



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

FISHERIES OBSERVER FUND

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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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 2013, 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, June 2014

**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 2013**

1. INTRODUCTION

The Fisheries Observer Fund was established in terms of Section 46 (1) of the Marine Resources Act, 2000 (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. Deficits are indicated in brackets.

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on our audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 2013 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 present the financial position of the Fund for the financial year ended 31 March 2013 and the results of its operations and cash flow for the year then ended.

WINDHOEK, June 2014

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**FISHERIES OBSERVER FUND
BALANCE SHEET AS AT 31 MARCH 2013**

	Notes	<u>2013</u>	<u>2012</u>
		N\$	N\$
ASSETS			
Current assets		6 145 335	4 089 232
Accounts Receivable	2	3 153 514	3 743 465
Cash and cash equivalents	3	2 991 821	345 767
Total assets		<u><u>6 145 335</u></u>	<u><u>4 089 232</u></u>
EQUITY & LIABILITIES			
Equity		6 145 335	4 089 232
Retained funds		4 089 232	4 825 816
Surplus/(Deficit) for the year	5	2 056 103	(736 584)
Total Equity and Liabilities		<u><u>6 145 335</u></u>	<u><u>4 089 232</u></u>

FISHERIES OBSERVER FUND

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013	2012
		N\$	N\$
REVENUE	4		
		30 891 207	20 537 469
Fee income - Observers		17 663 395	17 263 575
Fee income - Non-observers		4 883 161	3 049 376
Interest received – Customers		148 903	123 543
Interest received - Bank		211 865	100 975
Other Income		46 883	-
Grant – MFMR		7 937 000	-
Less: Operating Expenses		(65 104)	(345 519)
Bank Charges		(1 731)	1 579
Provision for bad debt		(63 373)	(347 098)
Operating profit for the year		30 826 103	20 882 980
Contribution to Fisheries Observer Agency		(28 770 000)	(21 619 572)
NET PROFIT/(LOSS) FOR THE YEAR		2 056 103	(736 584)

FISHERIES OBSERVER FUND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2013

	<u>2013</u>	<u>2012</u>
	N\$	N\$
Balance at 01 April 2012	4 089 232	4 825 816
Surplus/(deficit) for the year	<u>2 056 103</u>	<u>(736 584)</u>
Balance at 31 March 2013	<u>6 145 335</u>	<u>4 089 232</u>

FISHERIES OBSERVER FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 N\$	2012 N\$
Cash generated by operating activities	6	2 646 054	(213 790)
Cash flow from financing activities			
Other borrowings		-	(22 994)
Decrease in cash and cash equivalents		2 646 054	(236 784)
Cash and cash equivalents at the			
-at the beginning of the year		345 767	582 551
-at the end of the year	3	2 991 821	345 767

FISHERIES OBSERVER FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2013

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.

	2013	2012
	N\$	N\$
2. PREPAYMENTS AND TRADE RECEIVABLES		
Trade receivables	3 348 475	3 875 053
Less: Provision for bad debts	(194 961)	(131 588)
	3 153 514	3 743 465

3. CASH AND CASH EQUIVALENTS

Bank balance	2 991 821	345 767
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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	2 991 821	345 767
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4. REVENUE

Revenue consists of observer fees, Government grants and Interest received	30 891 207	20 537 469
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5. CASH (ABSORBED) / GENERATED BY OPERATION

Net surplus /(deficit)	2 056 102	(736 584)
Adjust for:		
Increase /(decrease) in accounts receivable	589 952	522 794
	2 646 054	(213 790)