



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MARINE RESOURCES FUND

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2019, 2020 and 2021

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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 2019, 2020 and 2021 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, November 2023

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MARINE RESOURCES FUND
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

SECTION A: FINANCIAL AUDIT

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Marine Resources Fund for the financial years ended 31 March 2019, 2020 and 2021. These financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flow for the years then ended, and a summary of significant accounting policies.

Because of the significance of matters discussed in the Basis for Adverse Audit Opinion paragraph, the financial statements do not present fairly the financial position of the Marine Resources Fund for the financial years ended 31 March 2019, 2020 and 2021 and its financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

2. BASIS FOR ADVERSE AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the audit report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to the audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. The adverse audit opinion is expressed due to the following:

2.1 EXPENDITURE - INVOICE ISSUED TO MINISTRY OF FISHERIES AND MARINE RESOURCES

Expenditures amounting to N\$ 7 093 217 (2019), N\$ 700 486 (2020) and N\$ 9 733 425 (2021) were issued to the Ministry of Fisheries & Marine Resources and were captured in the records of the Fund. The Fund is required to produce financial statements as a separate entity and be audited by the Auditor General in terms of Section 45 (8) of the act, therefore the Fund should only account for the expenditure relevant to it.

It is recommended that the Fund processes and disclose only transactions that pertain to the Fund.

2.2 INVESTMENT IN EQUITY SHARES

The equity investment made in Sanlam Limited and Old Mutual Limited was overstated by N\$ 1 320 573 (2019), N\$ 1 495 356 (2020) and N\$ 1 478 507 (2021) respectively.

Year	Sanlam Limited N\$	Old Mutual Limited N\$	Total Overstated N\$
2021	881 281	597 226	1 478 507
2020	881 281	614 075	1 495 356
2019	881 281	439 292	1 320 573

In addition, there were also equity investments not accounted for namely: Quilter PLC and Nedbank Group Ltd amounting to N\$ 307 154 (2019), N\$ 256 454 (2020) and N\$ 352 172 (2021) respectively.

The Fund is recommended to request for monthly statements and perform reconciliations against the Fund accounting records to ensure that the investments are accurately stated.

2.3 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash receipts from permits issued at the Aquarium and Swakopmund centers amounting to N\$ 369 212, were not recorded in the Cash register. Therefore, the completeness of deposits made during the 2020 financial year could not be ascertained.

The Fund should ensure that all cash receipts from permits issued are captured on the system/cash-register, and that cash deposits are done on a timely basis. The cash control accounts should be cleared at year-end.

2.4 REVENUE – DIVIDENDS RECEIVED

It was also observed that Sanlam dividend received was overstated by N\$ 252 782 during the 2019 financial period. The amount confirmed by the JSE Investor Services was N\$ 60 652 and the amount recorded in the financial statement was N\$ 313 434 for the financial year.

The dividend income and transaction price should be recognized over the performance obligation period(s), not on the payment date as stated in terms of IFRS 15.73.

2.5 TRADE RECEIVABLES – RECONCILIATION

A difference of N\$ 353 713 was observed in the 2021 financial year between the general ledger amount of N\$ 22 995 982 and the amount disclosed in the financial statement amounting to N\$ 23 349 695.

The Fund is recommended to ensure that it reconciles its financial statements to the general ledgers.

2.6 TRADE RECEIVABLES - ALLOWANCE FOR DOUBTFUL DEBTS

The allowance for doubtful debts could not be substantiated for the financial years 2019, 2020 and 2021. The Fund does not have credit policy in place. Furthermore, the auditors observed that the Fund's trade receivables over 120 days and older was N\$ 17 468 594 (2019), N\$ 44 440 459 (2020) and N\$ 28 940 377 (2021) respectively.

The Fund should ensure that it implements a credit policy and provide for doubtful debts.

2.7 TRADE RECEIVABLES –DEBTORS AGE ANALYSIS

The audit observed that the Fund has negative balances in the trade receivables age analysis amounting to N\$ 24 463 103 (2019), N\$ 34 122 808 (2020) and N\$ 56 766 672 (2021).

The Fund is recommended to ensure that it reconciles debtors' balances as per the detailed ledger/age analysis to supporting documents.

