



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MARINE RESOURCES FUND
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2014, 2015 AND 2016**

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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 Marine Resources Fund for the financial years ended 31 March 2014, 2015 and 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.

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, August 2017

**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE MARINE RESOURCES FUND
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2014, 2015 AND 2016**

1. Report on the financial statements

1.1 INTRODUCTION

The accounts of the Marine Resources Fund for the years ended 31 March 2014, 2015 and 2016 are being reported on in accordance with Section 45 (8) of the Marine Resources Act, 2000 (Act No. 27 of 2000).

Figures in the report are rounded off to the nearest Namibia dollar and deficits are indicated in (brackets).

I certify that I have audited the accompanying financial statements of the Marine Resources Fund for the financial years ended 31 March 2014, 2015 and 2016. These financial statements comprise of the following

- Annexure A: Balance sheet;
- Annexure B: Income statement;
- Annexure C: Cash flow statement; and
- Annexure D: Notes to the 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 the 14 February 2017 instead of three months (3 months) after the year end as required by the Act.

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexures A-D.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 of the State Finance Act, 1991 and relevant legislation, 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 of Supreme Audit Institutions (ISSAIs). 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 audit opinion.

4. ACKNOWLEDGEMENT

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

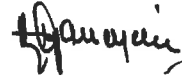
5. KEY AUDIT FINDINGS

No key audit findings were observed during the audit.

6. UNQUALIFIED AUDIT OPINION

The financial statements of the Marine Resources Fund of Namibia for the financial years ended 31 March 2014, 2015 and 2016 were audited by me in accordance with the provisions of Section 25 (1) of the State Finance Act, 1991 read with Section 45 (8) of the Marine Resources Act, 2000 (Act No. 27 of 2000).

In my opinion, the financial statements present fairly, in all material respects the financial position of the Marine Resources Fund as at 31 March 2014, 2015 and 2016, and their financial performance and cash flows for the years then ended.



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

WINDHOEK, August 2017

**MARINE RESOURCES FUND
BALANCE SHEET AS AT 31 MARCH**

	Note	2016 N\$	2015 N\$	2014 N\$	2013 N\$
ASSETS					
Fixed Assets		5 879 914	6 052 042	3 392 383	2 618 360
Property, Plant & Equipment	13	3 257 486	3 182 357	1 169 292	811 255
Investments	14	2 622 428	2 869 685	2 223 091	1 807 105
Current Assets		18 364 342	16 368 527	9 983 134	15 091 307
Debtors		8 426 315	7 380 696	6 500 730	6 782 141
Prepayments		247 289	278 020	-	-
Bank & Cash at hand	15	9 690 738	8 709 811	3 482 404	8 309 166
TOTAL ASSETS		24 244 256	22 420 569	13 375 517	17 709 667
Equity and Liabilities					
Current Liabilities	16	4 585 409	3 825 078	5 764 928	5 507 719
Equity	17	19 658 847	18 595 491	7 610 589	12 202 047
Total equity and liabilities		24 244 256	22 420 569	13 375 517	17 709 766

**MARINE RESOURCES FUND
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH**

	Note	2016 N\$	2015 N\$	2014 N\$	2013 N\$
INCOME					
Total Income	2	31 865 807	34 843 819	21 459 853	21 846 595
EXPENDITURE					
		30 555 194	24 505 511	26 467 297	17 232 385
Subsistence and Travel	3	29 735	98 238	123 326	25 424
Materials and Supplies	4	3 246 677	5 455 005	6 719 660	4 963 932
Transport	5	15 998	-	-	-
Utilities	6	1 988 483	2 135 856	2 486 524	185 729
Maintenance Expenses	7	13 772 867	2 149 595	6 155 974	3 122 207
Other Service and Expenses	8	9 895 589	10 340 727	10 603 588	3 920 143
Subsidies, Grants ,Contributions	9	-	3 700 000	-	4 844 004
Miscellaneous Expenses	10	234 322	66 775	64 179	6 910
Bank Charges	11	31 536	28 394	24 549	13 843
Depreciation	12	1 339 987	530 922	289 498	150 192
Surplus/ (deficit) for the year		1 310 613	10 338 308	(5 007 444)	4 614 210

