



NATIONAL COUNCIL FOR HIGHER EDUCATION



Annual Report and Financial Statements

2020 – 2021

The electronic version of this report is available on the NCHE website at www.nche.org.na under publications.

Contact us:

National Council for Higher Education Secretariat

Tel: +264 61 307012

Fax: +264 61 307016

Email: info@nche.org.na

Postal Address:

PO Box 90890
Klein Windhoek
Namibia

Physical Address:

Erf 6445 & 6446
C/O Hoogenhout and Haddy Streets
Windhoek-West



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

Table of Contents

LIST OF ABBREVIATIONS/ ACRONYMS	6
PREFACE	7
1. GOVERNANCE	8
2. THE SECRETARIAT	10
3. PERFORMANCE REPORT	11
3.1 Policy, Regulatory Framework and Compliance	11
3.1.1 Formulation of Minimum Standards for Public Higher Education Institutions.....	11
3.1.2 Strategies for Mitigating the Effect of COVID-19 on the Higher Education System	11
3.2 Promotion of Evidence-based Planning	12
3.2.1 Higher Education Annual Statistics	12
3.2.2 Public Lecture	12
3.2.3 Graduate Survey for the 2017-2018 Cohorts.....	13
3.3 Improving the Quality of the Higher Education System	14
3.3.1 Registration of Private Higher Education Institutions.....	14
3.3.2 Institutional Quality Audit	15
3.3.3 Programme Accreditation	15
3.3.4 Monitoring of Quality Improvement.....	15
3.3.5 Strengthening of Partnerships and Cooperation	16
3.3.6 Upgrading Teaching and Research Skills at Public Universities	16
3.4 Ensure Affordable Access and Equitable Allocation of Funds to Public Higher Education	17
3.4.1 Tuition Fees for Higher Education Institutions	17
3.4.2 Subsidies for Public Higher Education Institutions	17
3.5 Enhanced Organizational Performance.....	18
3.5.1 Implementation of the Performance Management System	18
3.5.2 Staff Wellness.....	18
3.5.3 Human Resources Development.....	19
3.5.4 Corporate Governance	20
3.5.5 Information Communication Technology, Marketing and Publicity	20
3.5.6 Financial Management.....	20
3.5.6 Procurement and Asset Management	21
3.5.7 Capital Project	21
4. CHALLENGES	22
5. ANNUAL FINANCIAL STATEMENTS	23

LIST OF ABBREVIATIONS/ ACRONYMS

FF	Funding Framework
HECAI	Higher Education Cost Adjustment Index
HEMIS	Higher Education Management Information System
IOL	Institute of Open Learning
IUM	International University of Management
MHETI	Ministry of Higher Education, Training and Innovation
NCHE	National Council for Higher Education
NHESY	National Higher Education Statistical Yearbook
NUST	Namibia University of Science and Technology
SAQAN	Africa Quality Assurance Network
UNAM	University of Namibia

PREFACE

An effective and quality higher education and training system is fundamental to generating the professional and competent workforce with globally equivalent competencies. As the demand for higher education continues to increase, the higher education system is challenged to design access and quality strategies. The year saw the launch of a major quality improvement activity that will result in the implementation of minimum standards for higher education in Namibia.

In its final format, the standards will constitute benchmarks for all public and private higher education institutions. Alongside this activity, NCHE continued to monitor and evaluate the quality, trends and relevance of higher education in the country. In addition to the production of the Namibia Higher Education Statistical Yearbook, council launched a tracer study for the 2017-2018 graduate cohorts. The results thereof shall serve as useful input in development planning, higher education improvement and career development, to mention a few.

The financial year in review (2020/21) was however extremely challenging to the higher education institutions. The two public universities received 46 per cent less than the required subsidy to deliver the higher education programmes, as per the funding formula. This happened in a year in which the student population at these institutions expanded by 10 per cent. The dwindling government subsidy implies the transfer of the financial burden to the students, thereby compromising equitable access to higher education.

In addition to the financial constraints the higher education sub-system had to respond to suppress the spread of the Corona virus. The “new normal” brought about by virus mitigation measures presented challenges such as access to on-line education platforms. NCHE proactively responded with recommendations on a stimulus package for higher education that targeted improved IT infrastructures for the institutions as well as internet access and computer equipment for students, subsidised by government at a rate of 50 per cent. As the Corona virus continues to drastically alter the way we live, higher education is challenged to spearhead innovations to respond to the virus. This calls for a sector-wide strategy that aims at ensuring access to quality higher education amidst the pandemic.



