

**Medical and Dental Council Of Namibia
Annual Financial Statements
for the year ended 31 March 2021**

Medical and Dental Council Of Namibia

Annual Financial Statements for the year ended 31 March 2021

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	To control and exercise authority in respect of all matters as set out in section 5 of the Medical and Dental Act, 2004
Council members	Dr. Wilson Landuleni Benjamin (President) Dr. Johann Archer (Vice President) Dr. Phillipus Jacobus Christoffel Buys Dr. Adolf Rinouzeu Kaura Dr. Dean Aubrey Kock Dr. Nguundja Mercia Desminola Uamburu Dr. Silvio Suardi Dr. Elliot Newaka Dr. Akutu Apollos Munyika Prof. Filemon Amaambo Ms. Grace Nyaradzai Mugaviri Mr. Ngamane Karuaihe-Upi
Registered office	36 and 37 Schonlein Street Windhoek West Windhoek Namibia
Business address	36 and 37 Schonlein Street Windhoek West Windhoek Namibia
Postal address	Private Bag 13387 Windhoek Namibia
Bankers	First National Bank of Namibia Ltd
Auditors	Saunderson & Co Registered Accountants and Auditors Chartered Accountants (Namibia)

Medical and Dental Council Of Namibia
Annual Financial Statements for the year ended 31 March 2021

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Council Responsibilities and Approval

The Council is required by the Medical and Dental Act, 2004 (Act 10 of 2004), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is its 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 Namibian Generally Accepted Accounting Practice (NAC001) : Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the Namibian Generally Accepted Accounting Practice (NAC001) : 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 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 to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council has 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 auditors 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 auditors and their report is presented on page 6-7.

The annual financial statements set out on page 8-19, which have been prepared on the going concern basis, were approved by the Council on 25 September 2021 and were signed on its behalf by:

Approval of annual financial statements



Dr. Wilson Landuleni Benjamin (President)



Mr. C V Weyulu (Registrar)

Medical and Dental Council Of Namibia

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Council Members' Report

The Council has pleasure in submitting their report on the annual financial statements of Medical and Dental Council Of Namibia for the year ended 31 March 2021.

1. Incorporation

The council was incorporated in Namibia on 26 July 2004 via the enactment of the Medical and Dental Act, 2004 (Act 10 of 2004) as promulgated in the Government Gazette of the Republic of Namibia No. 3249.

2. Nature of business

The Council controls and exercises authority in respect of all matters as set out in section 5 of the Medical and Dental Act, 2004 and operates principally in Namibia.

There have been no material changes to the nature of the Council's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with the Namibian Generally Accepted Accounting Practice (NAC001) : Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Medical and Dental Act, 2004 (Act 10 of 2004). The accounting policies have been applied consistently compared to the prior year.

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

4. Council

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

Council

Dr. Wilson Landuleni Benjamin (President)

Dr. Johann Archer (Vice President)

Dr. Phillipus Jacobus Christoffel Buys

Dr. Adolf Rinouzeu Kaura

Dr. Dean Aubrey Kock

Dr. Nguundja Mercia Desminola Uamburu

Dr. Silvio Suardi

Dr. Elliot Newaka

Dr. Akutu Apollos Munyika

Prof. Filemon Amaambo

Ms. Grace Nyaradzai Mugaviri

Mr. Ngamane Karuaihe-Upi

There have been no changes to the Council members for the period under review.

5. Events after the reporting period

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

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Council Members' Report

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

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases reported across the globe. Measures taken by various governments including Namibia, to contain the virus, have affected economic activity and the manner in which people interact with one another. As an institution, the Medical and Dental Council has taken a number of measures to monitor and mitigate the effects of COVID-19 on our employees and clients. These include, social distancing, conducting virtual meetings, hand sanitising, donning of gloves, masking, body temperature scanning, registering visitors to the offices, working from home and securing bulk supply of materials that are essential to our operations. Staff members who came into direct contact with someone who tested positive for COVID were advised to self-isolate at home for seven days. Staff members falling in the category of vulnerable employees were identified and advised to work from home. To minimize the risk of exposure to COVID-19 healthcare practitioners were encouraged to use electronic funds transfer method of payment for the renewal of practising licences. At this stage, the liquidity of the Council is not significantly affected by COVID-19 and based on our experience to date, we expect this to remain the case. Going forward, the financial status of the Council is being closely monitored so that remedial action can be taken at an early stage. We will continue to follow government policies and directives on COVID-19 and do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our employees, clients and public.

