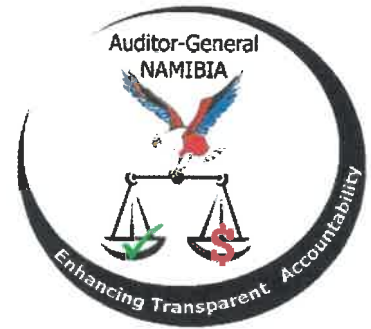




**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
NAMIBIAN AGRONOMIC BOARD  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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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 2017, 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.

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

**WINDHOEK, February 2018**

**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 2017**

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**1. REPORT ON THE FINANCIAL STATEMENTS**

**1.1 INTRODUCTION**

The accounts of the Namibian Agronomic Board (herein after referred to as the “Board” as per the Act) for the year ended 31 March 2017 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 2017. These financial statements comprise the following:

Annexure A: Statement of financial position;  
Annexure B: Statement of comprehensive income; and  
Annexure C: Notes to the financial statements.

The financial statements were submitted on time on the 7<sup>th</sup> of August 2017 by the Accounting Officer to the Auditor-General in compliance with Section 26 of the State Owned Enterprise Governance Act, 2006.

**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.

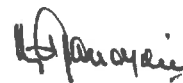
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the unqualified audit opinion.

## **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.



**WINDHOEK, February 2018**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**NAMIBIAN AGRONOMIC BOARD**  
**STATEMENT OF FINANCIAL POSITION AT 31 MARCH**

<b>ASSETS</b>	<b>Note</b>	<b>2017</b>	<b>2016</b>
		N\$	N\$
<b>Non-current assets</b>		<b>30 465 864</b>	<b>37 173 791</b>
Property, plant and equipment	2	5 002 000	5 061 773
Investments	3	25 463 864	32 112 018
<b>Current assets</b>		<b>108 391 131</b>	<b>111 251 445</b>
Trade and other receivables	4	100 085 432	109 359 462
Cash and cash equivalents	5	8 305 699	1 891 983
<b>TOTAL ASSETS</b>		<b>138 856 995</b>	<b>148 425 236</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds and reserves</b>		<b>32 033 835</b>	<b>53 462 367</b>
General Fund	6	31 016 888	52 445 420
General Administration Fund	7	1 003 148	1 003 148
Commodity Reserve Fund	8	13 799	13 799
<b>Shares Agricultural Board's Building</b>	9	4 621 290	4 621 290
<b>Current liabilities</b>			
Trade and other payables	10	102 201 870	90 341 579
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>138 856 995</b>	<b>148 425 236</b>

## ANNEXURE B

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

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		N\$	N\$
<b>INCOME</b>			
<b>Levies and Fees Collected by AMTA</b>		<b>98 662 936</b>	<b>93 285 647</b>
Permits issued		806 658	633 787
Processors registration		190 458	195 770
Inspection fees on in transit and export trucks		2 263 471	4 174 068
<b>General producer's levy</b>			
White Maize and Mahangu		2 603 422	2 036 097
Wheat		633 195	593 236
<b>Grain Processors levy - Local</b>			
White Maize and Mahangu		2 076 102	2 346 099
Wheat		644 081	593 641
<b>Grain Processors levy - Imports</b>			
White Maize and Mahangu		28 430 894	29 226 512
Wheat		22 575 647	18 816 346
<b>Horticulture Levies</b>			
Levies on local production		2 885 702	3 181 615
Less : Levy by traders (commission) -- horticulture		-	(350 900)
Levies on imports		25 522 099	22 388 711
Selling levy (local and imports)		10 031 207	9 450 655
Interest received		1 408 534	2 599 241
10% of profit – Agricultural Boards Building		146 477	-
Other accounting and administration fees		92 939	503 853
MAWF levy distribution		17 222 337	-
Profit on sale of equipment		19 959	9 593
Other income		455 012	18 493
<b>INCOME</b>		<b>118 008 194</b>	<b>96 416 827</b>
<b>EXPENSES – Per attached schedule</b>		<b>112 581 389</b>	<b>101 681 807</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b><u>5 426 805</u></b>	<b><u>(5 264 980)</u></b>



## ANNEXURE B

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

	<b>2017</b>	<b>2016</b>
	N\$	N\$
Advertising	-	31 290
Assets transferred to AMTA	-	48 391
Auditors remuneration – External	47 725	55 830
Bank charges	32 403	43 801
Board fees	3 499 393	3 202 973
Boarder control	-	637 036
Chartered Accountant - Financial Management committee	23 633	21 011
Contribution to Agricultural Outlook Conference	15 000	-
Cost of information centre	71 666	94 573
Depreciation – equipment	88 478	70 680
Depreciation – furniture	6 213	5 320
Depreciation – motor vehicles	147 784	119 097
Designing and printing of annual report	113 443	-
Farmer day	441 175	209 563
Foreign trade negotiations	-	217 608
Insurance	43 805	42 052
Liaison	8 408	3 390
Motor vehicles expenses	75 044	48 913
Personnel remuneration	6 630 487	5 468 485
Postal and freight	8 562	11 059
Professional services and legal costs	55 538	897 934
Promotions	36 820	27 983
Public relations services	165 608	286 225
Refreshments	23 892	30 465
Rent paid	860 686	797 684
Repairs and maintenance – Computer equipment	191 981	141 572
Special functions	767 798	478 278
Staff – Subsistence and travel	265 766	152 589
Stationary and printing (Including annual report)	129 249	141 250
Strategic planning	-	125 648
Subscriptions	7 916	6 871
Team building	22 220	26 684
Telephone and fax	63 533	60 602
Training and personnel development	34 145	75 220
Web development and maintenance of website	40 083	42 005
Agents levies (AMTA & AGRIBUSDEV)	98 662 935	88 059 726
<b>Total expenses</b>	<b>112 581 389</b>	<b>101 681 807</b>

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

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## **1. ACCOUNTING POLICIES**

### **1.1 Introduction**

The annual financial statements set out in Annexures A to C 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 of levies and fees collected by the agency (AMTA) on behalf of the Board in terms of the Agronomic Industry Act of Namibia Act 20, of 1992.