Prof. Samuel John
Chairperson



Dr Sylvia Demas
Deputy Executive Director

1. 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

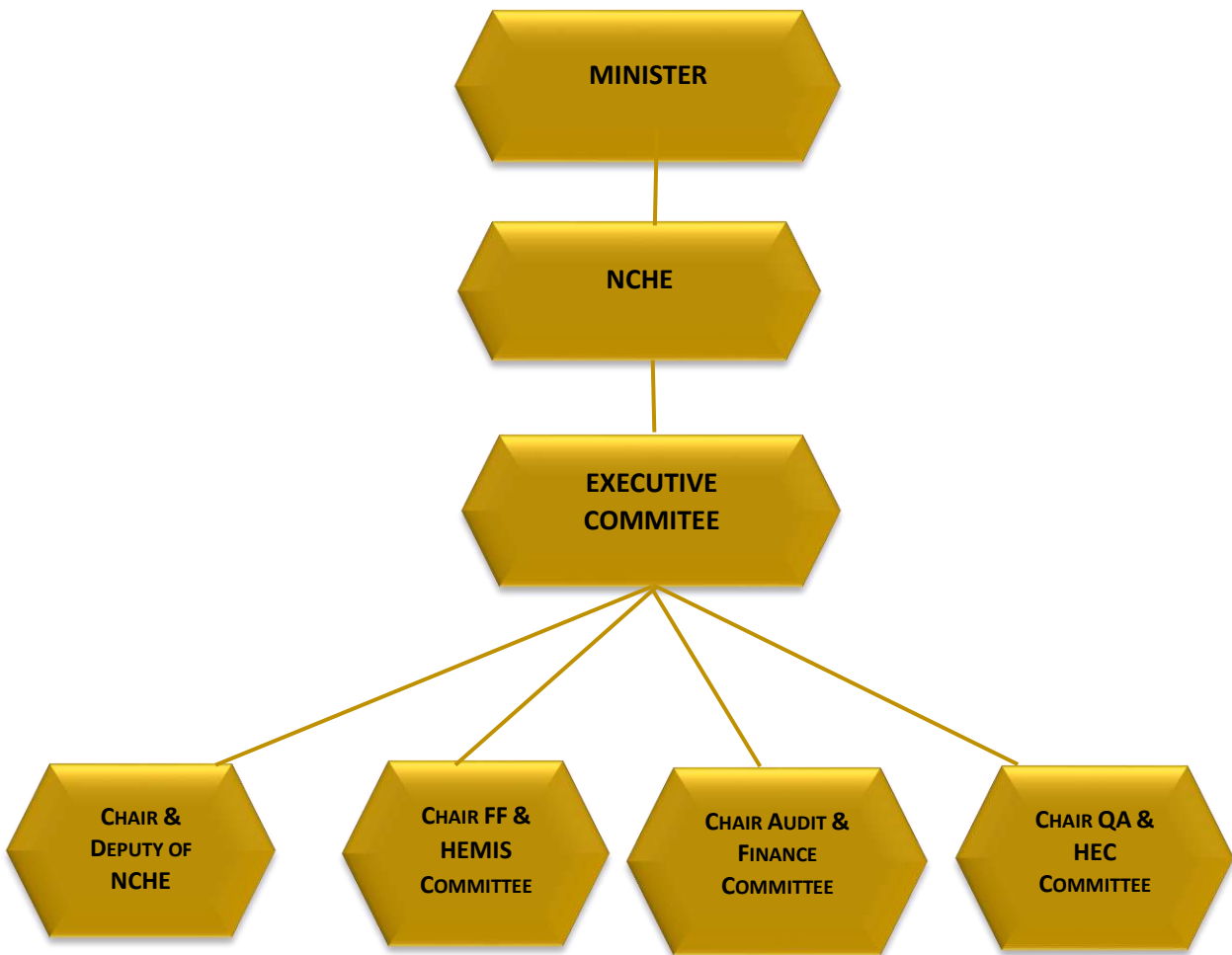
The Councils' functions, subject to the Higher Education Act (Act No 26 of 2003), are to:

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

The Governance Structure



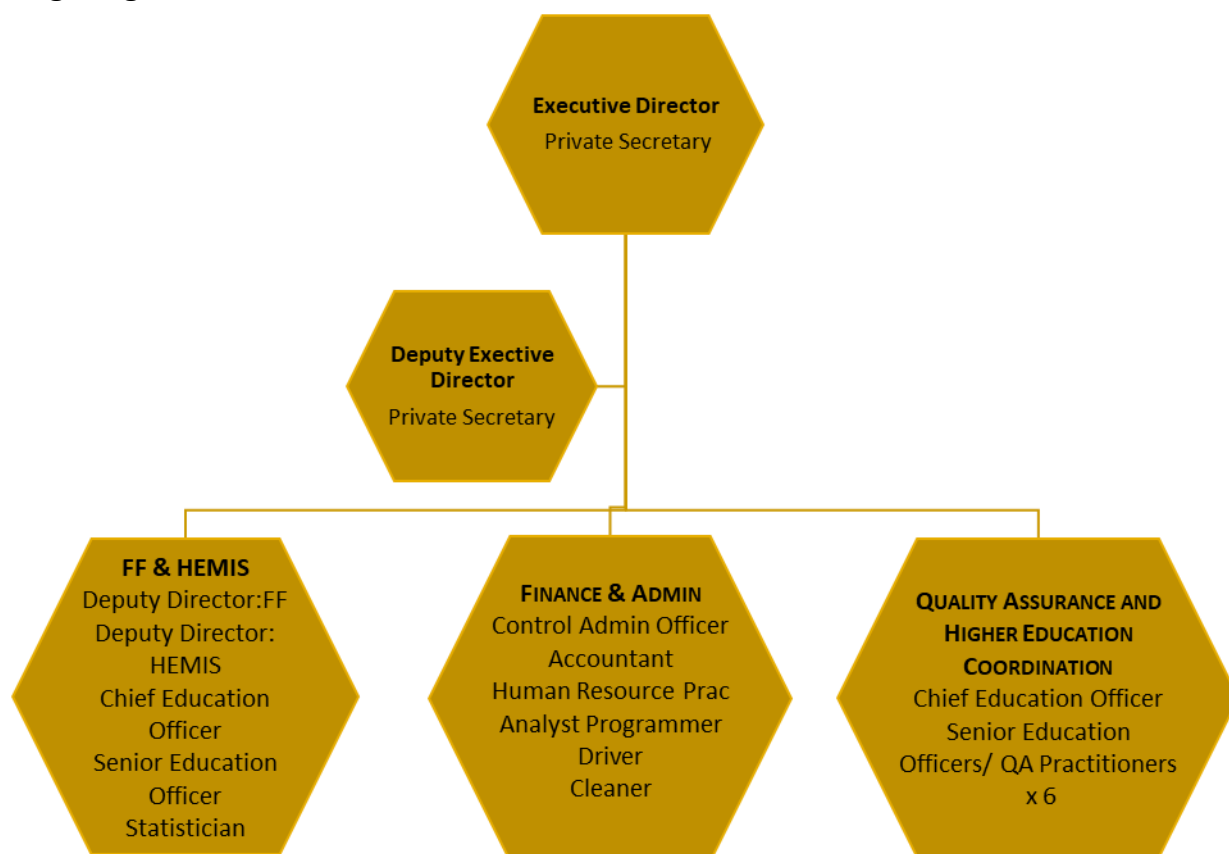
2. THE SECRETARIAT

NCHE is served by a Secretariat under the leadership of the 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 Executive Director 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.

