



# NATIONAL COUNCIL FOR HIGHER EDUCATION



## Annual Report and Financial Statements 2018 – 2019



The electronic version of this report is available on the NCHE website at [www.nche.org.na](http://www.nche.org.na) under publications.

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## **Our Logo embodies the following:**

- The 'hut' symbolises a pyramid of which the 'sticks' represent the different academic streams which lead to excellence
- The different academic streams join and guarantee 'shelter' for the nation
- The 'hut' also symbolises unity through binding the different academic streams together
- This unified effort emphasizes coordination among our higher education institutions

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## **LIST OF ABBREVIATIONS/ ACRONYMS**

AfDB	African Development Bank
FF	Funding Framework
HEMIS	Higher Education Management Information System
MHETI	Ministry of Higher Education, Training and Innovation
NCHE	National Council for Higher Education
NHESY	National Higher Education Statistical Yearbook
NQA	Namibia Qualifications Authority
NUST	Namibia University of Science and Technology
UNAM	University of Namibia

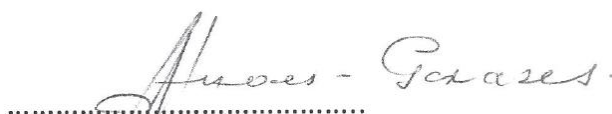
## MESSAGE FROM THE CHAIRPERSON

Following our appointment and orientation in the last quarter of the 2017/18 financial year, we continued where the 3<sup>rd</sup> NCHE had left off. We experienced a smooth off-take as NCHE has adopted a strong culture of performance management, implemented through the five-year Strategic Plan.

Council monitored performance through reviews of quarterly implementation reports, a process that enabled it to attend to and provide remedial actions to challenges as and when they emerged. In addition, council also developed a schedule of quarterly meetings with the line minister to brief her on progress made and receive policy directives. I am proud to say that most of the annual targets were achieved on time, and within budget.

During the year under review, we bid farewell to the Executive Director, Mr. Mocks Shivute, who retired from the civil service in August 2018. We are very grateful for the support he had provided during our inception period and the strong performance culture he inculcated in the Secretariat. We have no doubt that the Secretariat will continue to provide council with same quality of secretarial, administrative, and technical support.

On behalf of the Council, I wish to express our gratitude to the line minister, Hon. Dr Itah Kandjii-Murangi, senior management in the line ministry and the NCHE key stakeholders for their support and cordial cooperation during the year.



PROF LISCHEN HAOSSES-GORASES

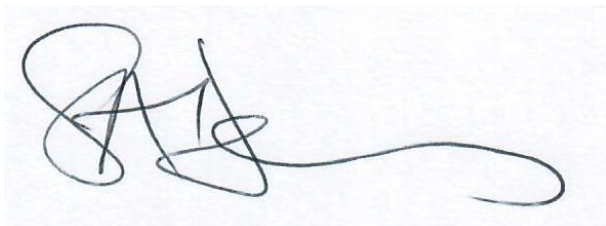
**CHAIRPERSON: NCHE**

## **MESSAGE FROM THE DEPUTY EXECUTIVE DIRECTOR**

The financial year 2018/19 was eventful. Most important on the implementation plan were the definition of criteria for institutional designation, accreditation of academic programmes, registration of private higher education institutions, undertaking of the graduate survey and administration of the funding framework for public higher education institutions.

While most of the annual targets have been attained, the year did not pass without challenges. The major challenges encountered were mainly externally driven. On the one hand was budgetary limitations that hindered proper administration of the funding framework for public higher education institutions and on the other was the inadequate structural provision of the NCHE Secretariat which presented strenuous working conditions. These challenges require policy interventions to enable NCHE to properly discharge its mandate and remain the valuable coordinator of the higher education system in Namibia.

As we look forward to the year ahead, we are optimistic that with the gains made during the past year and with the support of our key stakeholders we will achieve even higher strides.

A handwritten signature in black ink, appearing to be 'Sylvia Demas', with a long, flowing horizontal stroke extending to the right.

Sylvia Demas  
**Deputy Executive Director**



## **GOVERNANCE**

The NCHE is a Statutory body established in terms on Section 4 of the Higher Education Act, 2003 (Act No. 26 of 2003) to advise the Minister responsible for Higher Education, on matters relating to Higher Education.

### ***Functions***

The Councils' functions, subject to the Higher Education Act (Act No 26 of 2003), are to:

