



Report of the Auditor-General



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MEAT BOARD OF NAMIBIA

FOR THE FINANCIAL YEAR ENDED

31 MARCH 2019

Published by authority

Report no: 116/2018

Table of Contents

105	Report of the Auditor-General
108	Annexure A: Balance Sheet as at 31 March 2019
109	Annexure B: Income Statement for the Financial Year ended 31 March 2019
110	Annexure C: Cash Flow Statement for the Financial Year ended 31 March 2019
111	Annexure D: Notes to the Financial Statements for the Financial Year ended 31 March 2019

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 Meat Board of Namibia for the financial year ended 31 March 2019 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.

Junias Etuna Kandjeke
 Auditor General
 Windhoek, February 2020



Report of the Auditor-General on the accounts of the Meat Board of Namibia for the financial year ended 31 March 2019

1. UNQUALIFIED AUDIT OPINION

I have audited the financial statements of the Meat Board of Namibia for the financial year ended 31 March 2019. These financial statements comprise the Balance Sheet, Income Statement, Cash flow Statement, Notes to the annual financial statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Meat Board of Namibia as at 31 March 2019 and its financial performance and cash flows for the year then ended in accordance with Namibia General Accepted Accounting Practice NAC001.

2. BASIS FOR UNQUALIFIED OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

3. KEY AUDIT MATTERS

Key audit matters are those matters that in my professional judgment were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have nothing to report in this regard.

4. OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I have nothing to report in this regard.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Meat Industry Act, 1981 (Act 16 of 1981) as amended by Amendment Act 21 of 1992 and 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. In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity's financial reporting process.

6. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I also:

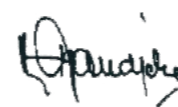
- Identify and assess the risks of material misstatement of the

financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



JUNIAS ETUNA KANDJEKE
 AUDITOR-GENERAL
 WINDHOEK, February 2020



Annexure A

Meat Board of Namibia

BALANCE SHEET AS AT 31 MARCH 2019

	Note	2019 N\$	2018 N\$
ASSETS			
Non-current assets		86 689 317	78 284 070
Property and equipment	2	1 612 079	1 695 029
Land & Building	2	27 957 600	33 285 600
Investment Property	3	5 328 000	-
Investments	5	51 791 638	43 303 438
Current assets		39 107 561	26 313 752
Cash & Cash Equivalent	4	21 411 708	11 381 562
Ear Tag - Accounts/assets	14	6 136 717	6 944 136
Arboricides stock on hand	20	1 251	6 168
Accounts receivable	9	11 557 885	7 981 886
Total assets		125 796 878	104 597 822
EQUITY AND LIABILITIES			
Funds		111 161 933	100 863 263
Reserve Fund	6	30 407 684	25 799 841
Emergency Vet Levy Fund	10	12 679 057	11 340 241
FAN Meat Fund	11	15 797 791	11 711 678
Stock Brands Registration Fund	12	1 423 249	1 241 624
NCA Voluntary Levy	13	6 518 158	7 265 327
Ear Tag Fund	14	6 136 717	6 944 136
DVS Projects Fund (MAWF)	15	318 863	360 415
Drought Admin Fund (MAWF)	16	728 104	708 376
MCA Zambezi Project Fund (MAWF)	17	1 650 740	1 754 409
Bukalo Meat Processing Plant - Zambezi Fund (MAWF)	18	468 842	451 612
Shares in AgriBoard Buildings		-	-
Distributable Reserves	30	1 457 912	-
Non-distributable Reserves		33 574 816	33 285 603
Current liabilities		14 634 943	3 734 559
Accounts payable	8	14 580 828	3 704 181
Accounts payable Stock Brands	12	54 115	30 378
Total funds and liabilities		125 796 877	104 597 822