In August 2020, the Secretariat structure was enhanced with the appointment of the Executive Director, Mr Hannu Shipena. Mr Shipena who has a strong background and experience in education, joined the Secretariat from the Anti-Corruption Commission.



Organogram of the Secretariat



3. PERFORMANCE REPORT

3.1 Policy, Regulatory Framework and Compliance

3.1.1 Formulation of Minimum Standards for Public Higher Education Institutions

An Inter-Agency Technical Committee was established in 2019/20 to guide the formulation of the minimum standards for public higher education institutions. The Committee continued its work during the period under review and finalised the concept note on the formulation of minimum standards for higher education in Namibia. The concept note was subsequently approved by the line minister.

The process of procuring consultancy services through Open International Bid method was initiated in September 2020 but failed to yield results. Following this attempt, NCHE approached a public entity, the University of Namibia (UNAM) in line with section 34 of the Public Procurement Act, 2015 (Act No 15 of 2015) in December 2020 to provide the services. The agreement between NCHE and UNAM for the development of the minimum standards for higher education institutions was concluded on 19 February 2021. The project inception report was finalised in March 2021. By the end of the financial year, the consultancy team was preparing the discussion paper due for submission to NCHE in May 2021. The envisaged standards shall include:

- (i) Standards for higher education institutions designation
- (ii) Standards for admission
- (iii) Standards for academic programmes
- (iv) Standards for academic staff members
- (v) Standards for learning and teaching
- (vi) Standards for student support services
- (vii) Standards for management information system
- (viii) Standards for quality assurance structures

3.1.2 Strategies for Mitigating the Effect of COVID-19 on the Higher Education System

When COVID-19 halted face-to-face teaching and learning, NCHE carried out a needs assessment with a view to developing mitigating strategies. Few institutions had virtual platforms and the few that had them, were not able to accommodate all students at the time. Many students did not have devices to connect to on-line platforms. NCHE assisted in the development and

deployment of a stimulus package for higher education. The package that was adopted by Government consisted of improved IT infrastructures at public institutions through hosting learning management systems at minimal cost and assisted procurement of 10,000 laptops and 28,000 data connectivity devices and packages for needy students. NCHE drafted a policy brief to stimulate and guide further actions within the higher education subsector to lessen the negative effects of COVID-19.

At institutional level, NCHE implemented workplace safety and hygienic measures and instituted appropriate working schedules as directed by the Ministry of Health and Social Services; and the Office of the Prime Minister, respectively.

3.2 Promotion of Evidence-based Planning

3.2.1 Higher Education Annual Statistics

Student and staff data for the 2019 academic were obtained from 17 public and private higher education institutions. In addition, UNAM and the Namibia University of Science and Technology (NUST) provided subject and facility data. Following a stringent data quality and consistency check, the student and staff data were customised for inclusion in the Namibia Higher Education Statistical Yearbook (NHESY) and as input to the computation of government subsidy to public higher education institutions. Information has also been formatted and readily availed to stakeholders upon request.

The 2019 NHESY that was produced in the last quarter of the 2021/22 financial year point to a student population of 64,866 with 72 per cent in public institutions. Sixty-six (66) per cent of the students were females. One fifth (21 per cent) of the total students was pursuing programmes in Science, Technology, Engineering and Mathematical fields.

3.2.2 Public Lecture

On 24 February 2021, NCHE held a public lecture under the theme: *Leveraging the 4th Industrial Revolution to Augment the Relevance and Quality of Higher Education Outcomes: A Global Perspective*. Professor Fernando Buarque from Brazil and Dr Jessica Cauchard from Israel delivered presentations whilst Dr

Leokadia Nepaya from UNAM and Prof Bhunu-Shava from NUST served as discussants.



A total of 81 participants joined the lecture through virtual means. Using elaborated graphic presentations, the speakers brought to light the effects of the fourth industrial revolution and its implications on the teaching and learning environment. The lecture further highlighted ethical issues that need to be considered as we embrace the 4th industrial revolution. The lecture stimulated interest in the topic amongst players in the Namibian higher education arena. Prof Buarque further informed the audience about emerging industrial innovation centres in Brazil that higher education institutions in Namibia can benefit from through cooperation agreements.

3.2.3 Graduate Survey for the 2017-2018 Cohorts

Planning for the National Graduate Survey for the 2017 and 2018 graduate cohorts started in September 2020. Four higher education institutions (UNAM, NUST, IUM and IOL) are participating in the survey. NCHE procured services for the design of survey tools, coding, and programming of the online questionnaire. The on-line questionnaire was installed on the servers of participating institutions with accessibility enabled through survey web pages.

NCHE further procured incentives in the form of 8 smartphones to enhance graduates' participation in the survey. NCHE also engaged 8 graduate interns from the higher education institutions, for an average period of 3 months each, to participate and acquire skills in survey planning and implementation. Participating institutions contributed in-kind, through the services of the Institutional Planners, Alumni Officers, Statisticians, and Marketing and IT Officials, working together as an Inter-Agency Technical Committee.

The survey was launched on 24 March 2021 and was advertised and promoted through the national broadcaster as well as through social media.

NCHE
INDEPENDABLE ACCESS TO QUALITY HIGHER EDUCATION

NATIONAL GRADUATE SURVEY

IOL, UNAM, IUM and NUST invite all graduates who completed their studies in 2017 and 2018 to participate in the National Graduate Survey.