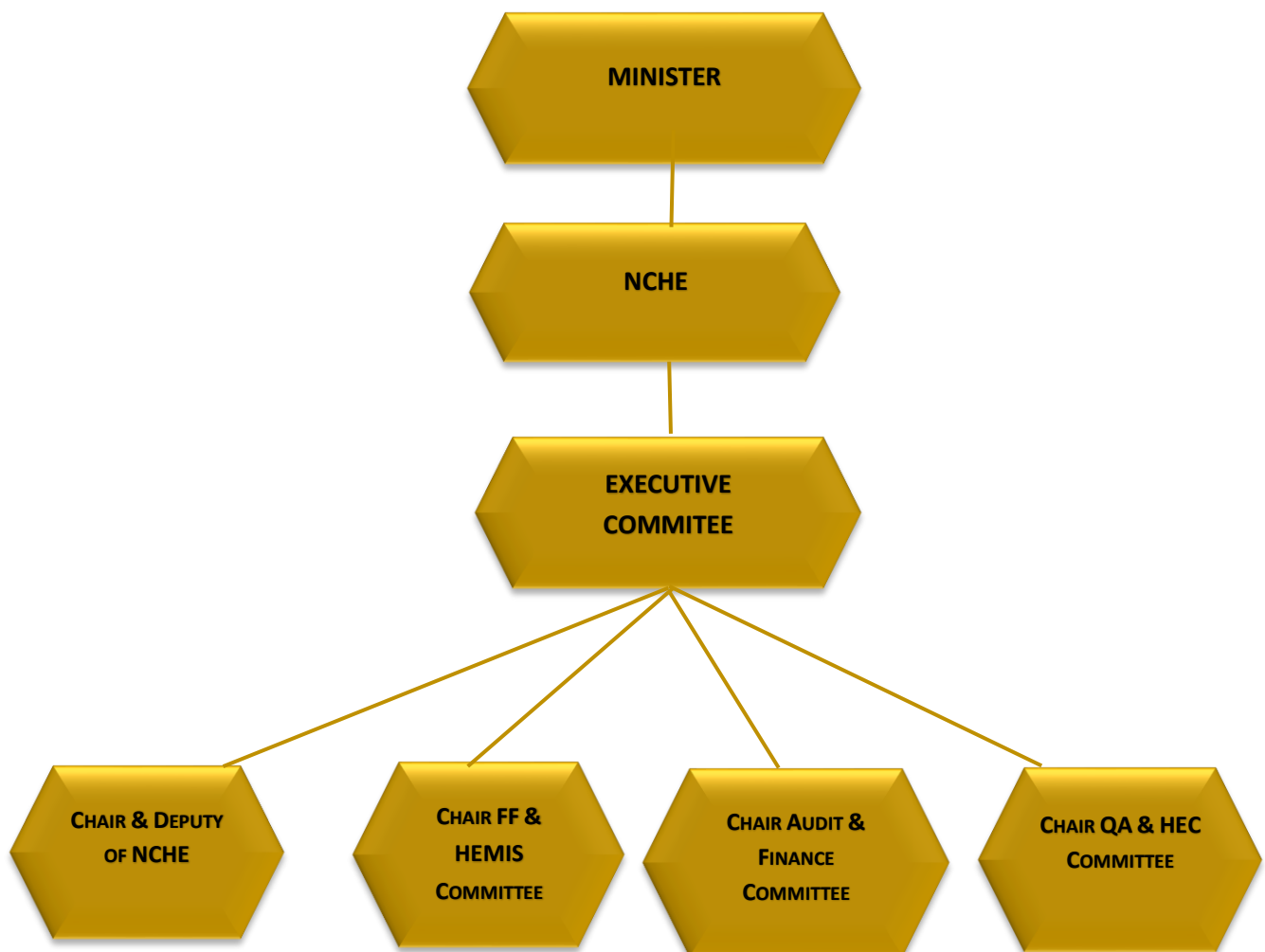
- accredit, with concurrence of the National Qualifications Authority, programmes of higher education provided at higher education institutions,
- monitor the quality assurance mechanisms of higher education institutions,
- undertake such research regarding its objects as it may deem necessary or as the Minister may require, and
- either on its own accord or at the Minister's request, advise the Minister on all issues related to higher education.

### ***Council***

The Council consists of 19 substantive members and 16 alternate members selected in terms of Section 7 (1) of the Higher Education Act, 2003 (Act No. 26 of 2003).

The Executive Committee consists of the Council Chairperson and Deputy Chairperson, and the Chairpersons of the Committees. Currently the Council has three (3) Committees, i.e., Audit and Finance Committee, Quality Assurance & Higher Education Coordinating Committee and Funding Framework & HEMIS Committee.

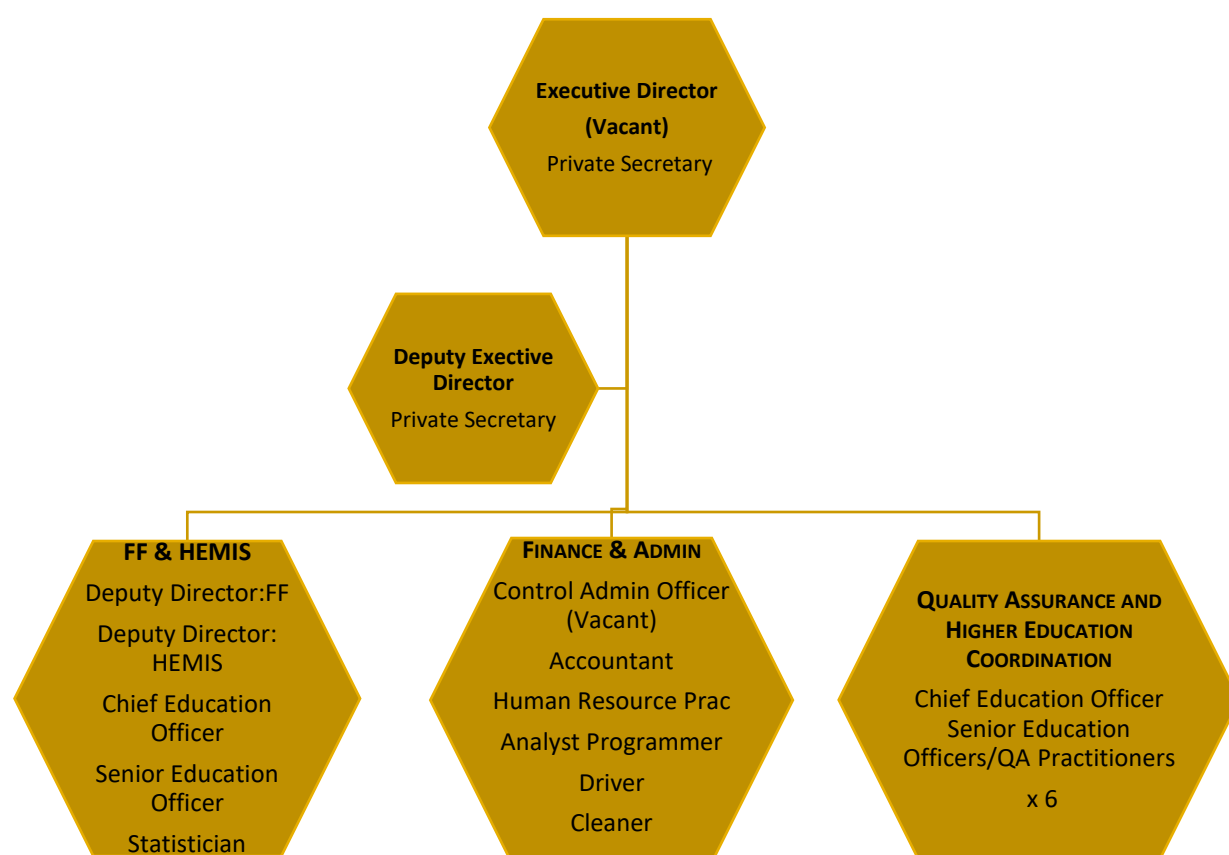
## The Governance Structure



## THE SECRETARIAT

NCHE is served by a Secretariat under the leadership of Executive Director. The Executive Director serves as the Secretariat's Accounting Officer. The Secretariat comprises of staff members of the Ministry of Higher Education, Training and Innovation designated by the Permanent Secretary to perform the functions of the Secretariat. The functions of the Secretariat are to provide secretarial and administrative services and technical assistance as may be required by the NCHE or any committee of the NCHE.

