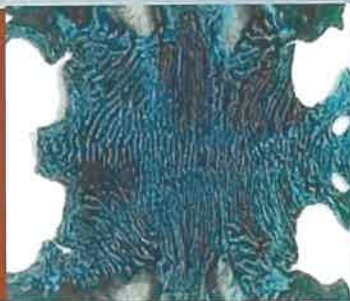




**REPUBLIC OF NAMIBIA**



**THE  
KARAKUL  
BOARD OF NAMIBIA**



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

**KARAKUL BOARD OF NAMIBIA**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

Published by authority

Price (Vat excluded) N\$ 50.00  
Report no: 31/2025


**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 Karakul Board of Namibia for the financial year ended 31 March 2024, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Agriculture in terms of Section 17(4) of the Karakul Pelts and Wool Act, 1982 ( Act No.14 of 1982) to be laid upon the Table of the National Assembly.

**WINDHOEK, March 2025**

  
**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
KARAKUL BOARD OF NAMIBIA  
FOR THE YEAR ENDED 31 March 2024**

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**1. UNQUALIFIED AUDIT OPINION**

I have audited the financial statements of the Karakul Board of Namibia for the financial year ended 31 March 2024. These financial statements comprise the statement of financial position, income statement, statement of changes in equity, statement of cash flow for the year then ended.

In my opinion, the financial statements present fairly, the financial position of the Karakul Board of Namibia as at 31 March 2023 and financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

**2. BASIS FOR AUDIT OPINION**

I conducted my audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). 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 in Namibia, 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.

**3. KEY AUDIT MATTERS**

Key audit matters are those matters that, in my professional judgment, were of most significance in the 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 the audit opinion thereon, and I do not provide a separate opinion on these matters. I have nothing to report in this regard.

**4. OTHER INFORMATION**

Management is responsible for the other information. The auditor's opinion on the financial statements does not cover the other information and, accordingly, the auditor does 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 my knowledge obtained in the audit or otherwise appears to be materially misstated. The following matters were identified:

**5. 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 International Financial Reporting Framework and legislation, and for such

internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Karakul'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 of overseeing the Karakul's financial reporting process.

## **6. 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 the audit 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 (ISSAIs), 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 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 in 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.
- 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.
- 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.

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 audit 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.

## **7. ACKNOWLEDGEMENT**

The co-operation and assistance by the management and staff of the Karakul Board of Namibia during the audit is appreciated.

**WINDHOEK, March 2025**



**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## ANNEXURE A

## KARAKUL BOARD OF NAMIBIA

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH

	Note	2024 N\$	2023 N\$
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>11 459 402</b>	<b>5 225 186</b>
Property and equipment	2	347 755	456 440
Investment property	3	-	981 000
Investments at fair value	5	11 111 647	3 787 746
<b>Current assets</b>		<b>4 502 376</b>	<b>8 094 154</b>
Inventory		-	-
Accounts receivable and prepayments	4	4 406 756	593 098
Cash and cash equivalents	6	95 620	7 501 056
<b>EQUITY AND LIABILITIES</b>			
<b>Funds and reserves</b>		<b>12 211 553</b>	<b>12 402 562</b>
Retained income		12 211 553	12 402 562
<b>Current liabilities</b>		<b>3 750 225</b>	<b>916 778</b>
Trade and other payables	7	3 750 225	915 938
Bank account		-	840
<b>Total members' interest and liabilities</b>		<b>15 961 778</b>	<b>13 319 340</b>

## ANNEXURE B

**KARAKUL BOARD OF NAMIBIA**  
**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH**

	Note	<b>2024</b> N\$	<b>2023</b> N\$
Revenue	8	305 748	91 384
Other operating gains (losses)		537 146	179 402
Operating expenses		(2 513 231)	(2 299 652)
<b>Net operating loss</b>	9	<b>(1 670 337)</b>	<b>(2 028 866)</b>
Net financial income	10	1 236 328	588 762
Other non-operating gains ( losses)		234 000	-
<b>Net operating (loss) surplus for the year</b>		<b>(191 009)</b>	<b>(1 440 104)</b>



