THE ANNUAL **REPORT**

NIPAM
NAMIBIA INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

2018/19

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THE MANDATE OF NIPAM IS TO TRANSFORM THE NAMIBIAN PUBLIC SECTOR THROUGH IMPROVING GOVERNANCE, MANAGEMENT, AND LEADERSHIP COMPETENCIES.

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NIPAM is a statutory body established under the NIPAM Act, 2010 (Act No. 10 of 2010)


NAMIBIA INSTITUTE OF PUBLIC
ADMINISTRATION AND MANAGEMENT

NIPAM Profile

This is the Namibia Institute of Public Administration and Management's Annual Report for the Financial Year 2018/19.

MANDATE

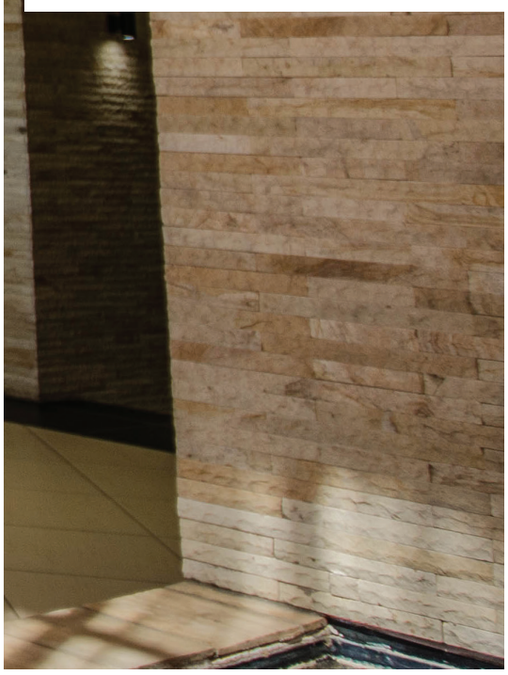
Capacity Evaluation. Operational Research. Training. Consultancy.

VISION

To be a premier vehicle for capacity development for Namibian Public Sector.

MISSION

To develop the capacity of the Namibian Public Sector.



Mandate

In terms of Section 2(1) of the NIPAM Act, 2010 (Act No. 10 of 2010), NIPAM's mandate comprises the following:

Capacity Evaluation

To undertake regular surveys on capacity gaps across public sector institutions to determine and plan for training needs. Survey outcomes further form the basis on which training programmes and other interventions are expanded.

Operational Research

To carry out investigations and subsequently offer practical and implementable solutions that inform national policies and governance practices. This mandate further identifies challenges experienced- and problems caused by public administration and management as well as other social, economic and contemporary issues affecting the Government of the Republic of Namibia.

Training

To provide training or cause such training to be provided and conduct examinations or tests as a qualification for the appointment, promotion, or transfer of persons in, or to the public service.

Consultancy

To serve as the official Government consultant that designs and evolves new systems; procedures; and methods that will prevent waste and leakages as a means to making the public service sector more efficient and effective in service delivery, decision-making, as well as in formulating proposals for reforms.

Vision

To be a premier vehicle for capacity development of the Namibian public service sector.

Mission

To develop the capacity of the Namibian public service.

Core Values

In transforming the public sector through capacity building, the NIPAM team promises to uphold the following core values:

People-centred: We put you at the heart of our business.

Empathy: We hear you, we feel you, we are here for you – we want to see the world through your eyes.

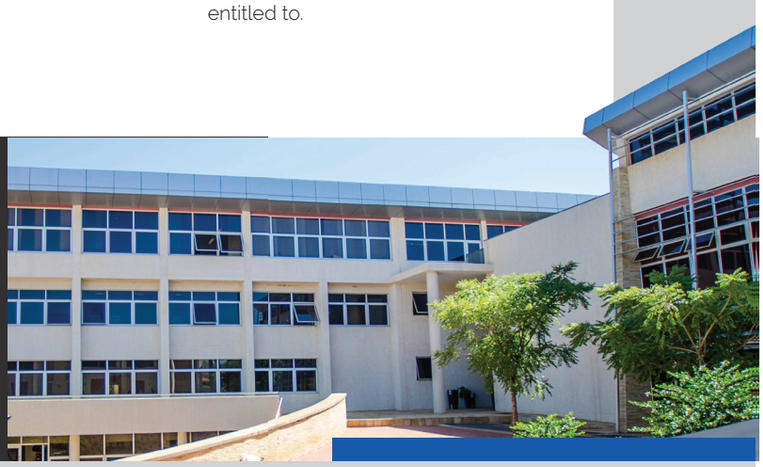
Learning and Innovation: We will continuously evaluate and assess our processes and systems in providing innovative, quality services and practical interventions, programmes and products to our clients.

Integrity: We will be professional, transparent, and will adhere to moral values and ethical principles by exhibiting the qualities of an intuitive sense of honesty and truthfulness regarding the motivation of our actions.

Responsiveness: We will be flexible, accurate, and timely in meeting our customers' expectations.

Access: We will ensure that all customers enjoy full access to services they are entitled to.

We put you at the heart of our business.



Executive Summary

About NIPAM

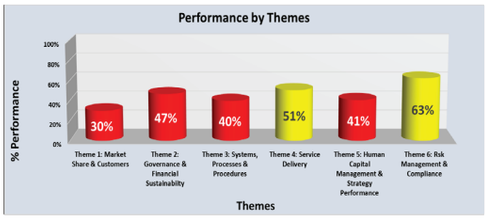
NIPAM was established by the Government of Namibia in terms of the NIPAM Act (Act No. 10 of 2010), to fulfill the mandate of providing capacity evaluation, operational research, training and consultancy to the public sector namely the Offices, Ministries and Agencies (OMAs), Local Authorities and Regional Councils as well as the State-Owned Enterprises. The institution reports to the Office of the Prime Minister, overseen by the Governing Council and under the leadership of an Executive Director who heads different departments and is supported by senior to middle-level management.

NIPAM is two years into its five-year strategic plan – 2017/18 to 2021/22. The institute experienced a successful transition of leadership; where Ms Maria Nangolo took over as Executive Director from Mr Andrew Ndishishi's in August 2018.

NIPAM's Five Year Strategic Themes

The five-year strategy is defined by six pillar themes that outline the priorities of the financial year under review. These are;

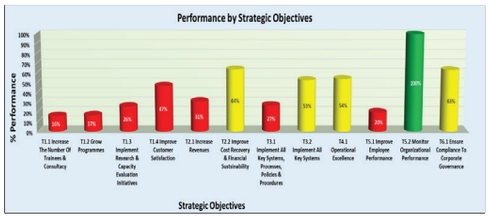
- market share and customers;
- governance and financial sustainability;
- systems, processes and procedures; service delivery;
- human capital management and strategy performance; and
- risk management and compliance.



The risk management and compliance theme performed the highest at 63%, whereas market share & customers performed the least at 30%. It is worth noting that the governance and financial sustainability theme, which performed lowest in the first and second quarter, improved significantly from 20% to 47%.

2018/19 Financial Year Barometer

NIPAM performed poorly in the execution of training and consultancy (by 16%); in growing programmes (by 17%); in implementing research and capacity evaluation initiatives (by 26%) and in the increase of revenue (by 31%). Reasons for this are primarily due to budget cuts in OMAs as a result of the economic downturn. On the contrary, the conferencing facilities that NIPAM leases out as a source of earnings successfully hosted 315 events, thereby exceeding targets and generating a revenue of NAD 1 570 753.58.



NIPAM target was to train 3 411; the institute however only trained 866 persons. This translates into a performance score of 25% and an income of NAD 6 517 304. This is approximately 35% less of the NAD 18 745 958 that the institute expected.

NIPAM's Reflections of the Past and the Future

NIPAM's past experiences will be used as lessons learned for the future. In setting the course for the future, NIPAM endeavours to stimulate organisational performances by tapping into the following key areas of action:

- Addressing the public sector policy environment so that it is supportive of the NIPAM mandate.
- Enlarging the training portfolio and accelerating on-demand programmes through accreditations;
- Enhancing and capacitating the consultancy arm to strengthen timeous and cost efficient delivery by ensuring that research and capacity evaluation initiatives produce tangible deliverables within time; and
- Ensuring all internal processes and structures are aligned with key performance enablers.