7. Litigation statement

The Council becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The Council is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

8. Statement of disclosure to the company's auditors

With respect to each person who is a Council member on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the Council's auditors are unaware; and
- the person has taken all the steps that he or she ought to have taken as a Council member to be aware of any relevant audit information and to establish that the Council's auditors are aware of that information.

9. Terms of appointment of the auditors

Saunderson & Co were appointed as the Council's auditors in accordance with the Medical and Dental Act, 2004 (Act 10 of 2004) for a 3 year term commencing year ended March 2020 to year ended March 2022.

Independent Auditor's Report

To the Members of Medical and Dental Council Of Namibia

Opinion

We have audited the annual financial statements of Medical and Dental Council Of Namibia (the Council) set out on pages 8 to 20, which comprise the statement of financial position as at 31 March 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Medical and Dental Council Of Namibia as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Namibian Generally Accepted Accounting Practice (NAC001) : Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Medical and Dental Act, 2004 (Act 10 of 2004).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. 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 Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of Auditor's Responsibilities for the Audit of the Annual Financial Statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council is responsible for the other information. The other information comprises the information included in the document titled "Medical and Dental Council Of Namibia annual financial statements for the year ended 31 March 2021", which includes the Council Members' Report as required by the Medical and Dental Act, 2004 (Act 10 of 2004) and the supplementary information as set out on page 21, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 for the Annual Financial Statements

The Council is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Namibian Generally Accepted Accounting Practice (NAC001) : Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Medical and Dental Act, 2004 (Act 10 of 2004), and for such internal control as the Council determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Council is 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 either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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.
- Conclude on the appropriateness of the Council 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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council 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.



Sanderson & Co
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Edington Tafirenyika
Partner

25 September 2021
Windhoek

Medical and Dental Council Of Namibia
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			
Property, plant and equipment	2	2,675,711	2,678,211
Current Assets			
Inventories	6	15,294	37,356
Trade and other receivables	5	241,393	413,702
Other financial assets	4	653,805	150,000
Cash and cash equivalents	7	5,726,713	4,382,576
		6,637,205	4,983,634
Total Assets		9,312,916	7,661,845
Equity and Liabilities			
Equity			
Reserves	8	492,367	492,367
Retained income		5,856,920	2,050,854
		6,349,287	2,543,221
Liabilities			
Non-Current Liabilities			
Inter Council loan	3	-	2,114,087
Finance lease liabilities	10	16,332	318,337
		16,332	2,432,424
Current Liabilities			
Trade and other payables	9	2,944,111	2,626,319
Finance lease liabilities	10	3,186	59,881
		2,947,297	2,686,200
Total Liabilities		2,963,629	5,118,624
Total Equity and Liabilities		9,312,916	7,661,845

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Statement of Comprehensive Income

	Note(s)	2021 N\$	2020 N\$
Revenue	11	143,450	55,750
Cost of sales	12	(111,961)	(121,545)
Gross profit (loss)		31,489	(65,795)
Fees earned	13	6,494,233	6,180,313
Operating expenses		(2,819,781)	(5,645,331)
Operating profit	14	3,705,941	469,187
Investment revenue	15	113,078	73,625
Finance costs	16	(12,953)	(45,782)
Profit for the year		3,806,066	497,030
Other comprehensive income		-	-
Total comprehensive income for the year		3,806,066	497,030

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Statement of Changes in Equity

	Other NDR	Retained	Total equity
	NS	income	NS
	NS	NS	NS
Balance at 1 April 2019	492,367	1,553,824	2,046,191
Profit for the year	-	497,030	497,030
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	497,030	497,030
Balance at 1 April 2020	492,367	2,050,854	2,543,221
Profit for the year	-	3,806,066	3,806,066
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	3,806,066	3,806,066
Balance at 31 March 2021	492,367	5,856,920	6,349,287
Note(s)	8		

