



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
AGRONOMIC BOARD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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REPUBLIC OF NAMIBIA



TO THE HONORABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Namibian Agronomic Board for the financial year ended 31 March 2016, 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, February 2017

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIAN AGRONOMIC BOARD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

1. REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

The accounts of the Namibia Agronomic Board (herein after referred to as the “Board” as per the Act) for the year ended 31 March 2016 are being presented to the National Assembly in accordance with the Agronomic Industry Act 20, 1992 (Act 21 of 2000).

The firm Strategis Chartered Accountants of Windhoek has been appointed in terms of Section 26(2) of the State Finance Act, 1991, to audit the accounts of the Board on behalf of the Auditor-General and under his supervision.

Figures in the report are rounded off to the nearest Namibia Dollar. Deficits are indicated in brackets.

I certify that I have audited the accompanying financial statements of the Namibian Agronomic Board for the year ended 31 March 2016. These financial statements comprise the following:

Annexure A: Balance Sheet;
Annexure B: Income Statement; and
Annexure C: Notes to the Annual Financial Statements.

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 26 of the State Owned Enterprise Governance Act, 2006 except that they were only submitted on 19 October 2016 instead of three months (3 months) after the year end as required by the Act.

2. MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Practices, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3. AUDITOR’S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards on Auditing. 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.

Powers and duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

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.

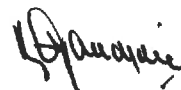
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the unqualified audit opinion.

4. ACKNOWLEDGEMENT

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

5. UNQUALIFIED AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Namibian Agronomic Board, and their financial performance and cash flows for the year then ended in accordance with the State Finance Act, 1991.



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, February 2017

NAMIBIAN AGRONOMIC BOARD
STATEMENT OF FINANCIAL POSITION AT 31 MARCH

ASSETS	Note	2016	2015
		N\$	N\$
Non-current assets		37 173 791	50 911 516
Property, plant and equipment	2	5 061 773	5 133 534
Investments	3	32 112 018	45 777 982
Current assets		111 251 445	18 208 525
Trade and other receivables	4	109 359 462	16 488 864
Cash and cash equivalents	5	1 891 983	1 719 661
TOTAL ASSETS		148 425 236	69 120 041
FUNDS AND LIABILITIES			
Funds and reserves		53 462 367	58 727 347
General Fund	6	52 445 420	57 710 400
General Administration Fund	7	1 003 148	1 003 148
Commodity Reserve Fund	8	13 799	13 799
Shares Agricultural Board's Building	9	4 621 290	4 621 290
Current liabilities			
Trade and other payables	10	90 341 579	5 771 404
TOTAL FUNDS AND LIABILITIES		148 425 236	69 120 041

ANNEXURE B

NAMIBIAN AGRONOMIC BOARD
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
MARCH

	Notes	2016 N\$	2015 N\$
INCOME			
Permits issued		-	445 852
Processors registration		195 770	158 138
Inspection fees on in transit and export trucks		4 174 068	4 060 440
General producer's levy – White Maize & Mahangu		-	2 003 924
Levied		-	3 187 977
Less: Agronomic producers' association		-	(1 184 053)
General producers' levy – Wheat			370 454
Levied		-	592 741
Less: Agronomic producers' association		-	(222 287)
Processors levy – White Maize & Mahangu		-	3 055 298
Processors' levy on local production		-	1 837 022
Processors' levy on grain imported		-	1 465 817
Less: Grain processors association			(247 541)
Processors levy – Wheat			3 138 137
Local		-	401 937
Import		-	2 969 969
Less: Grain processors association		-	(233 769)
Horticulture Levies		-	5 546 567
Levied		-	2 336 998
Levies to Traders Association		-	(114 490)
Levies to Area Committees		-	(1 036 277)
Levies on imports		-	4 360 336
Levies & Fee collected by AMTA		88 915 809	14 197 450
Permits issued		633 787	35 666
Producers levy – WM/Mahangu		2 036 097	88 991
Processors levy – WM/Mahangu (local)		2 346 099	72 838
Processors levy – WM/Mahangu (Imports)		29 226 512	3 887 866
Producers levy – Wheat		593 236	28 921
Processor levy - Wheat (local)		593 641	19 482
Processor levy – Wheat (Import)		18 816 346	2 528 966
Levies on local production		3 181 615	564 577
Less: Levy by traders (commission) – horticulture		(350 900)	(157 715)
Levies on imports – horticulture		22 388 711	5 124 135
Selling levy – horticulture		9 450 665	2 003 723

