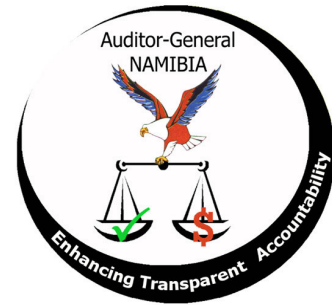




**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**

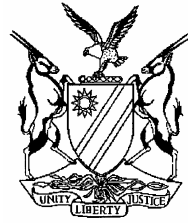
# **MARINE RESOURCES FUND**

**FOR THE FINANCIAL YEARS ENDED 31 MARCH 2002 AND 2003**

Published by authority

Price (Vat excluded) N\$ 22.87  
Report no 721

**REPUBLIC OF NAMIBIA**



**TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY**

I have the honour to submit herewith my report on the accounts of the Marine Resources Fund for the financial years ended 31 March 2002 and 2003 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

**WINDHOEK, July 2009**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT of the AUDITOR-GENERAL  
on the ACCOUNTS of the MARINE RESOURCES FUND  
for the financial years ended 31 MARCH 2002 & 2003**

**1. INTRODUCTION**

The Marine Resources Fund was established in terms of Section 45 (1) of the Marine Resources Act, 2000 (Act 27 of 2000), to financially assist research and development in connection with sea fisheries, as defined in Section 45 (3) of the Act. The Fund's income is derived mainly from levies on harvested or quotas for harvesting sea animals and other products from the sea. The Permanent Secretary: Ministry of Fisheries and Marine Resources is the Accounting Officer in terms of Section 45 (4) of the Act.

**2. FINANCIAL STATEMENTS**

The financial statements published in this report are filed in the Office of the Auditor-General and comprise the following.

Annexure A: Balance sheets

Annexure B: Income and expenditure statements

Annexure C: Notes to the financial statements

**3. SCOPE OF THE AUDIT**

**3.1** The Accounting Officer of the Fund is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions. It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly.

The audit included:

- (a) Examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements;
- (b) assessment of the significant estimates and judgements made by the Accounting Officer of the Fund in the accounting of the transactions, his determination of and decision on relevance of transactions to the Fund and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed; and
- (c) evaluation of the overall adequacy of the presentation of information for its inclusion in the financial statements.

**3.2** The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:

- (a) The financial statements are free from material misstatement, whether caused by error, fraud or other irregularity;
- (b) in all material respects, the expenditure and income have been applied to the purposes intended; and
- (c) the financial transactions conform to the authorities which govern them.

#### 4. AUDIT OBSERVATIONS

##### 4.1 BALANCE SHEET ITEMS

###### 4.1.1 Property, plant and equipment (2001/2002 and 2002/2003)

The Fund does not have a fixed assets register in place. The auditors were thus unable to perform any tests on fixed assets.

###### **Recommendation**

It is a standard accounting requirement to have a fixed asset register in place. Therefore it is recommended that the Fund must establish and maintain an asset register. It is proposed that the asset register should reflect the following details per asset:

- A detailed description of the asset
- The respective dates of acquisition and the cost thereof
- Depreciation rate
- Accumulated depreciation reflecting opening balance and depreciation for the year
- The date of any revaluation and the revalue amount
- Cost of additions
- The respective date of any disposal and the consideration received in respect thereof
- The net book value/carrying amount of the asset
- Other fields deemed necessary could be added.

###### 4.1.2 Balance: Fixed assets and investments

The total has been reflected as N\$ 7 369 026 in the balance sheet as drawn up by the Accounting Officer whereas this total adds up to N\$ 7 419 502. The Accounting Officer should explain the difference of N\$ 50 476.

###### 4.1.3 Depreciation

The depreciation reflected in the trial balance differs as follows from the amounts reflected in Note 11 of the financial statements:

Asset	Trial balance	Note 11
	N\$	N\$
Computer equipment	724 503	677 453
Vehicles: Sedan	132 923	157 242
Bakkie	158 178	133 859
Air conditioner	7 557	4 130

The amounts reflected in the trial balance result in negative asset values should these be taken into account. The Accounting Officer should submit the correct trial balance for audit purposes.

###### 4.1.4 Current bank account

The overdraft balance of N\$ 10 963 of the 2001/02 financial year has been carried over to the 2002/03 financial year reflecting the same amount. No bank statements or reconciliations confirming the correctness of this amount have been submitted.

