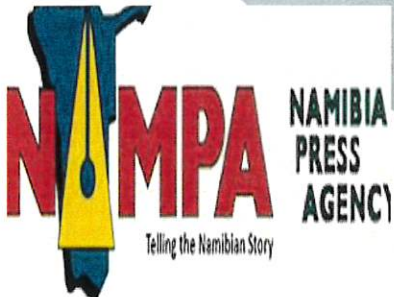




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NAMIBIA PRESS AGENCY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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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 2020, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Agency in terms of Section 15(1) of the Namibia Press Agency Act, 1992 (Act 3 of 1992) to be laid upon the Table of the National Assembly by the Minister of Information and Broadcasting in terms of Section 15(3) of the Act.

WINDHOEK, November 2021

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIA PRESS AGENCY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

1. QUALIFIED AUDIT OPINION

I have audited the financial statements of the Namibia Press Agency for the financial year ended 31 March 2020 provided by the Accounting Officer as attached in Annexure A-E. These financial statements comprise the Statement of financial position, Statement of profit or loss and other comprehensive income, Statement of changes in equity, Statement of cash flow and a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph the financial statements present fairly, in all material respects the financial position of the Namibia Press Agency as at 31 March 2020 and its financial performance and their receipts and payments and cash flows for the year then ended in accordance with International Financial Reporting Standards.

2. BASIS FOR AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. My opinion has been qualified due to the following:

2.1 Adjustments

2.2

Supporting documents pertaining to the summary of opening balance adjustments amounting to N\$ 622 731 were not provided for audit purposes. Furthermore an understatement on retained earnings amounting to N\$ 40 000 was observed in the statement of changes in equity.

2.2 Statement of cash flow

Upon re-performing the statement of cash flow auditors noted that the revaluation loss amounting to N\$ 2 156 938 was included as cash inflow from investing activities.

2.3 Cash and cash equivalent

A difference of N\$ 449 440 was observed between cash and cash equivalents disclosed in the Statement of financial position (N\$ 8 066 084) and Statement of cash flow (N\$ 7 616 643).

2.4 Long-term borrowings

The auditors noted a difference of N\$ 411 677 between the balance confirmed by a bank and the closing balance disclosed in the financial statements.

2.5 Opening balances

The auditors observed a difference in the financial statements of N\$ 810 994 between current year opening and prior year closing balances for property, plant and equipment in the statement of financial position (N\$ 34 641 461) and the property, plant and equipment note 5 (N\$ 33 830 467).

2.6 Depreciation

The depreciation rates used to calculate depreciation is different from the depreciation rates in the fixed asset policy.

2.7 Provision for leave

A difference of N\$ 209 371 was observed between the auditors calculations of N\$ 1 198 273 and the Agency's calculations of N\$ 988 902 on provision for leave.

2.8 Provision for bonuses

The auditors noted that the provision for bonuses amounting to N\$ 401 103 is reflected in the general ledger and the trial balance but not in the statement of financial position.

2.9 Going concern

The auditors observed that there could be substantial doubt about the entity's ability to continue as a going concern due to recurring operating losses. International Accounting Standards (IAS) 1- Presentation of financial statements requires management to make an assessment of an entity's ability to continue as a going concern. If management has significant concerns about the entity's ability to continue as a going concern, the uncertainties should be disclosed.

3. KEY AUDIT MATTERS

Key audit matters are those matters that in my professional judgment were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon and I do not provide a separate opinion on these matters. No key audit matters were observed during the year under review and in such I have nothing to report in this regard.

4. OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements my responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I have nothing to report in this regard.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with legislation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error. In preparing the financial statements management is responsible for assessing the Entity's ability to continue as a going concern disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

6. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions I exercise professional scepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists I am required to draw attention in my audit report to the related disclosures in the financial statements or if such disclosures are inadequate to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding among other matters the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable related safeguards.

From the matters communicated with those charged with governance I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements for the financial year ended 31 March 2020 were submitted by the Accounting Officer to the Auditor-General in compliance with Section 15(1) of the Namibia Press Agency Act, 1992 (Act 3 of 1992).