## KARAKUL BOARD OF NAMIBIA

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	Karakul Pelt Levy Fund	Special Karakul Pelt Levy Fund	General Reserve Fund	Contingency Reserve Fund	General Fund	Consolida ted Support Account	Funds utilized for assets	Total funds and reserves	Funds and reserves
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
<b>Balance at 1 April 2022</b>									
Loss for the year	-	468 138	8 133 718	273 279	2 834 660	1 497 386	635 485	13 842 666	13 842 666
Transfer between Funds and Reserves	(1 956 973)	(194 733)	711 602	-	-	-	-	(1 440 104)	(1 440 104)
	1 956 973	-	(1 956 973)	-	-	-	-	-	-
<b>Balance at 1 April 2023</b>									
Loss for the year	-	273 405	6 888 347	273 279	2 834 660	1 497 386	635 485	12 402 562	12 402 562
Transfer between Funds and Reserves	(1 812 331)	(207 365)	1 828 687	-	-	-	-	(191 009)	(191 009)
	1 812 331	-	(1 812 331)	-	-	-	-	-	-
<b>Balance at 31 March 2024</b>									
	-	66 040	6 904 703	273 279	2 834 660	1 497 386	635 485	12 211 553	12 211 553

## ANNEXURE D

## KARAKUL BOARD OF NAMIBIA

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH

		2024	2023
	Note	N\$	N\$
<b>Cash flows from operating activities</b>			
Cash used in operations	11	(2 541 024 )	(1 081 351)
Interest income		824 223	249 092
Dividend income		412 105	339 670
Net cash flow from / (to) operating activities		<b>(1 304 696)</b>	<b>(492 589)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(51 487)
Sale of investment property	3	981 000	6 993 000
Proceeds of investments sold		(7 323 901)	1 001 641
Sale of other asset		243 000	-
Net cash flow from / (to) investing activities		<b>(6 099 901)</b>	<b>7 943 154</b>
<b>Total cash movement for the year</b>		<b>(7 404 597)</b>	<b>7 450 565</b>
at the beginning of the year		7 500 217)	49 651
at the end of the year	6	<b>95 620</b>	<b>7 500 216</b>

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**

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**ACCOUNTING POLICIES****1. Significant accounting policies**

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

**1.1 Basis of preparation**

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Karakul Pelts and Wool Act, 1982.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars which is the Board's functional currency.

These accounting policies are consistent with the previous period.

**1.2 Investment property**

Investment property is recognised as an asset when and only when it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

**Fair value**

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH****(continued)**

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**1.3 Property, Plant and Equipment**

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

An item of property plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Property plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting where appropriate.

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 Board. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Furniture and fixtures	Straight line	5-10 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years

The residual value useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

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.

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH****(continued)**

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**1.3 Property, Plant and Equipment (continued)**

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 de-recognition 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.

**1.4 Financial instruments**

Financial instruments held by the Board are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Board, as applicable, are as follows :

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows) ; or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH  
(continued)**

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**1.4 Financial instruments (continued)**

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 13 Financial instruments and risk management presents the financial instruments held by the Board based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Board are presented below:

**Trade and other receivables****Classification**

Trade and other receivables excluding when applicable VAT and prepayments are classified as financial assets subsequently measured at amortised cost (note 4).

They have been classified in this manner because their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and the Board's business model is to collect the contractual cash flows on trade and other receivables.

**Recognition and measurement**

Trade and other receivables are recognised when the Board becomes a party to the contractual provisions of the receivables. They are measured at initial recognition at fair value plus transaction costs if any.

They are subsequently measured at amortised cost.

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH  
(continued)**

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**1.4 Financial instruments (continued)**

The amortised cost is the amount recognised on the receivable initially minus principal repayments plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount adjusted for any loss allowance.

**Credit risk**

Details of credit risk are included in the trade and other receivables note (note 4) and the financial instruments and risk management note (note 13).

**Trade and other payables****Classification**

Trade and other payables (note 7) amounts received in advance are classified as financial liabilities subsequently measured at amortised cost.

**Recognition and measurement**

They are recognised when the Board becomes a party to the contractual provisions and are measured at initial recognition at fair value plus transaction costs if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component and the effective interest method results in the recognition of interest expense then it is included in profit or loss in finance costs (note).

Trade and other payables expose the Board to liquidity risk and possibly to interest rate risk., Refer to note 13 for details of risk exposure and management thereof.

