY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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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 2014, 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.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke', written in a cursive style.

WINDHOEK, FEBRUARY 2015

JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL



## **1. INTRODUCTION**

This report on the accounts of the Namibia Press Agency for the financial year ended 31 March 2014 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in the State Finance Act, 1991(Act 31 of 1991), as amended.

### **1.1 Report on the Financial Statements**

I have audited the accompanying financial statements of the Namibia Press Agency for the financial year ended 31 March 2014. These financial statements comprise the statements of financial position, Statements of comprehensive income; Statements of cashflow for the year then ended, and notes to financial statement and general information submitted. The financial statements were submitted to the Auditor-General in terms of Section 13 of the State Finance Act, 1991.

The financial statements, notes to the financial statements and general information supplied by the Accounting Officer are attached as

**Annexure A: Statement of Financial Position**

**Annexure B: Statement of Comprehensive Income**

**Annexure C: Statement of Cashflow**

**Annexure D: Note to the Financial Statements**

## **2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 & 13 of the State Finance Act, Act 31 of 1991 and 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.

## **3. AUDITOR'S RESPONSIBILITY**

My responsibility is to express an opinion on these financial statements based on our audit. I conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## Powers and duties

Section 25(1)(c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) all reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) all reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) the expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1)(b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### 4. ACKNOWLEDGEMENT

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

#### 5. FINANCIAL RESULTS

	N\$	N\$	Balance N\$
<b>Accumulated profit as at 01/04/2013</b>			<b>15 220 658</b>
<b>Revenue</b>			
Subscription news		3 368 824	
IT Trading income		752 376	
Interest received		864 696	
Sundry income		71 293	
Government subsidy		17 000 000	
<b>Total income</b>		<b>22 057 189</b>	
<b>Expenditure</b>			
Cost of sales - Subscription news	8 419 250		
Cost of sales - IT Trading	692 508		
Administrative expenditure	8 846 545		
<b>Total expenditure</b>	<b>17 958 303</b>		
Net profit for the year 2014			<b>4 098 886</b>
Accumulated profit at 31/03/2014			<b>19 319 544</b>

## 6. 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:

	2014	2013
	N\$	N\$
Call account	-	291 679
Nedbank current Account	1 394 781	-
Current account	771 777	169 022
Money Market Fund	20 204 749	17 619 764
Cash on hand	13 623	3 229
	<b>22 384 930</b>	<b>18 083 694</b>

## 7. INVESTMENTS AND INTEREST PROCEEDS

No long term investments have been made. On 31 March 2014 interest received on short term deposits amounted to N\$ 864 696 (2013: N\$ 549 582).

## 8. DISPOSAL OF PROPERTY

The Agency disposed of assets with a net book value of N\$ 3 324 (2013: N\$ 11 298).

## 9. TARIFF ADJUSTMENTS

The Agency adopted a policy whereby tariffs are being reviewed annually and adjusted if found necessary. A 7% increase on subscription fees was effected during the year under review.

## 10. PAYROLL COSTS

Payroll expenses have increased by 22% during the year under review. This increase is due to salary increment and filling of two vacant positions.

	2014	2013	Variance	Percentage
	N\$	N\$	N\$	%
Administration pay costs	1 716 574	1 500 676	215 898	14%
Editorial service pay costs	6 376 286	4 975 268	1 401 018	28%
IT Department pay costs	1 187 422	1 204 835	(17 413)	0%
Management pay costs	2 158 213	1 721 798	436 415	25%
<b>Total</b>	<b>11 438 495</b>	<b>9 402 577</b>	<b>2 035 918</b>	<b>22%</b>

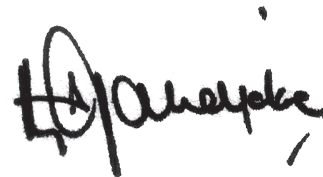
## **11. AGENCY BOARD MEMBERS**

Allowances for Board members of the Agency increased by 13% to N\$ 259 060 (2013: NS 229 364) during the year under review.

## **12. AUDIT OPINION**

The accounts of the Namibia Press Agency for the financial year ended 31 March 2014, 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).

In my opinion these financial statements are a true view of the Namibia Press Agency's (NAMPA) net assets as at 31 March 2014 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).