**MARINE RESOURCES FUND
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH**

	2016	2015	2014	2013
Note	N\$	N\$	N\$	N\$
Cash flows from operating activities	1 748 557	8 417 988	(3 763 339)	7 011 201
Net operating surplus for the year	1 310 613	10 338 308	(5 007 444)	4 614 210
Depreciation	1 339 987	530 922	289 498	150 192
Increase or (decrease) in trade and other payables	760 331	(2 217 870)	257 209	3 670 708
(Increase) or decrease in trade and other receivables	(1 415 116)	(879 966)	281 412	(2 901 605)
Adjustment to the retained income	(247 257)	646 594	415 986	1 477 696
	17			
Cash flows from investing activities	(1 167 859)	(1 897 394)	(1 063 521)	(1 188 831)
Investment acquired/redeemed	247 257	(646 594)	(415 986)	(484 607)
Property, plant & equipment acquired	(1 415 116)	(2 543 988)	(647 535)	(704 224)
Net change in cash and cash equivalents	980 927	5 227 407	(4 826 762)	5 822 271
At the beginning of the year	8 709 811	3 482 404	8 309 166	2 486 895
At the end of the year	9 690 738	8 709 811	3 482 404	8 309 166

MARINE RESOURCES FUND

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH (Continued)

	2016	2015	2014	2013
	N\$	N\$	N\$	N\$
2 Income	31 865 807	34 843 819	21 459 853	21 846 595
Levies-Crab	296 699	199 998	392 219	357 442
Levies-Hake	6 408 902	7 025 080	7 115 125	7 285 256
Levies-Horse Mackarel	8 509 283	8 330 192	8 656 688	7 072 096
Levies-Linefish	100 463	189 600	107 134	671 877
Levies-Monk	295 922	172 989	172 442	153 552
Levies-Pelagic	1 396 815	2 020 294	1 413 083	1 928 137
Levies-Rock Lobster	55 160	74 949	379 110	73 422
Levies-Shark	-	1 127	330	-
Levies-Snoek	-	2 997	-	7 087
Levies-Tuna	104 736	115 891	76 423	116 219
Levies-Kingklip	647	13 397	890	-
By catch levies- Horse Markarel	344 599	220 388	438 344	523 147
Recreational Fishing	59 852	41 347	40 297	56 078
Aquarium fees- Adults	252 356	89 600	164 190	59 390
Aquarium fees- Brochures	190	-	-	100
Aquarium fees- Children	66 040	21 710	43 390	11 780
Aquarium fees- Hire auditorium	4 150	13 250	500	250
Aquarium fees- Pensioners	7 250	2 830	5 440	1 945
Aquarium fees- School groups	10 145	1 360	8 744	2 310
Aquarium fees- Study groups	-	9 401	3 015	1 228
Aquarium fees- Teachers	5 545	5 047	5 679	2 185
Aquarium fees- Foreign adults	59 775	156 185	190 995	235 630
Aquarium fees- Foreign child	3 480	31 955	30 860	47 716
Aquarium fees- Foreign pensioners	8 805	11 320	15 060	15 120
Auditorium	5 250	5 450	3 400	250
Jetty Rental	474 666	212 664	478 626	127 287
Leasing of Vessel	-	-	-	1 264 349
Dividends received	-	-	21 308	95 334
Fuel Rebates	-	331 429	456 798	840 826
Bad Debts Recovered	-	-	-	568 812
Sundry income	27 405	232 400	973 020	-
Interest Received- Bank	441 948	310 969	266 743	272 686
Interest Received- Overdue customers	-	-	-	55 086
Subsidy	12 925 723	15 000 000	-	-