Annexure B

Meat Board of Namibia

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 N\$	2018 N\$
INCOME		54 477 957	50 408 026
General levies on livestock exported and slaughtered		43 847 153	39 970 615
In-transit Levy		299 554	258 450
Meat Products levy (imports)		2 499 059	2 825 724
Administration fees	19	1 012 111	915 120
Operational profit of Agricultural Boards Building		-	1 356 724
Poultry scheme Admin fee		875 402	814 416
NTA refund		108 528	135 104
Transfer from MCA		250 000	-
African Meals Legal fee refund		25 923	-
Disposal of Assets & Others		18 824	85 000
Refund CCTV Camera		24 484	-
Agri-Benchmark		159 880	-
Oututa Refund		-	311 670
Study Assistance refund		-	30 158
House rent received		62 080	35 399
Agriculture Boards Building rent received	30	909 197	-
Refunds from City of Windhoek	30	396 687	-
Recoveries	30	29 210	-
Interest Received		3 990 557	3 669 646
Arboricides	20	(31 568)	-
TOTAL EXPENSES		48 444 925	32 174 780
Scholarship for Veterinary students		96 464	272 994
Donation to Agricultural Unions	8	19 223 386	4 711 304
Commission on levies		1 314 835	1 197 466
Board administration expenses	21	2 481 290	1 948 021
Personnel expenses	22	11 981 713	11 002 378
Travelling and Subsistence	23	171 400	159 419
Office expenses	24	4 430 906	6 588 851
Expenses relating to Agricultural Boards Building	30	1 361 593	-
Market Research	25	1 914 352	962 101
Depreciation	26	326 422	357 332
Net Border Control Costs	27	5 046 786	4 974 914
Surplus/(Deficit) before classification cost		6 127 962	18 233 246
Less: Net Classification costs	28	(1 489 323)	(3 180 709)
Surplus/(Deficit) for the period		4 638 639	15 052 537

Annexure C

Meat Board of Namibia

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Note	2019 N\$	2018 N\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (utilized) / generated from operations	8 435 470	5 006 410
Interest Received	3 990 583	3 669 646
Net cash flow from operational activities	12 426 053	8 676 056
CASH FLOW FROM INVESTING ACTIVITIES		
Movement in investments	(8 488 200)	(5 425 933)
Additions to property plant and equipment	(126 998)	(142 049)
Net cash flow from investing activities	(8 615 198)	(5 567 982)
CASH FLOW FROM FINANCING ACTIVITIES		
Movement in project account reserves	3 906 589	(4 702 849)
Movement in ear-tag Bank	807 419	(1 689 370)
Net cash flows from financing activities	4 714 008	(6 392 219)
Net cash in/(outflow) for the period	8 524 863	(3 284 145)
Cash and cash equivalents at the beginning of the period	11 381 559	14 665 704
Agricultural Board Building	1 505 281	-
Cash and cash equivalents at the end of the period	21 411 708	11 381 559
RECONCILIATION OF SURPLUS FOR THE PERIOD TO CASH GENERATED FROM OPERATIONS		
Surplus for the year	4 581 344	15 015 097
Disposal / Loss on assets	57 295	-
Depreciation	458 112	551 411
Interest received	(3 990 583)	(3 669 646)
	(3 475 176)	(3 118 235)
Profit before working capital movements	1 106 168	11 896 862
Movement in accounts receivable	(3 575 999)	(1 724 026)
Movement in Stock	4 917	313
Movement in accounts payable	10 900 384	(5 166 739)
	7 329 303	(6 890 452)
CASH GENERATED FROM OPERATIONS	8 435 470	5 006 410

Annexure D

Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with the Namibia Statement of General Accepted Accounting Practice (NAC001 Financial Reporting for Small and Medium Sized Entities, using the historical cost convention.

The following are the principal accounting policies of the Meat Board of Namibia, which are consistent with those applied in prior years:

Revenue recognition

Revenue comprises the gross invoiced value of sales in respect of trading operations and levies received, excluding Value Added Taxation. Revenue from the sale of goods and services is recognised when the significant risks and rewards of ownership are transferred to the buyer. The MBN revenue/levies is calculated as per the Meat Industry Act of 1981, GRN gazette No. 272 of 15 December 2010 as amended, and is allocated between the funds as follows: General levy fund 80%, FAN Meat Fund 15% and Emergency Veterinary Services fund 5%.

Other Funds revenue

Classification fund	Levies is calculated as per Meat Industry Act of 1981, GRN Gazette No. 5783 - 15 July 2015
Ear Tags fund	Sales of livestock ear tags
Stock Brands fund	Stock brands registration fees as per Meat Industry Act of 1981
	GRN gazette No.5783 - 15 July 2015
MAWF projects funds	Money received from Government from time to time as per the Minister's directive.

Investment property

Land and buildings that is considered investment property is carried at fair value and accordingly not depreciated but tested for impairment annually.

Property plant and equipment

Land and buildings is carried at fair value. It is not depreciated as the directors consider the fair value to be equal to the residual value of the property.

The Board carries plant and equipment at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of assets.