## 4.2 Retained income

The closing balances of the retained income account do not agree with the opening balances of the ensuing financial years as follows:

<b>Financial year</b>	<b>Closing balance 31 March</b>	<b>Opening balance 01 April</b>	<b>Difference</b>
	N\$	N\$	N\$
2000/01	16 292 255	-	-
2001/02	13 938 168	16 292 378	123
2002/03	-	12 410 242	(1 527 926)

The above-mentioned differences need to be explained by the Accounting Officer.

## 5. ACKNOWLEDGEMENT

The assistance and co-operation of the staff of the Fund during the audit is appreciated.

## 6. QUALIFIED AUDIT OPINION

The financial statements of the Marine Resources Fund for the financial years ended 31 March 2002 and 2003, were audited by me in accordance with the provisions of Section 25 (1) of the State Finance Act, 1991 read with Section 22 (1) of the Marine Resources Fund, (Act 27 of 2000).

The audit opinion has been qualified due to the following reasons:

- Existence and value of fixed assets could not be confirmed.
- The balance sheet does not balance by N\$ 50 476.
- The overdraft bank balance of N\$ 10 463 could not be confirmed.
- The difference between the closing balance of the retained income account as at 31 March 2002 differs with N\$ 1 527 926 from the opening balance as at 01 April 2002.

Except for the above-mentioned issues, I certify that, in my opinion the financial statements fairly reflect the transactions and the financial position of the Fund for the financial years ended 31 March 2002 and 2003 and in all material respects the income and expenditure have been applied to the purposes intended and conform to the authorities that govern them.

**WINDHOEK, July 2009**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## MARINE RESOURCES FUND

## BALANCE SHEETS AS AT 31 MARCH 2002 &amp; 2003

	<u>Note</u>	<b>2003</b>	<b>2002</b>	<b>2001</b>
		N\$	N\$	N\$
<b>Assets</b>				
<b>Fixed assets</b>		<b>5 119 502</b>	<b>6 812 476</b>	<b>994 509</b>
Furniture & office equipment	11	315 243	448 149	649 812
Vehicles		51 578	125 575	199 860
Operational equipment, machinery & plant		4 752 681	6 238 752	144 837
<b>Investments</b>		<b>2 300 000</b>	<b>2 300 000</b>	<b>2 000 000</b>
Long term		2 000 000	2 000 000	2 000 000
32 Days notice		300 000	300 000	-
<b>Total</b>				
<b>Current assets</b>	12	<b>7 152 714</b>	<b>4 825 691</b>	<b>13 297 746</b>
Commercial bank-Current account		(10 963)	(10 963)	(10 963)
Bank Windhoek-Current account		7 163 677	4 836 654	13 308 709
		<b>14 572 216</b>	<b>13 938 167</b>	<b>16 292 255</b>
<b>Equity &amp; liabilities</b>				
<b>Equity</b>				
Retained income	13	14 521 740	13 938 167	16 292 255
		<b>14 521 740</b>	<b>13 938 167</b>	<b>16 292 255</b>

## MARINE RESOURCES FUND

## INCOME STATEMENT FOR THE FINANCIAL YEARS ENDED 31 MARCH 2002&amp; 2003

	<u>Notes</u>	<b>2003</b>	<b>2002</b>	<b>2001</b>
		N\$	N\$	N\$
<b>INCOME</b>	1	<b>17 489 123</b>	<b>10 572 874</b>	<b>21 724 974</b>
<b>EXPENSES</b>				
Subsistence & travel allowance (S&T)	2	57 781	45 023	139 428
Materials & supplies	3	2 586 039	2 789 163	3 007 815
Transport	4	47 880	49 442	92 380
Utilities	5	68 538	29 838	168 937
Maintenance expenses	6	4 212 901	2 130 443	2 144 951
Other services & expenses (OS & E)	7	6 083 045	5 632 879	7 819 491
Training & transfers	8	2 001 540	372 839	1 043 481
Miscellaneous expenses	10	3 530	-	4 270 713
Bank charges		7 138	7 074	16 650
Depreciation		309 233	1 870 383	325 985
<b>Total expenses</b>		<b>15 377 625</b>	<b>12 927 084</b>	<b>19 029 831</b>
<b>Net profit/(loss) for the year</b>		<b>2 111 498</b>	<b>(2 354 210)</b>	<b>2 695 143</b>

