

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 2021, 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, March 2023

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 2021**

1. QUALIFIED AUDIT OPINION

I have audited the financial statements of the Namibia Press Agency for the financial year ended 31 March 2021 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 2021, its financial performance and cash flow 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. A qualified audit opinion is being expressed due to the following:

2.1 ADJUSTMENTS TO RETAINED EARNINGS

Supporting documentation pertaining to adjustments on the statement of changes in equity amounting to N\$ 1 720 725 were not provided for audit purpose. Furthermore, there was no disclosure note to explain the adjustment. A difference of N\$ 2 556 188 was noted between the retained earnings in the statements of changes in equity of N\$ 25 554 874 and statement of financial position of N\$ 22 998 686.

Management is recommended that the Agency should ensure that adjustments are supported by appropriate documentation. Furthermore, retained earnings in the statements of changes in equity and statement of financial position should agree.

2.2 STATEMENT OF CASH FLOW

There was an unexplained difference of N\$ 2 444 561 between the cash and cash equivalents at end of the year computed by the auditor of N\$ 10 967 838 and the amount disclosed by the auditee of N\$ 8 523 277 in the statement of cash flow.

The net change in cash and cash equivalents amounting to N\$ 1 136 390 and the cash and cash equivalents at the beginning of the year adds up to an amount of N\$ 9 202 474 however, the cash and cash equivalents at the end of the year in the statement of cash flow is reflected as N\$ 8 523 277 resulting in an unexplained difference of N\$ 679 197. Furthermore, as reported in prior year, an unexplained difference of N\$ 449 441 was noted between the cash and cash equivalents at the beginning of the year of N\$ 8 066 084 and the cash and cash equivalents at the end of the year (2020: N\$ 7 616 643).

It is recommended that the agency should ensure that the statement of cash flow is prepared and calculated correctly at all times.

2.3 SALARIES

An unexplained difference of N\$ 302 254 was observed between the payroll system totalling N\$ 7 535 531 and the general ledger totalling N\$ 7 494 977.

It is recommended that the Agency should ensure that payroll reconciliations are performed regularly and reconciled to the VIP payroll system.

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. I do not have anything to report on this matter.

4. AUDIT OF KEY PERFORMANCE INFORMATION

The audit observed that the Agency does have an approved strategic plan in place, however there was no performance management review in place for the year under review.

5. OTHER INFORMATION

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with framework 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.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

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

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

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

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

- 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 used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists I am required to draw attention in my audit report to the related disclosures in the financial statements or if such disclosures are inadequate to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding among other matters the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable related safeguards.

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

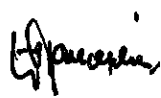
8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements for the financial year ended 31 March 2021 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). However, the financial statements were submitted later than required by the Accounting Officer to the Auditor-General on 24 May 2022, instead of three months after year end.

9. ACKNOWLEDGEMENT

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

WINDHOEK, March 2023


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

NAMIBIA PRESS AGENCY
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	2021 N\$	2020 N\$
ASSETS			
Non-current assets		56 087 591	57 189 753
Property plant and equipment	5	29 485 690	**30 587 853
Investment property	6	26 601 901	26 601 900
Current assets		11 145 576	11 560 417
Trade receivables	8	635 829	1 160 706
Other current assets	7	338 692	740 128
Value added tax receivable		1 647 778	1 593 499
Cash and cash equivalents	9.2	8 523 277	8 066 084
Total assets	*	67 233 167	68 750 170
EQUITY AND LIABILITIES			
Share capital		30 661 135	33 784 834
Government contributions - assets transferred		1 981 816	1 981 816
Fair value reserve		5 680 633	5 680 633
Retained income		22 998 686	26 122 385
Non-current liabilities		28 422 679	30 548 544
Long-term borrowings	11	28 422 679	30 548 544
Current liabilities		7 262 698	4 416 792
Trade payables		1 527 635	272 730
Other Payables	10	2 889 170	1 122 806
Current portion non-current borrowings		2 425 334	2 836 267
Receiver of revenue		420 559	184 989
Total equity and liabilities	*	66 346 513	68 750 170

* The auditors noted that the total assets N\$ 67 233 166 and total equity and liabilities N\$ 66 346 513 in the statement of financial position do not agree, resulting in a difference of N\$ 886 653.