Plant and equipment are depreciated as follows to reduce the book value to the residual value over the useful lives of the relevant assets:

• Plant and equipment	10% reducing balance method
• Computer equipment	20% straight line method
• Motor vehicles	33% straight line method
• Show equipment	20% straight line method

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end and the effect of changes in estimates accounted for on a prospective basis. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

Joint operation

The interest in the Agricultural Board's Buildings are classified as a joint operation and is accounted for in line with the requirements in terms of IPSAS 37.

The Board deemed this treatment to be the most appropriate taking into account the contractual obligations between the respective parties of the joint operation. The interest of the entity in the assets, liabilities, revenue and expenses of the joint operation has been recognised in the annual financial statements. The accounting policy has not been applied to the 2018 financial year.

Financial instruments

Financial instruments recognised on the balance sheet include cash and cash equivalents, investments, trade receivables and trade payables.

Cash and cash equivalents

For the purposes of the cash flow statement cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are separately disclosed in current liabilities.

Annexure D

Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

Investments

Investments consist of investments at financial institutions and have maturity dates of higher than three (3) months after financial year-end.

Investments are initially recognised at cost but subsequently carried at amortised cost.

Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of receivables.

Trade payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

Provisions

Provisions are recognised when:

- the Board has a present legal or constructive obligation as a result of past event; and
- 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.

Inventory

Merchandise is valued at the lower of cost and net realised value. Cost is determined on the weighted average cost basis and includes transport and handling costs. Obsolete redundant and slow moving inventory is identified and written down to their estimated realisable values.

Interest expenses

The Board recognises interest and expenses in the income statement for all instruments measured at amortised cost using the effective interest method.

Computer software

Computer software is expensed in the year it is incurred.

Employee benefits

The Board recognised in full employees' right to leave entitlement in respect of past service. Staff bonuses are accounted for in the year to which they relate.

DIFFERENT FUNDS

Reserve fund

The Reserve fund contains the accumulated reserves. In terms of Section 13(6) of the Meat Industry Act, this fund shall be utilised for various purposes as authorised by the Minister on recommendation of the Board from time to time.

Animal Health fund

This fund was established during the 1994/1995 financial year with the objective of accruing a special health levy to be utilised for providing support to the DVS in case of a national emergency. This levy is based on the General Levy and calculated as 5% of the total General Levy received.

Fan Meat fund

The Fan Meat fund was established for the implementation and maintenance of a National Quality Assurance and Traceability Scheme. This levy is based on the General Levy and calculated as 15% of the total General Levy received.

Stock Brands Registration fund

The Registrar of Stock Brands who is also the DVS, outsourced the administration of stock brands to the Meat Board. A stock brands registration fee was imposed and a special account was opened for that purpose.

NCA Voluntary Levy fund

The NCA fund was voluntary established on 1 July 2007 by producers south of the veterinary cordon fence with the objective to enhance market access to cattle in the NCA. A special levy was imposed and accrued to this fund for a period of 5 years. The levy was abolished on 30 May 2012. While the fund is still in operation.

Ear Tag fund

The Ear Tag fund is for the development and maintenance of an animal identification and traceability system, administration and distribution of official ear tags in Namibia.

MAWF Project fund

The administration of Government funds for the purpose of Improvement of animal health and marketing services in the NCA, Expansion of CVL, Construction of Veterinary Clinics and for plant animal health and inspection systems at borders.

Annexure D

Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

Drought Administration fund

The administration of the Government fund for the establishment of a Drought Aid information Management System for future drought implementation procedures. The agreement was signed in 2006, the remaining balance was put in a call account to gain interest till it is fully utilised.

MCA Caprivi Project fund

Funding from the Millennium Challenge Account for the implementation of the MCA-N Livestock Marketing Efficiency (LMEF) project entitled Development of export opportunities for beef from the Caprivi. The remaining balance was put in a call account to gain interest.

Bukalo Meat Processing Plant fund

Funds from the Ministry of Agriculture Water and Forestry for the commissioning of then Bukalo Processing Plant.