2.8 PREPAID EXPENSES

No supporting documentation was provided for prepayments related to insurance of vessels valued at N\$ 575 723 (2020) and N\$ 575 723 (2021). There was also no supporting evidence provided related to Pay as You Earn (P.A.Y.E) amounting to N\$ 156 607 (2020) and N\$ 2 595 541 (2021).

It is recommended that the Fund ensure that all supporting documents are provided for audit purposes in terms of the State Finance Act, 1991 (Act 31 of 1991) Section 26 (1) (b) (i) and (ii).

2.9 TRADE RECEIVABLES

The Fund did not provide supporting documents for trade receivables amounting to N\$ 3 040 409 (2019), N\$ 3 016 075 (2020) and (N\$ 1 703 842) (2021).

It is recommended that the Fund ensures that all supporting documents are provided for audit purposes in terms of the State Finance Act, 1991 (Act 31 of 1991) Section 26 (1) (b) (i) and (ii).

2.10 TRADE AND PAYABLES

The Fund did not provide source documents (payment vouchers) for transactions amounting to N\$ 1 811 850 (2021) related to trade and other payables.

It is recommended that the Fund ensures that all supporting documents are provided for audit purposes in terms of the State Finance Act, 1991 (Act 31 of 1991) Section 26 (1) (b) (i) and (ii).

2.11 PROPERTY, PLANT AND EQUIPMENT – DEPRECIATION

A difference of N\$ 567 352 was noted, between the financial statements amounting to N\$ 2 133 645 and the recalculated depreciation amounting to N\$ N\$ 1 566 293 for 2021 financial period.

It is recommended that the Fund should calculate its depreciation based on the useful lives set out on the Fund's Fixed Asset Policy.

2.12 PROPERTY, PLANT AND EQUIPMENT - PRESENTATION AND DISCLOSURE

The Fund did not disclose vehicles valued at N\$ 5 504 120, separately in the financial statement, nor in the notes to the financial statements as at 31 March 2021.

It is recommended that the Fund should disclose and present the fixed assets in each respective class of Property, Plant and Equipment in the financial statements and in the notes to the annual financial statement in terms of IAS 16.73.

Which state that:

“For each class of property, plant and equipment discloses:

- Basis for measuring carrying amount
- Depreciation method(s) used
- Useful lives or depreciation rates
- Gross carrying amount and accumulated depreciation and impairment losses
- Reconciliation of the carrying amount at the beginning and the end of the period.”

2.13 PROPERTY, PLANT AND EQUIPMENT – ASSET VERIFICATION

Verification of items related to property, plant and equipment, excluding for motor vehicle, could not be performed due to the following:

- The asset register was not updated with unique assets identification numbers/other features that correspondence to the physical assets; and
- The asset register is not updated with the location of the asset.

It is recommended that the Fund should ensure that an annual asset verification is performed and that the fixed asset register is updated with sufficient information that enables confirmation of audit test.

2.14 EXPENDITURE - PRESENTATION OF EXPENDITURE IN THE ANNUAL FINANCIAL STATEMENTS

The Fund presented salaries of N\$ 12 578 899 (2019), N\$ 13 715 646 (2020) and N\$ 8 942 199 (2021) respectively as other expenditures. IAS 1 states that, "Each material class of similar items must be presented separately in the financial statements. Dissimilar items may be aggregated only if they are individually immaterial. [IAS 1.29]"

Other sub-accounts classified under other expense that are deemed material namely:

- Vessel Management Fees of N\$ 2 700 140 (2019), N\$ 3 231 660 (2020) and N\$ 3 609 931(2021);
- Consultancy Fees of N\$ 3 802 023 (2019), N\$ 2 502 580 (2020), N\$ 2 502 580 (2020) and N\$ 4 117 368 (2021);
- Insurance of N\$ 2 098 689 (2019), N\$ 2 566 987 (2020) and N\$ 3 551 444 (2021);
- Licenses and subscriptions of N\$ 4 066 825 (2019), N\$ 6 036 472 (2020) and N\$ 837 266 (2021); and
- Transport repairs of N\$ 729 638 (2021).

It is recommended that the Fund discloses its financial information in accordance with its adopted financial reporting framework.