**Cash and cash equivalents**

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH  
(continued)**

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**1.5 Inventories**

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

**1.6 Impairment of assets**

The Board assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists the Board estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Board also;

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period;
- Tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

**1.7 Equity**

An equity instrument is any contract that evidences a residual interest in the assets of an equity after deducting all of its liabilities.

**1.8 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.



**KARAKUL BOARD OF NAMIBIA**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH  
(continued)**

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**1.8 Leases (continued)**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amount recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted. Any contingent rents are expensed in the period they are incurred.

**1.9 Revenue**

Revenue comprises of levies grants and other income. Revenue is measured at the fair value of the consideration received.

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

Dividends are recognised as income in the year they are declared.

## KARAKUL BOARD OF NAMIBIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

## 2. Property, plant and equipment

	2024		2023	
	Cost / Valuation N\$	Accumulated, depreciation N\$	Cost / Valuation N\$	Accumulated, depreciation N\$
Furniture and fittings	498 941	(168 863)	330 078	498 941
Office Equipment	88 767	(79 017)	9 750	88 767
IT Equipment	23 782	(15 855)	7 927	23 782
<b>Total</b>	<b>611 490</b>	<b>(263 735)</b>	<b>347 755</b>	<b>611 490</b>
				<b>(155 050)</b>
				<b>456 440</b>

## Reconciliation of investment property - 2024

	Opening balance N\$	Other N\$	Depreciation, changes movements N\$	Total N\$
Furniture and fittings	421 600	-	(91 522)	330 078
Office Equipment	18 985	-	(9 235)	9 750
IT Equipment	15 855	(1)	(7 927)	7 927
	<b>456 440</b>	<b>(1)</b>	<b>(108 684)</b>	<b>347 755</b>

## ANNEXURE E

### KARAKUL BOARD OF NAMIBIA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

#### 2. Property plant and equipment (continued)

<b>Reconciliation of property, plant and equipment - 2023</b>					
	Opening balance	Additions	Transfers	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$
Furniture and fixtures	3 162	-	456 530	(38 092)	421 600
Office equipment	1 629	27 705	-	(10 349)	18 985
IT equipment	-	23 782	-	(7 927)	15 855
	<b>4 791</b>	<b>51 487</b>	<b>456 530</b>	<b>(56 368)</b>	<b>456 440</b>

#### 3. Investment property

	<b>2024</b>		<b>2023</b>	
	<b>Cost / Valuation</b>	<b>Carrying Value</b>	<b>Cost / Valuation</b>	<b>Carrying Value</b>
	N\$	N\$	N\$	N\$
Investment property	-	-	981 000	981 000
<b>Reconciliation of investment property - 2024</b>	<b>Opening balance</b>	<b>Disposals</b>	<b>Total</b>	
	N\$	N\$	N\$	
Investment property	981 000	981 000	-	
<b>Reconciliation of investment property - 2023</b>				
Investment property	7 974 000	(6 993 000)	981 000	

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH****(continued)****3. Investment property (continued)****Property 1**

The investment property consists of 18% of the property Erf 749 registered jointly in the name of the Karakul Board of Namibia, the Agronomic Board and The Meat Board of Namibia. The portion held in Erf 744 was sold during the 2023 year

	<b>2024</b>	<b>2023</b>
	N\$	N\$
Purchase price: 25 March 2021	-	981 000

**Details of valuation****4. Trade and other receivables**

Financial instruments: Trade receivables

Deposits

Swakara Pelt Advances

Auction Proceeds

Prepaid expenses –

<b>4 406 756</b>	<b>593 098</b>
65 949	65 949
12 880	12 880
31 476	267 557
4 283 559	-
-	246 712

**Split between non-current and current portions**

Current assets	4 406 756	593 098
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**Categorisation of trade and other receivables**

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial instruments:

At amortised cost	4 406 756	593 098
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**ANNEXURE E**