2. PROPERTY PLANT AND EQUIPMENT

2019	Land and buildings		Plant and equipment	Computer equipment	Motor vehicles	Show equipment	Total
	Agri Boards	Noordoewer Houses					
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Carrying amount:							
Beginning of the year 1 April 2018	33 285 600	248 757	731 301	414 395	288 449	12 127	34 980 628
Cost	33 285 600	248 757	1 219 731	1 514 607	2 586 124	47 268	38 902 087
Accumulated depreciation			(488 430)	(1 100 212)	(2 297 675)	(35 141)	(3 921 458)
Additions	-	-	332 320	100 135	-	-	432 455
Disposal	-	-	(45 968)	(126 584)	-	-	(172 552)
Transfer to investment property	(5 328 000)	-	-	-	-	-	(5 328 000)
Depreciation for the year	-	-	(90 530)	(44 620)	(206 491)	(1 213)	(342 853)
Carrying amount End of the year	27 957 600	248 757	927 123	343 326	81 959	10 914	29 569 679
Cost	27 957 600	248 757	1 506 083	1 488 158	2 586 124	47 268	33 833 990
Accumulated depreciation	-	-	(578 960)	(1 144 832)	(2 504 166)	(36 354)	(4 264 311)

Annexure D

Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

	2019 N\$	2018 N\$
3. INVESTMENT PROPERTY	5 328 000	-
Carrying value	5 328 000	-
Opening balance	-	-
Transfer from property, plant and equipment at fair value	5 328 000	-
Fair value adjustment	-	-
	21 411 708	11 381 562
4. CASH & CASH EQUIVALENTS		
Project Bank & Call Accounts	4 596 494	4 546 814
Stock brands Bank account	1 429 945	1 272 001
MAWF Project Call account	318 863	360 415
Drought Admin Call account	728 104	708 376
Bukalo Processing Plant Call account	468 842	451 613
MCA Caprivi Call Account - Simonis Storm	1 650 740	1 754 409
Meat Board Accounts	70 196	36 619
Meat Board Call Account - Simonis Storm	48 124	30 845
Meat Board Call Account - Cirrus	21 673	-
Meat Board Call Account - PSG	399	5 774
Meat Board Bank Current Account	8 085 103	5 750 965
FAN Meat Levy Current Account	4 527 279	606 755
Emergency VET Levy Current Account	636 694	181 672
Classification Levy Current Account	198 731	125 575
NCA Levy Current Account	1 419 130	131 452
Agricultural Boards' Buildings Current Account	1 804 370	-
	16 743 307	6 796 419
Petty Cash	1 710	1 710
Total	16 745 017	6 798 129

Annexure D

Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

	2019 N\$	2018 N\$
5. INVESTMENTS		
Sanlam	-	2 347 792
Investment at Sanlam Namibia - BNK WHK	-	497 289
Investment at Sanlam Namibia - Capricorn	-	1 850 503
Simonis Storms Securities	18 771 753	15 100 700
Investment Simonis Storm Securities	11 858 996	10 927 700
Investment Simonis Storm Securities (Fixed for 12 months)	6 912 757	4 173 000
Namibia Equity Brokers	22 576 040	16 220 946
Namibia Equity Brokers (12 months)	17 576 040	16 220 946
Namibia Equity Brokers (12 months)	5 000 000	-
PSG KONSULT	10 443 845	9 634 000
PSG KONSULT (12 months)	10 443 845	9 634 000
TOTAL	51 791 638	43 303 438
6. RESERVE FUND		
Surplus/(Deficit) from General Fund	4 665 138	15 052 537
Accumulated funds at beginning of the year	25 799 841	10 784 744
Disposal of assets	(57 295)	(37 440)
Accumulated funds at end of the year	30 407 684	25 799 840
7. CONTRIBUTIONS TO AGRICULTURAL UNIONS	19 223 386	4 711 304
NAU	6 271 686	942 261
NNFU	10 524 691	3 769 043
NECFU	2 427 009	-

Annexure D Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

	2019 N\$	2018 N\$
8. ACCOUNT PAYABLES		
Provision for leave accrued	1 884 346	1 748 060
Provision for Audit Fee	50 128	133 495
Sundry accruals, payments	1 454 761	1 165 683
Accrued payments to Agriculture Unions	10 786 708	-
Credit balance on Debtors	321 225	623 955
Agricultural Board's Buildings trade payables	44 375	-
Agricultural Board's Buildings Value Added Taxation	24 073	623 955
Import VAT	15 212	32 988
	14 580 828	4 328 136
9. ACCOUNT RECEIVABLES	11 557 885	7 981 886
Trade Debtors (Levies & other receivables)	10 366 863	7 261 240
Accrued Interest	900 314	674 319
Ear Tag Expenses	21 789	19 954
Stock Brands Expenses	27 371	7 350
Agricultural Board's Buildings trade receivables	194 766	-
Agricultural Board's Building municipal deposits	16 155	-
VAT	28 117	16 513
Nampower (Electricity deposit - Border Post)	2 510	2 510
10. EMERGENCY VET SERVICES LEVY FUND		
Income		
Emergency Vet Services Levy	2 740 466	2 498 135
Expenses		
Diseases Outbreak Control	759 147	2 317 440
Bank charges	1 710	1 378
Commission on levy	82 150	74 793
Animal Health Committee	181 495	79 418
Assistance to DVS	-	1 524 931
Cordon fence	377 148	617 483
	1 401 650	4 615 442
(Deficit)/Surplus for the year	1 338 816	(2 117 307)
Accumulated funds at beginning of the year 1 April 2018	11 340 241	13 457 549
Accumulated funds at end of the year	12 679 057	11 340 242