8. ACKNOWLEDGEMENT

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

WINDHOEK, November 2021



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

NAMIBIA PRESS AGENCY
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	2020 N\$	2019 N\$
ASSETS			
Non-current assets			
Property plant and equipment	5	30 587 853	34 641 461
Investment property	6	26 601 900	28 758 838
		11 560 417	18 204 662
Current assets			
Trade receivables	8	1 160 706	1 341 186
Other current assets	7	740 128	96 647
VAT receivable		1 593 499	1 591 105
Cash and cash equivalents	9.2	8 066 084	15 175 724
		68 750 170	81 604 961
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital			
Government contributions - assets transferred		1 981 816	1 981 816
Fair value reserve		5 680 633	8 274 179
Retained income		26 122 385	33 755 149
		30 548 544	33 453 896
Non-current liabilities			
Long-term borrowings		30 548 544	33 453 896
		4 416 791	4 139 921
Current liabilities			
Trade payables		272 730	285 523
Other Payables	10	1 122 806	1 694 945
Current of Finance Lease	11	-	127 189
Current portion non-current borrowings	12	2 836 267	1 830 236
Receiver of revenue		184 989	202 028
		68 790 170	81 604 961
TOTAL EQUITY AND LIABILITIES			

ANNEXURE B

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

		2020	2019
	Note	N\$	N\$
REVENUE			
	1.1	6 065 078	6 392 834
Subscription news		3 386 424	3 794 835
IT trading income		-	91 855
Audio Visual Income & Publication Income		294 930	188 795
Property rental income		2 383 723	2 317 349
LESS: COST OF SALES		9 309 322	9 876 180
Subscription fees and editorial pay costs		8 809 501	9 449 567
IT trading - maintenance		70 000	73 592
Audio visual and publication expenses		7 387	230
Property expenses		422 434	352 791
Gross loss		(3 244 244)	(3 483 346)
Government subsidy	2	15 000 000	14 999 920
Total contribution to running costs		11 755 756	11 516 574
LESS: ADMINISTRATIVE EXPENSES		17 005 391	17 979 200
Advertisement and promotion		29 797	57 005
Audit fees		92 000	73 000
Awards		25 000	22 006
Bad debts Provided		655 724	-
Bank charges		34 248	66 983
Board members - other expenses	3	59 425	106 397
Board members sitting allowance	3	353 333	432 638
Building maintenance		112 207	52 949
Casual staff pay costs		395 657	254 869
Computer expenses		17 502	61 106
Consulting fees		119 243	77 659

ANNEXURE B

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

	2020	2019
	N\$	N\$
Depreciation	875 469	1 223 470
Electricity and water	430 386	401 929
Entertainment	40 448	10 245
Equipment repairs	1 335	-
Insurance	230 424	220 703
Interest paid	3 051 616	3 259 179
Legal fees	39 554	-
Licenses	43 596	108 719
Loss on foreign exchange	59 129	8 680
Materials and supplies	34 625	30 509
Motor vehicle expenses	562 300	649 868
Office rental	128 744	103 971
Payroll costs	8 627 727	9 542 694
Photocopier rentals and charges	103 217	27 104
Postage and courier charges	10 938	5 665
Printing	62 384	106 120
Staff welfare	57 043	118 682
Stationery	33 057	19 512
Telephone and fax	50 385	55 846
Telephone IT dedicated line	223 011	288 982
Training and workshops	15 285	82 973
Travel and accommodation	281 897	358 627
VET levy	148 685	151 112
Operating loss	(5 249 636)	(6 462 626)

ANNEXURE B

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

	2020	2019
	N\$	N\$
Other income	(1 720 396)	(1 222 761)
Fair value adjustments	(2 156 937)	(2 804 144)
Interest received	-	1 213 250
Profit on disposal of assets	2 567	10 675
Sundry income	433 974	357 458
LOSS FOR THE YEAR	(6 970 032)	(7 685 387)

NAMIBIA PRESS AGENCY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	Revaluation reserve	Retained earnings	Total
	N\$	N\$	N\$
Balance at 1 April 2019	8 274 179	33 755 148	42 029 327
Opening balance adjustments	-	(622 731)	-
Balance at 1 April 2019	8 274 179	*33 092 417	41 406 596
Loss for the year	-	(6 970 032)	(6 970 032)
Current year revaluation loss	(2 593 546)	-	(2 593 546)
Balance as at 31 March 2020	5 680 633	26 122 385	31 843 019

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

		2020	2019
	Note	N\$	N\$
Cash flows from operating activities		(4 387 834)	4 423 820
Cash generated from operations	9.1	(1 336 218)	2 379 457
Interest paid		(3 051 616)	(3 381 975)
Investment income		-	(1 337 612)
Cash flows from investing activities		2 215 487	*1 632 066
Purchases of property, plant and equipment		58 550	1 632 066
Investments		2 156 938	-
Cash flows from financing activities		(5 386 735)	(3 908 069)
Loan repayments		(5 386 735)	(3 908 069)
Net change in cash and cash equivalents		(7 559 082)	(6 699 823)
Cash and cash equivalents at beginning of year		15 175 725	21 875 548
Cash and cash equivalents at end of year	9.2	**7 616 643	15 175 725

*Figure disclosed is for 2018 financial year.