MARINE RESOURCES FUND

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH (Continued)

	2016	2015	2014	2013
	N\$	N\$	N\$	N\$
3 Subsistence and Travel Allowance	29 735	98 238	123 326	25 424
Accommodation	28 083	98 238	5 594	25 424
Air tickets	1 652	-	117 732	-
4 Materials and Supplies	3 246 677	5 455 005	6 719 660	4 963 932
Books	6 668	72 644	19 582	-
Subscriptions	-	-	2 599	13 315
Cleaning materials	2 363	5 822	46 489	11 057
Computer consumable	-	112 939	35 910	48 138
Computer software	-	761 841	6 308	-
Consumable	-	114 936	76 058	11 721
Protective clothing	-	6 308	27 605	9 293
Stationery	8 954	40 003	97 334	-
Vessel fuel	2 448 688	3 413 979	5 519 075	4 378 545
Provision	732 600	743 931	793 541	483 358
Medical supplies	47 405	182 601	95 157	8 506
5 Transport	15 998	-	-	-
Services	15 998	-	-	-
6 Utilities	1 988 483	2 135 856	2 486 524	185 729
Water & Electricity	1 040 571	1 369 076	598 015	-
Telephone	343 016	272 743	1 341 774	-
Courier charges	64 272	-	-	-
Communication expenses	540 623	494 037	546 735	185 729
7 Maintenance Expenses	13 772 867	2 149 595	6 155 974	3 122 207
Office furniture	11 163	830	9 108	-
Buildings	12 535	943	16 367	-
Computer equipment	53 507	5 594	-	18 429
Office equipment	-	16 889	4 712	3 470
Fishing gears	-	-	12 800	-
Research vessel	13 695 662	2 125 339	6 112 987	3 100 308

MARINE RESOURCES FUND

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH (Continued)

	2016	2015	2014	2013
	N\$	N\$	N\$	N\$
8 Other Service and Expenses	9 895 589	10 340 727	10 603 588	3 920 143
Licenses & Subscriptions	2 407 860	1 887 138	1 400 936	7 279
Advertisements	-	26 312	-	-
Cleaning	13 696	-	-	2 758
Clearing charges	-	39 413	19 222	-
Consultancy fees	565 295	29 054	69 605	8 050
Consultancy kilometre claim	51 410	5 091	-	-
Insurance	454 655	757 909	1 126 932	-
Laundry	7 905	-	9 264	3 764
Port Dues	16 793	135 846	175 692	525 960
Printing	114 269	14 199	-	-
Salaries	375 580	365 479	-	8 089
Security services	644 635	866 065	454 817	195 533
Sitting allowance	91 150	7 000	15 000	23 000
Symposiums	29 540	381 825	49 960	-
Training	17 600	-	4 374	-
Social Security	-	648	-	-
Vehicle/Plane/Crew/Vessel hire	27 335	-	41 316	37 882
Vessel management fee	4 829 250	5 808 904	7 231 900	3 107 408
Refreshments & Entertainment	248 618	11 625	4 439	-
Interest Paid on overdue accounts	-	4 220	130	420
9 Subsidies, Grants & Contributions	-	3 700 000	-	4 844 004
Subsidies, grants & contributions	-	3 700 000	-	4 844 004
10 Miscellaneous Expenses	234 322	66 775	64 179	6 910
11 Bank Charges	31 536	28 394	24 549	13 843
12 Depreciation	1 339 987	530 922	289 498	150 192
Furniture and Fittings	1 822	1 636	229	229
Computer Equipment	700 430	43 911	1 428	5 663
Office Equipment	28 456	5 828	1 507	2 571
Operational & Machinery Equipment	609 279	479 547	286 334	141 729

MARINE RESOURCES FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH (Continued)