## Organogram of the Secretariat



## PERFORMANCE REPORT

### 1. Policy, Regulatory Framework and Compliance

During the year under review, council endeavoured to have Government adopt the National Policy on Higher Education as well as enact amendments to the Higher Education Act, 2003. Unfortunately, the two documents remained in draft form. Being concerned about the vacuum in policy strategies for higher education coordination, NCHE deemed it necessary to implement selected intervention strategies from the draft policy. Such interventions included the legalisation of the criteria for institutional designation and the formulation of the national admission policy. Accordingly, the criteria for institutional designation were shared with the Ministry of Justice and Office of Attorney General for legal input. Consultation on issues pertaining to admission to higher education has also commenced.

## 2. Promotion of Evidence-based Planning

### 2.1 Annual Public Lecture

NCHE annual public lecture is a method for gathering public input to topical issues on higher education. The ninth public lecture was held on 27 March 2019, anchored on the theme: "*Forging responsive higher education in Namibia*". The lecture underscored the importance of cultivating an entrepreneurial mind that would enable graduates to start their own enterprises, rather than waiting to be employed. Educational institutions were inspired to conduct proper market research, support each other, and provide flexible learning pathways to respond to the needs of society. Above all, practicality was underlined as a defining feature of higher education institutions' functions.



Public Lecture Panellists

### 2.2 Monitoring and Evaluation of Higher Education Impact

Trends in higher education are monitored through annual student enrolment, examination results and staff capacity. During the year under review, the 2017 National Higher Education Statistical Yearbook (NHESY) was produced. According to the report, student enrolment was recorded at 56,047 of whom 67 per cent were female and 33 per cent male students. This marked an increase of 3000 students from the previous academic year [http://www.nche.org.na/sites/default/files/documents/nhesy\\_2017.pdf](http://www.nche.org.na/sites/default/files/documents/nhesy_2017.pdf).

The year also saw the production of the first ever five-year (2012-2016) Namibia Higher Education Indicators report. The purpose of the report is to provide the status of higher education in Namibia, to identify policies and practices that hinder progress and to improve overall attainment in higher education. The report examines the enrolment trends, equality, quality, efficiency, and financial investments. The report also includes international comparisons, drawing from global reports, where information is available and relevant. [http://www.nche.org.na/sites/default/files/documents/namibia\\_higher\\_education\\_indicators\\_2012-2016.pdf](http://www.nche.org.na/sites/default/files/documents/namibia_higher_education_indicators_2012-2016.pdf).

To evaluate the impact of higher education on individuals and the economy, NCHE conducts national surveys of graduate cohorts. During the year under review, NCHE was involved in planning and data collection for the survey of the 2014-2016 graduate cohorts which commenced in the last quarter of the year. The survey data collection was launched on 27 February 2019.



**Deputy Minister of MHEI launching the 2014-2016 graduate cohorts survey data collection**

### **3. Improving Quality of the Higher Education System**

#### ***3.1 Registration of Private Higher Education Institutions***

The process of quality assurance in higher education starts with the establishment of institutions whereby the quality of facilities, academic programmes and staff as well as feasibility of the business plan and financial sufficiency are evaluated against the criteria set out in the Quality Assurance System for Higher Education in Namibia and the Regulations for the Registration of Private Higher Education Institutions: Higher Education Act 2003. Accordingly, two private institutions, namely Botho Higher Education Institution; and Welwitchia Health Training Centre were registered as private higher education institutions (Government Gazette 6737 No. 264).



**NCHE Chair and BHEI representatives at registration certification ceremony**

#### ***3.2 Institutional Quality Audit***

To ensure upholding of internal quality culture, it is required that higher education institutions be periodically quality audited. To this end, NCHE and NQA conducted a joint exercise aiming at quality auditing and reaccreditation of the Monitronic Success College in April 2018. Technical support for inducting



stakeholders on institutional audit was mobilised by NCHE. This exercise also marked the commencement of the process of alignment and streamlining quality assurance processes between the two regulatory bodies. The initiative was hailed as successful and both institutions expressed the desire to strengthen the joint approach.

Capacity development workshops on institutional audit sub-system were held for NCHE and NQA Secretariats and staff members of the private and public higher education institutions. A total number of twenty-three participants attended the workshops.

### ***3.3 Academic Programme Accreditation***

The absence of the governing structure that occurred between December 2016 and November 2017 rendered accreditation of academic programmes impossible. Thus, the accreditation reports of the 62 programmes (30 at UNAM and 32 at NUST) that were reviewed between 2016/17 and 2017/18 were only considered by Council during the year under review. In addition, 6 programmes at NUST were reviewed during 2018/19. Out of all the 68 programmes, 24 were accredited for a full cycle of six years, 42 accredited with conditions, whereas two were not accredited <http://www.nche.org.na/quality-assurance/programmes>.



**NCHE Executive Director and NUST representatives at accreditation ceremony**

Review panels consisted of independent academic specialists, quality assurance experts, industry representatives and senior students from the reviewed programmes. Subject and quality assurance experts were sourced from higher education institutions and quality assurance bodies in Ghana, Nigeria, Uganda, Zimbabwe, Namibia, South Africa, Mauritius and Kenya. Industry representatives were drawn from the Ministry of Works and Transport; Ministry of Lands and Resettlement; Ministry of Environment and Tourism; Agro-Marketing & Trade Agency (AMTA); and Project Surveyor and the Surveyor Council of Namibia (SURCON). One final year student from each of the reviewed programmes also served as a review panel member.