** Figure differs from the amount disclosed in the statement of financial position.

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

1. ACCOUNTING POLICIES**1.1 Revenue recognition**

Revenue from the sale of goods is recognised when the goods are delivered and the significant risks and rewards of ownership have passed to the buyer revenue from services when those services have been rendered under an agreement provided that the amount of revenue can be measure reliably and that it is probable that the economic benefits associated with the transaction will flow to the Agency.

Interest is recognised in profit or loss using the effective interest rate method.

1.2 Property plant and equipment

The cost of an item property plant and equipment is recognised as an asset when:
It is probable that the future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably.

Property plant and equipment is initially measured at cost;
Costs include costs incurred initially to acquire or construct an item of property plant and equipment and costs incurred subsequently to add to replace part of or service it. If a replacement cost is recognised in the carrying amount of an item of property plant and equipment the carrying amount of the replaced part is derecognized.

Major spare parts and standby equipment which are expected to be used for more than one period are included in property plant and equipment. In addition spare parts and standby equipment which can only be used in connection with an item of property plant and equipment are accounted for as property plant and equipment.

All property plant and equipment are stated at cost less accumulated depreciation and any impairment losses except for the land and building which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property plant and equipment is revalued any accumulated depreciation at the date of evaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Property plant and equipment are depreciated on the straight line basis over their expected useful life to their estimated residual value.

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

The useful lives of items of property plant and equipment have been assessed as follows:

Building	50 years
Computer and Office Equipment	5 years
Furniture and fittings	10 years
Motor vehicles	5 years

Gains or losses on disposal are recognised in profit and loss.

The residual value useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from the previous estimates the change is accounted for as a change in accounting estimate.

The gain or loss arising from derecognition of an item of property plant and equipment is included in the profit or loss when the item is de-recognised. The gain or loss arising from the derecognition is determined as the difference between the net disposal proceeds if any and the carrying amount of the item.

1.3 Investment property

Investment property comprises non-owner occupied building held to earn rentals and for capital appreciation.

Investment property is initially recognised at cost inclusive of transaction costs. Subsequently investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise.

Investment property is derecognised when disposed of or when no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is recognised in profit or loss in the period in which the property is derecognised.

1.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee. All other leases are classified as operating leases.

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

Finance leases - lessee

Assets held under finance leases are recognised as assets at cost. The related liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between interest expenses and capital redemption of the liability. Interest is recognised immediately in profit or loss.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line bases over the lease term.

Operating leases - lessor

Rental income from operating leases is recognised on a straight-line base over the term of the relevant lease. Any balloon payments and rent-free periods are taken into account when determining the straight-line charge.

1.5 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event it is probable that the company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation.

2. RELATED PARTIES

Relationships

Governing Body: The Government of the Republic of Namibia (Ministry of Information Communication and Technology).

Related Party transactions

The Government grant received by the Agency during the year amounted to N\$ 15 000 000 (2019: N\$ 14 999 920).

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

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

Grants that impose future performance conditions are recognised in income only when the condition has been met.

Grants are measured at the fair value of the asset received or receivable.

Government grants related to assets including non-monetary grants at fair value are presented in the statement of financial position by setting up the grant as a deferred income or by deducting the grant in arriving at the carrying amount of the asset.

3. BOARD MEMBERS REMUNERATION

2020			2019		
N\$	N\$	N\$	N\$	N\$	N\$
Meeting costs	Other costs	Total	Meeting costs	Other costs	Total
353 333	59 425	412 758	432 638	106 397	539 034

4. TAXATION

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

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

	Land	Building	Computer & Office equipment	Furniture & fittings	Motor vehicles	Total assets
	N\$	N\$	N\$	N\$	N\$	N\$
5. PROPERTY PLANT AND EQUIPMENT						
Carrying amount at 31/03/2019	6 994 074	26 012 262	506 280	249 385	68 466	*33 830 467
At cost/valuation	6 994 074	27 395 385	2 078 871	455 055	2 872 105	39 795 489
Accumulated depreciation	-	(1 383 123)	(1 572 590)	(205 670)	(2 803 639)	(5 965 022)
Additions	-	-	58 550	-	-	58 550
Revaluation loss	(459 273)	(1 968 790)	-	-	-	(2 428 063)
Depreciation during the year	-	(603 456)	(146 192)	(57 356)	(68 466)	(875 469)
Carrying amount at 31/03/2020	6 534 801	23 440 016	420 137	192 899	-	30 587 853
At cost/valuation	6 534 801	25 426 595	2 120 870	455 054	2 872 105	37 409 426
Accumulated depreciation	-	(1 986 579)	(1 700 734)	(262 155)	(2 872 105)	(6 821 573)