**KARAKUL BOARD OF NAMIBIA**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**

**(continued)**

	<b>2024</b>	<b>2023</b>
	N\$	N\$
<b>5. Investment at fair value</b>		
Investments held by the Board which are measured at fair value are as follows : Equity investments at fair value through profit or loss.		
Equity investment at fair value through profit and loss	1	1
Debt investment at fair value through profit and loss	11 111 646	3 787 745
<b>Designated at fair value through profit and loss:</b>		
Money Market	11 111 646	3 787 745
Other equity investment - International Marketing Company (Pty) Ltd The Board holds 100 "Class A" ordinary shares of International Marketing Company (Pty) Ltd at cost. The company is currently dormant. All statutory expenses incurred by the company are borne by the Board.	1	1
<b>Split between non-current and current portions</b>		
Non-current assets	11 111 646	3 787 745
<b>6. Cash and cash equivalents</b>	<b>95 620</b>	<b>7 500 216</b>
Cash and cash equivalents consist of:		
Cash on hand	3	7
Bank balances	90 892	7 496 418
Short-term deposits	4 725	4 631
Bank balance in credit	-	(840)
<b>7. Trade and other payables</b>	<b>3 750 225</b>	<b>915 938</b>
Financial instruments: Trade payables	1 826	169 523
Other payables - PAYE	3 748 399	746 415
<b>8. Revenue</b>		
Revenue from contracts with customers		
Normal and Special Pelts levies	305 748	91 384

# ANNEXURE E

## KARAKUL BOARD OF NAMIBIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2024	2023
	N\$	N\$
<b>9. Operating profit (loss)</b>		
Operating loss for the year is stated after charging (crediting) the following amongst others:		
<b>Auditor's remuneration - external</b>		
Audit fees	48 130	61 462
<b>Employee costs</b>		
As at Sunday, 31 March 2024 the Board had 1 permanent employee (2023: 1 ) and 2 part time employees. The total cost of employment of all employees including executive directors was as follows:		
Salaries wages bonuses and other benefits	1 084 015	1 073 265
Administration	1	1
Management	1	1
Sales and marketing	1	1
	<b>3</b>	<b>3</b>
<b>Leases</b>		
<b>Operating lease charges</b>	188 956	177 889
<b>Depreciation and amortisation</b>		
Depreciation of property plant and equipment	108 684	56 368
<b>10. Investment income</b>	<b>1 236 328</b>	<b>588 762</b>
<b>Dividend income</b>		
Unlisted investments - Local	412 105	339 670
<b>Interest income</b>		
Bank and other cash	824 223	249 092

## KARAKUL BOARD OF NAMIBIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2023	2022
	N\$	N\$
<b>11. Cash used in operations</b>	<b>2 541 024</b>	<b>(1 081 351)</b>
Loss before taxation	(191 009)	(1 440 104)
<b>Adjustments for:</b>		
Depreciation and amortization	108 684	56 368
Gain on disposals,scrappings and settlements os assets and liabilities	(243 000)	-
Dividend income	(412 105)	(339 670)
Interest income	(824 223)	(249 092)
Other non-cash items	(4)	(456 529)
<b>Changes in working capital:</b>		
Inventories	-	456 530
Trade and other receivables	(3 813 658)	16 663
Trade and other payables	2 834 291	874 483

## KARAKUL BOARD OF NAMIBIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)

## 12. Financial instruments and risk management

## Categories of financial instruments

## Categories of financial assets -2024

Note	Fair value through profit or loss - Mandatory	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
	N\$	N\$	N\$	N\$	N\$
5	1	11 111 646	-	11 111 647	11 111 647
4	-	-	4 406 756	4 406 756	4 406 756
6	-	-	95 620	95 620	95 620
	<b>1</b>	<b>11 111 646</b>	<b>4 502 376</b>	<b>15 614 023</b>	<b>15 614 023</b>

Investments at fair value

Trade and other receivables

Cash and cash equivalents

## Categories of financial instruments

## Categories of financial assets - 2023

Note	Fair value through profit or loss - Mandatory	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
	N\$	N\$	N\$	N\$	N\$
5	1	3 787 745	-	3 787 745	3 787 745
4	-	-	593 098	593 098	593 098
6	-	-	7 501 056	7 501 056	7 501 056
	<b>1</b>	<b>3 787 745</b>	<b>8 094 154</b>	<b>11 881 900</b>	<b>11 881 900</b>

Investments at fair value

Trade and other receivables

Cash and cash equivalents



## KARAKUL BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH  
(continued)

## 13. Financial instruments and risk management (continued)

## Categories of financial liabilities - 2024

		<b>Amortised cost</b>	<b>Total</b>	<b>Fair value</b>
	Note	N\$	N\$	N\$
Trade and other payables	7	3 750 229	3 750 229	-

## Categories of financial liabilities - 2023

		<b>Amortised cost</b>	<b>Total</b>	<b>Fair value</b>
	Note	N\$	N\$	N\$
Trade and other payables	7	915 938	915 938	-