** There is an unexplained difference of N\$ 785 251 between the prior year property, plant and equipment in the statement of financial position N\$ 30 587 853 and the prior year amount of N\$ 29 802 601 under note 5.

ANNEXURE B

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

		2021	2020
	Note	N\$	N\$
Revenue		4 430 475	6 065 077
Subscription news		2 138 094	3 386 424
Audio Visual Income & Publication Income		98 965	294 930
Property rental income		2 193 416	2 383 723
Less: cost of sales		9 559 096	9 309 322
Subscription fees and editorial pay costs		9 006 624	8 809 501
IT trading - maintenance		63 250	70 000
Audio visual and publication expenses		15 478	7 387
Property expenses		473 744	422 434
Gross loss		(5 128 621)	(3 244 245)
Government subsidy	2	21 000 000	15 000 000
Total contribution to running costs		15 871 379	11 755 755
Less: administrative expenses		15 508 519	17 005 391
Advertisement and promotion		46 717	29 797
Audit fees		-	92 000
Awards		-	25 000
Bad debts provided		165 911	655 724
Bank charges		28 205	34 248
Board members - other expenses	3	55 703	59 425
Board members sitting allowance	3	278 287	353 333
Building maintenance		147 550	112 207
Casual staff pay costs		778 548	395 657
Computer expenses		71 191	17 502
Consulting fees		185 701	119 243

ANNEXURE B

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

	2021	2020
	N\$	N\$
Depreciation	821 408	875 469
Electricity and water	607 923	430 386
Entertainment	43 682	40 448
Equipment repairs	-	1 335
Fleet lease – election	19 486	-
Vehicle – flue administration	323 791	-
Insurance	204 614	230 424
Interest paid	1 992 393	3 051 616
Legal fees	9 801	39 554
Licenses	58 703	43 596
Loss on foreign exchange	-	59 129
Materials and supplies	35 189	34 625
Motor vehicle expenses	131 740	562 300
Office rental	107 610	128 744
Payroll costs	8 819 599	8 627 727
Photocopier rentals and charges	24 955	103 217
Postage and courier charges	4 431	10 938
Printing	-	62 384
Staff welfare	8 625	57 043
Stationery	16 594	33 057
Telephone and fax	42 128	50 385
Telephone IT dedicated line	237 682	223 011
Training and workshops	9 200	15 285
Travel and accommodation	76 701	281 897
Vocational education and training levy	154 451	148 685
Operating profit/(loss)	362 860	(5 249 636)

ANNEXURE B

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

	2021	2020
	N\$	N\$
Other income	790 354	(1 720 396)
Fair value adjustments	-	(2 156 937)
Interest received	159 284	-
Profit on disposal of assets	578 700	2 567
Sundry income	52 370	433 974
Profit/(loss) for the year	1 153 214	(6 970 032)

NAMIBIA PRESS AGENCY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Revaluation reserve	Retained earnings	Total
	N\$	N\$	N\$
Balance at 1 April 2020	5 680 633	33 092 417	38 773 051
Opening balance adjustments	-	(6 970 032)	-
Balance at 1 April 2020	5 680 633	26 122 386	31 803 019
Profit for the year	-	1 153 213	1 153 213
Adjustments	-	(1 720 725)	-
Balance as at 31 March 2021	5 680 633	25 554 874	30 649 806

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

	2021	2020
Note	N\$	N\$
Cash flows from operating activities		
Cash generated from operations	6 100 581	(1 336 218)
Interest paid	(1 992 393)	(3 051 616)
Investment income	159 284	-
Net cash flows from operating activities	4 267 472	(4 387 834)
Cash flows from investing activities		
Purchases of property, plant and equipment	(594 285)	58 550
Investments	-	2 156 938
Net cash flows from investing activities	(594 285)	2 215 487
Cash flows from financing activities		
Loan repayments	(2 536 797)	(5 386 735)
Net cash flows from financing activities	(2 536 797)	(5 386 735)
Net change in cash and cash equivalents	1 136 390	(7 559 082)
Cash and cash equivalents at the beginning of year	8 066 084	15 175 725
Cash and cash equivalents at the end of year	8 523 277	7 616 643

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

1. Accounting policies

The annual financial statements are compiled in accordance with International Financial Reporting Standards. The principal Accounting policies of the Agency, which are set out below, have been consistent and comply with International Financial Reporting Standards.