Annexure D Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

	2019 N\$	2018 N\$
11. FAN MEAT FUND		
Income		
FAN Meat levy	8 221 399	7 494 401
Market compliance Audit	43 460	-
Seal of Quality	25 500	25 953
	8 290 359	7 520 354
Total Revenue	8 290 359	7 520 354
Expenditure	4 204 246	6 201 029
Staff Salaries	2 512 761	2 342 012
Admin and Stationery	210 298	163 442
Bank charges	1 717	1 362
Databases maintenance, upgrade and internet lines	231 600	114 182
Printing & publications & Info materials	-	9 970
S&T/Training / Workshops	155 186	46 811
Office rent	109 129	370 182
Fan Meat Quality Management System	79 840	-
Vehicle Maintenance	8 230	4 108
Commission on levy	246 449	224 379
Seal of Quality	86 754	130 792
Inspections (Farms, Abattoirs & Auctioneers)	67 752	-
NamLITS Administrative support	425 431	2 737 799
Market compliance Audit	24 369	-
Registration of local Abattoirs	44 730	55 990
Surplus/(Deficit) for the year	4 086 113	1 319 325
Accumulated funds at beginning of the year 1 April 2018	11 711 678	10 392 353
Accumulated funds at end of the year	15 797 791	11 711 678

Annexure D

Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

12. STOCK BRAND REGISTRATION FUND

Income

Interest received	28 927	26 720
Brand registration fee	951 353	1 203 876

Expenditure

Staff Salaries	245 803	223 238
Bank charges	175 362	173 447
Admin fees 5% (VAT incl)	54 693	66 430
Databases maintenance, upgrade & internet lines	162 251	82 237
Office rent	18 441	63 064
Stationery & other consumables	119 946	134 472
Publications	17 093	59 243
Office Furniture (capital expenses)	5 065	-

(Deficit) surplus for the year	181 626	428 465
Accumulated funds at beginning of the year	1 241 624	813 159
Accumulated funds at end of the period	1 423 249	1 241 624

Creditors

Payables	38 369	14 632
Leave Accrued	15 746	15 746
	1 477 364	1 302 379

13. NCA LEVY FUND

Expenditure

NCA/LPF Farmers Mentorship Programme	628 339	2 519 063
Bank charges	1 702	1 367
Cattle Value Improvement programme in the NCA	117 128	60 621
Activities for Livestock Master Plan	-	103 944

Expenses surplus for the year	(747 169)	(2 684 995)
Accumulated funds at beginning of the year 1 April 2018	7 265 327	9 950 322
Accumulated funds at end of the year	6 518 158	7 265 327

	2019 N\$	2018 N\$
Income	980 280	1 230 596
Interest received	28 927	26 720
Brand registration fee	951 353	1 203 876
Expenditure	798 654	802 131
Staff Salaries	245 803	223 238
Bank charges	175 362	173 447
Admin fees 5% (VAT incl)	54 693	66 430
Databases maintenance, upgrade & internet lines	162 251	82 237
Office rent	18 441	63 064
Stationery & other consumables	119 946	134 472
Publications	17 093	59 243
Office Furniture (capital expenses)	5 065	-
(Deficit) surplus for the year	181 626	428 465
Accumulated funds at beginning of the year	1 241 624	813 159
Accumulated funds at end of the period	1 423 249	1 241 624
Creditors	54 115	30 378
Payables	38 369	14 632
Leave Accrued	15 746	15 746
	1 477 364	1 302 379
Expenditure	747 169	2 684 995
NCA/LPF Farmers Mentorship Programme	628 339	2 519 063
Bank charges	1 702	1 367
Cattle Value Improvement programme in the NCA	117 128	60 621
Activities for Livestock Master Plan	-	103 944
Expenses surplus for the year	(747 169)	(2 684 995)
Accumulated funds at beginning of the year 1 April 2018	7 265 327	9 950 322
Accumulated funds at end of the year	6 518 158	7 265 327