OBJECTIVES ARE:

- To inform the curricula development
- To improve high education services and conditions
- To provide information for development planning

PARTICIPATE AND STAND A CHANCE TO WIN A SMARTPHONE

CONTACTS & SURVEY LINK

IOL	UNAM	IUM	NUST
CLICK HERE TO PARTICIPATE	CLICK HERE TO PARTICIPATE	CLICK HERE TO PARTICIPATE	CLICK HERE TO PARTICIPATE
Ms. Bronwin Basson	Ms. K. Neshila-Immanuel	Ms. Lee Ntinda	Ms. Booysen Tubulingarie
T: +264 61 270 9153	T: +264 61 206 3575	T: +264 61 433 6404/6403	T: +264 61 207 2749
E: graduation@igh.no	E: graduates@unam.no	E: alumni@ium.edu.na	E: graduates@nust.na

I-O-L INSTITUTE
CHEN LLAANGANI

UNAM
UNIVERSITY OF NAMIBIA

IUM
INSTITUTION FOR UNIVERSITY MANAGEMENT

NUST
NAMIBIA UNIVERSITY OF SCIENCE AND TECHNOLOGY

PARTICIPATE TO IMPROVE THE QUALITY AND RELEVANCE OF HIGHER EDUCATION IN NAMIBIA

Media advert: 2021 National Graduate Survey

3.3 Improving the Quality of the Higher Education System

3.3.1 Registration of Private Higher Education Institutions

One higher education institution (Limkokwing University of Creative Technology) was registered (Government Gazette 7258 No. 244 of 01 July 2020). Botho Higher Education Institution had its change of name approved from an institution to a university (Government Gazette 7273 No. 259 of 30 October 2020). Five (5) applications for registration were carried forward from the 2019/20 financial year. Another set of 5 applications were received during the period under review. Out of the total, 4 applications were withdrawn. At the end of the reporting period, NCHE was appraising 6 applications.

3.3.2 Institutional Quality Audit

Higher education institutions have a primary responsibility for upholding the internal quality culture. Institutional audit is a sub-system of the Quality Assurance System for Higher Education in Namibia, focusing on systems, policies, strategies and resources for quality assurance of the academic activities. It complements institutional quality assurance mechanisms by setting and monitoring national benchmarks against which institutional quality assurance mechanisms are evaluated or quality audited. The quality audit is conducted under 4 themes, namely: (i) institutional vision, mission and goals, and general management processes; (ii) teaching and learning; (iii) research; and (iv) community engagement. It is evidence-based, requiring substantiation of reports and statements by documentary proof or otherwise.

Quality audit was conducted at the Institute of Open Learning (IOL) in February 2021. Commendations were provided for good practice. Recommendations were also provided for improvement. Two more institutional quality audit exercises were underway at the end of the reporting period.

3.3.3 Programme Accreditation

Ten applications for programme accreditation were received during the year under review. Of these applications, 7 applications were from NUST while the other 3 were received from the Sunshine Private College as part of the application for registration as private higher education institution. The accreditation process was severely affected by the COVID-19 restrictions as it had to be conducted during specific periods of the academic year and involved the participation of the institutional communities, many of whom could not be accessible online.

Information communication campaigns related to accreditation were carried out during the third quarter.

3.3.4 Monitoring of Quality Improvement

Each institutional quality audit and programme accreditation exercise results in commendations and recommendations for quality enhancement and improvement. For programmes that were accredited with conditions, some recommendations are presented as conditions which then have to be addressed within an agreed period. To that end, 5 programme improvement plans were

received from NUST. From these 5 improvement plans, 1 has been fully implemented, resulting in the accreditation of the programme for a full cycle of six years. Improvement of the other 4 programmes is ongoing and attainment of targets is being monitored as per the plans.

3.3.5 Strengthening of Partnerships and Cooperation

Following the dissemination of the report on the First Quality Assurance Conference in Namibia 2019 that was held in September 2019, NCHE embarked upon the implementation of the recommendations during the year under review. Implementation mechanisms were discussed with all higher education institutions. This led to an agreement to establish a Quality Assurance Forum, a platform for experience sharing among quality assurance practitioners and institutional planners for the purpose of enhancing the national quality assurance capacity.

Under the responsibility of hosting the Southern Africa Quality Assurance Network (SAQAN) Secretariat for the period 2020 to 2023, NCHE facilitated the convening of the SAQAN Executive Committee meeting on 09 July 2020. The committee approved applications for membership, the annual work plan and financial policy, among others. The SAQAN Executive Committee also encouraged the network members to document activities and experiences during COVID-19. By the end of the reporting period, two member institutions produced reports. As per its constitution, SAQAN has to be registered in the host country. The registration with the Business and Intellectual Property Authority has reached an advanced stage. To guide the network's resource mobilisation efforts, the Secretariat commenced with the formulation of the resource mobilisation strategy. The strategy will assist all members in leveraging resources for the purpose of advancing quality assurance programmes in the region.

3.3.6 Upgrading Teaching and Research Skills at Public Universities

The funding scheme for upgrading teaching and research skills of academic staff at UNAM and NUST continued during the 2020/21 financial year. Four (4) staff members were finalising their studies. Two obtained doctorate degrees in Education and Computer Science, respectively. The remaining two were awaiting assessment of their dissertations.

3.4 Ensure Affordable Access and Equitable Allocation of Funds to Public Higher Education

3.4.1 Tuition Fees for Higher Education Institutions

One of the purposes of the Funding Framework for Public Higher Education Institutions is to promote student access to higher education institutions. In this context, the Framework includes mechanisms for standardising tuition fees in public institutions. However, not all students have access to the public higher education institutions due to the carrying capacity. For this reason, the line ministry tasked NCHE to explore the possibility of standardising tuition fees in private higher education institutions. NCHE has thus commissioned a study to establish the feasibility of standardising tuition fees in private higher education institutions.

3.4.2 Subsidies for Public Higher Education Institutions

The other purpose of the Funding Framework is to estimate the amounts of subsidies the government should provide to public higher education institutions based on the expected burden of delivering the higher education programmes planned for any given year. The higher education cost adjustment index (HECAI) computed by NCHE for the 2021 academic year was 3.9. HECAI is used to adjust tuition fees in public higher education institutions. The HECAI and the cost per standardised credit unit of N\$358 together with the specific parameters of each university (UNAM and NUST) were used to estimate the total operational costs, tuition fees and subsidies for the 2021/22-2023/24 Medium Term Expenditure Framework (MTEF) period.