13 Property, Plant & Equipment

2016	Machinery Equipment	Office Equipment	Computer Equipment	Total
	N\$	N\$	N\$	N\$
Netbook Value as at 31/03/2016	1 668 556	90 051	1 498 879	3 257 486
Closing Cost 31/03/2016	12 121 502	2 539 753	3 128 852	17 790 107
Accumulated Depreciation	10 452 947	2 449 702	1 629 973	14 532 622
Additions	14 263	83 512	1 317 341	1 415 116
Depreciation for the year	609 279	30 278	700 430	1 339 987
Opening cost at 01/04/2015	12 107 239	2 456 241	1 811 511	16 374 991
Balance as at 01/04/2015	9 843 668	2 419 424	929 543	13 192 635
2015				
Netbook Value as at 31/03/2015	2 263 572	36 817	881 968	3 182 357
Closing Cost 31/03/ 2015	12 107 239	2 456 241	1 811 511	16 374 991
Accumulated Depreciation	9 843 668	2 419 424	929 543	13 192 635
Additions	1 585 215	34 418	924 354	2 543 987
Depreciation for the year	479 547	7 464	43 911	530 922
Opening cost at 01/04/2014	10 522 024	2 421 823	887 157	13 831 004
Balance as at 01/04/2014	9 364 121	2 411 960	885 632	12 661 713
2014				
Netbook Value as at 31/03/2014	1 157 904	9 863	1 525	1 169 292
Closing Cost 31/03/ 2014	10 522 024	2 421 823	887 157	13 831 004
Accumulated Depreciation	9 364 121	2 411 960	885 632	12 661 713
Additions	636 660	10 176	699	647 535
Depreciation for the year	286 334	1 736	1 428	289 498
Opening cost at 01/04/2013	9 885 364	2 411 647	886 458	13 183 469
Balance as at 01/04/2013	9 077 787	2 410 224	884 204	12 372 215
2013				
Netbook Value as at 31/03/2013	807 578	1 423	2 254	811 255
Closing Cost 31/03/ 2013	9 885 364	2 411 647	886 458	13 183 469
Accumulated Depreciation	9 077 787	2 410 224	884 204	12 372 215
Adjustments	-	(9 380)	-	(9 380)
Additions	703 850	999	1 250	706 099
Depreciation for the year	141 729	2 800	5 663	150 192
Opening cost at 01/04/2012	9 181 514	2 416 276	885 208	12 482 998
Balance as at 01/04/2012	8 936 058	2 411 176	878 541	12 225 775

MARINE RESOURCES FUND

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH (Continued)

	2016	2015	2014	2013
	N\$	N\$	N\$	N\$
14 Investments	2 622 428	2 869 685	2 223 091	1 807 105
Sanlam	1 790 534	2 039 415	1 504 268	1 233 427
Old Mutual	831 894	830 270	718 823	573 678
15 Cash & Cash equivalents	9 690 738	8 709 811	3 482 404	8 309 166
Bank Windhoek	7 045 272	6 194 940	90 521	6 980 020
NDP 32 Day Account	2 629 459	2 504 887	3 387 699	1 301 862
Cash Control-Walvis Bay	181	183	116	116
Cash Control-Swakopmund	14 108	9 224	3 209	5 055
Cash Control-Aquarium	1 705	480	640	21 287
Cash Control-HQ	11	97	219	826
16 Creditors Control	4 585 409	3 825 078	5 764 928	5 507 719
Suppliers Control Account	3 041 204	2 585 028	4 531 485	4 253 527
BCC/UNDP Projects	1 233 443	1 233 443	1 233 443	1 233 443
Main budget by catch	310 601	-	-	-
Suspense account	-	-	-	20 749
Receiver of Revenue	-	6 445	-	-
Social Security	162	162	-	-
17 Statement of Changes in Equity	19 658 847	18 595 491	7 610 589	12 202 047
Opening balance	18 595 491	7 610 589	12 202 047	6 110 141
Surplus /(deficit) for the year	1 310 613	10 338 308	(5 007 444)	4 614 210
Adjustments	(247 257)	646 594	415 986	1 477 696