### ***3.4 Monitoring of Programme Quality Improvement***

Quality improvement of programmes that were accredited with conditions is monitored through the implementation of improvement plans. During the year under review, an Implementation Report for one NUST programme was considered and the programme was accredited for a full cycle of six years.

### ***3.5 Improving Teaching and Research Capacity of Academic Staff***

To contribute to improvement in teaching and research capacity, NCHE provides funding support to academic staff at UNAM and NUST. Four academic staff, (2 at UNAM and 2 at NUST) graduated during the 2018/19 financial year. An amount of N\$244,463.41 was disbursed towards the tuition of eight students (3 from NUST and 5 from UNAM).



**Dr Petrus Iiyambo from UNAM obtained PhD in Statistics from Univ. of the Free State**



### ***3.6 Forging Partnership in Quality Assurance***

During the period under review, NCHE and NQA piloted a joint institutional audit/ re-accreditation initiative. Lessons learnt at the end of this exercise would serve as input to the NCHE-NQA integrated manual for future use.

A Memorandum of Understanding (MOU) was entered into with the Tertiary Education Commission of Mauritius. An implementation plan for this MoU was also concluded.

## **4. Ensuring Affordable Access and Equitable Allocation of Funds to Public Higher Education**

Funding of public higher education institutions is determined in accordance with the Funding Framework for Public Higher Education Institutions. The framework also facilitates determination of increase in tuition fees to ensure affordability by students and complement the government subsidies to the institutions.

Tuition fees increase of 5.3 per cent at UNAM and NUST was calculated for the academic year 2019. This growth was used in the formula to determine the specific amounts of subsidies to the universities, however in final allocation, UNAM received only 57.2 per cent whereas NUST received 61.2 per cent of the calculated subsidies. The situation whereby the allocated amounts are distant from the calculated cost of delivering higher education at specific institutions, it compromises effective implementation of the Funding Framework.

## **5. Enhancement of Organizational Performance**

### ***5.1 Performance Management***

To ensure effective organisational performance, there is need to create synergy between the institutional strategic plan and individual performance and development. The 2018/19 action plan was developed in accordance with the 2017/18-2021/22 NCHE Strategic Plan. All staff members signed performance agreements accompanied with personal development plans, responding to institutional and individual capacity needs. Individual staff members' quarterly

performance review reports culminate into unit reports which in turn are aggregated into institutional reports.

To boost performance and staff morale, NCHE employs motivation and team building initiatives. To this end, a team building exercise themed: "*Embracing the NCHE High Level Statements*" was held to popularise and inculcate understanding of the NCHE core values, mission and vision.



The Secretariat recreated the NCHE logo to internalise and appreciate its meaning

## ***5.2 Human Resources Management***

The year saw the finalisation of the Staff Induction and the Exit Interview Manuals of which the implementation also started during the year. Recommendations that emanated from the exit interviews were noted by Secretariat Management. The Executive Director who retired during the second quarter submitted a handover note for the attention of the Council and the Line Ministry.

Three vacancies occurred during the year: for the executive director position, and for the chief control officer. The recruitment process for the chief education

officer in the quality assurance unit which has been vacant for a long time, commenced and by the end of the financial year, a recommendation for the filling of the post was under consideration by the Teaching Service Commission. Approval for filling the chief administrative (control) officer position was yet to be granted by the line ministry. Meanwhile, due to the importance of the role the chief control officer plays, a caretaker was appointed within the Secretariat. A similar arrangement was made for the quality assurance and higher education coordination unit whereby a deputy director was assigned as a caretaker manager for the unit. There is severe capacity gap in the finance unit which is staffed with one administrative officer on contract basis. This situation poses a threat to sustainable financial management.

### ***5.3 Human Resources Development***

In line with the Public Service Training and Development Framework, staff members are exposed to different modes of training and capacity development. The following were the training workshops attended:

- VIP Payroll and Sage Pastel by SIEGE, Windhoek x 1
- Asset Management for Control, Johannesburg, South Africa x 2
- Data collection of country education statistics by UNESCO Institute of Statistics, Dakar, Senegal x 2
- Foundations Programme by Namibia Institute of Public Administration and Management, Windhoek x 5
- Graduate tracer study design, Bali, Indonesia x 5
- Basic Computer Usage Skills Training, Windhoek x 2
- Human Resources Processes and Change Management x 1
- Public procurement by the Procurement Policy Unit, Windhoek x 6

Individual staff members were also assisted to pursue qualifying training programmes as follow:

- Postgraduate Diploma in Compliance Management, University of Johannesburg
- Bachelor Hons in Human Resource Management, NUST
- Editing, University of Cape Town
- Bachelor of Business Administration, University of South Africa
- Graduate Certificate in Tertiary Education (Quality Assurance), University of Melbourne

## **5.4 Corporate Governance**

The council and committees maintained a schedule of periodic meetings as prescribed in the Higher Education Act, 2003. Council also held quarterly meetings with the shareholder minister to brief her on the performance and obtain policy directives.

As part of corporate social responsibility, NCHE delegated members of the Council and Secretariat to present keynote/ motivational speeches at events of the higher education institutions; and supported the Namibia National Students Organisation (NANSO) for various student activities and other charity events, aiming at social uplifting.



**Jazz artist, Suzy Eises visited NCHE to appreciate support to her charity event**

Staff wellness is achieved through the implementation of the staff wellness policy and programme. The staff satisfaction survey conducted at the end of the financial year revealed that an average of 76 per cent of staff members were satisfied with the working environment.

## ***5.5 Financial Management***

For accountability and prudence financial management purposes, expenditure reports are produced on a quarterly basis and reviewed by council before mandatory submission to the line ministry and the Ministry of Finance. As chief custodian for higher education coordination, NCHE also takes responsibility for preparing the budget documents for the higher education sub-sector. During the year under review, NCHE prepared the 2017/ 18 Accountability Report and the 2019/20 medium term plan.

The capacity development support project funded by the African Development Bank (AfDB) which concluded during the year under review, was audited and the final reports have been submitted to AfDB.

## ***5.6 Asset Management***

Institutional assets are recorded on the fixed assets register and inventory sheet. No new assets were procured during the year under review. Fitness of the office fleet is monitored regularly and reports thereon are produced on a quarterly basis. Efforts to update, depreciate and write-off assets that have become obsolete are underway.