The overall statistics show a minimal improvement in revenue generation and training numbers from the 2017/18 financial year results. However the overall corporate performance score remained low at 42%. This is attributed by budget cuts and hence lower revenue from trainings.

Governance Structure

Portfolio Minister

The Right Honourable Saara Kuugongelwa-Amadhila, Prime Minister of the Republic of Namibia, is the portfolio Minister of the Namibia Institute of Public Administration and Management (NIPAM).

Governing Council Members

Dr George Simataa (PhD)
Chairperson
25/03/2015 to date

Dr Nashilongo K Shivute
Vice-chairperson
17/03/2016 to date

Ms Damoline Muruko
GC Member
01/12/2013 to date

Professor Martha Kandawa-Schulz
GC Member
01/07/2014 to date

Honourable Modestus Amutse
GC Member
01/03/2016 to date

Mr Petrus Nevonga
GC Member
01/11/16 to date

Ms Emma Kantema-Gaomas
GC Member
01/11/16 to date

Mr Jason Kasuuto
GC Member
01/11/2016 to date

Ms Mekondjo Nghipandulwa
GC Member
01/12/16 to date

Mr Andrew Ndishishi
GC Member *(ex officio)*
01/08/2016 to 31/07/2018

Ms Maria Ndatiwelao Nangolo
GC Member *(ex officio)*
01/08/2018 to date

Training and Development Board

Ms Maria Ndatiwelao Nangolo
Chairperson (ex officio)
01/08/2018 to date

Mr Andrew Ndishishi
Chairperson (ex officio)
01/08/2016 to 31/07/2018

Ms Tuyakula Haipinge
TDB Member
01/02/2013 to date

Professor Martha Kandawa-Schulz
TDB Member
01/07/2014 to date

Mr Jerry Beukes
TDB Member
01/11/2015 to date

Mr Richards Kakona
TDB Member
10/07/2015 to date

Ms Rebekka Kakololo
TDB Member
10/07/2015 to 9/07/2018

Professor Charles Keyter
TDB Member (co-opted)
03/03/2011 to date

Ms Asnath Kaperu
TDB Member
01/11/2017 to date

Executive Management Committee

Ms Maria Ndatiwelao Nangolo
Executive Director
01/08/2018 to date

Mr Andrew Ndishishi
Executive Director
01/08/2016 to 31/07/2018

Mr Brian Chaka
Company Secretary & Legal Advisor
01/08/2011 to date

Dr Yrika Maritz
Director: Management & Leadership Development Programmes
01/01/2015 to date

Mr Dennis Shindume
Director: Information Management Business Centre
09/02/2015 to date

Mr Richard Kakona
Director: Functional Programme, Organisational Development & Consultancy
01/03/2015 to date

Dr Michael Tjivikua
Director: Research & Capacity Evaluation
15/01/2016 to date

Ms Zia Stellmacher
Director: Finance Business Centre
18/01/2016 to 5/12/2018

Message by the Chairperson

You will concur with me that public service delivery requires competent employees in order to deliver services in an effective and efficient manner

I am delighted to report back on the operations of the financial year 2018/19 as the Namibia Institute of Public Administration and Management (NIPAM). It is such an important time in which NIPAM strives to solidify its ground and retain its competitive advantage as the leading Namibian training service provider in public administration and management.

You will concur with me that public service delivery requires competent employees in order to deliver services in an effective and efficient manner. On the same note, the Namibian government Offices/Ministries and Agencies are faced with the challenge of making ensuring that they employ people with appropriate skills and knowledge to perform at the expected standards.

At the same time, government is experiencing huge pressure from the electorates and the shareholder to deliver better quality services at the least possible cost to the citizenry. To respond to these pressures the Government of the Republic of Namibia strive to have a public service comprising of dynamic and dedicated public servants, willing to serve selflessly, and capacitated with the requisite skills and competencies to fulfill the responsibilities they are entrusted with.

Training and development are therefore critical to the Government of the Republic of Namibia's objective of building and implementing a democratic and developmental state. NIPAM, as the government training agency, is working across the public sector towards achieving the outcome of skilled and capable public servants.

During the financial year under review, NIPAM has been in preparatory mode for the shift from a unprofitable *modus operandi* to a dynamic, results-orientated and capacity building organisation. The overall organisation's overall tone of performance was founded on teamwork internally and effective collaboration with all our external stakeholders.

It is also key to note that our turnaround strategy which was implemented during this financial year, emphasised on internal restructuring; implementing a shoe-stringed financial budget, with lean operations; as well as internal staff skills development; and expanded training programmes.

We will continue with precision, dedication and teamwork. This financial year will be a reflection on NIPAM's strengths, weaknesses, opportunities and challenges while striving in being different and making a difference in the best interest of Namibia's public sector.

GEORGE SIMATAA (Ph.D)
Chairperson of the Governing Council

Remarks by the Executive Director

NIPAM continues to deliver on its capacity building mandate

As we bring 2018/19 to a close, I am delighted to report on the steady progress and pleasing results of the period. The strategy imperative, for the financial period under review, are embedded in three strategic objectives. These are:

- To grow the share of training from the NAD 6,06 million reported for financial year 2017/18 to a NAD 39,09 million by year-end 2012/22;
- To increase the customer base from 866 customers of the financial year 2017/18 to 7 118 customers by year-end 2021/22; and
- To reduce the institute's revenue and assets deficit from NAD 31,3 million to below NAD12 million by year-end 2021/22.

The year 2018/19 has been challenging as it was chartered by an ailing Namibian economy which had devastating consequences on the public sector; NIPAM was not immune to these consequences.

Budgetary cuts have had an adverse impact on the demand for NIPAM service offerings – such as capacity building and consulting services – as ministries and their agencies could no longer afford NIPAM's service offerings. This resulted in NIPAM not reaching the three strategy objectives of increasing training revenues; customer reduction; and reduction of existing historical deficits.

NIPAM continues to face challenges such as non-alignment of the public sector's human resource development policy in support of NIPAM's mandate and, consequently, NIPAM's relevance.

Despite the above mentioned challenges, NIPAM continues in its endeavour to serve as a progressive think tank for the public sector as it delivers capacity building interventions – through training programmes and consultancy services – albeit at a smaller scale.

Further to this, the institute has maintained, and continues to enhance, the quality of these interventions through its robust internal administrative system which is embedded on quality assurance practice. Together, these serve as a spine of the institute's brand promise.

The introduction of a performance management system is steadily yielding tangible results. Coupled with the strengthening of the system's architecture, with particular emphasis placed on the academic offering, NIPAM foresees achievement of accreditation of its academic offerings by 2021.

Financial prudence, governance, and performance is being engraved into the NIPAM DNA and the NIPAM team under the able leadership of its portfolio minister, the governing council collectively strives for excellence.

I am excited about the growth trajectory that NIPAM is on as well as the continuous enhancement to our corporate governance structures implemented throughout the institute. I would like to thank all of our loyal customers, NIPAM staff members, management and board for their efforts and the indomitable spirit that fuels NIPAM's endeavours. I extend my appreciation to the line ministry for the phenomenal support, contributions, and guidance.

May we continue to strive for greater heights for the greater benefit of our public service sector and our country at large.

MARIA N. NANGOLO
Executive Director

Governance Report

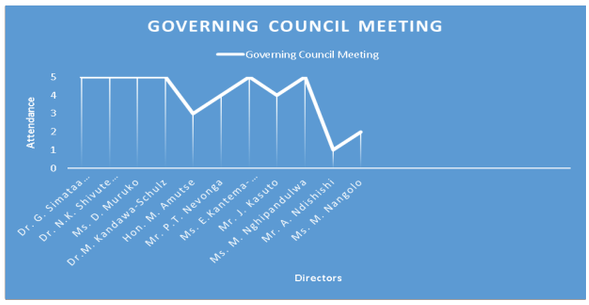
Governing Council is reinforced by boards and committees designed to serve various strategic areas of NIPAM on policy, knowledge, institutional development and custodianship of NIPAM's overall assets.