Medical and Dental Council Of Namibia
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Statement of Cash Flows

	Note(s)	2021 N\$	2020 N\$
Cash flows from operating activities			
Cash generated from operations	19	2,170,613	1,444,156
Interest income		113,078	73,625
Finance costs		(12,953)	(45,782)
Net cash from operating activities		2,270,738	1,471,999
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(82,763)
Loans advanced to group companies		-	17,009
Repayment of loans from inter-councils		(64,096)	-
Purchase of financial assets		(503,805)	(150,000)
Net cash from investing activities		(567,901)	(215,754)
Cash flows from financing activities			
Finance lease payments		(358,700)	(210,363)
Total cash movement for the year		1,344,137	1,045,882
Cash at the beginning of the year		4,382,576	3,336,694
Total cash at end of the year	7	5,726,713	4,382,576

Medical and Dental Council Of Namibia
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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the Namibian Generally Accepted Accounting Practice (NAC001) : Financial Reporting Standard for Small and Medium-sized Entities, and the Medical and Dental Act, 2004 (Act 10 of 2004). 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 Namibia Dollar.

The annual financial statements of Medical and Dental Council of Namibia have been prepared on the basis of accounting as stated in note 1 to the financial statements. The basis of accounting and the presentation and disclosures contained in the financial statements are not intended to and do not comply with all the requirements of the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared on the historical cost basis.

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 are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Key sources of estimation uncertainty

Impairment testing

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

Financial assets measured at cost and amortised cost

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 profit or loss

1.2 Property, plant and equipment

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

Property, plant and equipment is initially measured at cost.

Cost includes 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.

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

Immovable property owned by the Council is classified as owner-occupied property and shown at cost less impairment and is not depreciated.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Council.

Medical and Dental Council Of Namibia
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Accounting Policies

1.2 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	6 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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

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

1.3 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 profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

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

1.4 Leases (continued)

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

Operating leases - lessor

Operating lease income is recognised as an income 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 receipt of payments is 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.

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.6 Impairment of assets

The Council assesses at each reporting date whether there is any indication that an asset 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 profit or loss.

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 profit or loss.

1.7 Revenue

Revenue is recognised to the extent that the Council has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Council. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

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Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021 NS	2020 NS
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2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	2,669,462	-	2,669,462	2,669,462	-	2,669,462
Office equipment	2,295	(2,295)	-	2,295	(2,295)	-
IT equipment	9,999	(3,750)	6,249	9,999	(1,250)	8,749
Total	2,681,756	(6,045)	2,675,711	2,681,756	(3,545)	2,678,211

Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Closing balance
Buildings	2,669,462	-	2,669,462
IT equipment	8,749	(2,500)	6,249
	2,678,211	(2,500)	2,675,711

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Buildings	2,596,698	72,764	-	2,669,462
IT equipment	-	9,999	(1,250)	8,749
	2,596,698	82,763	(1,250)	2,678,211

Pledged as security

Carrying value of assets pledged as security is as shown below:

Property is mortgaged as security for a loan reflected in the accounts of Medical and Dental Council of Namibia and set out in note 10 in the annual financial statements.

Land and buildings	2,669,462	2,669,462
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Notes to the Annual Financial Statements