Considering the impact of COVID-19 which has resulted in the loss of revenue for the government and households due to closure of some businesses and loss of employment, two scenarios were proposed. The first scenario assumed a growth of 3.8 in tuition fees whereas the second scenario assumed a zero growth. NUST adopted a zero growth for the tuition fees of the 2021 academic year. UNAM increased tuition fees by 3 per cent. Both public universities received 46 per cent less than the recommended subsidy as per the funding framework. The dwindling government subsidy implies the transfer of the financial burden to the students, thereby compromising equitable access to higher education.

3.5 Enhanced Organizational Performance

3.5.1 Implementation of the Performance Management System

Compliance with the requirements of the Public Service’s Performance Management System Policy is one of the key projects for enhancing organisational performance. Under this project, NCHE produced the 2020/21 annual plan, individual performance agreements, performance review reports, both at institutional and individual levels. The institutional annual performance report for 2020/21 was also produced.

3.5.2 Staff Wellness

Staff wellness activities during the first two quarters of the financial year concentrated on compliance to workplace health and hygiene protocols to combat and suppress the spread of COVID-19 virus. Guidelines/ advocacy materials were produced; personal protective equipment and cleaning materials procured. The office instituted suitable cleaning schedules. In November 2020, the office held a teambuilding exercise, coupled with the commemoration of Cancer Day.



Cancer Day dance moves

Another team building exercise, complemented with awarding of recognition prizes in various categories, was conducted during the annual review session in March 2021.



The Secretariat at the annual review meeting

3.5.3 Human Resources Development

With the intensification of the use of on-line facilities, all staff members attended training in the newly acquired Microsoft 365 package. Two (2) staff members who were supported for qualifying training graduated with a Graduate Certificate in Tertiary Education Management from Melbourne University and an Honours Degree in Human Resources Management from NUST, respectively. In addition, 6 staff members were supported to pursue qualifying courses in the areas of statistics/ data management, IT, monitoring & evaluation, and administration, at a cost of N\$350,000 from January 2021. Six (6) staff members attended quality assurance workshops facilitated by the Association of African Universities between June and December 2020. The three (3) staff members who enrolled in a blended course on 'External Quality Assurance in higher education for SADC countries in March 2020, successfully completed the course in December 2020. Three (3) staff members attended INQAHE biennial forum which was initially scheduled to take place in Russia in March 2020 but was postponed to a virtual mode in September 2020. One staff member attended training on Basic Accounting offered by PWC in October 2020. Another staff member attended a Southern African Association of Institutional Research annual conference in November 2020.

3.5.4 Corporate Governance

Four ordinary Council meetings took place during the 2020/21 financial year. Council in turn held one briefing session with the line minister to provide policy advice as well as information on progress with regards to Council programmes. To mark its end of term, Council compiled a performance report for the period 2017 - 2020. Following the end of term of the 4th Council, the line minister, after consultation with the minister of Public Enterprises appointed an Interim Council consisting of 8 members to serve the period 01 December 2020 to 31 May 2021.

As part of its corporate social responsibility initiative, NCHE adopted a culture of providing learning opportunities to student interns. During the year under review, the institution engaged 8 graduate interns in the field survey planning and data management.

3.5.5 Information Communication Technology, Marketing and Publicity

The public participated in the NCHE Annual Public Lecture which was live-streamed through Zoom and Facebook. NCHE website is updated regularly with scheduled major events. NCHE Twitter and Facebook accounts were also utilised to publicise NCHE events. Highlights of the 2014-2016 graduate cohort survey were published in three major newspapers.

The external stakeholder satisfaction survey was conducted during the third quarter. Seventy-five (75) per cent of the respondents indicated that they were satisfied with NCHE services/ activities. This rate is 10 per cent lower than the Strategic Plan target (85 per cent) for the reporting period. In their recommendations, the respondents called for more publicity of NCHE activities.

the NCHE File Plan was automated and all new communication documents were filed accordingly. This was necessary to enhance internal communication and record management,

3.5.6 Financial Management

Expenditure and financial reports were produced on a monthly basis for close monitoring and budget control. Financial execution at the end of the reporting period stood at 55 per cent. The expenditure was adversely affected by the need

to either suspend or migrate most of the planned activities to an online mode of operation.

NCHE compiled the higher education programme accountability report for the 2019/20 financial year, the medium-term plan for the 2021/22-2023/24 MTEF, and the 2020/21 mid-year performance report. The year also saw the finalisation of the 2018/19 audit, which was delayed by the imminent revision of the fixed assets register. The 2019/20 audit also commenced during the year under review.

3.5.6 Procurement and Asset Management

The NCHE 2020/21 Procurement Plan was publicised on the institutional website as well as submitted to the Procurement Policy Unit. Following its review in the preceding year, the fixed assets and fixed assets register were independently verified by an external expert and utilised in the 2018/20 audit. The insurance policy was revised in accordance with the asset register. Disposal of obsolete items was awaiting Treasury approval by the end of the financial year.

Monthly fleet management reports were produced. NCHE entered into a one-year service level agreement with vehicle manufacturers for half of the fleet. The preparation of service level agreements for the remainder of the fleet is at an advanced stage.

NCHE continues to portray a clean environment within and around the office. Breakages are attended to promptly. Pest control services were sourced for the treatment of termite infestation in and outside the building. Following the outbreak of COVID-19, hand sanitisers, face masks, face shields, disposable hand gloves, infra-red thermometer and a hand sanitiser disposer stepping machine became prominent and necessary office items.

3.5.7 Capital Project

In an effort to bring phase 1 of the NCHE office construction to its logical conclusion, NCHE invited all involved service providers to submit all outstanding invoices for final payment. All payments have since been settled.