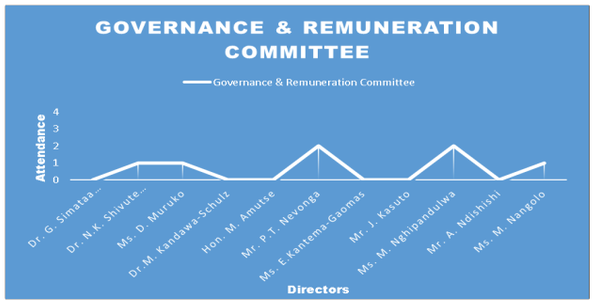
Overview

NIPAM is established as per the NIPAM Act (Act No. 10 of 2010) and the amended Public Enterprises Governance Act (Act No. 2 of 2006). As a Public Enterprise, the institution's mandate, as stipulated in the Act, is to carry out training, consultancy, research and capacity evaluation.

The Governing Council Overview

The Governing Council sets the overall strategic direction and oversees the affairs of the institution. Members of the Council are drawn from various institutions across the country; they provide their vision by drawing from their knowledge and expertise.





During the year under review, the Governing Council and committees met regularly throughout the year and were convened as per statutory requirements of the governing legislation. All the members were consistent in their attendance.

The Governing Council is reinforced by boards and committees designed to serve various strategic areas of NIPAM on policy, institutional development and custodianship of NIPAM's overall assets. Committees operate under approved charters and perform the initial scrutiny and review of recommendations, before consideration and final approval by the Council.

During the year under review, the Council approved:

- the 2017/2018 audited financial statements and accounts;
- the 2017/2018 Annual Report;
- the 2017/2018 Work Plans for the Governing Council and Committees;
- the 2018/2019 Business and Financial Plans;
- the Internal Audit Reports; as well as
- the Performance Agreements of the Executive Director and staff.

Governance and Remuneration Committee Overview

The Remuneration Committee is tasked to review policy matters concerning conditions of employment of all employees and Human Resource Policies and procedures. During the period under review, this committee comprised of Ms D. Muruko (Chairperson), Mr P. T Nevonga, Ms E. Kantema-Gaomas, Ms M. Nghipandulwa and Dr N. K. Shivute.

Audit and Risk Governance Committee Overview

The Audit and Risk Governance Committee is required to meet quarterly to monitor and evaluate processes, systems, and financial results of NIPAM and to ensure that the Governing Council fulfills its audit and risk governance functions.

The Committee is delegated to monitor NIPAM's financial reporting and internal control systems, to review financial information as well as the scope and activities of risk management programmes. The Committee further engages internal auditors to ensure that the above are implemented according to the recommendations by internal auditors.

During the period under review, the Audit and Risk Governance Committee was comprised of Ms M. Nghipandulwa [Chairperson], Mr J. Kasuto, Ms D. Muruko, Mr P. T. Nevonga, and Dr N. K. Shivute. The auditing processes were implemented accordingly. All compliance and risk matters were adhered to.

Training and Development Board Overview

The Governing Council also appoints the Training and Development Board for a period of three years. As a technical arm of the Governing Council, the Training and Development Board's mandate is to oversee NIPAM's capacity building interventions, training programmes and courses, curricular, assessments, accreditation, qualifications, research, and consultancy services.

Moreover, the Training and Development Board exercises quality control on capacity building interventions and makes recommendations to the Council in connection with the institution's five-year strategic plan, annual business and financial plan, annual budget, and other matters that are referred to it by the Exco.

Council and Committee Meetings

During the year under review, the Governing Council and committees met regularly throughout the year and were convened as per statutory requirements of the governing legislation. All the members were consistent in their attendance.

Remuneration

The remuneration of the Governing Council is set in terms of the Public Enterprises Governance Council directive and comprises of the retainer fee and a sitting allowance paid on a quarterly basis for meetings attended. During the period under review, an amount of **NAD 435 805** in retainer fees and sitting allowance was paid to the Council, Committees and Training and Development Board compared to **NAD 434 889** which was paid in the previous financial year.

Capacity Building Strategy

> These findings suggest that the workplace has potential to help bridge the country's skills gap

Capacity Evaluation and Operational Research

During the 2018/2019 financial year, the Centre for Research and Capacity Evaluation (CRCE) conducted a major study on *Learning in the Workplace* at Dinapama.

The study in question investigated how employees learned and gained skills from others while working and was designed to address a multiplicity of socio-economic challenges facing the country such as skills development. The study indicated a need for more effective ways of learning skills. The Centre also intended to cultivate opportunities for capacity development for NIPAM and, by extension, business development.

The study focused on learning in the workplace at a local manufacturing company. It investigated how employees learned in the workplace and gained skills from others while working and interacting with machines. The study also, to a certain extent, compared learning in a factory setting and learning in a formal training environment. The findings suggest that those participants who had come from VTCs had limited exposure to factory conditions. As such, their learning was also limited to domestic machines.

These findings suggest that the workplace has the potential to help bridge the country's skills gap, as participants in the study reported that they had learned most of their skills in the workplace. Such findings corroborate findings of studies conducted in other parts of the world which point to the fact that the workplace can make up for skills that formal learning and training cannot provide to economies. This project was about 90% completed within the reporting period.

The Centre also established a think-tank which hosted different public lectures: the first public lecture was conducted under the theme *Making Sustainable Development Goals Work for Namibia*. It was facilitated by Dr Michael Tjivikua of NIPAM and presented by Mr Nandiuasora Mazeingo of the National Planning Commission. The other public lecture was conducted by Mr Frans Gertze, the CEO of the Namibia Qualifications Authority. It was titled *The Role of NQA in Ensuring Quality Education in Education and Training in Namibia*. As far as the think-tank services are concerned, the Centre managed to reach its target of two public lectures during the financial year.

Training Programmes

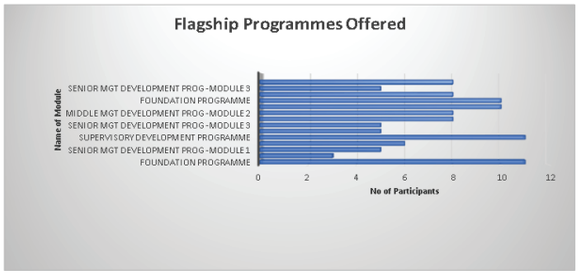
During the year under review, NIPAM had projected an enrolment rate of 3 411 participants to be trained during the financial year. The envisaged training targets were not met due to several constraints – one being that the public sector continues to experience the effects of an economic down-turn. A total number of 752 participants were trained during this period.

The participants came from different Government Offices,

Ministries and Agencies (OMAs) and some private companies. The courses that were on demand and top of the list constituted business writing skills, protocol and etiquette, disciplinary procedures and leadership as well as change management.

NIPAM's programmes seek to enhance the requisite competencies needed for sound leadership, management, innovation, adaptability and growth to turnaround public service for improved service delivery and management , and to address the challenges that hinder quality service delivery.

NIPAM further develops tailor-made courses and training programmes that are delivered to specific target clients in the public sector. Important issues such as appointments, probation, promotions, disciplinary procedures are fully addressed in the courses.



Other programmes are also designed to meet the training needs for all hierarchal levels from operational to senior and executive management of the public sector. These are the Foundation-, the Supervisory Development-, the Middle Management Development-, the Senior Management Development- as well as the Executive Development Programme.

866 **TRAINED PARTICIPANTS**

The institute projected an enrolement rate of 3 411 participants for the financial year. The training targets were not reached due to several constraints; the public sector continues to experience the consequences of an economic down turn.

Consultancies

NIPAM carried out the following consultancies:

The Central Procurement Board of Namibia Project

During the reporting period, NIPAM embarked on various consultancy projects which included Human Resource consultancy on structure, job grading, evaluation and job descriptions for the Central Procurement Board of Namibia.

The Namibian Standards Institution

Because strategy development is part of NIPAM's consultancy services provided to public sector clients, the institute managed to facilitate a workshop on business plan for the Namibian Standards Institution. This business plan was geared for implementation during the financial year 2019/2020).

The Namibia Fish Consumption Promotion Trust Project

The Namibia Fish Consumption Promotion Trust solicited the consultancy services of NIPAM for the development of their business plan for the period 2019 to 2021.

The Consultancy Framework Development Project

Additionally, the Centre worked on the development of the consultancy framework which will be finalised in the next financial year.