### **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.

**NAMIBIAN AGRONOMIC BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH**  
(continued)

**2. PROPERTY, PLANT AND EQUIPMENT**

	2017			2016		
	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	629 388	(385 978)	243 410	501 090	(262 895)	238 195
Furniture	133 825	(119 982)	13 843	132 883	(119 193)	13 690
Equipment	524 553	(402 806)	121 747	667 728	(480 841)	186 888
	<b>5 910 765</b>	<b>(859 365)</b>	<b>5 002 000</b>	<b>5 924 701</b>	<b>(862 929)</b>	<b>5 061 773</b>

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\$
<b>2017</b>					
Land & Building	4 623 000	-	-	-	4 623 000
Motor vehicles	238 195	153 000	(1)	(147 784)	243 410
Furniture	13 690	6 400	(35)	(6 213)	13 843
Equipment	186 888	23 341	(4)	(88 478)	121 747
	<b>5 061 773</b>	<b>182 741</b>	<b>(40)</b>	<b>(242 475)</b>	<b>5 002 000</b>
<b>2016</b>					
Land & Building	4 623 000	-	-	-	4 623 000
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
	<b>5 133 534</b>	<b>171 753</b>	<b>(48 419)</b>	<b>(195 097)</b>	<b>5 061 773</b>

**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**  
**(continued)**

	2017	2016
	N\$	N\$
<b>3. INVESTMENTS</b>		
At the period –end the amounts invested in terms of Section 14(5) of the Act were:		
Commercial banks – At 5.7 % interest rate at year end	25 463 864	32 112 018
	<b>25 463 864</b>	<b>32 112 018</b>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	62 218	138 619
<b>Outstanding levies –AMTA</b>	99 887 514	109 139 643
Levies and fees collected from January 2015 to March 2015	-	10 730 950
VAT on levies collected from January 2015 to March 2015	1 224 579	1 597 786
Provision for import Levy Income difference for March 2015(W/Maize, Wheat and Mahangu)	-	3 581 670
Levies & fees collected from April 2015 to 31 March 2016	98 662 935	93 259 237
<b>Other receivables</b>	68 351	19 089
Agricultural Boards Building profit	-	9 466
Prepaid expenses	61 957	-
Sundries (Staff loans)	6 394	9 623
Vat receivable	67 349	62 111
	<b>100 085 432</b>	<b>109 359 462</b>
<b>5. CASH AND CASH EQUIVALENTS</b>		
In terms of the Act the Board has two current accounts at a commercial bank for levies and operations:		
Bank Balances	8 303 696	1 889 981
Petty Cash	2 003	2 002
	<b>8 305 699</b>	<b>1 891 983</b>
<b>6. GENERAL FUND</b>		
The Fund was established to finance the administration expenses of the Board. Transactions were as follows:		
Balance – 1 April	52 445 420	57 710 400
Net surplus/(deficit)for the year	5 426 805	(5 264 980)
AMTA Staff costs 2015/16	(7 000 000)	-
MAWF Distribution of levies to NAB Association & Unions Special Activities	(17 222 337)	-
	(2 633 000)	-
Balance – 31 March	<b>31 016 888</b>	<b>52 445 420</b>

**NAMIBIAN AGRONOMIC BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH**  
**(continued)**

<b>7. GENERAL ADMINISTRATIVE FUND</b>	<b>2017</b>	<b>2016</b>
	N\$	N\$
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	<b>1 003 148</b>	<b>1 003 148</b>

**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	13 799
Balance – 31 March	<b>13 799</b>	<b>13 799</b>

**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.

<b>Total</b>	<b>4 621 290</b>	<b>4 621 290</b>
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**10. TRADE AND OTHER PAYABLES**

Agency fees	98 662 935	88 059 726
Administrative expenses	90 299	124 830
Provisions	1 312 955	558 225
Guarantee deposits from Millers/Traders	450 736	476 883
Unions & Associations Special Activities	1 352 867	-
Other payables	332 078	1 121 915
	<b>102 201 870</b>	<b>90 341 579</b>

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. ACCOUNTING AND ADMINISTRATION FEES**

The Board acts as unit co-ordinator and financial controller for the project on behalf of the Ministry of Agriculture Water and Forestry.

**NAMIBIAN AGRONOMIC BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH**  
**(continued)**

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**12. BOARD MEMBERS**

Expenses on members of the Board increased with 5% during the 2016/2017-year end compared to the (2015/2016) financial year decrease of 3%.

**13. STAFF**

Remuneration of staff increased by 21% during the 2016/2017-year end compared to the (2015/2016) financial year decrease of 34% as a result of staff transfer to the agent.

**14. SUBSEQUENT EVENT**

The Ministry of Agriculture, Water and Forestry issued a directive on the 3<sup>rd</sup> of August 2017, for a distribution of the agronomic levies amounting to N\$ 56 961 946 to AMTA, N\$ 18 431 956 to AGRIBUSDEV and N\$ 23 575 058 to NAB.