	2021	2020
	N\$	N\$
2. Property, plant and equipment (continued)		
Details of properties		
Erf 4173		
1/5th share of Erf No. 4173, Windhoek, measuring 1,068 square metres, with office building.		
- Cost	215,974	215,974
Erf 4168		
1/5th share of Erf No. 4168, Windhoek, measuring 1,256 square metres, with office building.		
- Cost	780,434	737,630
- Capitalised expenditure	-	42,804
	780,434	780,434
Erf 4171		
1/5th share of Erf No. 4171, Windhoek, measuring 1,070 square metres, with office building.		
- Cost	828,511	798,551
- Capitalised expenditure	-	29,960
	828,511	828,511
Erf 4169		
1/5th share of Erf No. 4169, Windhoek, measuring 1,070 square metres, with office building.		
- Cost	844,542	844,542
Erf No 4173 was revalued by an independent valuer, Paulus Gert van Wyk on 10 March 2021, to the value of N\$10,032,000. The value was based on an open market value for existing use. 1/5th valuation applicable to Council amounts to N\$2,006,400.		
Erf No 4168 was revalued by an independent valuer, Paulus Gert van Wyk on 10 March 2021, to the value of N\$8,725,000. The value was based on an open market value for existing use. 1/5th valuation applicable to Council amounts to N\$1,745,000.		
Erf No 4171 was revalued by an independent valuer, Paulus Gert van Wyk on 10 March 2021, to the value of N\$7,050,000. The value was based on an open market value for existing use. 1/5th valuation applicable to Council amounts to N\$1,410,000.		
Erf No 4169 was revalued by an independent valuer, Paulus Gert van Wyk on 10 March 2021, to the value of N\$5,700,000. The value was based on an open market value for existing use. 1/5th valuation applicable to Council amounts to N\$1,140,000.		
Valuation		
Erf No 4173	10,032,000	9,648,000
Erf No 4168	8,725,000	8,400,000
Erf No 4171	7,050,000	6,806,000
Erf No 4169	5,700,000	5,500,000
	31,507,000	30,354,000
3. Inter-Council transfers to (from)		
Loan - Health Professions Council	-	(2,114,087)
The inter-council transfer is unsecured, interest free with no fixed terms of repayment. These terms are reviewed from time to time.		
4. Other financial assets		
At amortised cost		
FNB Namibia Unit Trust Funds	653,805	150,000
Investment made in FNB Namibia Money Market Fund A		

Medical and Dental Council Of Namibia
Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021	2020
	N\$	N\$
4. Other financial assets (continued)		
Current assets		
At amortised cost	653,805	150,000
5. Trade and other receivables		
Trade receivables	983,843	1,111,772
Money received control account	(798,537)	(715,156)
Other receivables	1,913	1,913
Inter council loan	54,174	15,173
	241,393	413,702
6. Inventories		
Books and consumable stock	15,294	37,356
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	497,784	141,340
Short-term deposits	5,228,929	4,241,236
	5,726,713	4,382,576
8. Capital reserves		
Arising from acquiring the net assets of former Boards as contemplated in section 4 of the Medical and Dental Act, 2004 (Act 10 of 2004)	492,367	492,367
9. Trade and other payables		
Trade payables	(9,120)	(9,120)
Amounts received in advance - member fees 2021/2022	2,926,385	2,618,485
Application fees	14,964	14,964
Money received control account	11,882	1,990
	2,944,111	2,626,319

Amount received in advance - member fees 2021/2022 are amounts collected for the annual maintaining fees in the financial year-ended 31 March 2021.

Medical and Dental Council Of Namibia
Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021 N\$	2020 N\$
10. Finance lease liabilities		
Minimum lease payments which fall due		
- within one year	5,741	92,125
- in second to fifth year inclusive	20,294	366,650
	<u>26,035</u>	<u>458,775</u>
Less: future finance charges	(6,517)	(103,086)
Present value of minimum lease payments	<u>19,518</u>	<u>355,689</u>
Non-current liabilities	16,332	318,337
Current liabilities	3,186	59,881
	<u>19,518</u>	<u>378,218</u>

It is Council's policy to lease certain property under finance leases.

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The council's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 2.

The loan is redeemable in monthly installments of N\$478 (2020: N\$7,677).

11. Revenue

Sale of goods - books and consumable stock	143,450	55,750
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12. Cost of sales

Sale of goods		
Cost of goods sold - books and consumable stock	41,424	40,276
Ineventory adjustment	70,537	81,269
	<u>111,961</u>	<u>121,545</u>

13. Other income

Fees earned	4,304,242	4,294,076
Fines received	70,000	-
Inter-Council loan (write-off)	2,049,991	-
Rental income	70,000	86,237
Verimentation	-	1,800,000
	<u>6,494,233</u>	<u>6,180,313</u>

Write-off of intercouncil loan created prior to August 2017 to account for bond payments for the Council's properties that were being paid from the Joint Council's bank account. The money in the Joint Council bank belongs to the respective councils and hence no physical money will move from the Medical and Dental Council to repay the bond payments made prior to August 2017. The councils have thus made a decision to write-off the loan in both the Joint Health Councils and the respective individual Council's financial records.