ANNEXURE B

NAMIBIAN AGRONOMIC BOARD
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
MARCH (CONTINUED)

	2016	2015
	N\$	N\$
Interest received	2 599 241	3 098 168
NGPA, ATF and other accounting and administration fees	503 853	1 005 555
MAWF project support services fees and other	-	976 778
Profit on sale of equipment	9 593	-
Other income	18 493	-
INCOME	96 416 827	38 056 761
EXPENSES – Per attached schedule	101 681 807	20 032 342
NET (DEFICIT)/SURPLUS FOR THE YEAR	(5 264 980)	18 024 419

ANNEXURE B

NAMIBIAN AGRONOMIC BOARD
STATEMENT OF COMPREHENSIVE INCOME – SCHEDULE OF EXPENSES FOR
THE YEAR ENDED 31 MARCH

	2016	2015
	N\$	N\$
Advertising	31 290	21 264
Assets transferred to AMTA	48 391	156 694
Auditors remuneration – External	55 830	89 423
Bank charges	43 801	93 320
Board fees	3 202 973	3 417 923
Boarder control	637 036	2 063 464
Chartered Accountant- Financial Management committee	21 011	12 825
Contribution to National Disaster (Drought relief)	-	8 016
Cost of information centre	94 573	113 151
Depreciation – equipment	70 680	103 903
Depreciation – furniture	5 320	15 671
Depreciation – motor vehicles	119 097	119 097
Farmer day	-	160 562
Foreign trade negotiations	217 608	322 788
Insurance	42 052	59 402
Levy collection by trade	-	633 360
Liaison	3 390	5 725
Loss on sale of fixed assets	-	376
Motor vehicles expenses	48 913	77 946
Personnel remuneration	5 468 485	8 802 834
Postal and freight	11 059	53 171
Professional services and legal costs	897 934	156 682
Promotions	27 983	26 222
Public relations services	286 225	248 777
Refreshments	30 465	47 378
Rent paid	797 684	579 419
Repairs and maintenance – Computer equipment	141 572	144 445
Repairs and maintenance – Horticulture database	-	187 350
Special functions	687 841	631 062
Staff – Subsistence and travel	152 589	898 444
Stationary and printing (Including annual report)	141 250	357 736
Strategic planning	125 648	165 677
Subscriptions	6 871	10 559
Team building	26 684	76 737
Telephone and fax	60 602	87 305
Training and personnel development	75 220	77 590
Web development and maintenance of website	42 005	6 047
Agents levies	88 059 726	-
Total expenses	101 681 807	20 032 345

NAMIBIAN AGRONOMIC BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 March 2016

1. ACCOUNTING POLICIES**1.1 Introduction**

The annual financial statements set out in Annexures A to B were prepared on the historical cost basis, and incorporate the following principal accounting policies, which are consistent in all material aspects with those applied in the previous year.

1.2 Revenue recognition

Revenue comprises grants received from the Government of the Republic of Namibia and from other sources to defray costs necessarily incurred by the Namibian Agronomic Board as well as levies and fees collected in terms of the Agricultural Bank of Namibia Act 2003.

1.3 Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investments.

1.4 Property, plant and equipment

All property, plant and equipment are initially recorded at cost and adjusted for any impairment in value.