Annexure D

Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

14. EAR TAG FUND

INCOME STATEMENT

Sales

Less: Cost of Sales

Opening stock	773 600	2 341 292
Purchased	14 711 884	9 657 359
Closing stock	(1 468 330)	(773 600)

Gross Profit

Interest received	-	3 172
Other income	758	20 422

Total Income

Expenditure

Agents Commission on Sales	314 242	330 674
Bank charges	91 816	195 062
Databases maintenance, upgrade & internet lines	265 023	276 727
Meat Board Admin fees	840 559	733 698
Office Equipment	-	20 284
Office rent	161 839	132 041
Printing & publication & info materials	8 906	-
Rent of Equipment	129 551	115 611
S&T Training & meetings	5 126	8 904
Scanner RFIS	834	-
Staff Salaries	712 357	647 966
Stationery & other consumables	119 192	180 277
Water & Electricity	13 198	26 119

Surplus(Deficit) for the year

Opening balance

Closing balance

	2019 N\$	2018 N\$
Sales	16 811 171	14 675 492
Less: Cost of Sales	14 017 154	11 225 051
Opening stock	773 600	2 341 292
Purchased	14 711 884	9 657 359
Closing stock	(1 468 330)	(773 600)
Gross Profit	2 794 017	3 450 441
Interest received	-	3 172
Other income	758	20 422
Total Income	2 794 776	3 474 035
Expenditure	2 662 644	2 667 363
Agents Commission on Sales	314 242	330 674
Bank charges	91 816	195 062
Databases maintenance, upgrade & internet lines	265 023	276 727
Meat Board Admin fees	840 559	733 698
Office Equipment	-	20 284
Office rent	161 839	132 041
Printing & publication & info materials	8 906	-
Rent of Equipment	129 551	115 611
S&T Training & meetings	5 126	8 904
Scanner RFIS	834	-
Staff Salaries	712 357	647 966
Stationery & other consumables	119 192	180 277
Water & Electricity	13 198	26 119
Surplus(Deficit) for the year	132 132	806 673
Opening balance	5 206 770	4 400 099
Closing balance	5 338 902	5 206 770

Annexure D Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

14. EAR TAG FUND (continued)

BALANCE SHEET

Non-current assets

Property and Equipment

	2019 N\$	2018 N\$
Property and Equipment	-	-

Current Assets

Bank
Cash Control
Import VAT
Receiver of Revenue
Ear tag Stock on hand

	2019 N\$	2018 N\$
Bank	3 474 242	5 841 155
Cash Control	704 339	106 179
Import VAT	488 982	216 761
Receiver of Revenue	823	6 440
Ear tag Stock on hand	1 468 331	773 600

Total assets

	6 136 717	6 944 136
--	------------------	------------------

Equity and liabilities

Capital and Reserves
Capital Reserves
Ear tags Subsidies

Capital and Reserves	5 617 933	5 485 802
Capital Reserves	5 338 902	5 206 770
Ear tags Subsidies	279 032	279 032

Current Liabilities

Accrued Expenses (Month end Payments)
Provision for Leave
Customers control
Admin fee

	2019 N\$	2018 N\$
Accrued Expenses (Month end Payments)	477 138	1 414 262
Provision for Leave	39 985	39 985
Customers control	-	4 087
Admin fee	1 661	-

Total equity and liabilities

	6 136 717	6 944 136
--	------------------	------------------

Annexure D Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

15. DVS PROJECTS FUND

Income

Interest received

	2019 N\$	2018 N\$
Income	14 651	34 446
Interest received	14 651	34 446

Expenses

VET Clinic expenses
CVL Expenses
Transfer to NNFU
Bank Charges

	2019 N\$	2018 N\$
Expenses	57 025	1 442 683
VET Clinic expenses	-	1 154 493
CVL Expenses	57 025	7 500
Transfer to NNFU	-	280 675
Bank Charges	-	15

Surplus(Deficit) for the year

Surplus(Deficit) for the year	(42 374)	(1 408 237)
-------------------------------	----------	-------------

Accumulated funds at beginning of the year 1 April 2018

Accumulated funds at beginning of the year 1 April 2018	360 415	1 768 652
---	---------	-----------