#	Client	Service
1	Central Procurement Board of Namibia	HR consultancy on HR structure, job grading, evaluation and job descriptions
2	The Namibian Standards Institution	Review and Development of the Business Plan 2019/2020
3	Namibia Fish Consumption Promotion Trust	Development of the Business Plan 2019-2021

Marketing and Stakeholder Engagement

Overview

NIPAM embarked on marketing, corporate communications, and stakeholder engagement programmes to foster a unified brand reputational presence internally and externally. The institute, in consulting its stakeholders (both internally and externally) well-informed, engaged and informed about progress towards their expectations. NIPAM uses selected communication programmes and platforms to retain sustainable coverage.

Marketing Research

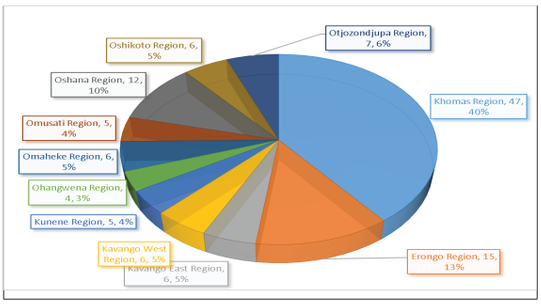
NIPAM set out to conduct marketing research to determine the needs and preferences of its clients. This involved primary research in the form of focus groups and secondary research in the form of training plans and training requests. The research was successfully completed and the report was presented to management. The report will inform NIPAM product offering for 2019/20 financial year.

40%
Khomas Region outreach to clients

4%
Omusati Region outreach to clients

33
Soon-to-graduate students from College of the Arts trained

Outreach to Clients (face to face visits)



The outcomes from face-to-face visits included attaining first-hand information on challenges faced by the clients, how to increase participation from the clients, and introducing NIPAM's new programme offerings.

Internal Communications

NIPAM utilises internal communications as a tool of ensuring the internal stakeholder, which comprises of the Governing Council, Training and Development Board, Management and the staff, is constantly up to date and well-informed about all important matters relating to NIPAM. Various platforms were frequently and regularly implemented to ensure all the important information reaches the target stakeholder on time. These included email communication, WhatsApp platforms, NIPAM departmental meetings, NIPAM website and social media pages.

Development of a Communication and Visibility Strategy

The Communication and Visibility Strategy was developed, reviewed and approved during the financial year under review. The purpose of the strategy was to facilitate optimisation of communication with internal and external stakeholders and increase visibility and enhance the reputation of NIPAM.

External Communication

The unit responsible for communication and public relations has been producing monthly bulletins which are disseminated to stakeholders via email and further published on the NIPAM website, in the New Era and the Namibian newspapers. The one-page bulletin in the print media helps create awareness about NIPAM, its products and services, and provides information on upcoming training events.

Corporate Reporting

The annual report 2017/18 was printed and submitted to the Office of the Prime Minister, whereas the electronic copies have been sent out to the relevant stakeholders and placed on the NIPAM website. The report recounted aspects such as the governance account, overview of institutional operations for training, consultancies, finance and administration, information management, communication, marketing, and quality assurance.

Communication Mix

- Social Media
- Radio
- Television
- Print

NIPAM social media platforms have proved significant in reaching clients by means of reporting on institutional activities. The NIPAM website has been instrumental in enabling client and stakeholder access to assist in training requests, venue hire, and other general queries of which prompt feedback was provided.

NIPAM has successfully engaged the public by means of updates on Facebook, Twitter, Instagram and the website. Updates related to provision of training and consultancy services, sharing of upcoming training schedules as well as available tenders were communicated via Social Media platforms.

Partnerships and Collaboration

Partnerships and collaborations are key to NIPAM's stakeholder engagement. This certifies the understanding between the institute and the stakeholders of interest. NIPAM has demonstrated a commitment to openness and a spirit of working together, collaboration with other institutions to advance its mandate, and for the common good of the nation and the society at large. During the year under review, NIPAM embarked into on the following partnerships and collaborations with through the Public Enterprises Chief Executive Officer's Forum, and established new relations with NAMCOL, Green Enterprises Solutions (Pty) Ltd, Southern Business School, The National School of Governance (NSG) in South Africa and Air Namibia.

Corporate Social Responsibility

NIPAM embarked on its Corporate Social Responsibility (CSR) programmes which included a training workshop of the 33 graduation candidate from College of the Arts. The CSR subscribes to the principles of the Code of Corporate Practices and Conduct which NIPAM is committed to carrying out on an annual basis.

Corporate Services

Overview

Corporate services form the backbone of the administrative responsibilities of the internal and external audit reports, the enterprise risk management report, and human resources are a core part of this.

Financial Report

NIPAM endeavours is to ensure the optimal and cost-effective running of its business in fulfilling the entrusted mandate through the finance department. NIPAM ensures the financial integrity of the institute while maintaining a healthy balance between income and expenditure.

Internal Audit Report

Internal audit is conducted objectively and designed to improve and mature an organisation's business practices. During the current financial year, three follow-up audits from the internal auditors took place and they covered the areas of Revenue Management, Fixed Assets, and Legal and Governance.

External Audit Report

In an effort to improve on the unqualified external audit opinion of the year under review, the NIPAM has embarked upon a project that looked at the complete scope of the activities in the department. so as to ensure that completeness of revenue is achieved.

Enterprise Risk Management Report

The Enterprise Risk Management report was also finalised during the year under review, and management will use this report to mitigate the risk areas as identified.

Facilities and Infrastructure Management

There was no capital project undertaken during the year under review. However, the , but maintenance of the infrastructure remained a serious priority to keep the facilities at optimum levels of their liveswas carried out on needs bases to keep the buildings and equipment's in good condition.

Venue Hire Management

It is well-recognised that NIPAM has state-of-the-art venues that are fully equipped with modern technology requirements. NIPAM leases out its venues to external stakeholders, whenever facilities are available, for revenue generation. The revenue generated through this stream amounted to NAD 1 570 753.58.

NAD 1 570 753.58

Revenue generated through venue leasing

Tenders

Eight tenders were awarded during the period under review; three were cancelled and five put on hold due to financial constraints.

Human Capital

NIPAM Staff Complement

NIPAM staff complement stood at 43 by 31 March 2019. Of this, three were temporary employees that were appointed on contract basis. The gender balance at NIPAM is 51.2/48.8, where the women represent 51.2% of the workforce and men 48.8%.

Affirmative Action

In compliance with the Affirmative Action Act, Act 29 of 1998, NIPAM submitted an AA progress report to the Employment Equity Commissioner, which was subsequently approved by the Commissioner.

Training Development and Employee Development

NIPAM is committed to training and developing of its employees. A total of 29 employees from senior management to lower positions received training from April 2018 to March 2019 in various areas. On-the-job-training is being done on a daily basis through mentoring and coaching by Managers and Supervisors.

Quality Assurance

Accreditation Road Map

An accreditation Road Map was developed and approved for implementation to ensure that the institute reviewed programmes to register on the National Qualification Framework (NQF), including the development of the ISO 9001:2015 quality management system. The ISO 9001 quality management system will be developed and implemented. In the future, NIPAM intends to develop a five-year project to work towards certification through the Namibian Standards Institution.

Quality Management System Manual

A Quality Management System Manual was developed, and it is to be further reviewed and workshopped in the new financial year to align it to the ISO 9001:2015 quality requirements. The following draft documented information is ready to be workshopped: Internal Audit Policy, Internal Audit Procedure, Monitoring and Measurement Procedure, Management Review Procedure, Documented Information Control Procedure, Corrective and Preventive Action Procedure, and Control of non-Conformance Products and Services Procedure.

Quality Assurance Internal Workshops

Two workshops were conducted for academic staff members in the area of Accreditation Quality Requirements and Registration of Qualifications on the NQF requirements. A workshop was also conducted for the institution's management on the implementation of the Professional Norms and Standards. Monitoring on the implementation of the Professional Norms and Standards is an ongoing process that NIPAM is committed to.

Monitoring and Course Evaluation Framework

A Monitoring and Evaluation Framework, to measure participant's reaction to content, was developed, and a consultative process will follow to finalise the document. Various courses were evaluated to address the question of continual improvement in service provision.