2.15 DOUBLE PROCESSING OF EXPENDITURE

The Fund recorded an amount of N\$ 8 000 000 (2021) twice for subsidy to Namibia Maritime and Fisheries Institute (NAMFI) in the annual financial statements, therefore overstating its expenditure.

It is recommended that the Fund ensure that transactions are recorded accurately in the annual financial statements.

2.16 TRADE PAYABLES – DEBIT BALANCES

The accounts payables age analysis for the year under review included debit balances amounting to N\$ 2 183 488 (2019), N\$ 1 360 507 (2020) and N\$ 5 374 190 (2021), which resulted in an understatement of trade and other payables.

It is recommended that the Fund should ensure that all accounts are reconciled on a regular basis to reflect the true accounts payable balance at year end.

2.17 TRADE PAYABLES

Unreconciled suspense account balances of N\$ 5 916 486 (2019), N\$ 19 193 354 (2020) and N\$ 37 951 290 (2021) disclosed under other payables in the annual financial statements.

It is recommended that the Fund performs reconciliations to ensure that transactions are allocated to the correct account balance.

2.18 TRADE PAYABLES

The Benguella Current Convention (BCC)/UNDP Project amounting to N\$ 1 233 443 classified as other payables in the financial statements have been outstanding since 2012 and the account classified Main Budget By-Catches amounting to N\$ 415 998 has been outstanding since 2016. Furthermore, The Fund did not provide supporting documents for these transactions. It is recommended that the Fund regularly perform creditors' reconciliations to clear accounts balance that are outstanding for a long period of time.

2.19 FRUITLESS AND WASTEFUL EXPENDITURE

The Fund is still making use of a consultant to process and prepare the financial statements while the Fund incurred training cost amounting to N\$ 77 000 in the 2016/17 and 2017/18 financial years. The total cost for the consultant engagement amounts to N\$ 799 600. The Sage Pastel Accounting Software licensing fees amounts to N\$ 99 883 for the financial periods 2016/17 to 2021.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming an audit opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters identified in respective of the financial statement for Marine Resources Fund.

4. OTHER INFORMATION

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with the audit of the financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the audit or otherwise appears to be materially misstated.

5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (COMPLIANCE)

The financial statements for the financial years ended 31 March 2019, 2020 and 2021 were submitted by the Accounting Officer to the Auditor-General in compliance with Section 45 (8) of the Marine Resources Act, 2000 (Act No. 27 of 2000).

6. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with legislation, and for such internal control as management deems it 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, management is responsible for assessing the Entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

7. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions, 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 the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I 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 my 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 controls;
- 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 Entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention to it in the audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the audit opinion. My conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the entity 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;
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit;
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards; and

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION

1.1 AUDIT OF KEY PERFORMANCE INFORMATION

I conducted an audit on the performance information of the Marine Resources Fund consecutively with the audit of the financial statements for the years ended 31 March 2019, 2020 and 2021.

1.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND SCOPE

A Performance Management System (PMS) is a systematic process for achievement and improvement in obtaining results from an organization and its staff members managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timelines.

The primary function of the PMS is to enable the Fund to achieve success in fulfilling its mandate and provide improvements in service delivery to the public.

1.3 AUDIT OBJECTIVE

The objective of the Key Performance Indicator (KPI) audit is to provide assurance whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the Fund to inform the Parliament, the public and other stakeholders about its strategic priorities, programs and projects.

1.4 AUDIT CRITERIA

The audit was mainly concentrated on two (2) criteria, namely:

- Usefulness of reported performance information in terms of measurability and relevancy of indicators, as well as consistency of use of indicators throughout the period under review; and
- Reliability of reported performance information in terms of whether the actual reported performance did occur and was reported accurately.

1.5 KEY AUDIT FINDINGS

The Fund did not have Strategic and Operational plans encompassing the financial periods ending 31 March 2019, 2020 and 2021, furthermore, no Performance Management System was in place during the period under review.

It is recommended that the Fund drafts, finalizes and implements Strategic and Operational plans and implements a Performance Management System as a matter of urgency to ensure the attainment and adequate documentation of strategic objectives.

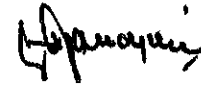
1.6 CONCLUSION ON SUBJECT MATTER

Because of the significance of the key audit findings section of my report, I have not been able to obtain sufficient appropriate evidence to form a conclusion on the Key Performance Information of the fund. Accordingly, I do not express a conclusion.