CVL project Bank Balance 1 April 2018

CVL project Bank Balance 1 April 2018	822	-
---------------------------------------	-----	---

Accumulated funds at end of the year

Accumulated funds at end of the year	318 863	360 415
--------------------------------------	----------------	----------------

16. DROUGHT ADMINISTRATION FUND

Income

Interest received

Income	19 728	19 245
Interest received	19 728	19 245

Surplus (Deficit) for the year

Surplus (Deficit) for the year	19 728	19 245
--------------------------------	--------	--------

Accumulated funds at beginning of the year

Accumulated funds at beginning of the year	708 376	689 131
--	---------	---------

Accumulated funds at end of the period

Accumulated funds at end of the period	728 104	708 376
--	----------------	----------------

Annexure D Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

	2019 N\$	2018 N\$
17. MCA ZAMBEZI PROJECT FUND		
Income	146 331	133 575
Interest received	146 331	133 575
Expenses	250 000	-
Transfer to MBN - Zambezi project Expenses	250 000	-
Surplus/Deficit for the year	(103 669)	133 575
Accumulated funds at beginning of the year 1 April 2018	1 754 409	1 620 834
Accumulated funds at end of the year	1 650 740	1 754 409
18. BUKALO MEAT PROCESSING PLANT - ZAMBEZI FUND		
Income	17 229	32 610
Interest received	17 229	32 610
Expenses	-	1 423 353
Transfer to NNFU - Marketing study	-	239 161
Other expenses	-	1 184 192
Surplus/Deficit for the year	17 229	(1 390 743)
Accumulated funds at beginning of the year 1 April 2018	451 613	1 842 355
Accumulated funds at end of the year	468 842	451 613

Annexure D Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

	2019 N\$	2018 N\$
19. ADMINISTRATION FEES	1 012 110	915 120
a) Ear Tags	830 054	733 698
b) Stock Brands	49 118	57 765
c) Agricultural Boards Building	122 761	112 594
d) Commission on 3rd Parties Deductions	10 178	11 063
20. ARBORICIDES		
Sales	4 917	-
Less: cost sales	4 917	4 917
Opening stock	6 168	6 168
Less: Closing stock	(1 251)	(1 251)
Gross Profit/Loss	-	(4 917)
Arboricides Expenses	31 568	-
Nett Arboricides costs	(31 568)	-
21. BOARD ADMINISTRATION EXPENSES	2 481 290	1 948 021
Sitting Allowance	1 487 287	1 095 483
Travelling and Subsistence expenses	805 479	689 892
Insurance	8 060	8 060
Telephone Chairperson	12 704	-
Secretariat & Admin	144 760	138 586
Workshops	23 000	16 000
22. PERSONNEL EXPENSES	11 981 713	11 002 378
Training	379 153	220 268
Accrued leave	136 286	-
Staff remuneration (TCC)	11 466 274	10 782 110
23. TRAVELLING AND SUBSISTENCE	171 400	159 419
Head Office	171 400	159 419

Annexure D

Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2019 (continued)

	2019 N\$	2018 N\$
24. OFFICE EXPENSES	4 430 906	6 588 851
Annual Report	49 806	21 260
Audit Fees	40 495	38 203
Bank Charges	108 228	106 649
Insurance	174 624	158 297
Office rent	344 796	1 501 818
Water & Electricity	195 996	197 281
Postage and Stamps	22 379	10 944
Printing	16 509	38 623
Stationery levy adverts & other consumables	314 369	382 173
Capital Expenses	14 367	30 937
Information Systems Services Expenses	533 176	370 722
Database upgrade	440 406	307 851
Human Resources/ admin Services Expenses	239 411	213 594
Market Share Promotion scheme	119 256	32 057
Assessment on Internal Control	149 426	-
Telecommunications	268 116	254 605
Maintenance - vehicles	30 867	54 943
Legal costs	460 294	1 904 948
Rent of office Equipment	88 538	86 655
PRO	819 848	877 291
	1 914 352	962 101
25. MARKET RESEARCH		
Industry Studies	537 773	150 529
Agricultural Shows	93 200	78 450
MCS - Zambezi expenses	152 250	-
Ad hoc studies	60 559	25 743
Market Exploration	69 318	-
International Market	144 000	-
Local Market Development	857 252	707 379

Annexure D

Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2019 (continued)