**WINDHOEK, December 2014**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## NAMIBIA PRESS AGENCY

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Notes	2014 N\$	2013 N\$
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>12 634 220</b>	<b>11 950 808</b>
Property, plant and equipment	6	12 634 220	11 950 808
<b>Current assets</b>		<b>22 940 600</b>	<b>18 696 066</b>
Other debtors	7	43 933	26 502
Accounts receivables	8	511 737	585 869
Cash and cash equivalents	9.2	22 384 930	18 083 695
<b>TOTAL ASSETS</b>		<b>35 574 820</b>	<b>30 646 874</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital</b>		<b>28 581 107</b>	<b>24 482 221</b>
Government contributions - Assets transferred		1 981 816	1 981 816
Revaluation account		7 279 747	7 279 747
Retained income/(loss)		15 220 658	10 165 046
Operating profit for current year		4 098 886	5 055 612
<b>Non-current liabilities</b>		<b>4 835 631</b>	<b>4 442 053</b>
Deferred income		3 500 000	3 500 000
Finance lease-long term portion		1 335 631	942 053
<b>Current liabilities</b>		<b>2 158 082</b>	<b>1 722 600</b>
Accounts payable	10	407 607	327 490
Other payables	11	1 083 530	869 029
Finance lease-short term portion	12	481 192	436 879
Receiver of revenue		185 753	89 202
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35 574 820</b>	<b>30 646 874</b>

## NAMIBIA PRESS AGENCY

## STATEMENT OF COMPREHENSIVE INCOME AT 31 MARCH 2014

	Notes	2014	2013
		N\$	N\$
<b>REVENUE</b>	<b>1.1</b>	<b>4 121 200</b>	<b>4 016 719</b>
Subscription news		3 368 824	3 102 254
IT Trading income		752 376	914 465
<b>LESS: COST OF SALES</b>		<b>9 111 758</b>	<b>7 334 995</b>
Subscriptions fees and editorial pay costs		8 419 250	6 659 264
IT Trading – Maintenance		692 508	675 731
<b>Gross loss</b>		<b>(4 990 558)</b>	<b>(3 318 276)</b>
PAYE credit		-	115 097
Government subsidy	<b>2</b>	17 000 000	15 000 000
<b>Total contribution to running costs</b>		<b>12 009 442</b>	<b>11 796 821</b>
<b>LESS : ADMINISTRATIVE EXPENSES</b>		<b>8 846 545</b>	<b>7 581 369</b>
Administration pay costs		1 716 574	1 500 677
Advertisements and promotion		73 822	37 177
Audit fees		34 482	32 057
Bad debts		11 918	-
Bank charges		39 068	42 555
Board members - Other expenses	<b>3</b>	2 962	9 154
Board members sitting allowance	<b>3</b>	259 060	229 364
Building maintenance		65 209	103 246
Casual staff pay costs		52 817	19 480
Computer stationery		62 673	10 136
Consulting fees		86 207	129 446
Depreciation		615 393	581 254
Donations		2 000	2 000
Electricity and water		182 396	162 242
Entertainment		77 530	45 044
Equipment repairs		19 239	18 778
Insurance		205 640	181 972
Interest paid		94 198	68 365
<b>Balance carried forward</b>		<b>3 601 188</b>	<b>3 172 947</b>

## NAMIBIA PRESS AGENCY

## STATEMENT OF COMPREHENSIVE INCOME AT 31 MARCH 2014(continued)

	Note	2014	2013
		N\$	N\$
<b>Balance brought forward</b>		<b>3 601 188</b>	<b>3 172 947</b>
		<b>5 245 357</b>	<b>4 408 422</b>
IT Department pay costs		1 187 422	1 204 835
Legal fees		-	1 335
Licenses		16 492	16 357
Loss on foreign exchange		14 965	2 242
Management pay costs		2 158 213	1 721 798
Materials and supplies		8 564	31 732
Motor vehicle expenses		603 635	467 124
Office rental – Regions		71 309	47 680
Office stationery		24 420	27 923
Postal and courier		7 522	5 135
Publication printing		12 320	16 002
Rentals and charges – photocopier		37 153	19 938
Secretarial fees		7 000	-
Security costs		39 685	3 834
Staff welfare		20 476	3 670
Telephone and fax		150 329	193 107
Telephone IT dedicated line		439 672	356 085
Training and workshops		127 270	103 929
Travel and accommodation		318 910	185 696
<b>Net operating profit</b>		<b>3 162 897</b>	<b>4 215 452</b>
<b>Other income</b>		<b>935 989</b>	<b>840 160</b>
Interest received		864 696	549 582
Profit on sale on disposal of assets		25 239	248 479
Sundry income		46 054	42 099
<b>NET PROFIT FOR THE YEAR</b>		<b>4 098 886</b>	<b>5 055 612</b>