8. ACKNOWLEDGEMENTS

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

WINDHOEK, November 2023



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

**MARINE RESOURCES FUND
BALANCE SHEET AS AT 31 MARCH**

	Note	2021	2020	2019
		N\$	N\$	N\$
ASSETS				
Non-current assets		10 103 377	3 525 801	3 407 202
Property, plant and equipment	2	7 052 650	475 074	356 475
Machinery Equipment		6 399 308	270 312	333 289
Office & Furniture Equipment		129 794	32 234	23 186
Computer Equipment		523 548	172 528	-
Investments & shares in other companies	3	3 050 727	3 050 727	3 050 727
Sanlam		2 229 998	2 229 998	2 229 998
Old Mutual		820 729	820 729	820 729
Current assets		379 502 758	380 957 911	251 086 105
Trade and other receivables	4	23 349 695	54 657 201	34 782 274
Other receivables and prepayment	4	2 887 759	6 990 092	6 835 674
Bank and cash balances	5	353 265 304	319 310 618	209 468 157
Total assets		389 606 135	384 483 712	254 493 307
EQUITY AND LIABILITIES				
Equity		347 686 905	355 609 125	242 008 056
Retained income		347 686 905	355 609 125	242 008 056
Current liabilities		41 919 230	28 874 587	12 485 251
Trade payables	6	2 371 575	7 496 250	3 962 954
Other payables	6	39 547 655	21 378 337	8 522 297
Total equity and liabilities		389 606 135	384 483 712	254 493 307

ANNEXURE B

**MARINE RESOURCES FUND
INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH**

	Note	2021 N\$	2020 N\$	2019 N\$
INCOME		85 317 739	177 131 452	173 347 843
Fund Levies	10	55 132 870	122 956 664	120 932 269
Recreational/Fishing Permits	9	662 718	1 020 844	1 420 586
By-catch Levies	8	21 538 599	40 070 288	44 301 544
Aquarium Fees	7	29 590	355 786	349 766
Property Rental and Hire		4 084	3 650	1 749
Dividends received		69 854	65 253	113 434
Interest earned		7 880 024	12 658 967	6 228 495
EXPENDITURE		93 239 959	63 530 382	53 165 788
Subsistence and Travel Allowance	11	1 012 720	2 919 110	1 893 216
Materials and Supplies	12	5 802 966	5 574 425	10 839 897
Utilities	13	6 681 708	1 164 697	1 681 153
Maintenance Expenses	14	14 860 933	18 316 109	10 027 986
Other Service and Expenses	16	45 247 048	31 926 451	28 122 660
Transport and fuel		906 678	795 551	107 237
Subsidies, Grants and Contributions		16 594 262	2 596 502	-
Depreciation	15	2 133 644	237 537	493 639
NET (DEFICIT) / PROFIT FOR THE YEAR		(7 922 220)	113 601 070	120 182 055

MARINE RESOURCES FUND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	Retained Income	Total Equity
	N\$	N\$
Balance at 31 March 2018	121 826 000	121 826 000
Net Surplus for the year	120 182 055	120 182 055
Balance at 31 March 2019	242 008 055	242 008 055
Net Surplus for the year	113 601 070	113 601 070
Balance at 31 March 2020	355 609 125	355 609 125
Net Deficit for the year	(7 922 220)	(7 922 220)
Balance at 31 March 2021	347 686 905	347 686 905

ANNEXURE D

MARINE RESOURCES FUND
CASH FLOWS STATEMENT FOR THE YEARS ENDED 31 MARCH

	Note	2021	2020	2019
		N\$	N\$	N\$
Cash flows from operating activities				
Net operating (deficit)/surplus for the year		(7 922 220)	113 601 070	120 182 055
Adjusted for non-cash items:				
Depreciation	15	2 133 644	237 537	493 639
Working capital changes				
Decrease / (increase) in trade and other receivables		35 409 839	(20 029 344)	(2 259 489)
Increase in trade and other payables		13 044 645	16 389 335	10 551 645
<i>Net cash flow from operating activities</i>		42 665 908	110 198 598	128 967 850
Cash flows from investing activities				
Purchases of property, plant & equipment	2	(8 711 222)	(356 137)	221 788
<i>Net cash flow from investing activities</i>		(8 711 222)	(356 137)	221 788
Net increase in cash and cash equivalents		33 954 686	109 842 461	128 746 062
Cash and cash equivalents at the beginning of the year		319 310 618	209 468 157	80 722 095
Cash and cash equivalents at the end of the year	5	353 265 304	319 310 618	209 468 157