14. Operating profit

Operating profit for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	2,500	1,250
Annual contribution to the Joint Health Professions Council	1,041,892	967,735

Medical and Dental Council Of Namibia
Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021	2020
	N\$	N\$
15. Investment revenue		
Interest revenue		
Bank	113,078	73,625
16. Finance costs		
Bank	12,953	2,814
Other interest paid	-	42,968
	12,953	45,782
17. Taxation		
No provision has been made for tax as the Council is exempt from income tax.		
18. Auditor's remuneration		
Fees	27,127	37,720
19. Cash generated from operations		
Profit before taxation	3,806,066	497,030
Adjustments for:		
Depreciation and amortisation	2,500	1,250
Interest received - investment	(113,078)	(73,625)
Finance costs	12,953	45,782
Inter-council loan write-off	(2,049,991)	-
Changes in working capital:		
Inventories	22,062	28,775
Trade and other receivables	172,309	906,563
Trade and other payables	317,792	38,381
	2,170,613	1,444,156

20. Contingencies

The Council is managed by a joint management entity, which also manages the business of four (4) other Councils. The ultimate financial responsibility for the financial affairs of the management entity lies with these five (5) Councils.

Medical and Dental Council Of Namibia

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021	2020
	N\$	N\$
21. Related parties		
Relationships		
Related Councils		Allied Health Professions Council of Namibia Nursing Council of Namibia Pharmacy Council of Namibia Social Work and Psychology Council of Namibia
Managing Council		Health Professions Councils of Namibia
Related party balances and transactions		
Related party balances		
The Medical and Dental Council of Namibia is managed by the Health Professions Council of Namibia. In return for these management services performed the Medical and Dental Council of Namibia pays annual contribution to the Health Professions Council of Namibia for administrative purpose.		
Inter-Council Transfers - Owing (to) by related parties		
Health Professions Councils of Namibia	-	(2,114,087)
Related party transactions		
Contributions paid		
Health Professions Councils of Namibia	1,041,892	967,735

Medical and Dental Council Of Namibia

Annual Financial Statements for the year ended 31 March 2021

Detailed Income Statement

	Note(s)	2021 N\$	2020 N\$
Revenue			
Sale of goods		143,450	55,750
Cost of sales			
Opening stock		(37,356)	(66,131)
Purchases		(89,899)	(92,770)
Closing stock		15,294	37,356
	12	(111,961)	(121,545)
Gross profit (loss)		31,489	(65,795)
Other income			
Fees earned		4,304,242	4,294,076
Fines received		70,000	-
Inter-council loan (write-off)	13	2,049,991	-
Rental income		70,000	86,237
Verimentation income		-	1,800,000
		6,494,233	6,180,313
Operating expenses			
Accounting fees		8,740	-
Advertising		3,023	5,888
Annual contribution to the Joint Health Professions Council		1,041,892	967,735
Appeal fees		119,743	155,574
Auditors remuneration	18	27,127	37,720
Bad debts		31,445	241,429
Bank charges		13,550	24,751
Catering fees		32,242	82,073
Consulting fees		-	19,587
Depreciation, amortisation and impairments		2,500	1,250
Evaluation fees		416,700	683,728
Expert opinion fees		54,000	15,500
Hearing fees		471,180	2,491,659
Inspection fees		2,000	21,700
Legal expenses		131,711	308,975
Meeting expenses		205,573	173,000
Membership fees - AMCOA		26,030	35,144
Membership fees - IAMRA		-	31,926
Printing and stationery		68,765	15,476
Travel and accomodation		163,560	332,216
		2,819,781	5,645,331
Operating profit	14	3,705,941	469,187
Investment income	15	113,078	73,625
Finance costs	16	(12,953)	(45,782)
		100,125	27,843
Profit for the year		3,806,066	497,030