



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

FISHERIES OBSERVER FUND

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

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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 Fisheries Observer Fund for the financial year ended 31 March 2011 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, August 2012

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE FISHERIES OBSERVER FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011**

1. INTRODUCTION

The Fisheries Observer Fund was established in terms of Section 46 (1) of the Marine Resources Act, (Act 27 of 2000), to administer the funds collected in respect of the levy imposed under Section 44 (4) of the Marine Resources Act, 2000. The Fund's income is derived mainly from levies on harvested sea animals and other products from the sea. The Permanent Secretary: Fisheries and Marine Resources is the Accounting Officer in terms of Section 23 (4) of the Act.

Figures in this report are rounded off to the nearest Namibia Dollar.

2. FINANCIAL STATEMENTS

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

- Annexure A: Balance sheet
- Annexure B: Income statement
- Annexure C: Statement of changes in equity
- Annexure D: Cash flow statement
- Annexure E: 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 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. ACKNOWLEDGEMENT

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

5 AUDIT OPINION

The financial statements of the Fisheries Observer Fund for the financial year ended 31 March 2011 was audited by me in terms of Section 46(7) of the Act, read with Section 25(1)(b) of the State Finance Act, 1991 (Act 31 of 1991).

I certify that in my opinion the financial statements fairly reflect the transactions and the financial position of the Fund for the financial year ended 31 March 2011 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, August 2012

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**FISHERIES OBSERVER FUND
BALANCE SHEET AS AT 31 MARCH 2011**

	Notes	2011	2010
		N\$	N\$
ASSETS			
Current assets		4 848 810	5 336 438
Accounts receivable	2	4 266 259	4 160 447
Cash and cash equivalents	3	582 551	1 175 991
Total assets		4 848 810	5 336 438
EQUITY AND LIABILITY			
Non-current liabilities			
Other borrowing	4	22 994	13 856
Equity		4 825 816	5 322 582
Retained funds		5 322 582	5 135 998
Unexplained differences		-	2 868
Net profit/(loss) this year	6	(496 766)	183 716
Total equity & liabilities		4 848 810	5 336 438

FISHERIES OBSERVER FUND

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 N\$	2010 N\$
REVENUE	5	20 834 199	21 385 446
Fee income - Observers		17 649 301	18 970 847
Fee income - Non-observers		2 957 055	1 802 415
Interest charged		134 679	164 143
Interest received		93 164	91 995
Prior year adjustment		-	6 046
Grant – MFMR		-	350 000
Less: Operating Expenses		480 965	1 730
Bank Charges		2 278	1 730
Provision for bad debt		478 687	-
Operating profit for the year		20 353 234	21 383 716
Contribution to Fisheries Observer Agency		(20 850 000)	(21 200 000)
NET PROFIT/(LOSS) FOR THE YEAR		(496 766)	183 716

FISHERIES OBSERVER FUND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2011

	<u>2011</u>	<u>2010</u>
	N\$	N\$
Balance at 01 April	5 322 582	5 135 998
Unexplained differences	-	2 868
Net surplus/(deficit) for the year	<u>(496 766)</u>	<u>183 716</u>
Balance at 31 March	<u>4 825 816</u>	<u>5 322 582</u>

FISHERIES OBSERVER FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
		N\$	N\$
Cash generated by operating activities	6	(602 579)	(82 016)
Cash flow from financing activities			
Other borrowings		9 139	13 855
Decrease in cash and cash equivalents		(593 440)	(68 161)
Cash and cash equivalents			
-at the beginning of the year		1 175 991	1 244 152
-at the end of the year	3	582 551	1 175 991

FISHERIES OBSERVER FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011

1. BASIS OF PREPARATION

The financial statements are prepared on the historical cost basis as modified by the revaluation of investments. The following are the principal accounting policies used by the fund, which are consistent with those of the previous years.

1.1 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and net bank overdrafts. In the statement of financial position, bank overdrafts are included in current liabilities.

	2011	2010
	N\$	N\$
2. PREPAYMENTS AND TRADE RECEIVABLES		
Trade receivables	4 160 447	4 160 447
Less: Provision for bad debts	(478 687)	-
	4 266 259	4 160 447

3. CASH AND CASH EQUIVALENTS

Bank balance	582 551	1 175 991
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For the purpose of the statement of cash flows, the cash and cash equivalents comprise the following:

Cash and bank balances	582 551	1 175 991
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4. OTHER BORROWINGS

Loan from Fisheries Observer Agency	22 994	13 856
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This loan originated from accounts receivable on behalf of Fisheries Observer Agency. The loan is interest free un-secured with no fixed terms of repayment. These arrangements are reviewed from time to time.

5. REVENUE

Revenue consists of observer fees, Government grants and Interest received.	20 834 199	21 385 446
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FISHERIES OBSERVER FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011 (continued)

	2011	2010
	N\$	N\$
6. CASH (ABSORBED)/GENERATED BY OPERATIONS		
Net surplus/(deficit)	(496 766)	183 716
Adjust for:		
Increase/(decrease) in accounts receivable	(105 813)	(265 732)
	(602 579)	(82 016)