MARINE RESOURCES FUND**NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021****1. General information**

Marine Resources Fund was established with effect from 21 December 2000 under the Marine Resources Act, (Act 27 of 2000) and was tasked with the responsibility to provide for the conservation of the marine ecosystem and the responsible utilization, conservation, protection and promotion of marine resources on a sustainable basis; for that purpose, to provide for the exercise of control over marine resources and to provide for matters connected therewith.

1.1.1. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the fund, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IRFS), International Accounting Standards as well as the current conceptual framework of financial reporting. The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The financial statements incorporate the following principal accounting policies, which have been applied on a basis consistent with that of the previous year and used by the Fund.

1.2. Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Cost includes all costs directly attributable to bring the assets to working condition for their intended use as per IAS 16. Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful lives as follows:

	Useful life / Rate
Vehicles	5 years
Computer Equipment	3 Years
Office Equipment	3 years
Furniture & Fittings	5 Years
Machinery & Equipment	5 Years
Land and buildings	No depreciation

MARINE RESOURCES FUND
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020
AND 2021 (CONTINUED)

1.1.1. Basis of preparation and accounting policies (continued)

1.2. Property, plant and equipment (continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is impaired immediately to its recoverable amount as per IAS 36. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit, but however there were no any disposals.

1.3. Impairment of Assets (IAS 36)

Non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

1.4. Inventories (IAS 2)

Inventories are stated at the lower of cost and estimated net realizable value. Estimated net realizable value is the estimated selling price in the ordinary course of business less any costs of disposal. Cost is determined on the following basis:

- Inventory is valued at supplier invoice cost while obsolete, slow moving and defective items are written-down to net realizable value.

1.5. Accounts receivables

Accounts receivables are carried at original invoice cost amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the corporation will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of the expected cash flows.

1.6. Cash and Cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities

MARINE RESOURCES FUND**NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021 (CONTINUED)**

1.1.1. Basis of preparation and accounting policies (continued)**1.7. Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Revenue arising from the provision of services is recognized when the revenue can be measured reliably and it is probable that the economic benefit will flow to the fund as per IFRS 15.

1.8. Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, receivables, payables and loans. These instruments are generally carried at their estimated fair value.

1.9. Investments

Investments were recognized based on IAS 28; this investment was initially recorded at cost and accounted for as per equity method.

MARINE RESOURCES FUND
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH
(CONTINUED)

2. Property, plant and equipment

	Machinery Equipment	Office & Furniture Equipment	Computer Equipment	Total
	N\$	N\$	N\$	N\$
March 2021				
Cost				
Opening balance as at 01/04/2020	12 396 104	2 580 646	3 493 117	18 469 867
Additions	7 885 768	212 659	612 794	8 711 221
Closing balance as at 31/03/2021	20 281 872	2 793 305	4 105 911	27 181 088
Accumulated depreciation				
Opening balance as at 01/04/2020	12 125 792	2 548 412	3 320 589	17 994 793
Depreciation charge for the year	1 756 772	115 099	261 774	2 133 645
Closing balance as at 31/03/2021	13 882 564	2 663 511	3 582 363	20 128 438
Net book value as at 31/03/2021	6 399 308	129 794	523 548	7 052 650
March 2020				
Cost				
Opening balance as at 01/04/2019	12 323 924	2 555 482	3 234 324	18 113 730
Additions	72 180	25 164	258 793	356 137
Closing balance as at 31/03/2020	12 396 104	2 580 646	3 493 117	18 469 867
Accumulated depreciation				
Opening balance as at 01/04/2019	11 990 636	2 532 296	3 234 324	17 757 256
Depreciation charge for the year	135 156	16 116	86 265	237 537
Closing balance as at 31/03/2020	12 125 792	2 548 412	3 320 589	17 994 793
Net book value as at 31/03/2020	270 312	32 234	172 528	475 074