Academic Quality Review and Self Evaluation

The Quality Assurance coordinated the academic Business Centre's self-evaluation exercise that resulted in a self-evaluation report which served as the basis for an academic quality review. A preliminary assessment was conducted and findings were presented in an Academic Review Report, with the aim of addressing the quality gaps.

51.2 / 48.8

The gender balance at NIPAM where the women represent 51.2% of the workforce and men 48.8 %.

29 Employees Trained

from senior management to lower positions received training

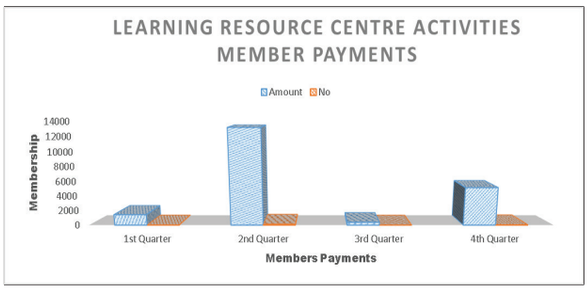
Information Management

To support learning at NIPAM, a number of initiatives were planned such as the implementation of a virtual computer labs – Learning Resource Centre (LRC). This computer labs will provide a higher processing power that will enable more computing related training programmes. Implementation of the planned computer labs was shifted to 2019/20 in order to secure appropriate financial resources. The centre conducted trainings on the following courses: COBIT 5 Foundation,; COBIT 5 Implementation, and; ITIL Foundation. These courses were are to be offered in partnership with other institutions.

During the quarter under review, the LRC has registered 40 new members, who paid a total of NAD 5 150.00. During the financial 2018/2019 the LRC has generated an amount of NAD20 100.00 through membership and an amount of NAD1 688.00 was received from through fines.

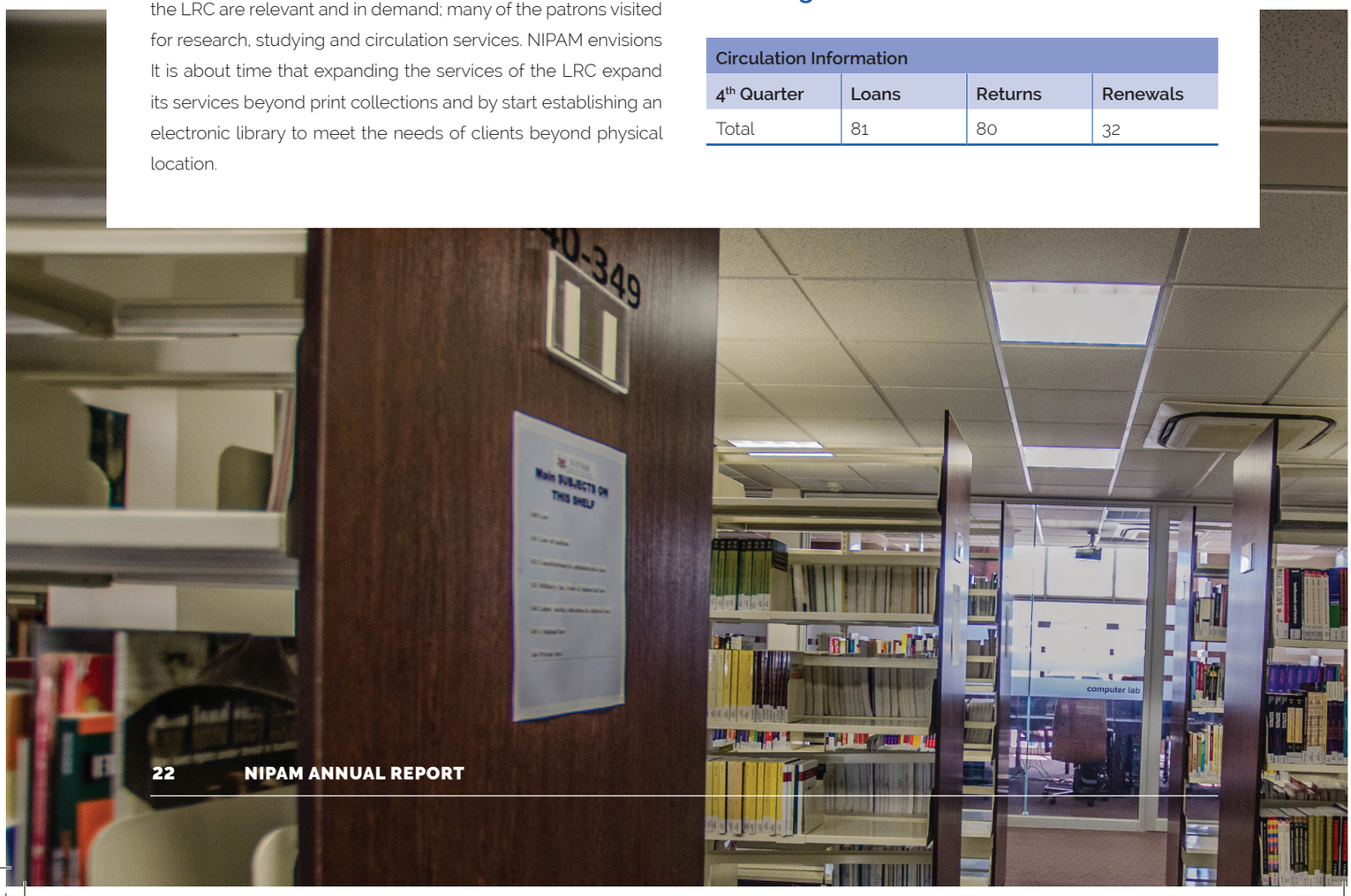
The statistics of the LRC visitors is evidenced that the services of the LRC are relevant and in demand; many of the patrons visited for research, studying and circulation services. NIPAM envisions It is about time that expanding the services of the LRC expand its services beyond print collections and by start establishing an electronic library to meet the needs of clients beyond physical location.

It is worth noting that the NIPAM LRC is part of the national libraries network – the Namibia Information Workers Association (NIWA). The association has invited NIPAM to the 23rd Standing Conference of Eastern Central Southern Association of Libraries – SCECSAL 2020 – that is taking place in April 2020; it is the biggest event in libraries' calendars and it is expected to mobilse more than 300 information professionals to Namibia.



Learning Resource Centre Activities

Circulation Information			
4th Quarter	Loans	Returns	Renewals
Total	81	80	32



Financial Statements

NIPAM

NAMIBIA INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NAMIBIA INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

General information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Established as a public institute for training, operational research, capacity evaluation and consultancy.
Governing council members	Dr G. Simataa - Chairperson Dr N.K. Shivute - Vice chairperson Ms D. Muruko Hon M. Amutse Dr M. Kandawa-Schulz Mr P.T. Nevonga Ms E. Kantema-Gaomas Mr J. Kasuto Ms M. Nghipandulwa
Registered office	14-30 Paul Nash Street Olympia Windhoek Namibia
Banker	First National Bank of Namibia Limited
Auditor	PricewaterhouseCoopers Chartered Accountants Chartered Accountants (Namibia)
Secretary	B. Chaka
Executive Director	Maria Nangolo

Contents

The reports and statements set out below comprise the annual financial statements presented to the governing council:

Governing council responsibilities and approval

The governing council are required in terms of the Namibia Institute of Public Administration and Management Act 10 of 2010 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the institute as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The governing council acknowledge that they are ultimately responsible for the system of internal financial control established by the institute and place considerable importance on maintaining a strong control environment. To enable the governing council to meet these responsibilities, the governing council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the governing council and all employees are required to maintain the highest ethical standards in ensuring the governing council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the institute is on identifying, assessing, managing and monitoring all known forms of risk across the institute. While operating risk cannot be fully eliminated, the institute endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The governing council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The governing council has reviewed the institute's cash flow forecast for the year to 31 March 2020 and, in light of this review and the current financial position, they are satisfied that the institute has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the institute's annual financial statements. The annual financial statements have been examined by the institute's external auditor and the report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 37, which have been prepared on the going concern basis, were approved by the governing council.