At the beginning of the financial year, earthmoving, excavation and lateral support have been finalised. Sub-contractors for electrical, air conditioning and Lift installations were appointed and joined the main contractor on site.

Construction progress at the end of the reporting period was at 75 per cent as opposed to the scheduled 100 per cent.



East wing construction in progress

The delay mainly emanated from COVID-19 restrictions. Issues remaining to be solved include the installation of the sub-soil water drainage pump station, specifications of the roof structure material, and water leakage in the basement.

Planning for phase 2B commenced in the last quarter of the financial year, following the announcement of the development budget.

4. CHALLENGES

The financial year 2020/21 was extremely challenging for the higher education sub-sector. The two public universities received 46 per cent less than the recommended subsidy as per the funding framework, when their student population expanded by 10 per cent. The dwindling government subsidy implies the transfer of the financial burden to the students, thereby compromising the NCHC efforts of promoting equitable access to higher education. As the coronavirus continues to drastically alter the way we live, higher education is challenged to spearhead innovations to respond to the virus.

NATIONAL COUNCIL FOR HIGHER EDUCATION

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
General Information

Country of incorporation and domicile	Namibia
Council Members'	Prof. Samuel John (Chairperson) Dr. Francine Keendjele (Vice-Chairperson) Ms. Eva N Tomas (Member) Mr. Austin Samupwa (Member) Ms. Lineekela Ihuhua (Member) Ms. Rochelle Januarie (Member) Mr. Zacheus Kazapua (Member)
Auditor	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021

Contents

Contents	Page
Council Member's Responsibilities and Approval	3
Independent Auditor's Report	4 - 6
Council Member's Report	7
Statement of Financial Position	9
Statement of Surplus or Deficit and Other Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Accounting Policies	13 - 16
Notes to the Annual Financial Statements	17 -24
Additional information:	
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Comprehensive Income	25 - 26

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Council Members' Responsibility and Approval

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 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 Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's 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 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 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.

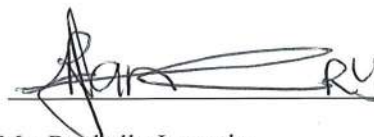
The Council Members have reviewed the Council's cash flow forecast for the year to 31 March 2022 and, in the light of this review and the current financial position, they are satisfied that the council has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 9 to 24, which have been prepared on the going concern basis, were approved and were signed on its behalf by:



Prof. Samuel John
Chairperson



Ms. Rochelle Januarie
Chairperson of Funding Framework, Finance and
Audit Committee

Windhoek

Date: 18 Oct 2024

Independent auditor's report

To the Members of National Council for Higher Education

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Council for Higher Education (the Council) as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

What we have audited

National Council for Higher Education's financial statements set out on pages 7 to 24 comprise:

- the council members' report for the year ended 31 March 2021;
 - the statement of financial position as at 31 March 2021 ;
 - the statement of surplus and deficit and other 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 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.

PricewaterhouseCoopers, Registered Auditors
Unit No. 156, Maerua Mall, Centaurus Street, Windhoek, Khomas Region, Republic of Namibia
P O Box 1571, Windhoek, Khomas Region, Republic of Namibia
T: + 264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com/na

Country Senior Partner: Chantell N Husselmann

The Firm's principal place of business is at Unit No. 156, Maerua Mall, Centaurus Street, Windhoek, Khomas Region, Republic of Namibia

Partners: Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Willem A Burger, Nina A Coetzer

Practice Number 9406, VAT reg no. 00203281-015

Other information

The council members are responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the document titled "National Council for Higher Education Annual Financial Statements for the year ended 31 March 2021." 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.

Responsibilities of the council members for the financial statements

The council members are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the council members 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 council members 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 council members either intend to liquidate the Council 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 Council's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.
- Conclude on the appropriateness of the council members' 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 council members 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

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N Ndahangwapo
Partner

Windhoek, Namibia
Date: 21/11/2024

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Council Members' Report

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 2021.

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 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 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 2021.

5. Council Members

The Council Members in office during the year of this report are as follows:

Name and Surname	Position	Appointment date
Prof Lischen Haoses - Gorases	Chairperson	01 December 2020 – 05 March 2022
Dr Samuel John	Vice-chairperson	01 December 2020 – 05 March 2022
Prof Anicia Peters	Member	01 December 2020 – 05 March 2022
Ms. Asnath Kaperu	Member	01 December 2020 – 05 March 2022
Mr. Herman Rutz	Member	01 December 2020 – 05 March 2022
Ms. Taimi Kapelwa	Member	01 December 2020 – 05 March 2022
Prof Geoffrey Kiangi	Member	01 December 2020 – 05 March 2022
Dr. Kavindame Kawana	Member	01 December 2020 – 05 March 2022

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Council Members' Report

The council members in the office during the year of the audit exercise:

Name and Surname	Position	Appointment date
Prof. Samuel John	Chairperson	17 August 2022 (Reappointed)
Dr. Francine Keendjele	Vice-chairperson	17 August 2022
Ms. Eva N Tomas	Member	17 August 2022
Mr. Austin Samupwa	Member	17 August 2022
Ms. Lineekela Ihuhua	Member	17 August 2022
Ms. Rochelle Januarie	Member	17 August 2022
Mr. Zacheus Kazapua	Member	17 August 2022

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Statement of Financial Position as at 31 March 2021

	Note (s)	2021 N\$	2020 N\$
ASSETS			
Non-current assets		24,554,097	48,265,835
Property, Plant, and equipment	2	24,554,097	24,991,843
Other financial assets	3	-	23,273,992
Current assets		21,185,308	15,249,190
Trade and other receivables	4	60,789	61,488
Cash and cash equivalents	5	21,124,519	15,187,702
Total assets		45,739,405	63,515,025
Equity and liabilities			
Equity		239,586	8,153,612
Retained Income		239,586	8,153,612
Non-current liabilities		42,370,645	53,228,233
Deferred income	6	42,370,645	53,228,233
Current liabilities		3,129,174	2,133,180
Trade and other payables	7	2,865,822	1,865,935
Provisions	8	263,353	267,245
TOTAL EQUITY AND LIABILITIES		45,739,405	63,515,025