MARINE RESOURCES FUND
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH
(CONTINUED)

2. Property, plant and equipment (continued)

	Machinery Equipment	Office & Furniture Equipment	Computer Equipment	Total
	N\$	N\$	N\$	N\$
March 2019				
Cost				
Opening balance as at 01/04/2018	12 130 128	2 555 482	3 206 333	17 891 943
Additions	193 797	-	27 991	221 788
Closing balance as at 31/03/2019	12 323 925	2 555 482	3 234 324	18 113 731
Accumulated depreciation				
Opening balance as at 01/04/2018	11 648 148	2 493 913	3 121 556	17 263 617
Depreciation charge for the year	342 488	38 383	112 768	493 639
Closing balance as at 31/03/2019	11 990 636	2 532 296	3 234 324	17 757 256
Net book value as at 31/03/2019	333 289	23 186	-	356 475

3. Investments

	Number of shares			2021	2020	2019
	2021	2020	2019	N\$	N\$	N\$
Sanlam	26 143	26 143	26 143	2 229 998	2 229 998	2 229 998
Old Mutual	20 300	20 300	20 300	820 729	820 729	820 729
				3 050 727	3 050 727	3 050 727

Investments are made of shares in other companies

4. Trade and other receivables

Trade debtors	23 349 695	54 657 201	34 782 273
Other receivables and prepayments			
These include:			
Insurance paid in advance	575 723	708 217	575 723
Ecoview Software license	132 494	-	132 494
Main budget	(415 998)	6 125 268	6 125 268
Net Salaries	2 595 541	156 607	2 189
	2 887 759	6 990 092	6 835 674

ANNEXURE E

MARINE RESOURCES FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH
(CONTINUED)

	2021	2020	2019
	N\$	N\$	N\$
5. Bank and cash	353 265 304	319 310 618	209 468 157
Bank and cash balances at year end comprise:			
Bank Windhoek Current Account	350 251 354	315 796 734	205 879 882
Bank Windhoek – Notice Deposit Call Account	3 563 424	3 439 791	3 208 159
Cash Control Swakop- Fish Permits	(212)	(212)	(212)
Cash Control Lüderitz	61 192	4 308	4 112
Walvis Bay Sea Water	9 243	9 339	9 342
Cash Control – Walvis	5 161	3 907	3 289
Cash – Oranjemund Fish	7 088	4 722	256
Windhoek Fish	(14 972)	(7 700)	(999)
Cash Control – Head Quarters	844	844	844
Windhoek Sea Water	(74 964)	(14 162)	(16 844)
Cash Control – 1	(854 412)	(337 887)	8 160
Torra Bay Cash	(1 204)	2 758	2 758
Cash Control – 2	(113 476)	(30 564)	1 538
Cash Control – 3	434 402	445 714	369 902
Cash Control – 4	(8 164)	(6 974)	(2 030)
6. Trade and other payables	41 919 229	28 874 587	12 485 249
Trade payables			
Trade Creditors	2 371 575	7 496 250	3 962 954
Other Payables	*39 547 654	*21 378 337	*8 522 295
Main Budget By-catches	-	-	415 998
Suspense	37 951 290	19 193 354	5 916 486
Receiver of Revenue	362 759	951 375	956 205
Social Security	162	162	163
BCC/UNDP Project	1 233 443	1 233 443	1 233 443

* There is a difference of N\$ 2 in 2019, N\$ 1 in 2020 and N\$ 1 in 2021 noted in the note to the financial statements and the amount disclosed in the financial statements due to rounding off.

MARINE RESOURCES FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH
(CONTINUED)

	2021	2020	2019
	N\$	N\$	N\$
7. Income - Aquarium Fees	29 590	355 786	349 766
Adults	22 530	227 077	217 980
Children	5 621	50 272	44 365
Pensioners	680	8 990	9 095
School Group	33	7 767	9 232
Teachers	30	5 515	5 370
Foreign Adults	410	44 670	49 185
Foreign Child	121	3 011	3 700
Foreign Pensioners	165	7 845	9 689
Study	-	639	1 150
	21 538 599	40 070 288	44 301 544
8. Income – By-catch Levies			
By-catch	-	-	15 951
Pelagic	42 124	76 349	200 784
By-catch levies	-	-	70 431
Hake	12 564 098	21 393 774	27 101 636
Horse Mackerel	7 268 634	13 729 441	11 901 782
Line Fish	49 983	55 760	59 407
Rock	6 561	-	4 360
Tuna	-	-	15 828
Monk	1 607 199	4 814 964	4 931 365
	662 718	1 020 844	1 420 586
9. Income - Recreational/fishing permits			
Fishing Permit	622 204	989 084	1 378 344
Fresh water fishing	40 514	31 760	42 242