## ***5.7 Capital Project (Construction of Office Facilities)***

Commencement of phase two of the construction of the office building has been delayed due to poor performance by some members of the capital project engineering team. The team was subsequently replaced in 2018 following which the Bill of Quantity was finalised and bidding documents approved by the Ministry of Works and Transport.

## **CHALLENGES**

NCHE did encounter challenges, some of which have implications on the effective discharge of the institution's mandate. One of the main challenges relates to the suboptimal utilization of the Funding Framework for Public Higher Education Institutions. Inconclusive use of the Funding Framework undermines confidence on the part of the public universities in the Funding Framework. While this challenge is mainly influenced by external factors, that is, national budgetary constraints, consistency in maintaining indicative budget amounts as

forecasted in the Medium-Term Expenditure Framework might help to maintain the institutions' confidence in the implementation of the Funding Framework.

Acute staff shortage in the Secretariat is a noteworthy challenge. It results in staff assuming additional roles with adverse consequences on staff morale and effective delivery of services. This problem must be addressed through a review of the organisational structure to ensure alignment to the NCHE and Secretariat functions as provided for by the Higher Education Act, 2003.

**NATIONAL COUNCIL FOR HIGHER EDUCATION  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**General Information**

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<b>Country of incorporation and domicile</b>	Namibia
<b>Council Members</b>	<p>Prof. Lischen Haoses-Gorases (Chairperson) Dr Anicia Peters Dr Kavindame Romanus Kawana Dr Alfred Van Kent Rev. Roderick Graham April (Alternate) Ms Ericah Shafudah Ms Angelina Nandjila Nauta-Sinvula (Alternate) Mr Andries Leevi Hungamo Mr Sylvester Mbangu (Alternate) Dr Rachel Shanyanana Mr Thikusho Mapuku (Alternate) Ms Himeesora Kaimu Dr Samuel John (Vice Chairperson) (Alternate) Mr Joseph Mukendwa Ms Mariane Hara-Gaes (Alternate) Ms Emma Inamutila Theofelus Mr Herman Walter Rutz (Alternate) Ms Ilana Calitz Ms Nangula Iipumbu (Alternate) Mr Franz Ernst Gertze Ms Asnath Katuvemuine Kaperu (Alternate) Ms Toini Victoria Peyavali Nauyoma Ms Maria Kamati Nangolo (Alternate) Ms Taimi Kapelwa Dr Ananias Iita Prof Geoffrey Elifadhi Kiangi Dr L. Van den Berg (Alternate) Mr Daniel Siremo Trum Ms Silvia Kalinda Chidunka (Alternate)</p>
<b>Auditor</b>	<p>PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)</p>



**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Contents**

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Comprehensive Income	22 - 23

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019  
**Council Members' Responsibilities and Approval**

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The Council Members are required by the Higher Education Act, 2003, 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 Council 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

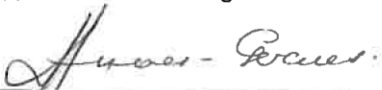
The Council Members acknowledge that they are ultimately responsible for the system of internal financial control established by the council and place considerable importance on maintaining a strong control environment. To enable the Council Members to meet these responsibilities, the Council Members 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 Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

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

The annual financial statements set out on pages 7 to 21, which have been prepared on the going concern basis, were approved and were signed on its behalf by:



**Prof. Lischen Haoses-Gorases (Chairperson)**



**Ms Taimi Kapelwa (Chairperson of Audit and Finance Committee)**

Windhoek

Date:

30 June 2021.

## *Independent auditor's report*

To the Member of National Council for Higher Education Secretariat.

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### *Our opinion*

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of *National Council for Higher Education Secretariat* (the Council) as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium - sized Entities and the requirements of Higher Education Act 2003.

### **What we have audited**

National Council for Higher Education Secretariat's financial statements set out on pages 7 to 21 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;
- the notes to the financial statements which includes a summary of significant accounting policies.

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### *Basis for qualified opinion*

Payables is a material balance on the annual financial statements, and it is stated at N\$ 2,634,043. Council's records did not provide sufficient and appropriate audit evidence supporting the completeness of payables due to the fact that management did not accrue, as at year end, for all expenses whose supporting documents were dated before year end. In particular, we noted, from the audit sample of the test for unrecorded liabilities, operating expenses amounting N\$ 69,325 with supporting documents dated before year end that were not accrued for by management. We could not satisfactorily perform alternative procedures to satisfy ourselves as to the completeness and valuation of payables. As a result, we were unable to determine whether any adjustments would be required in respect of recorded or unrecorded purchases, accruals or other adjustments, and the related elements making up the statements of financial position, statement of comprehensive income and changes in equity and cash flows.

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.

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*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](http://www.pwc.com.na)*

- Country Senior Partner: Chantell N Husselmann
- Partners: Louis van der Riet, Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Hannes van den Berg, Willem A Burger

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 Council in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standard)* (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.

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### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the document titled “National Council for Higher Education Secretariat Annual Financial Statements for the year ended 31 *March 2019*,”. The other information does not include the financial statements and our auditor’s report thereon.

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.

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### *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 the International Financial Reporting Standards for Small and Medium - sized Entities and the requirements of the Higher Education Act 2003, 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 Council’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 Council or to cease operations, or have no realistic alternative but to do so.

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### *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

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*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](http://www.pwc.com.na)*

- Country Senior Partner: Chantell N Husselmann
- Partners: Louis van der Riet, Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Hannes van den Berg, Willem A Burger

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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Council'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 Council 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.



**PricewaterhouseCoopers**  
**Registered Accountants and Auditors**  
**Chartered Accountants (Namibia)**

**Per: Samuel N Ndahangwapo**  
**Partner**

**Windhoek**  
**Date: 21 July 2021**

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*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](http://www.pwc.com.na)*

- Country Senior Partner: Chantell N Husselmann
- Partners: Louis van der Riet, Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Hannes van den Berg, Willem A Burger

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Council Members' Report**

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The Council Members have pleasure in submitting their report on the annual financial statements of National Council for Higher Education for the year ended 31 March 2019.