	2019 N\$	2018 N\$
26. DEPRECIATION	326 422	357 332
Motor vehicles	139 781	139 781
Furniture & Fittings	51 965	59 365
Computer Equipment	133 463	156 838
Show Equipment	1 213	1 348
	5 046 786	4 974 914
26. NET BORDER CONTROL COSTS		
Inspection fee	(1 280 455)	(1 083 861)
Inspection Expenses	6 327 241	6 058 775
Staff Salary	4 419 430	4 260 512
Overtime	671 641	630 426
S&T allowance	209 910	173 549
Office rent	60 154	156 562
Clothing	21 367	33 062
Training & Meetings	67 545	-
Accommodation rent	147 253	180 375
Courier Service	29 268	15 461
Telephone	103 870	83 859
Water & Electricity	25 156	36 025
Maintenance House	81 204	-
Vehicle Maintenance	51 830	11 555
Depreciation of Assets	99 554	194 079
Other consumables	238 581	185 604
SLA & Software Internet lines	100 477	97 706

Annexure D Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

28. CLASSIFICATION LEVY FUND

Income

Classification levy income

Expenditure

Classification Salary

Classification S&T

Bank charges

Marking Ink & instruments

Protective Clothing

Stationery & Other consumables

Telecommunication & internet lines

Office Rent & water and electricity

Medical Examinations / check-ups

(Deficit)/Surplus for the year

Accumulated funds at end of the year to be transferred to the General Fund

	2019 N\$	2018 N\$
Income	4 393 903	4 466 606
Classification levy income	4 393 903	4 466 606
Expenditure	5 883 226	7 647 316
Classification Salary	5 589 971	7 255 160
Classification S&T	186 612	134 458
Bank charges	1 690	1 334
Marking Ink & instruments	46 898	114 906
Protective Clothing	10 828	15 785
Stationery & Other consumables	11 693	42 721
Telecommunication & internet lines	18 099	35 189
Office Rent & water and electricity	15 348	43 263
Medical Examinations / check-ups	2 087	4 500
(Deficit)/Surplus for the year	(1 489 323)	(3 180 709)
Accumulated funds at end of the year to be transferred to the General Fund	(1 489 323)	(3 180 709)
29. RECONCILIATION OF SURPLUS FOR THE YEAR		
Surplus for period	4 607 843	15 015 097
Disposal / Loss on assets	57 295	551 411
Depreciation	425 976	
Interest received	(3 990 583)	(3 669 646)
Profit before working capital movements	1 100 530	11 896 862
Movement in accounts receivable	(3 365 078)	(1 724 026)
Movement in Stock	4 917	313
Movement in accounts payable	10 831 936	(5 166 739)
	7 471 775	(6 890 452)
Cash Generated from Operation	8 572 305	5 006 410

Annexure D Meat Board of Namibia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

30. THE GOVERNING BODY OF THE AGRICULTURAL BOARDS' BUILDINGS

The building complex of the Meat Board, Karakul Board and Namibian Agronomic Board is controlled and managed by the Governing Body of the Agricultural Boards' Buildings in terms of an agreement made in December 1987 between the three joint owners (Meat Board 72%; Karakul Board 18% and Namibian Agronomic Board 10%). The Governing body pays for improvement, maintenance and operating costs and recovers costs and rent from the owners and other tenants. The Meat Board keeps the accounts on behalf of the Governing Body. According to the books of accounts, revenue and expenditure for the years ended 31 March 2018 and 2019 were:

Revenue

Rental Income

Other Income

Refunds from City of Windhoek

Recoveries

Expenditure

Administration and Management fee

Auditors' remuneration

Bad debts

Bank charges

Capital expenses

Commission paid

Consumables

Insurance

Legal fees

Maintenance and renovations

Municipal charges

Security

Net surplus for the year

Accumulated surplus at the beginning of the year

Accumulated surplus at the end of the year



	2019 N\$	2018 N\$
Revenue	1 335 094	-
Rental Income	909 197	-
Other Income	425 897	-
Refunds from City of Windhoek	396 687	-
Recoveries	29 210	-
Expenditure	1 361 594	-
Administration and Management fee	85 046	-
Auditors' remuneration	11 945	-
Bad debts	-	-
Bank charges	4 859	-
Capital expenses	15 895	-
Commission paid	55 672	-
Consumables	25 543	-
Insurance	59 489	-
Legal fees	9 623	-
Maintenance and renovations	646 958	-
Municipal charges	312 956	-
Security	133 608	-
Net surplus for the year	(26 500)	-
Accumulated surplus at the beginning of the year	1 484 412	-
Accumulated surplus at the end of the year	1 457 912	-