MARINE RESOURCES FUND
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH
(CONTINUED)

	2021	2020	2019
	N\$	N\$	N\$
10. Income - Fund Levies	55 132 870	122 956 664	120 932 269
Beach Trek	-	-	8 782
Crab	2 375 892	4 278 155	3 823 377
Hake	27 150 326	57 959 032	57 846 713
Horse	21 402 259	53 175 650	51 996 473
Linefish	521 173	1 178 886	838 424
Monk	1 611 567	2 969 660	2 580 059
Mulletts	207	5 180	-
Seals	13 840	18 898	-
Snoek	-	6 349	-
Orange	-	7 171	-
Pelagic	1 585 707	2 649 591	1 476 725
Rock Lobster	471 899	708 092	2 361 716
Operating Expenses			
11. Subsistence and Travel	1 012 720	2 919 110	1 893 216
Accommodation	606 507	1 742 495	763 056
Air tickets	406 213	1 176 615	1 130 160
12. Materials and Suppliers	5 802 966	5 574 425	10 839 897
Books	797 210	1 902 828	8 570
Cleaning Materials	-	8 162	29 045
Computer Consumables	259 844	908	36 190
Materials and supplies	-	-	7 182
Lab Consumables	598 804	667 090	83 811
Protective Clothing	369 232	109 813	92 660
Materials and supplies	-	259 835	230 089
Vessel Fuel	3 777 876	2 625 789	10 289 721
Provision	-	-	3 526
Medical Supplies	-	-	59 103

MARINE RESOURCES FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH
(CONTINUED)

	2021	2020	2019
	N\$	N\$	N\$
Operating Expenses (continued)			
13. Utilities	6 681 708	1 164 697	1 681 153
Communication Expenses	358 991	354 561	227 841
Water and Electricity	5 843 217	504 543	858 162
Telephone and Fax	335 040	169 699	533 052
Postage	493	-	370
Photocopy	45 034	-	45 773
Courier	98 933	135 894	15 955
14. Maintenance Expenses	14 860 933	18 316 109	10 027 986
Maintenance	8 639 905	1 897 370	6 926 605
Fishing Gears	-	-	352 797
Aquarium	352 688	347 669	271 255
Research Vessels	5 868 340	15 815 015	2 410 438
Furniture and Fittings	-	256 055	66 891
15. Depreciation	2 133 644	237 537	493 639
Operational and Machinery Equipment	346 874	135 156	342 488
Motor Vehicles	1 409 898	-	-
Furniture and Fittings	50 202	-	23 186
Computer Equipment	261 773	86 264	112 769
Office Equipment	64 897	16 117	15 196

MARINE RESOURCES FUND
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH

	2021	2020	2019
	N\$	N\$	N\$
16. Operating Expenses (continued)			
Other Services and Expenses	45 247 048	31 926 451	28 122 660
Miscellaneous	1 548 224	385 096	27 023
Other Services and Expenses	20 167 579	429 689	482 578
Laundry	92 153	36 490	-
Consultancy Fees	4 117 368	2 502 580	3 802 023
Insurance	3 551 444	2 566 987	2 098 689
licenses and Subscriptions	837 266	6 036 472	4 066 825
Port Dues	454 003	581 654	660 431
Salaries	8 942 199	13 715 646	12 578 899
Sitting Allowance	31 600	86 201	71 015
Symposiums	22 010	-	27 917
Equipment	-	-	40 296
Training	194 386	160 560	317 846
Vessel	3 609 931	3 231 660	2 700 140
Interest Paid	8 875	-	-
Interest on Overdraft	-	-	16
Refreshments	780 052	377 669	590 843
Transport Repairs	729 638	1 104 214	241 809
Bank Charges	160 320	711 533	416 310