**1. Nature of business**

The activities of the Council comprises of:

- Promoting the establishment of a co-ordinated higher education system;
- Promoting access of students to higher education institutions;
- Promoting quality assurance in higher education;
- Advising on the allocation of moneys to public higher education institutions

The operating results and state of affairs of the Council are fully set out in the attached financial statements and do not in our opinion require any further comment.

**2. Events after the reporting period**

The Council Members are not aware of any material event which occurred after the reporting date and up to the date of this report other than the impact of COVID-19 which the Members of Council have concluded that it have no impact on the activities of the council.

**3. Going concern**

The Council Members believe that the Council 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 Council Members have satisfied themselves that the Council is in a fair financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Council Members are not aware of any new material changes that may adversely impact the Council. The Council Members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Council.

**4. Auditors**

PricewaterhouseCoopers continued in office as auditors for the Council for 2019.

**5. Council Members**

The Council Members in office at the date of this report are as follows:

**4th Council Appointed on 01 December 2017**

Prof. Lischen Haoses-Gorases (Chairperson)

Dr Anicia Peters

Dr Kavindame Romanus Kawana

Dr Alfred Van Kent

Rev. Roderick Graham April (Alternate)

Ms Ericah Shafudah

Ms Angelina Nandjila Nauta-Sinvula (Alternate)

Mr Andries Leevi Hungamo

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Council Members' Report**

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Mr Sylvester Mbangu (Alternate)

Dr Rachel Shanyanana

Mr Thikus Mapuku (Alternate)

Ms Himeesora Kaimu

Dr Samuel John (Vice Chairperson) (Alternate)

Mr Joseph Mukendwa (Resigned)

Ms Mariane Hara-Gaes (Alternate)

Ms Emma Inamutila Theofelus

Mr Herman Walter Rutz (Alternate)

Ms Ilana Calitz

Ms Nangula lipumbu (Alternate)

Mr Franz Ernst Gertze

Ms Asnath Katuvemuine Kaperu (Alternate)

Ms Toini Victoria Peyavali Nauyoma

Ms Maria Kamati Nangolo (Alternate)

Ms Taimi Kapelwa

Dr Ananias Iita

Prof Geoffrey Elifadhi Kiangi

Dr L. Van den Berg (Alternate)

Mr Daniel Siremo Trum

Ms Silvia Kalinda Chidunka (Alternate)

**National Council for Higher Education**  
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\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	22,538,529	18,934,303
Other financial assets	3	29,581,346	27,114,058
		<b>52,119,875</b>	<b>46,048,361</b>
<b>Current Assets</b>			
Trade and other receivables	4	28,910	109,250
Cash and cash equivalents	5	20,353,120	37,850,733
		<b>20,382,030</b>	<b>37,959,983</b>
<b>Total Assets</b>		<b>72,501,905</b>	<b>84,008,344</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		15,613,198	25,426,173
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income	6	53,750,988	54,110,249
Project funds	7	369,924	1,743,524
		<b>54,120,912</b>	<b>55,853,773</b>
<b>Current Liabilities</b>			
Payables	8	2,634,043	2,567,492
Provisions	9	133,752	160,906
		<b>2,767,795</b>	<b>2,728,398</b>
<b>Total Liabilities</b>		<b>56,888,707</b>	<b>58,582,171</b>
<b>Total Equity and Liabilities</b>		<b>72,501,905</b>	<b>84,008,344</b>



# National Council for Higher Education

Annual Financial Statements for the year ended 31 March 2019

## Statement of Surplus or Deficit and Other Comprehensive Income

	Note(s)	2019 N\$	2018 N\$
Revenue	10	3,127,000	24,572,127
Other income	11	1,732,868	1,712,251
Operating expenses		(17,958,351)	(20,111,199)
<b>Operating surplus (deficit)</b>		<b>(13,098,483)</b>	<b>6,173,179</b>
Investment revenue	12	3,285,508	3,110,649
<b>Surplus for the year</b>		<b>(9,812,975)</b>	<b>9,283,828</b>

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Statement of Changes in Equity**

	Retained income N\$	Total equity N\$
<b>Balance at 01 April 2017</b>	<b>16,142,345</b>	<b>16,142,345</b>
<b>Surplus for the year</b>	<b>9,283,828</b>	<b>9,283,828</b>
<b>Balance at 01 April 2018</b>	<b>25,426,173</b>	<b>25,426,173</b>
<b>Surplus for the year</b>	<b>(9,812,975)</b>	<b>(9,812,975)</b>
<b>Balance at 31 March 2019</b>	<b>15,613,198</b>	<b>15,613,198</b>

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Statement of Cash Flows**

	Note(s)	2019 N\$	2018 N\$
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	15	(12,411,931)	10,245,354
Interest income	12	3,285,508	3,110,649
<b>Net cash from operating activities</b>		<b>(9,126,423)</b>	<b>13,356,003</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(4,530,302)	(1,872,635)
Purchase of other financial assets	3	-	(2,263,228)
Sale of financial assets		(2,467,288)	-
<b>Net cash from investing activities</b>		<b>(6,997,590)</b>	<b>(4,135,863)</b>
<b>Cash flows from financing activities</b>			
Movement in project funds	7	(1,373,600)	328,934
<b>Total cash movement for the year</b>		<b>(17,497,613)</b>	<b>9,549,074</b>
Cash at the beginning of the year		37,850,733	28,301,659
<b>Total cash at end of the year</b>	5	<b>20,353,120</b>	<b>37,850,733</b>

## **Accounting Policies**

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### **1. Presentation of annual financial statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Higher Education Act, 2003. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibian Dollar.

These accounting policies are consistent with the previous period.

#### **1.1 Significant judgements and sources of estimation uncertainty**

##### ***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 annual financial statements.

##### ***Key sources of estimation uncertainty***

##### ***Useful lives 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 furniture and fixtures, office equipment and IT equipment are determined based on group 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 of property, plant and equipment was estimated by management based on the specialized nature of the asset further costs to be incurred to sell it and age of the assets.

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.