## Pre tax gains and losses on financial instruments

## Gain and losses on financial assets - 2024

		<b>Fair value through profit or loss - Mandatory</b>	<b>Amortised cost</b>	<b>Total</b>
	Note	N\$	N\$	N\$
<b>Recognised in profit and loss:</b>				
Interest income	10	-	824 223	824 223
Dividend income	10	412 105	-	412 105
<b>Net gains/(losses)</b>		<b>412 105</b>	<b>824 223</b>	<b>1 236 328</b>

## Gain and losses on financial assets - 2023

		<b>Fair value through profit or loss - Mandatory</b>	<b>Amortised cost</b>	<b>Total</b>
	Note	N\$	N\$	N\$
<b>Recognised in profit and loss:</b>				
Interest income	10	-	249 092	249 092
Dividend income	10	339 670	-	339 670
<b>Net gains/(losses)</b>		<b>339 670</b>	<b>249 092</b>	<b>588 762</b>

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH  
(continued)****13. Financial instruments and risk management (continued)****Capital risk management**

The company's objective when managing capital (which includes borrowings working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure and gearing ratio of the company at the reporting date was as follows:

		<b>2024</b>	<b>2023</b>
	Note	N\$	N\$
Trade and other payables	7	3 750 229	915 938
Cash and cash equivalents	6	(95 620)	(7 500 217)
<b>Net borrowings</b>		<b>3 654 609</b>	<b>(6 584 278)</b>
Equity		12 211 550	12 402 561
Gearing ratio		30%	(53%)

**Financial risk management****Overview**

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (interest rate risk and price risk).

The has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the FRAC committee which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH  
(continued)****13. Financial instruments and risk management (continued)****Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents are managed by making use of credit approvals limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available).

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

The maximum exposure to credit risk is presented in the table below

			<b>2024</b>			<b>2023</b>	
		<b>Gross carrying amount</b>	<b>Credit loss allowance</b>	<b>Amortised cost / fair value</b>	<b>Gross carrying amount</b>	<b>Credit loss allowance</b>	<b>Amortised cost / fair value</b>
	Note	N\$	N\$	N\$	N\$	N\$	N\$
Investments at fair value through profit or loss	5	11 111 646	-	11 111 646	3 787 745	-	3 787 745
Trade and other receivables	4	4 406 756	-	4 406 756	593 098	-	593 098
Cash and cash equivalents	6	95 620	-	95 620	7 501 056	-	7 501 056
		<b>15 614 022</b>	<b>-</b>	<b>15 614 022</b>	<b>11 881 899</b>	<b>-</b>	<b>11 881 899</b>

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(continued)****13. Financial instruments and risk management (continued)****Liquidity risk**

The maturity profile of contractual cash flows of non-derivative financial liabilities and financial assets held to mitigate the risk are presented in the following table. The cash flows are undiscounted contractual amounts.

**2024**

		<b>Carrying amount</b>
<b>Current liabilities</b>	Note	N\$
Trade and other payables		3 750 229

**2023**

		<b>Carrying amount</b>
<b>Current liabilities</b>		N\$
Trade and other payables	7	91 938
Bank Overdraft	6	-

**Interest rate risk**

Fluctuations in interest rates impact on the value of investments and financing activities giving rise to interest rate risk.

The company policy with regards to financial assets is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

**Price risk**

The company is exposed to price risk because of its investments in equity instruments which are measured at fair value. The exposure to price risk on equity investments is managed through a diversified portfolio and through the use of option contracts on relevant indexes where necessary.

The company is not exposed to commodity price risk.

There have been no significant changes in the price risk management policies and processes since the prior reporting period.

**KARAKUL BOARD OF NAMIBIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH  
(continued)**

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**14. Going concern**

With investments totaling about N\$12 million as of 31 March 2024 and the expected yields, funds are anticipated to be available to finance future operations. The realization of assets, liabilities, and contingent obligations and commitments is expected to occur in the ordinary course of business. Accordingly, the annual financial statements have been prepared based on accounting policies applicable to a going concern.

Despite the once-off income contributing to a better financial position for the year, the Directors anticipate potential challenges and a possible loss for the year ending 31 March 2025. However, the overall trend is moving towards a positive direction, reflecting the effectiveness of the implemented strategies.