Impairment losses and reversal of impairment losses are recognised in the income statement.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

- Motor vehicles	4 years
- Furniture and fittings	5 years
- Office equipment	3 years

1.5 Provisions

Provisions are recognised when the Board has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

1.6 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis relative to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to the deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

NAMIBIAN AGRONOMIC BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 March
2016(continue)

2. PROPERTY, PLANT AND EQUIPMENT

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Land & Building	4 623 000	-	4 623 000	4 623 000	-	4 623 000
Motor Vehicles	501 090	(262 895)	238 195	501 090	(143 798)	357 291
Furniture	132 883	(119 193)	13 690	167 003	(141 311)	25 692
Equipment	667 728	(480 841)	186 888	741 469	(613 918)	127 551
	5 924 701	(862 929)	5 061 773	6 032 562	(899 027)	5 133 534

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying Value beginning of year	Additions	Disposals	Depreciation	Carrying Value end of year
	N\$	N\$	N\$	N\$	N\$
2016					
Land & Building	4 632 000	-	-	-	4 632 000
Motor vehicles	357 291	-	-	(119 097)	238 195
Furniture	25 692	8 265	(14 947)	(5 320)	13 690
Equipment	127 551	163 488	(33 472)	(70 680)	186 888
	5 142 534	171 753	(48 419)	(195 097)	5 070 773
2015					
Land & Building	1 219 623	3 403 377	-	-	4 623 000
Motor vehicles	1 156 391	476 388	(1 156 390)	(119 097)	357 291
Furniture	69 147	19 140	(46 924)	(15 671)	25 692
Equipment	190 211	96 031	(54 788)	(103 903)	127 551
	2 635 372	3 994 936	(1 258 102)	(238 671)	5 133 534

Details of Properties

Erf no 744 and 749, Windhoek

The property consists of Erf 744, Windhoek, and measures 4,205 square meters and ERF 749, Windhoek measuring 1,854 square meters of which the Namibian Agronomic Board owns 10% of the two properties.

NAMIBIAN AGRONOMIC BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

	2016 N\$	2015 N\$
3. INVESTMENTS		
At the period –end the amounts invested in terms of Section 14(5) of the Act were:		
Commercial banks – At interest rates at year –end between 1,2% and 7.35%	32 112 018	43 812 836
Nampost - At an interest rates at year end was 7,5%	-	1 965 146
	32 112 018	45 777 982
4. TRADE AND OTHER RECEIVABLES		
Trade receivables	138 619	450 239
Interest accrued	-	8 278
Outstanding levies –AMTA	109 169 643	15 880 406
Levies and fees collected from January 2015 to March 2015	10 730 950	10 730 950
VAT on levies collected from January 2015 to March 2015	1 597 786	1 567 786
Provision for import Levy Income difference for March 2015(W/Maize, Wheat and Mahangu)	3 581 670	3 581 670
Levies & fees collected from April 2015 to 31 March 2016	93 259 237	-
Other receivables	19 089	169 682
Agricultural Boards Building profit	9 466	51 891
NAB - Mahangu/ Horticulture – Month end reimbursement	-	42 965
Other projects – ATF/NTF/RSSC/NGPA – Credit card reimbursement	-	73 058
Sundries (Staff loans)	9 623	1 768
Vat receivable	62 111	-
Less: Provision for bad debts	-	(19 740)
	109 359 462	16 488 865
5. CASH AND CASH EQUIVALENTS		
In terms of the Act the Board has four current accounts at a commercial bank for Maize and Wheat, Horticulture, Mahangu and Development Project Division:		
Bank Balances	1 889 981	1 718 657
Petty Cash	2 002	1 004
	1 891 983	1 719 661