## MARINE RESOURCES FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2002 &amp; 2003

	Note	2003	2002	2001
		N\$	N\$	N\$
<b>1. Income</b>				
Jetty rental		460 994	135 090	-
Donations		-	134 679	-
Refunds		-	72 046	114 197
Interest earned: Current account		809 541	386 032	402 318
Namibia brief		1 000	870	190
Interest on call account		-	-	-
Interest 32 Days notice account		-	411 623	439 912
Levies- Horse Mackarel		6 872 873	3 500 031	3 262 877
-Hake		4 824 655	4 050 875	3 003 264
-Tuna		496 577	133 471	272 453
-Orange Roughy		551 480	197 525	254 797
-Line fish		33 312	14 382	13 107
-Rock Lobster		75 113	36 448	36 761
-Crab		424 724	123 471	127 074
-Beach Trek		546	261	786 033
-Pelagic		2 023 056	824 290	16 364
-Monk		201 225	169 819	-
-Guano		-	2500	-
-Ski boats		5	-	-
-Shark		184 620	-	-
Bycatch Levies- Horse Mackarel		6 942	6 584	287 092
-Hake		-	68 214	145 918
-Tuna		5 567	96	-
-Midwater		128 450	2 721	-
-Pelagic		-	1 487	-
-Alfonsino		-	14 094	-
Aquarium		139 193	141 254	127 478
-Adults		39 934	26 811	25 893
-Children		6 458	6 735	7 767
-School groups		3 288	4 185	2 394
-Teachers		1 999	1 231	897
-Study groups		5 948	2 721	3 828
-Brochures		-	-	50
-Hire auditorium		2 600	-	500
Miscellaneous	9	14 448	99 918	12 393 810
Aquarium Fees- Others		-	3 410	-
-Foreign adults		146 385	-	-
-Foreign children		14 635	-	-
-Foreign pensioners		13 555	-	-
		<b>17 489 123</b>	<b>10 572 874</b>	<b>21 724 974</b>

## MARINE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2002 & 2003  
(continued)

	2003	2002	2001
	N\$	N\$	N\$
<b>2. Subsistence &amp; travel allowance (S&amp;T)</b>			
Air tickets	-	24 119	11 202
Accommodation	-	15 101	31 484
Subsistence & travel allowances	57 781	5 803	96 742
	<b>57 781</b>	<b>45 023</b>	<b>139 428</b>
<b>3. Materials &amp; supplies</b>			
Stationery	41 002	35 809	52 725
Cleaning material	1 744	637	5 425
Provisions	6 726	10 098	4 058
Subscriptions	187 729	151 192	582 496
Protective clothing	50 099	18 893	40 382
Vessel fuel	2 167 369	2 133 639	1 707 492
Computer software	-	7 964	85 758
Books	1 407	3 3780	240 118
Lab consumables	86 816	207 173	76 644
Computer consumables	25 441	42 477	66 639
Other	17 706	147 501	146 078
	<b>2 586 039</b>	<b>2 789 163</b>	<b>3 007 815</b>
<b>4. Transport</b>			
Fuel	32 478	41 406	43 734
Tyres	-	2 143	10 946
Batteries	-	-	283
Repairs	8 354	1 608	27 578
Services	7 048	4 285	9 839
	<b>47 880</b>	<b>49 442</b>	<b>92 380</b>
<b>5. Utilities</b>			
Water & electricity charges	35 137	-	29 156
Telephones & fax charges	22 323	-	5 933
Courier charges	10 242	12 885	119 080
Postage	836	-	185
Communication expenses	-	-	672
Building rental	-	16 953	13 911
Computer rental	-	-	-
	<b>68 538</b>	<b>29 838</b>	<b>168 937</b>
<b>6. Maintenance expenses</b>			
Computer equipment	10 564	19 026	39 519
Research vessel	3 825 292	1 913 189	1 499 675
Buildings	167 538	57 666	428 612
Other craft	209 507	140 562	177 145
	<b>4 212 901</b>	<b>2 130 443</b>	<b>2 144 951</b>