## NAMIBIA PRESS AGENCY

## STATEMENT OF CASH FLOWS AS AT 31 MARCH 2014

	<b>Notes</b>	<b>2013</b>	<b>2013</b>
		N\$	N\$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		4 047 068	4 122 128
Receipts from Government subsidies		17 000 000	15 000 000
Cash paid to suppliers and employees		(16 680 654)	(14 358 624)
Cash generated by operations	<b>9.1</b>	4 366 414	4 763 504
Investment income		864 696	549 582
Finance charges		(94 198)	(68 365)
		<b>5 136 912</b>	<b>5 244 721</b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired		(1 302 112)	(1 496 406)
Property, plant and equipment disposed		28 544	259 776
Government grant received		-	3 500 000
		<b>(1 273 568)</b>	<b>2 263 370</b>
<b>Cash flows from financing activities</b>			
Finance lease		437 891	800 045
		<b>4 301 235</b>	<b>8 308 136</b>
<b>Net change in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		18 083 695	9 775 559
<b>Cash and cash equivalents at end of year</b>	<b>9.2</b>	<b>22 384 930</b>	<b>18 083 695</b>

## NAMIBIA PRESS AGENCY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2014

**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\$ 17 000 000 (2013: N\$ 15 000 000).

An amount of N\$ 3 500 000 was received for a housing project in Pionierspark. This is included under deferred income.

## 3. BOARD MEMBERS REMUNERATION

<b>2014</b>		
<b>Meeting costs</b>	<b>Other costs</b>	<b>Total</b>
N\$ 259 060	N\$ 2 962	N\$ 262 022
<b>2013</b>		
<b>Meeting costs</b>	<b>Other costs</b>	<b>Total</b>
N\$ 229 364	N\$ 9 154	N\$ 238 518

## 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

	Land and buildings	Computer equipment	Furniture & fittings	Motor vehicles	Total assets
	N\$	N\$	N\$	N\$	N\$
Carrying amount at 01/04/2013	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)	(3 038 906)
Additions	255 432	125 720	14 502	906 458	1 302 112
Disposal during the year	-	(1 349)	(1 955)	-	(3 324)
Depreciation during the year	-	(174 639)	(24 857)	(415 897)	(615 393)
Carrying amount at 31/03/2014	10 627 310	384 873	60 975	1 561 062	12 634 220
At cost	1 614 183	2 141 009	274 109	2 911 827	6 941 128
At valuation	9 013 127	304 294	19 970	-	9 337 391
Accumulated depreciation	-	(2 060 430)	(233 104)	(1350 765)	(3 644 299)

## NAMIBIA PRESS AGENCY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2014(continued)

**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.

	<b>2014</b>	<b>2013</b>
	N\$	N\$
<b>7. OTHER DEBTORS</b>		
Salary advances	-	1 249
Rent deposit	700	700
Other	43 233	12 635
Sundry debtors	-	11 918
	<b>43 933</b>	<b>26 502</b>

**8. ACCOUNTS RECEIVABLE**

Accounts receivable	511 737	585 869
	<b>511 737</b>	<b>585 869</b>

**9. NOTES TO THE CASH FLOW STATEMENT****9.1 Cash generated from operating activities:**

Net profit	4 098 886	5 055 612
Adjustments for :		
- Investment income	(864 696)	(549 582)
- Loss/(Profit) on sale of assets	(25 239)	(248 479)
- Finance costs	94 198	68 365
- Depreciation	615 393	581 254
Operating capital before working capital changes	3 918 542	4 907 170

## NAMIBIA PRESS AGENCY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2014(continued)

	<b>2014</b>	<b>2013</b>
	N\$	N\$
Working capital changes :		
- Decrease in other debtors	(17 431)	8 110
- Increase in accounts receivable	74 132	(105 409)
- Increase in accounts payable	391 169	(46 367)
Cash utilized by operating activities	<b>4 366 412</b>	<b>4 763 504</b>

**9.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balance 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	13 623	3 229
Standard Bank - Call account	-	291 679
Standard Bank - Current bank account	771 777	169 022
Nadbank – Current account	1 394 781	-
Old Mutual Namibia Real Income Fund	20 204 749	17 619 765
<b>Cash and cash equivalents</b>	<b>22 384 930</b>	<b>18 083 695</b>

**10. ACCOUNTS PAYABLE**

Trade payables	<b>407 607</b>	<b>327 490</b>
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**11. OTHER PAYABLES**

Income received in advance	47 080	44 856
Provision for Leave	803 916	615 100
Provision for bonuses	185 642	168 332
Employees cost accruals	46 892	40 741
	<b>1 083 530</b>	<b>869 029</b>

**12. FINANCE LEASE**

Payable within one year	481 192	436 879
Long term portion	1 335 631	942 053
	<b>1 816 823</b>	<b>1 378 932</b>

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 installment of N\$ 50 305 and are secured by motor vehicles with a total book value of N\$ 1 561 062.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2014(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 13<sup>th</sup> and 14<sup>th</sup> of March 2009 of Erf 8010 – NAMPA head office and Erf 814 situated in Pionierspark, Windhoek.