#### **1.2 Property, plant and equipment**

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

## Accounting Policies

### 1.2 Property, plant and equipment (continued)

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

<i>Item</i>	<i>Depreciation method</i>	<i>Average useful life</i>
Land		Indefinite
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	5 years
Building - assets under construction	Straight line	50 years
Other fixed assets	Straight line	5 years

Land is not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in surplus or deficit.

### 1.3 Financial instruments

#### *Initial measurement*

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### *Financial instruments at amortised cost*

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

#### *Financial instruments at cost*

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

### 1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

## **Accounting Policies**

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### **1.4 Leases (continued)**

#### ***Operating leases – lessee***

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

### **1.5 Impairment of assets**

The Council assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

### **1.6 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 leave pay 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.

### **1.7 Provisions and contingencies**

Provisions are recognised when the Council has an obligation at the reporting date as a result of a past event; it is probable that the Council will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

### **1.8 Government grants**

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

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Accounting Policies**

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**1.8 Government grants (continued)**

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

**1.9 Revenue**

Revenue consists mainly of government grants.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

**1.10 Taxation**

The Council is registered under the Promulgation of Higher Education Act, 2003 of the Parliament of Namibia and is therefore exempted from corporate tax in terms of the said Act.

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Notes to the Annual Financial Statements**

**2. Property, plant and equipment**

	<b>2019</b>			<b>2018</b>		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	482,500	-	482,500	482,500	-	482,500
Furniture and fixtures	690,618	(412,140)	278,478	588,602	(283,899)	304,703
Motor vehicles	2,758,037	(2,100,772)	657,265	2,789,472	(1,688,108)	1,101,364
Office equipment	142,147	(91,786)	50,361	229,444	(129,249)	100,195
IT equipment	600,884	(301,632)	299,252	1,010,291	(536,537)	473,754
Computer software	152,872	(43,273)	109,599	-	-	-
Assets under construction	20,987,363	(359,267)	20,628,096	16,471,782	-	16,471,782
Other fixed assets	35,760	(2,782)	32,978	22,498	(22,493)	5
<b>Total</b>	<b>25,850,181</b>	<b>(3,311,652)</b>	<b>22,538,529</b>	<b>21,594,589</b>	<b>(2,660,286)</b>	<b>18,934,303</b>

**Reconciliation of property, plant and equipment - 2019**

	Opening balance	Additions	Other changes, movements	Depreciation	Impairment loss	Total
Land	482,500	-	-	-	-	482,500
Furniture and fixtures	304,703	23,630	-	(27,126)	(22,729)	278,478
Motor vehicles	1,101,364	-	-	(430,866)	(13,233)	657,265
Office equipment	100,195	-	-	(29,990)	(19,844)	50,361
IT equipment	473,754	-	(61,241)	(105,711)	(7,550)	299,252
Computer software	-	152,872	-	(43,273)	-	109,599
Assets under construction	16,471,782	4,314,850	200,731	(359,267)	-	20,628,096
Other fixed assets	5	38,950	-	122	(6,099)	32,978
	<b>18,934,303</b>	<b>4,530,302</b>	<b>139,490</b>	<b>(996,111)</b>	<b>(69,455)</b>	<b>22,538,529</b>

**Reconciliation of property, plant and equipment - 2018**

	Opening balance	Additions	Depreciation	Total
Land	482,500	-	-	482,500
Furniture and fixtures	221,371	110,458	(27,126)	304,703
Motor vehicles	1,532,230	-	(430,866)	1,101,364
Office equipment	100,027	30,158	(29,990)	100,195
IT equipment	152,347	488,359	(166,952)	473,754
Assets under construction	15,228,122	1,243,660	-	16,471,782
Other fixed assets	(117)	-	122	5
	<b>17,716,480</b>	<b>1,872,635</b>	<b>(654,812)</b>	<b>18,934,303</b>



**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Notes to the Annual Financial Statements**

	2019 N\$	2018 N\$
<b>2. Property, plant and equipment (continued)</b>		
<i>Details of properties</i>		
<i>ERF 6446, Haddy Street, Windhoek</i>		
- Donated value	238,500	238,500
<i>Erf 6445, Hoogenhout, Windhoek</i>		
- Donated value	244,000	244,000
Land comprises of donated properties.		
Assets under construction comprises of the costs incurred for the construction of the offices of The National Council for Higher Education.		
<b>3. Other financial assets</b>		
Opening balance	27,114,058	24,850,830
Interest accrued	2,467,288	2,263,228
	<b>29,581,346</b>	<b>27,114,058</b>
<i>At amortised cost</i>		
Fixed investment - First National Bank	29,581,346	27,114,058
<i>Non-current assets</i>		
At amortised cost	29,581,346	27,114,058
<b>4. Trade and other receivables</b>		
Other receivable	28,910	109,250
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
First National Bank - project bank account	369,924	1,743,524
First National Bank - current account	2,729,978	25,428,753
First National Bank - call account	12,130,423	5,649,318
Development fund: (Investment account)	5,043,600	4,706,505
First National Bank - ETSIP account	79,195	322,633
	<b>20,353,120</b>	<b>37,850,733</b>

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Notes to the Annual Financial Statements**

	2019 N\$	2018 N\$
<b>6. Deferred income</b>		
The deferred income balance comprises of the donated properties Erf 6446 and Erf 6445, and capital funds received from the Ministry of Higher Education, Training and Innovation for the capital development of the National Council for Higher Education's new offices being constructed.		
Opening balance	54,110,249	51,110,249
Movement in deferred income	(359,261)	3,000,000
	<b>53,750,988</b>	<b>54,110,249</b>

**7. Project funds**

<b>2018</b>	<b>Opening balance</b>	<b>Fund received</b>	<b>Paid out</b>	<b>Closing balance</b>
African Development Bank	1,743,524	-	(1,383,317)	369,924
<b>2017</b>	<b>Opening balance</b>	<b>Fund received</b>	<b>Paid out</b>	<b>Closing balance</b>
African Development Bank	1,414,590	1,712,251	(1,383,317)	1,743,524

ETSIP funds are funds received from the Ministry of Higher Education, Training and Innovation to be administered for staff development at Public Higher Education Institutions, quality assurance and strategic planning to accomplish the 15 year special programme of the government to improve the quality of education in the country.