Land and building comprise of Erf 8010 - NAMPA head office. If the property was carried at cost the value would have been N\$ 24 838 418

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

6. INVESTMENT PROPERTY

	Head Office Property	Pioneers Park Property	Total
	N\$	N\$	N\$
Carrying Amount 01/04/2019	24 062 980	7 500 001	31 562 981
Fair value adjustment/ Impairment	(2 414 143)	(390 001)	(2 804 144)
Carrying amount at 31/03/2019	21 648 838	7 110 000	28 758 838
Fair value adjustment/ Impairment	(1 566 937)	(590 000)	(2 156 937)
Carrying amount at 31/03/2020	20 081 900	6 520 000	26 601 900

The fair value was determined by an independent sworn appraiser using current market value on 20th June 2019. In determining the valuations the valuator refers to current market conditions and recent sales transactions of similar properties. If the property was carried at cost the combined cost value would have been N\$ 17 849 500.

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

	2020	2019
	N\$	N\$
7. OTHER CURRENT ASSETS	740 128	96 646
Rent deposit	-	700
Other	684 170	39 988
Prepaid License fees	55 958	55 958
8. TRADE ACCOUNTS RECEIVABLE	1 160 706	1 341 186
Accounts receivable	2 030 191	1 717 468
Provision for Doubtful Debt	(869 485)	(376 282)
9. NOTES TO THE CASH FLOW STATEMENT		
9.1 Cash generated from operating activities:		
Net profit	(6 970 032)	(7 685 387)
Adjustments for:		
- Investment income	-	(1 213 250)
- Finance costs	3 051 616	3 259 179
- Revaluation Loss	2 156 937	2 804 144
- Depreciation	875 469	1 223 470
Operating capital before working capital changes	(886 009)	1 611 845
Working capital changes:		
-Decrease/(Increase) in other debtors	(643 482)	66 903
-(Increase)/ decrease in accounts receivable	180 480	886 664
- Increase / (decrease) in accounts payable	12 793	52 148
Cash flow from operating activities	(1 336 218)	2 379 457

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

	2020	2019
	N\$	N\$
9.2 Cash and cash equivalents	8 066 084	15 175 724
Cash on hand	(480)	(6)
Standard Bank - Current bank account	(659)	(659)
Nedbank - Current bank account	263 660	550 047
Old Mutual Namibia Managed Fund	-	6 398 752
Old Mutual Namibia Real Income Fund	7 803 564	8 227 590

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

10. OTHER PAYABLES	1 122 806	1 694 945
Income received in advance	51 500	51 500
Other	3 150	413 377
Provision for leave	988 902	844 094
Employees cost accruals	79 254	385 974
11. FINANCE LEASE	-	127 189
Payable within one year	-	127 189
Long term portion	-	-

Above liabilities under finance lease are payable over a period of fifty four and sixty months at an effective average interest rate of 9% (2019: 9%) monthly instalment of N\$ 0.00 (2019: N\$ 4 890) and are secured by motor vehicles with a total book value of N\$ 68 466 (2019: N\$ 533 409).

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

	2020	2019
	N\$	N\$
12. LONG-TERM BORROWING	33 384 811	35 284 132
Payable within one year	2 836 267	1 830 236
Long term portion	30 548 544	33 453 896

Above long-term borrowing is payable over a period of 10 year. The borrowing is secured by the building with a market value of N\$ 51 200 000 and a cession over Old Mutual Investment Account for the amount of N\$ 8 000 000.

13. RISK MANAGEMENT

Capital risk management

There are no significant capital risk exposure the Agency Investment are loan risk held at Old Mutual Namibia in their managed funds and real income investment portfolios. The Agency reviews this investment on a quarterly basis to minimize risk exposure.

Liquidity risk

The Agency's risk to liquidity is a result of the funds available to cover future commitments. The Agency manages the liquidity risk through an ongoing review of future commitments credit facilities investments and cash flow management.

Interest rate risk

The Agency has a significant long term interest bearing loan of N\$ 36.9 million link to the prime lending rate. The risk exposure is therefore in the interest rate variations over the long term. The Agency's income and operating Cash flow are however independent of changes in the market interest rates.

Credit risk

The Agency credit risk consists of cash deposits cash equivalents investments and trade debtors. The Agency deposits and investments are with financial institutions with high quality credit standing which limits exposure to one counter party.

NAMIBIA PRESS AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(continued)

14. GOING CONCERN

The annual financial statements have been prepared on a going concern basis of accounting policies applicable to a going concern. This assumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities contingent obligations and commitments will occur in the ordinary course of business.

It is however important to note that the Agency is highly depended on government funding therefore any significant reduction in the government funding to the Agency will significantly affect the Agency's operations its investments financial obligations and hence its going concern.