Signed on behalf of the governing council by:

Director **Director**

Windhoek

Date: 12/09/2019

CHAIRPERSON
NIPAM
GOVERNING COUNCIL

Independent auditor's report

To the Members of Namibia Institute of Public Administration and Management

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Namibia Institute of Public Administration and Management (the Company) as at 31 March 2019,property, plant and equipment in accordance with International Financial Reporting Standards and the requirements of the Namibia Institute of Public Administration and Management Act 10 of 2010.

What we have audited

Namibia Institute of Public Administration and Management's financial statements set out on pages 7 to 35 comprise:

- the directors' report for the year ended 31 March 2019;
- the statement of financial position as at 31 March 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Namibia Institute of Public Administration and Management Annual Financial Statements for the year ended 31 March 2019. Other information does not include the financial statements and our auditor's report thereon.

PricewaterhouseCoopers , Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia Practice Number 9406, T:+ 264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com/na

Country Senior Partner: R Nangula Uaandja
Partners: Carl P van der Merwe, Louis van der Riet, Anna EJ Rossouw, Chantell N Husselmann, Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Trofimus Shapange, Nelson Lucas

Independent auditor's report

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Namibia Institute of Public Administration and Management Act 10 of 2010, and for such internal control as the directors determine 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, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with our responsibilities in terms of section 283(3) of the Companies Act, we report that PricewaterhouseCoopers Tax and Advisory Services (Pty) Ltd has performed certain secretarial and accounting duties for the company.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Samuel Ndahangwapo
Partner
Windhoek
Date: 17/09/2019

Governing council report

The governing council have pleasure in submitting their report on the annual financial statements of Namibia Institute of Public Administration and Management for the year ended 31 March 2019.

1. Incorporation

The institute was incorporated on 01 October 2010 and obtained its certificate to commence business on the same day.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Namibia Institute of Public Administration and Management Act 10 of 2010. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the institute are set out in these annual financial statements.

3. Governing council

The Governing council members in office at the date of this report are as follows:

Governing council members	*Nationality*
Dr G. Simataa - Chairperson	Namibian
Dr N.K. Shivute - Vice chairperson	Namibian
Ms D. Muruko	Namibian
Hon M. Amutse	Namibian
Dr M. Kandawa-Schulz	Namibian
Mr P.T. Nevonga	Namibian
Ms E. Kantema-Gaomas	Namibian
Mr J. Kasuto	Namibian
Ms M. Nghipandulwa	Namibian

4. Events after the reporting period

The governing council is not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

We draw attention to the fact that the institution incurred a loss of N$ (8,298,827) (2018: N$ (16,363,759)) during the year ended 31 March 2019; and generated negative operating cash flow of N$ (10,219,786) (2018: N$ (14,781,158).

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

The governing council believes that the institute has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The governing council has satisfied itself that the institute is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The governing council is not aware of any new material changes that may adversely impact the institute. The governing council is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the institute.

Governing council report

6. Secretary

The company secretary is Mr B. Chaka.

Postal address:	Private Bag 13218 Windhoek Namibia
Business address:	14-30 Paul Nash Street Olympia Windhoek Namibia

7. Auditor

PricewaterhouseCoopers continued in office as the auditor for the institute for 2019.

Namibia Institute of Public Administration and Management

Annual Financial Statements for the year ended 31 March 2019

Statement of Financial Position

as at 31 March 2019

	Note(s)	2019 N$	2018 N$
Assets			
Non-Current Assets			
Property, plant and equipment	4	184,242,126	188,443,426
Intangible assets	5	500,320	789,285
		184,742,446	**189,232,711**
Current Assets			
Inventories	6	204,194	308,250
Trade and other receivables	7	10,005,668	9,832,704
Cash and cash equivalents	8	27,210,429	37,916,186
		37,420,291	**48,057,140**
Total Assets		**222,162,737**	**237,289,851**
Equity and Liabilities			
Equity			
Retained income		45,472,710	53,771,534
Liabilities			
Non-Current Liabilities			
Deferred income	9	170,825,376	174,684,252
Current Liabilities			
Trade and other payables	10	5,864,651	8,834,065
Total Liabilities		**176,690,027**	**183,518,317**
Total Equity and Liabilities		**222,162,737**	**237,289,851**

Statement of Comprehensive Income

	Note(s)	2019 N$	2018 N$
Revenue	11	6,478,815	4,745,179
Other operating income	13	15,765	-
Other operating gains (losses)	12	-	(36,315)
Selling and distribution expenses		(361,341)	(513,956)
Marketing expenses		(326,164)	(109,559)
General and administrative expenses		(41,142,449)	(39,755,588)
Maintenance expenses		-	(329,108)
Other operating expenses		(3,644,156)	(2,989,531)
Deferred income released	13	3,858,876	4,041,955
Goverment grant received	13	25,750,000	16,558,367
Operating loss	14	**(9,370,654)**	**(18,388,556)**
Investment income	15	1,071,827	2,024,798
Loss for the year		**(8,298,827)**	**(16,363,758)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(8,298,827)**	**(16,363,758)**

Namibia Institute of Public Administration and Management

Annual Financial Statements for the year ended 31 March 2019

Statement of Changes in Equity

	Retained income N$	Total equity N$
Balance at 01 April 2017	**70,135,292**	**70,135,292**
Loss for the year	(16,363,758)	(16,363,758)
Other comprehensive income	-	-
Total comprehensive Loss for the year	**(16,363,758)**	**(16,363,758)**
Balance at 01 April 2018	**53,771,537**	**53,771,537**
Loss for the year	(8,298,827)	(8,298,827)
Other comprehensive income	-	-
Total comprehensive Loss for the year	**(8,298,827)**	**(8,298,827)**
Balance at 31 March 2019	**45,472,710**	**45,472,710**

Statement of Cash Flows

	Note(s)	2019 N$	2018 N$
Cash flows from operating activities			
Cash used in operations	16	(11,291,613)	(16,805,956)
Interest income	15	1,071,827	2,024,798
Net cash from operating activities		**(10,219,786)**	**(14,781,158)**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(413,733)	(3,313,265)
Sale of property, plant and equipment	4	-	36,160
Purchase of other intangible assets	5	(72,238)	-
Net cash from investing activities		**(485,971)**	**(3,277,105)**
Total cash movement for the year		**(10,705,757)**	**(18,058,263)**
Cash at the beginning of the year		37,916,186	55,974,450
Total cash at end of the year	8	**27,210,429**	**37,916,187**

Accounting policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Namibia Institute of Public Administration and Management Act 10 of 2010.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the institute's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment testing

The institute reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives and residual values of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on institute replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

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

Accounting policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note .

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the institute holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the institute, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the institute and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the institute. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	*Depreciation method*	*Average useful life*
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	5 years
Cafeteria equipment	Straight line	5 years
Audio visual equipment	Straight line	5 years

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

Accounting policies

1.3 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the institute are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the institute ,as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 3 Financial instruments and risk management presents the financial instruments held by the institute based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

1.4 Financial instruments (continued)

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the institute are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the institute's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the institute becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other payables

Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the institute becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the institute to liquidity risk and possibly to interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.5 Financial instruments: IAS 39 comparatives

Classification

The institute classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - designated
- Loans and receivables
- Financial liabilities at fair value through profit or loss - designated

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the institute becomes a party to the contractual provisions of the instruments.

The institute classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the institute's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the institute has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the institute establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

1.4 Financial instruments (continued)

Impairment of financial assets

At each reporting date the institute assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the institute, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial instruments designated as at fair value through profit or loss

[Explain the nature of financial instruments designated as at fair value through profit or loss, the criteria for making the designation as well as how the requirements of IAS 39 for such designation were met]

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

1.4 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Derivatives are classified as financial assets at fair value through profit or loss - held for trading.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.6 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Impairment of assets

The institute assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the institute estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the institute also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.7 Impairment of assets (continued)

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the institute's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.9 Provisions and contingencies

Provisions are recognised when:

- the institute has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;

1.9 Provisions and contingencies (continued)

- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.10 Government grants

Government grants are recognised when there is reasonable assurance that:

- the institute will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes 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 deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.11 Revenue from contracts with customers

The institute recognises revenue from the following major sources:

- Training fees
- Consulting
- Cafeteria
- Hire of facilities

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The institute recognises revenue when it transfers control of a product or service to a customer.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the institute has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	*Effective date: Years beginning on or after*	*Expected impact:*
• IFRS 9 Financial Instruments	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendments to IAS 28: Annual Improvements to IFRS 2014 - 2016 cycle	01 January 2018	The impact of the standard is not material.
• Amendments to IFRS 1: Annual Improvements to IFRS 2014 - 2016 cycle	01 January 2018	The impact of the standard is not material.
• Amendments to IAS 40: Transfers of Investment Property	01 January 2018	Unlikely there will be a material impact
• Foreign Currency Transactions and Advance Consideration	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 4: Insurance Contracts	01 January 2018	The impact of the standard is not material.
• Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018	The impact of the standard is not material.