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.

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 derecognised. 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\$ 21 000 000 (2020: N\$ 15 000 000).

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

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

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 member's remuneration

2021			2020		
N\$	N\$	N\$	N\$	N\$	N\$
Meeting costs	Other costs	Total	Meeting costs	Other costs	Total
278 287	55 703	333 989	353 333	59 425	412 758

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)**

5. PROPERTY PLANT AND EQUIPMENT

	Computer & Office equipment				Motor vehicles	Total assets
	Land	Building	Furniture & fittings			
	N\$	N\$	N\$	N\$	N\$	N\$
Carrying amount at 31/03/2020	6 534 801	22 654 765	420 137	192 899	-	29 802 601
At cost/valuation	6 534 801	25 426 595	2 120 870	455 055	2 872 105	37 409 426
Accumulated depreciation	-	(2 771 831)	(1 700 734)	(262 155)	(2 872 105)	(7 606 824)
Additions	-	-	109 374	3 589	481 322	594 285
Disposal/scrapped	-	-	-	-	(964 540)	(964 540)
Depreciation during the year	-	(559 815)	(184 635)	(39 680)	(37 278)	(821 408)
Carrying amount at 31/03/2021	6 534 801	22 094 950	242 347	169 548	444 044	29 485 690
At cost/valuation	6 534 801	25 426 595	2 238 997	458 643	2 388 886	37 047 923
Accumulated depreciation	-	(3 331 646)	(1 996 650)	(289 095)	(1 944 843)	(7 562 233)

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. The head office property is finance via a loan from Nedbank Namibia, with a current N\$ 33 384 811.

**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 01/04/2020			
At valuation	20 081 901	6 520 000	26 601 901
Fair value adjustment/ Impairment	-	-	-
Carrying amount at 31/03/2021			
At valuation	20 081 901	6 520 000	26 601 901

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)

	2021	2020
	N\$	N\$
7. Other current assets	338 692	740 128
Other	282 734	684 170
Prepaid License fees	55 958	55 958
8. Trade accounts receivable	635 829	1 160 706
Accounts receivable	1 520 146	2 030 191
Provision for doubtful debt	(884 317)	(869 485)
9. Notes to the cash flow statement		
9.1 Cash generated from operating activities:		
Net profit	1 153 213	(6 970 032)
Adjustments for:		
- Bad debts provided for	165 911	
- Investment income	(159 284)	-
- Finance costs	1 992 393	3 051 616
- Revaluation loss	-	2 156 937
- Depreciation	821 408	875 469
Operating capital before working capital changes	3 973 641	(886 010)
Working capital changes:		
- Increase in value added tax receivable	(54 279)	
-Decrease/(increase) in other debtors	401 436	(643 482)
-(Increase)/ decrease in accounts receivable	524 877	180 480
- Increase / (decrease) in accounts payable	1 254 905	12 793
Cash flow from operating activities	6 100 581	(1 336 219)

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

	2021	2020
	N\$	N\$
9.2 Cash and cash equivalents	8 523 277	8 066 084
Cash on hand	-	(480)
Standard Bank - Current bank account	-	(659)
Nedbank - Current bank account	363 993	263 660
Old Mutual Namibia Managed Fund	8 159 284	-
Old Mutual Namibia Real Income Fund	-	7 803 564

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

10. Other payables	2 889 170	1 122 806
Income received in advance	-	51 500
Other	324 691	3 150
Provision for leave	1 232 282	988 902
Provision for bonuses	1 323 474	-
Employees cost accruals	8 723	79 254

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)

	2021	2020
	N\$	N\$
11. LONG-TERM BORROWING	30 848 014	33 384 811
Payable within one year *	2 425 334	2 836 267
Long term portion	28 422 679	30 548 544

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.

12. RISK MANAGEMENT

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 2021
(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, further reduction in the government funding and failure to increase the current subsidy amount will significantly affect the Agency's operations, its investments, financial obligations and hence its going concern status.