## MARINE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2002 & 2003  
(continued)

	2003	2002	2001
	N\$	N\$	N\$
<b>7. Other services &amp; expenses ( OS&amp;E)</b>			
Training	-	6 500	760
Vessel management fees	4 607 710	4 051 164	4 180 372
Symposiums and workshops	-	13 482	35 166
Printing	4 920	5 963	79 197
Security services	25 809	3 471	27 345
Laundry	104	500	-
Consultancy fees	176 475	698 363	637 751
Insurance	80 258	8 004	205 551
Cleaning services	504	3 479	22 124
Salaries	934 395	135 142	363 684
Receiver of Revenue	15 642	24 054	42 247
Social Security	1 360	1 850	2 006
Port dues	5 878	4 682	28 398
Clearing charges	-	8 548	-
Medical aid contribution	-	-	900
Copy charges	-	8 909	5 037
Contributions	235 000	420 596	1 364 400
Others	-	211 691	824 553
Main budget	24 490	(3 019)	-
Sitting allowance	(29 500)	29 500	-
	<b>6 083 045</b>	<b>5 632 879</b>	<b>7 819 491</b>
<b>8. Training &amp; transfers</b>			
NAMFI	1 903 400	255 000	1 000 000
Training	-	-	7 975
Bursaries	93 176	101 727	33 906
Course fees	4 964	16 112	1 600
	<b>2 001 540</b>	<b>372 839</b>	<b>1 043 481</b>
<b>9. Miscellaneous income</b>			
Swakopmund	-	-	220
Money received from Iceida	-	-	262 220
Money received from benefit	-	-	21 958
Advance received from MOF for vessel purchase	-	-	12 000 000
Unknown deposits	2 724	96 756	109 412
Corrections	374	1 362	-
Sale of CDs and books	11 350	800	-
Cheque written back	-	1 000	-
	<b>14 448</b>	<b>99 918</b>	<b>12 393 810</b>

## MARINE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2002 & 2003  
(continued)

	2003	2002	2001
	N\$	N\$	N\$
<b>10. Miscellaneous expenses</b>			
Downpayment for vessel (Moenslip)	-	-	4 264 477
Unknown transfer	-	-	6 236
Correction of over deposits	2 330	-	-
Redeposit of awal	1 200	-	-
	<b>3 530</b>	<b>-</b>	<b>4 270 713</b>
<b>11. Fixed assets</b>			
<b>At cost</b>			
Office furniture	358 613	324 905	278 900
Furniture & fittings	118 559	118 559	118 559
Computer equipment	677 453	677 453	677 453
Vehicles - Sedan	198 451	198 451	198 451
- Bakkie	133 859	133 859	133 859
- Quadbike	39 117	39 117	39 117
Operational equipment - Air conditioner	6 947	6 947	6 947
- Generator	258 768	198 768	196 054
- Vessels	7 639 631	7 639 631	-
<b>Total</b>	<b>9 431 398</b>	<b>9 337 690</b>	<b>1 649 340</b>
<b>Less: Accumulated depreciation</b>			
Office furniture	106 241	72 717	42 374
Furniture & fittings	55 6878	43 832	31 985
Computer equipment	677 453	556 219	350 742
Vehicles -Sedan	157 242	117 551	77 861
- Bakkie	133 859	107 375	80 603
- Quadbike	28 749	20 926	13 102
Operational equipment - Air conditioner	-	5 148	2 740
- Generator	92 682	73 519	55 424
- Vessels	3 055 852	1 527 926	-
<b>Total</b>	<b>4 311 895</b>	<b>2 525 213</b>	<b>654 831</b>
<b>Fixed assets: Net book value</b>			
Office furniture	252 372	252 188	236 526
Furniture & fittings	62 871	74 727	86 574
Computer equipment	-	121 234	326 712
Vehicles -Sedan	41 209	80 899	120 590
- Bakkie	-	26 484	53 256
- Quadbike	10 368	18 192	26 015
Operational equipment - Air conditioner	2 817	1 799	4 207
- Generator	166 086	125 248	140 630
- Vessels	4583 779	6 111 705	-
<b>Total</b>	<b>5 119 502</b>	<b>6 812 476</b>	<b>994 509</b>

## MARINE RESOURCES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2002 & 2003  
(continued)

	<b>2003</b>	<b>2002</b>	<b>2001</b>
	N\$	N\$	N\$
<b>12. Current assets</b>			
Bank, as per bank statement as at 31 March	8 083 181	5 642 557	13 297 746
Less: Outstanding payments	(922 792)	(812 314)	(783 283)
Plus: Outstanding receipts	3 288	6 411	1 214
	<b>7 163 677</b>	<b>4 836 654</b>	<b>14 082 243</b>
<b>13. Retained income</b>			
Retained income: Previous year	12 410 242	16 292 378	13 597 112
Surplus/(deficit) for the year	2 111 498	(2 354 210)	2 695 143
Retained income: End of the year	<b>14 521 740</b>	<b>13 938 168</b>	<b>16 292 255</b>