NAMIBIAN AGRONOMIC BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

6. GENERAL FUND	2016	2015
	N\$	N\$
The Fund was established to finance the administration expenses of the Board. Transactions were as follows:		
Balance – 1 April	57 710 400	40 856 644
Net (deficit)/surplus for the year	(5 264 980)	18 024 419
Balance – 31 March	52 445 420	58 881 061
7. GENERAL ADMINISTRATIVE FUND		
The fund was instituted to act as a buffer against effects of poor crops. The fund can be utilised in years of poor crops to finance the Board's administration functions.		
Balance – 1 April	1 003 148	1 003 148
Balance – 31 March	1 003 148	1 003 148
8. COMMODITY RESERVE FUND		
The fund was instituted to assist schemes in drought situations, to carry price increases to producers and to be rendered as a guarantee to facilitate production loans. Transactions during the year were as follows:		
Balance -1 April	13 799	12 010
Drought Assistance for the commercial dry- land producers	-	1 798
Balance – 31 March	13 799	13 808
9. SHARES – AGRICULTURAL BOARD BUILDING		
The Agronomic Board holds 10% share in a joint venture with the Karakul Board of Namibia and the Meat Board of Namibia in the Agricultural Boards' Building		
Total	4 621 290	4 621 290

ANNEXURE C

NAMIBIAN AGRONOMIC BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

	2016	2015
	N\$	N\$
10. TRADE AND OTHER PAYABLES		
Agency fees	88 059 726	-
Administrative expenses	124 830	104 234
Levies payable	-	693 330
Provisions	558 225	558 183
Guarantee deposits from Millers/Traders	476 883	446 420
DAPAP II – Interest receivable on behalf of the project	-	8 997
Admin fee on projects received in advance	-	307 611
Other payables	1 121 915	2 078 804
VAT Payable	-	1 552 789
MAWF Funds	-	21 036
	90 341 579	5 771 404

All payables that relate to Levies and any expenses that correspond to functions that have been transferred in the current year to AMTA have nil balances at the reporting date.

11. TRUST FUNDS: MINISTRY OF AGRICULTURE, WATER AND FORESTRY

FUNDS WERE INVESTED AS FOLLOWS:

Bank Windhoek Investment Fund – 6.37%	-	2 782 721
Old Mutual – Nedbank Platinum Fund – 6.30%	-	1 595 055
Old Mutual Investment Fund – 6.55%	-	3 411 409
	-	7 789 185

During the current year, trust accounts were closed and have a nil balance at year end.

NAMIBIAN AGRONOMIC BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH 2016

**12. TRUST FUNDS: MINISTRY OF AGRICULTURE ,
WATER AND FORESTRY**

FUNDS AVAILABLE:

Cold Storage
Communal development production fund
Cotton campaign
Draft animal power programme
Fertilizer mixing plant
Fruits and vegetables programme feasibility study
Horticulture
Indigenous plants
Interim seed council
Land reform consultancy
MSTT
Namibia small stock development project
San – DAPAP
Silo Building fund
Useful plants development project
Woodlands management

2016	2015
N\$	N\$
-	164 226
-	5 221
-	199 235
-	630 104
-	312 745
-	78 134
-	961 084
-	449 763
-	7 478
-	341 205
-	223 149
-	7 885
-	260 528
-	126 134
-	176 150
-	3 846 145
-	7 789 186

During the current year, trust accounts were closed and have a nil balance at year end.

13. ACCOUNTING AND ADMINISTRATION FEES

The Board acts as unit co-ordinator for financial controller for various Task Teams under contract of the Government of Namibia. The Board administrates all meetings of the various Task Teams on behalf of the Ministry of Agriculture Water and Forestry which is outlined among the Board's roles per the .

14. BOARD MEMBERS

Expenses on members of the Board decreased with 12% during the 2015/2016 (2014/2015) financial years – Increased with 30%.

15. STAFF

Remuneration of staff decreased by 19% during the 2015/2016 year end (compared to the 2014/2015)

16. ADJUSTING SUBSEQUENT EVENT

The Ministry of Agriculture, Water and Forestry issued a directive on the 1st of July 2016, for a distribution of the agronomic levies amounting to N\$ 26 076 236 each to AMTA and AGRIBUSDEV.