2.2 Standards and interpretations not yet effective

The institute has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the institute's accounting periods beginning on or after 01 April 2019 or later periods:

Notes to the annual financial statements

2. New Standards and Interpretations (continued)

Standard/ Interpretation:	*Effective date: Years beginning on or after*	*Expected impact:*
• IFRS 17 Insurance Contracts	01 January 2021	Unlikely there will be a material impact
• Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Uncertainty over Income Tax Treatments	01 January 2019	Unlikely there will be a material impact
• IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact

3. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	7	290,732	290,732	290,732
Cash and cash equivalents	8	27,210,429	27,210,429	27,210,429
		27,501,161	**27,501,161**	**27,501,161**

2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	7	413,236	413,236	413,236
Cash and cash equivalents	8	37,916,186	37,916,186	37,916,186
		38,329,422	**38,329,422**	**38,329,422**

Categories of financial liabilities

2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	10	5,812,275	5,812,275	-

2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	10	8,806,564	8,806,564	-

3. Financial instruments and risk management (continued)

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2019

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	15	1,071,827	1,071,827

2018

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	15	2,024,798	2,024,798

Capital risk management

The institute's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital.

The capital structure and gearing ratio of the institute at the reporting date was as follows:

Trade and other payables	10	5,864,653	8,834,064
Cash and cash equivalents	8	(27,210,429)	(37,916,186)
Net borrowings		**(21,345,776)**	**(29,082,122)**
Equity		45,472,710	53,771,535
Gearing ratio		(47)%	(61)%

3. Financial instruments and risk management (continued)

Financial risk management

Overview

The institute is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The institute is not exposed to the following risks from its use of financial instruments:
- Foreign exchange risk;
- Price risk; and
- Interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the institute if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

		2019			2018		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7	290,732	-	290,732	413,236	-	413,236
Cash and cash equivalents	8	27,210,429	-	27,210,429	37,916,186	-	37,916,186
		27,501,161	**-**	**27,501,161**	**38,329,422**	**-**	**38,329,422**

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2019

	Less than 1 year	Total	Carrying amount
Current liabilities			
Trade and other payables	5,739,229	5,739,229	5,812,275

Notes to the annual financial statements

3. Financial instruments and risk management (continued)

2018

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	10	8,806,564	8,806,564	8,806,564

Price risk

The institute is not exposed to commodity price risk.

4. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	12,572,000	-	12,572,000	12,572,000	-	12,572,000
Buildings	191,880,282	(22,501,236)	169,379,046	191,841,124	(18,659,624)	173,181,500
Furniture and fixtures	3,599,751	(2,225,218)	1,374,533	3,599,751	(1,864,015)	1,735,736
Motor vehicles	730,493	(655,723)	74,770	730,493	(540,303)	190,190
Office equipment	209,265	(191,870)	17,395	209,265	(181,073)	28,192
IT equipment	3,138,454	(2,584,658)	553,796	2,991,046	(2,267,456)	723,590
Cafeteria equipment	1,318,474	(1,318,474)	-	1,318,474	(1,318,474)	-
Audio visual equipment	2,915,698	(2,645,112)	270,586	2,616,292	(2,604,074)	12,218
Total	**216,364,417**	**(32,122,291)**	**184,242,126**	**215,878,445**	**(27,435,019)**	**188,443,426**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Total
Land	12,572,000	-	-	12,572,000
Buildings	173,181,500	39,158	(3,841,612)	169,379,046
Furniture and fixtures	1,735,736	-	(361,203)	1,374,533
Motor vehicles	190,190	-	(115,420)	74,770
Office equipment	28,192	-	(10,797)	17,395
IT equipment	723,590	75,169	(244,963)	553,796
Audio visual equipment	12,218	299,406	(41,038)	270,586
	188,443,426	**413,733**	**(4,615,033)**	**184,242,126**

Notes to the annual financial statements

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Land	12,572,000	-	-	-	-	12,572,000
Buildings	173,700,386	3,287,181	-	-	(3,806,067)	173,181,500
Furniture and fixtures	2,094,898	1,957	-	15,314	(376,433)	1,735,736
Motor vehicles	336,288	-	-	-	(146,098)	190,190
Office equipment	44,159	913	-	-	(16,880)	28,192
IT equipment	1,083,161	23,214	(72,475)	-	(310,310)	723,590
Audio visual equipment	28,672	-	-	-	(16,454)	12,218
	189,859,564	**3,313,265**	**(72,475)**	**15,314**	**(4,672,242)**	**188,443,426**

Land and buildings comprise Erf 14-30 Paul Nash Street, Olympia. The value of the land and buildings was determined by the Government of Namibia through the Ministry of Lands and Resettlement.

5. Intangible assets

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1,716,154	(1,215,834)	500,320	1,716,154	(926,869)	789,285

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software	789,285	72,238	(361,203)	500,320

Reconciliation of intangible assets - 2018

	Opening balance	Amortisation	Total
Computer software	1,089,452	(300,167)	789,285

Notes to the annual financial statements

6. Inventories

Finished goods	204,194	308,250

7. Trade and other receivables

Financial instruments:		
Trade receivables	1,741,868	2,044,903
Trade receivables - related parties	(1,479,051)	(2,188,370)
Trade receivables at amortised cost	262,817	(143,467)
Deposits	(6,500)	-
Staff loans	34,415	34,415
Other receivable	-	522,288
Non-financial instruments:		
VAT	9,714,936	9,419,468
Total trade and other receivables	**10,005,668**	**9,832,704**

Split between non-current and current portions

Current assets	10,005,668	9,832,704

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	290,732	413,236
Non-financial instruments	9,714,936	9,419,468
	10,005,668	**9,832,704**

Exposure to credit risk

Trade receivables inherently expose the institute to credit risk, being the risk that the institute will incur financial loss if customers fail to make payments as they fall due.

	2019	**2019**
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Less than 30 days past due: 37.22%	320,556	(197,363)
31 - 60 days past due: 54%	303,560	(163,936)
Defaulted: 100%	1,117,752	(1,117,752)
Total	**1,741,868**	**(1,479,051)**

Notes to the annual financial statements

	2019 N$	2018 N$

7. Trade and other receivables (continued)

Credit risk disclosures for comparatives under IAS 39

The following sections provide comparative information for trade and other receivables which have not been restated. The information is provided in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Trade and other receivables past due but not impaired

At 31 March 2018 N$ 238,490 were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1-30 days past due	18,960
2 months past due	53,750
3 months past due	165,780

This does not have a material impact.

Trade and other receivables impaired

As of 31 March 2018, trade and other receivables of N$ 2,188,370 were impaired and provided for.

The amount of provision as of 31 March 2018 was N$ 2,188,370.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4,244	-
Bank balances	30,778,485	41,488,486
Bank balance to be written off	(3,572,300)	(3,572,300)
	27,210,429	**37,916,186**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
First National Bank of Namibia Limited (A1+)	18,470,639	17,996,523
SME Bank (refer to note 11)	3,572,300	3,572,300
Namibia Post Limited*	8,735,546	19,919,663
	30,778,485	**41,488,486**

* Although Namibia Post Limited is not rated, it has no history of default.

Notes to the annual financial statements

	2019 N$	2018 N$

9. Deferred income

Deferred income comprises of grants received from government that relates to the purchase or construction or otherwise acquisition of property, plant and equipment. These grants are released to the statement of comprehensive income on a systematic basis.