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Statement of Surplus or Deficit and Other Comprehensive Income

	<i>Note(s)</i>	2021 N\$	2020 N\$
Revenue	9	5,100,000	2,600,000
Other income	10	11,601,020	2,538,085
Operating expenses		<u>(25,215,253)</u>	<u>(15,642,977)</u>
Operating surplus (deficit)		(8,514,232)	(10,504,892)
Investment revenue	11	<u>600,208</u>	<u>3,045,306</u>
Surplus/ (deficit) for the year		(7,914,024)	(7,459,586)
Taxation	12	-	-
Total comprehensive income for the year		<u>(7,914,024)</u>	<u>(7,459,586)</u>

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Statement of Changes in Equity

	Retained Income	Total Equity
	N\$	N\$
Balance at 01 April 2019	15,613,198	15,613,198
Surplus (deficit) for the year	(7,459,588)	(7,459,588)
Balance at 31 March 2020	8,153,610	8,153,610
Surplus (deficit) for the year	(7,914,024)	(7,914,024)
Balance at 31 March 2021	239,586	239,586

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Statement of Cash Flows

	Notes	2021 N\$	2020 N\$
Cash flows from operating activities			
Cash used in operations	14	(7,517,540)	(11,345,849)
Cash generated/(utilised) by operations		(7,517,540)	(11,345,849)
Interest received	11	600,208	3,045,306
Net cash from operating activities		(6,917,332)	(8,300,543)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(10,419,844)	(2,802,305)
Transfer from other financial assets	3	23,273,992	6,307,354
Net cash from investing activities		12,854,148	3,505,049
Cash flows from financing activities			
Movements in project funds		-	(369,924)
Net movement in cash and cash equivalents		5,936,817	(5,165,418)
Change in cash and cash equivalents			
Balance at beginning of year		15,187,702	20,353,120
Net movement in cash and cash equivalents		5,936,817	(5,165,418)
Balance at end of the year	5	21,124,519	15,187,702

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Accounting Policies

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 assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of property, plant and equipment's are determined based on Council's 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.

Deferred income

Deferred income is amortised to surplus, and deficit based on the depreciation of the property, plant and equipment it relates to. The estimation uncertainty pertaining to deferred income is therefore similar to that of property, plant and equipment as documented above.

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.

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Accounting Policies

1.2 Property, plant, and equipment (continued)

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.

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:

Item	Depreciation method	Average useful life
Land	Not depreciated	Indefinite
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	10 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.

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.

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

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Accounting Policies

1.3 Financial instruments (continued)

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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

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.

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.

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Accounting Policies

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.

Grants are measured at the 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.

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Notes to the Annual Financial Statements

2. Property, plant, and equipment

	Mar-21			Mar-20		
	Cost/Valuation	Accumulated depreciation	Carrying Value	Cost/Valuation	Accumulated depreciation	Carrying Value
Land	482,500	-	482,500	482,500	-	482,500
Building	33,806,359	(10,578,859)	23,227,500	23,497,306	(811,986)	22,685,320
Furniture and fixtures	745,118	(577,659)	167,459	745,118	(530,405)	214,713
Motor Vehicle	2,758,037	(2,333,336)	424,701	2,758,037	(1,616,238)	1,141,799
Office equipment	142,147	(141,082)	1,065	142,147	(138,425)	3,722
IT equipment	860,575	(688,312)	172,262	749,784	(482,065)	267,719
Computer Software	258,133	(201,005)	57,128	258,133	(114,143)	143,990
Other fixed assets	72,962.00	(51,480)	21,482.34	72,962.00	(20,882)	52,080
	31,885,667	(7,331,570)	24,554,097	28,705,987	(3,714,144)	24,991,843

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Notes to the Annual Financial Statements

Reconciliation of property, plant and equipment- 2021

	Opening Balance	Additions	Disposals/ other changes, movements	Depreciation	Impairment loss	Total
Land	482,500	-	-	-	-	482,500
Buildings	22,685,320	10,309,053	-	(578,068)	(9,188,805)	23,227,500
Furniture and fixtures	214,713	-	-	(47,254)	-	167,459
Motor Vehicle	1,141,799	-	-	(104,494)	(612,604)	424,701
Office equipment	3,722	-	-	(2,657)	0.42	1,065
IT equipment	267,719	110,791	-	(206,247)	0.07	172,262
Computer Software	143,990	-	-	(86,862)	-	57,128
Other fixed assets	52,080	-	-	(30,598)	-	21,482
	<u>24,991,843</u>	<u>10,419,844</u>	<u>-</u>	<u>(1,056,181)</u>	<u>(9,801,409)</u>	<u>24,554,097</u>

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Notes to the Annual Financial Statements

Reconciliation of property, plant and equipment- 2020

	Opening Balance	Additions	Disposals/ other changes, movements	Depreciation	Impairment loss	Total
Land	482,500	-	-		-	482,500
Furniture and fixtures	278,478	-	86,412	(122,849)	(27,328)	214,713
Motor Vehicle	657,265	-	(29,546)	514,080	-	1,141,799
Office equipment	50,361	-	42,362	(89,001)	-	3,722
IT equipment	299,252	149,899	(999)	(180,433)	-	267,719
Computer Software	109,599	105,261	252,874	(184,254)	(139,490)	143,990
Assets under construction	20,628,096	2,509,943	-	(452,719)	-	22,685,320
Other fixed assets	32,978	37,202	34,001	(18,100)	(34,001)	52,080
	22,538,529	2,802,305	385,104	(533,276)	(200,819)	24,991,843

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Notes to the Annual Financial Statements

2. Property, plant, and equipment (continue)

Details of properties	2021 N\$	2020 N\$
Erf 6446, Haddy Street, Windhoek		
- Donated value	<u>238,500</u>	<u>238,500</u>
Erf 6445, Hoogenhout, Windhoek		
- Donated value	<u>244,000</u>	<u>244,000</u>

Land comprises of donated properties.