Since 2009, NCHE has been tasked with the responsibility of administering the Education and Training Sector Improvement Programme (ETSIP) Staff Development Fund for upgrading/improving the qualifications of academic staff at the two public higher education institutions. ETSIP came to an end in 2015/16. However, The Line Ministry has since requested NCHE to continue funding (using own budget) academic staff on training so as to ensure logical conclusion of studies while waiting for replenishment of funds from other sources.

**Africa Development Bank Project Funding**

The overall goal of the project funding is to improve the quality of the higher education and training system in Namibia. The project has two main components: Strengthening the national capacity of the NCHE to conduct programme accreditation and institutional audits; and Institutionalization of Tracer Studies in Higher Education Institutions (HEIs).

**8. Payables**

Payroll payables	921,278	271,149
Accrued leave pay	1,424,370	1,992,035
Accrued bonus	224,598	268,605
Deposits received	63,797	35,703
	<b>2,634,043</b>	<b>2,567,492</b>

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Notes to the Annual Financial Statements**

	2019 N\$	2018 N\$
<b>9. Provisions</b>		
<i>Reconciliation of provisions - 2019</i>		
	Opening balance	Utilised during the year
Provision for severance pay	160,906	(27,154)
		Total
		133,752
<i>Reconciliation of provisions - 2018</i>		
	Opening balance	Additions
Provision for severance pay	142,166	18,740
		Total
		160,906
<b>10. Revenue</b>		
Government grants	3,127,000	24,572,127
<b>11. Other income</b>		
Project fund and deferred income amortised to income	1,732,868	1,712,251
<b>12. Investment revenue</b>		
<i>Interest revenue</i>		
Interest received	3,285,508	3,110,649
<b>13. Taxation</b>		
The Council is registered under the Promulgation of Higher Education Act, 2003 of the Parliament of Namibia and is therefore exempted from corporate tax in terms of the said Act.		
<b>14. Auditor's remuneration</b>		
Fees	107,248	17,035
<b>15. Cash (used in) generated from operations</b>		
Surplus for the year	(9,812,975)	9,283,828
<i>Adjustments for:</i>		
Depreciation	996,111	654,812
Interest received	(3,285,508)	(3,110,649)
Impairment reversals	(70,035)	-
Movements in provisions	(27,154)	18,740
<i>Changes in working capital:</i>		
Trade and other receivables	80,340	(82,896)
Payables	66,551	481,519
Deferred income	(359,261)	3,000,000
	<b>(12,411,931)</b>	<b>10,245,354</b>

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2019

**Notes to the Annual Financial Statements**

	2019 N\$	2018 N\$
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**16. Related parties**

The Council is wholly owned by the Government through the Ministry of Higher Education, Training and Innovation hence all the government controlled entities are related parties. All the council's related party transactions were conducted with the Ministry of Higher Education, Training and Innovation, from which funds are received.

***Related party balances and transactions with entities with control, joint control or significant influence over the Council***

***Related party balances***

***Subsidy balances***

Capital subsidy & donation	53,750,988	54,110,249
Project funds	369,924	1,743,524

***Related party transactions***

***Government subsidy***

Capital subsidy and donation	3,127,000	24,572,127
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**17. Council Members' remuneration**

No emoluments were paid to the Council Members or any individuals holding a prescribed office during the year.

***Non-executive***

**2019**

	Council Members' fees	Total
For services rendered	754,023	754,023

**2018**

	Council Members' fees	Total
For services rendered	90,028	90,028

# National Council for Higher Education

Annual Financial Statements for the year ended 31 March 2019

## Detailed Statement of Comprehensive Income

	Note(s)	2019 N\$	2018 N\$
<b>Revenue</b>			
Government and project grants		3,127,000	24,572,127
<b>Other income</b>			
Project fund amortised to income		1,732,868	1,712,251
Interest received	12	3,285,508	3,110,649
		<b>5,018,376</b>	<b>4,822,900</b>
<b>Expenses (Refer to page 23)</b>		<b>(17,958,351)</b>	<b>(20,111,199)</b>
<b>Surplus for the year</b>		<b>(9,812,975)</b>	<b>9,283,828</b>

# National Council for Higher Education

Annual Financial Statements for the year ended 31 March 2019

## Detailed Statement of Comprehensive Income

	Note(s)	2019 N\$	2018 N\$
<b>Operating expenses</b>			
Advertising		(553,869)	(260,702)
Auditors remuneration	14	(107,248)	(17,035)
Bank charges		(33,372)	(15,131)
Catering services		(62,846)	(71,521)
Cleaning		(83,122)	(78,393)
Computer expenses		(288)	(5,599)
Conferences		-	(491,037)
Consulting fees		(745,540)	(851,247)
Depreciation		(926,076)	(654,812)
Donations		(15,699)	(93,811)
Electricity and water		(132,854)	(148,043)
Employee costs		(9,430,148)	(9,469,363)
Entertainment		(13,058)	(3,241)
Gratuity payments		(591,488)	(26,712)
Insurance		(181,227)	(180,483)
Interest paid		-	(5)
Lease rentals on operating lease		-	(2,139,401)
Motor vehicle expenses		(114,071)	(86,673)
Other expenses		(1,009)	-
Postage		(3,356)	(10,058)
Printing and stationery		(1,096,874)	(1,012,425)
Programme accreditation-project		(709,472)	(767,355)
Programme review-project		(279,919)	(59,184)
Project fund movement		2,600	51,352
Public lecture		(33,644)	(63,454)
Repairs and maintenance		(98,200)	(348,767)
Security		(243,393)	(134,010)
Staff welfare		(85,976)	-
Membership fees		(59,633)	(79,879)
Telephone, fax and internet		(713,563)	(351,193)
Training		(272,502)	(677,318)
Transport and freight		(109,250)	(2,800)
Travel - international and local		(989,861)	(1,482,095)
Workshop expenses		(273,393)	(580,804)
		<b>(17,958,351)</b>	<b>(20,111,199)</b>



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## This image shows a full page of blank handwriting practice paper. It features approximately 30 horizontal black lines spaced evenly across the page. There are no margins, text, or other markings present.

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## CONTACTS

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