Land	12,572,000	12,572,000
Buildings	113,228,000	113,228,000
Furniture and fittings	1,792,093	1,792,093
Computer and equipment	1,253,568	1,253,568
Cafeteria equipment	1,318,474	1,318,474
Office equipment	108,129	108,129
Audio visual	1,853,315	1,853,315
	132,125,579	132,125,579
Deferred income released	(26,313,567)	(23,837,447)
	105,812,012	**108,288,132**
Phase 2 construction	67,778,877	67,778,877
Deferred income released	(2,765,514)	(1,382,757)
	65,013,363	**66,396,120**
	170,825,375	**174,684,252**

10. Trade and other payables

Financial instruments:		
Trade payables	1,926,692	5,427,504
Other payables	849,836	597,824
Accrued leave pay	2,589,703	2,012,755
Other payroll accruals	446,042	768,482
Non-financial instruments:		
Amounts received in advance	52,378	27,500
	5,864,651	**8,834,065**

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

11. Revenue

Revenue from contracts with customers		
Training fees	3,859,503	2,885,279
Consulting	343,842	301,252
Cafeteria	704,716	970,268
Hire of facilities	1,570,754	588,380
	6,478,815	**4,745,179**

Statement of Financial Position as at 31 March 2019

	Note(s)	2019 N$	2018 N$
11. Revenue (continued)			
Disaggregation of revenue from contracts with customers			
The institute disaggregates revenue from customers as follows:			
Rendering of services			
Services revenue		3,776,488	2,691,974
Other revenue from rendering of services		83,015	193,305
		3,859,503	**2,885,279**
Other revenue			
Cafeteria		704,716	970,268
Hire of facilities		1,570,754	588,380
		2,275,470	**1,558,648**
Total revenue from contracts with customers		**6,478,815**	**4,745,179**
Timing of revenue recognition			
At a point in time			
Rendering of services		(2,275,470)	(1,558,648)
Over time			
Rendering of services		(4,203,345)	(3,186,531)
Total revenue from contracts with customers		**(6,478,815)**	**(4,745,179)**
12. Other operating gains (losses)			
Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	4	-	(36,315)
13. Other operating income			
Deferred income released		3,858,876	4,041,955
Other income		15,765	-
Government grants		25,750,000	16,558,367
		29,624,641	**20,600,322**
14. Operating profit (loss)			
Operating loss for the year is stated after charging (crediting) the following, amongst others:			
Auditor's remuneration - external			
Audit fees		549,950	403,115
Remuneration, other than to employees			
Administrative and managerial services		-	434,889
Consulting and professional services		1,386,070	1,316,111
		1,386,070	**1,751,000**

Statement of Financial Position as at 31 March 2019

	Note(s)	2019 N$	2018 N$

14. Operating profit (loss) (continued)

Employee costs

Salaries, wages, bonuses and other benefits	24,890,572	28,013,233
Retirement benefit plans: defined contribution expense	1,981,673	1,974,493
Total employee costs	**26,872,245**	**29,987,726**

Leases

Operating lease charges		
Premises	20,848	566,423
Equipment	689,222	(18)
	710,070	**566,405**

Depreciation and amortisation		
Depreciation of property, plant and equipment	4,615,033	4,672,242
Amortisation of intangible assets	361,203	300,167
Total depreciation and amortisation	**4,976,236**	**4,972,409**

Statement of Financial Position as at 31 March 2019

	Note(s)	2019 N$	2018 N$

14. Operating profit (loss) (continued)

Expenses by nature

The total operating expenses are analysed by nature as follows:

Employee costs	26,872,245	29,987,726
Operating lease charges	710,070	566,405
Depreciation and amortisation	4,976,236	4,972,409
Other expenses	4,494,093	3,053,470
Governing council fees	435,805	997,175
Utilities	2,559,702	1,343,574
Telecomunication costs	719,224	1,094,465
Bad debts	(709,319)	(972,574)
Consulting and professional fees	1,386,070	1,316,111
Resource pool	481,761	1,338,981
	41,925,887	**43,697,742**

15. Investment income

Interest income		
Investments in financial assets:		
Bank and other cash	1,071,827	2,024,798

16. Cash used in operations

Loss for the year	(8,298,827)	(16,363,758)
Adjustments for:		
Depreciation and amortisation	4,976,236	4,972,409
Losses on disposals, scrappings and settlements of assets and liabilities	-	36,315
Interest income	(1,071,827)	(2,024,798)
Movements in provisions	-	(3,517,489)
Other non-cash items	-	(15,314)
Changes in working capital:		
Inventories	104,056	(308,250)
Trade and other receivables	(172,964)	4,092,080
Trade and other payables	(2,969,411)	364,804
Deferred income	(3,858,876)	(4,041,955)
	(11,291,613)	**(16,805,956)**

17. Commitments

Operating leases – as lessee (expense)

The leases are renewable on annual basis.

Statement of Financial Position as at 31 March 2019

	Note(s)	2019 N$	2018 N$

18. Governing council fees

Non-executive

2019

	Directors' fees	Total
Governing council fees	435,805	435,805

2018

	Directors' fees	Total
Governing council fees	434,889	434,889

19. Related parties

Relationships

Governing Council members	Refer to Governing Council's Report
Significant Stakeholder	Government of the Republic of Namibia

Related party balances

Deferred income - donated assets

Grants received	(170,825,375)	(174,684,252)

Related party transactions

Other operating income

Grants received	(25,750,000)	(16,558,367)

For Governing council fees refer to note 18.

Detailed statement of comprehensive income

	Note(s)	2019 N$	2018 N$
Revenue			
Training fees		3,859,503	2,885,279
Consulting		343,842	301,252
Cafeteria		704,716	970,268
Hire of facilities		1,570,754	588,380
	11	**6,478,815**	**4,745,179**
Cost of sales			
Opening stock		(308,250)	-
Purchases		104,056	(308,250)
Closing stock		204,194	308,250
		-	**-**
Other operating income			
Deferred income released		3,858,876	4,041,955
Other income		15,765	-
Government grants		25,750,000	16,558,367
	13	**29,624,641**	**20,600,322**
Other operating gains (losses)			
Losses on disposal of assets or settlement of liabilities		-	(36,315)
Expenses		**(45,474,110)**	**(43,697,742)**
Operating loss	14	**(9,370,654)**	**(18,388,556)**
Investment income	15	1,071,827	2,024,798
Loss for the year		**(8,298,827)**	**(16,363,758)**

The supplementary information presented does not form part of the annual financial statements and is unaudited

Detailed statement of comprehensive income

	Note(s)	2019 N$	2018 N$
Other operating expenses			
Selling and distribution expenses			
Delivery expenses		(463)	(22)
Motor vehicle expenses		(352,151)	(506,713)
Postage		(8,727)	(7,221)
		(361,341)	(513,956)
Marketing expenses			
Advertising		(326,164)	(109,559)
General and administrative expenses			
Administration and management fees		-	(434,889)
Auditors remuneration - external auditors	14	(549,950)	(403,115)
Bank charges		(21,686)	(18,451)
Computer expenses		(578,016)	(119,803)
Depreciation		(4,615,033)	(4,672,242)
Employee costs		(26,872,245)	(29,987,726)
Insurance		(345,504)	(348,631)
Lease rentals on operating lease		(710,070)	(566,405)
Levies		(425,779)	(644,199)
Utilities		(2,559,702)	(1,343,574)
Placement fees		(15,974)	(14,441)
Printing and stationery		(181,043)	(107,647)
Telecommunication costs		(719,224)	(1,094,465)
		(37,594,226)	(39,755,588)
Maintenance expenses			
Repairs and maintenance		(343,697)	(329,108)
Other operating expenses			
Amortisation		(361,203)	(300,167)
Bad debts		709,319	972,574
Cleaning		(142,405)	110,450
Consulting and professional fees		(1,386,070)	(1,316,111)
Entertainment		(26,609)	(39,088)
Government council & committees		(435,805)	-
Fines and penalties		-	(200,000)
Flowers		(2,520)	-
Incorporation costs		(498,966)	(573,888)
Resource pool		(481,761)	(1,338,981)
Security		(15,002)	(15,825)
Staff welfare		(541,246)	(182,233)
Subscriptions		(56,771)	(2,820)
Training		(12,000)	(5,074)
Travel - local		(49,420)	(98,368)
		(3,300,459)	(2,989,531)
		(41,925,887)	**(43,697,742)**

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