Assets under construction comprise of the costs incurred for the construction of the offices of The National Council for Higher Education.

Reclassification of cost and accumulated depreciation.

There was a reclassification between cost and accumulated depreciation of the building in prior year for better presentation in line with IFRS for SMEs.

3. Other financial assets

Opening balance	23,273,992	29,581,346
Interest accrued	-	2,234,527
Transfer to cash & cash equivalents	<u>(23,273,992)</u>	<u>(8,541,881)</u>
	<u>-</u>	<u>23,273,992</u>
At amortised cost		
Fixed investment- First National Bank	<u>-</u>	<u>23,273,992</u>
Non-current assets		
At amortised cost	<u>-</u>	<u>23,273,992</u>

The prior year disclosure have been extended for better presentation and clarity

4. Trade and other receivables

Other receivable	<u>60,789</u>	<u>61,488</u>
------------------	---------------	---------------

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Notes to the Annual Financial Statements

	2021 N\$	2020 N\$
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
First National Bank- current account	974,639	1,761,020
First National Bank- call account	8,049,138	8,058,187
Development fund: (Investment account)	-	5,368,495
First National Bank- SAQAN	347,365	-
First National Bank- 48 hour Accelerated	11,753,376	-
	21,124,519	15,187,702
 6. Deferred income		
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	53,228,233	53,750,988
Movement in deferred income	(10,857,588)	(522,755)
	42,370,645	53,228,233
 7. Trade and other payables		
Trade payables	575,845	-
Accrued leave pay	1,796,612	1,452,727
Accrued bonus	493,365	331,111
Deposits received	-	82,097
	2,865,822	1,865,935

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Notes to the Annual Financial Statements

	2021 N\$	2020 N\$
8. Provisions		
Reconciliation of provisions- 2021		
	Opening balance	Additions
		Total
Provision for severance pay	267,245	(3,892)
	<hr/>	<hr/>
		263,353
Reconciliation of provisions- 2020		
	Opening balance	Additions
		Total
Provision for severance pay	133,752	133,493
	<hr/>	<hr/>
		267,245
9. Revenue		
Government grants	5,100,000	2,600,000
	<hr/>	<hr/>
10. Other income		
Deferred income amortised	10,857,588	522,755
SAQAN subscriptions	482,503	-
Project funds amortised	-	1,710,542
Other income	260,929	304,788
	<hr/>	<hr/>
	11,601,020	2,538,085
The prior year disclosure of other income has been expanded for better presentation		
11. Investment revenue		
Interest revenue		
Interest received	600,208	3,045,306
	<hr/>	<hr/>

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Notes to the Annual Financial Statements

	2021	2020
	N\$	N\$
12. 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.		
13. Auditor's remuneration		
Fees	270,002	149,646
14. Cash used in operations		
Surplus for the year	(7,914,024)	(7,459,586)
Adjustments for:		
Depreciation and impairments	10,857,589	533,276
Interest received	(600,208)	(3,045,306)
Impairment reversals	-	(200,819)
Movements in provisions	(3,892)	133,493
Non-cash movement in property, plant and equipment	-	16,534
Changes in working capital:		
Trade and other receivables	699	(32,578)
Trade and other payables	999,887	(768,108)
Deferred income	(10,857,590)	(522,755)
	(7,517,540)	(11,345,849)

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Notes to the Annual Financial Statements

15. Related parties **2020** **2021**

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	42,370,645	53,228,233
---------------------------	------------	------------

Related party transactions

Government subsidy

Government subsidy and donation	5,100,000	2,600,000
Government subsidy (Transferred to income statement)	10,857,588	522,755

16. Council Members' remuneration

The following remunerations were paid to the Council Members or any individual holding a prescribed office during the year.

Non- executive

	Council Members' fees	Total
2021		
For services rendered	652,756	652,756
2020		
For services rendered	795,742	795,742

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Detailed Statement of Comprehensive Income

	<i>Notes</i>	2021 N\$	2020 N\$
Revenue			
Government and project grants		5,100,000	2,600,000
Other income	<i>10</i>	11,601,020	2,538,085
Interest received	<i>11</i>	600,208	3,045,306
		17,301,229	8,183,391
Operating expenses			
		(25,215,253)	(15,642,977)
Advertising		140,644	91,917
Auditors' remuneration	<i>13</i>	270,002	149,646
Bank charges		21,637	178,767
Catering services		33,902	181,527
Cleaning		98,655	35,569
Computer expenses		83,056	1,869
Conferences		-	392,418
Consulting fees		396,699	515,226
Depreciation, amortisation and impairment		10,857,589	332,457
Donations		1,260	15,950
Electricity and water		219,308	156,032
Employee costs		11,172,227	10,287,317
Graduate Survey		127,914	-
Gratuity payments		-	32,959
Insurance		187,862	191,385
Lease rentals on operating lease		-	3,466
Motor vehicle expenses		39,321	84,898
Other expenses		86,316	950
Postage		2,081	7,363
Printing and stationery		304,006	161,209
Programme accreditation-project		-	302,764
Programme & Programme Review		92,205	-
Project fund movement		-	133,173
Public lecture		48,570	25,082

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2021
Detailed Statement of Comprehensive Income

Repairs and maintenance	13,498	21,219
Security	130,617	240,666
Staff welfare	850	3,410
Membership fees	71,970	55,413
Telephone, fax and internet	329,621	185,007
Training	381,882	492,450
Travel-international and local	11,560	1,157,709
Workshop expenses	92,003	205,159
Surplus/(deficit) before tax	(7,914,024)	(7,459,586)
Taxation	-	-
Surplus/(deficit) for the period	(7,914,024)	(7,459,586)



CONTACTS

National Council for Higher Education

P.O. Box 90890
Klein Windhoek
NAMIBIA

TEL: +264 287 1500
info@nche.org.na
www.org.na