



Report of the Auditor-General on the accounts of the
MEAT BOARD OF NAMIBIA
for the financial year ended 31 March 2020

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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 Meat Board of Namibia for the financial year ended 31 March 2020 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Agriculture Water and Forestry in terms of Section 16(1) of the Meat Industry Act, 1981 (Act 12 of 1981) to be laid upon the Table of the National Assembly in terms of Section 16(4) of the Act.

Windhoek, March 2021

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 MEAT BOARD OF NAMIBIA FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

I. UNQUALIFIED AUDIT OPINION

I have audited the financial statements of the Meat Board of Namibia for the financial year ended 31 March 2020. These financial statements comprise the Statement Of Financial Statement of Financial Performance, 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 2020 and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

2. BASIS FOR UNQUALIFIED AUDIT 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, 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 my 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 ISSAIs, 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 used 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.

7. ACKNOWLEDGEMENT

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

Windhoek, March 2021



**Junias Etuna Kandjeke
Auditor General**

MEAT BOARD OF NAMIBIA

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020 NS	2019 NS
ASSETS			
Non-current assets			
Property Plant and equipment	3	30 588 901	29 569 678
Investment property	2	5 040 000	5 328 000
Current assets			
Cash & Cash Equivalent	4&27	25 969 855	36 744 950
Investments	5&27	43 301 881	39 932 642
Receivables from exchange transactions	6&27	8 945 613	10 416 023
Receivables from non-exchange transactions	7&27	2 512 846	2 336 006
Inventories	8&27	4 863 754	1 469 582
Total assets		121 222 850	125 796 881
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other Payables from exchange transactions	9&27	2 175 158	12 892 425
Provisions	10	2 117 063	1 940 077
Deferred income		279 032	279 032
Payments made in advance from customers		93 283	321 225
Total liabilities		4 664 536	15 432 759
Net assets		116 558 314	110 364 122
Reserves	11&27	116 558 319	110 364 118
Total net assets and liabilities		121 222 850	125 796 881



MEAT BOARD OF NAMIBIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		2020- Actual	2019	2020- Annual Budget	Difference (Actual less Budget)	Difference (Actual Budget)	Commentary Budget info Notes
Note	NS	NS	NS	NS	%		
Income		84 543 343	89 172 412	96 807 478	(12 264 136)		
Revenue from non-exchange transactions		55,944,015	57 607 631	56 205 400	(261 385)		
Levy Income	12	55 944 015	57 607 631	56 205 400	(261 385)	0%	
Revenue from exchange transactions		28 599 329	31 564 781	40 602 078	(12 002 751)		
Ear Tags Sales		9 699 251	16 811 171	17 700 000	(8 000 749)	(45) %	i
Administration fees	13	654 036	1 012 111	1 229 639	(575 603)	(47) %	ii
Interest received	14	4 604 002	4 217 423	3 723 074	880 926	24 %	iii
Brand registration/ Classification levy	15	6 101 427	5 345 256	6 978 885	(877 458)	(13) %	iv
Other Income	16	7 540 613	4 178 820	10 970 480	(3 429 867)	(31) %	v
Total Expenditure		79 224 641	79 651 371	100 939 137	(21 714 496)	(22) %	
Donation	17	15 900 000	19 223 386	8 360 432	7 539 568	90 %	vi
Board administration expenses	18	2 610 774	2 481 290	2 827 538	(216 764)	(8) %	vii
Personnel expenses	19	28 268 937	25 701 446	29 218 964	(950 027)	(3) %	
Travelling and Subsistence	20	651 073	795 986	940 913	(289 840)	(31) %	viii
Office expenses	21	11 032 165	9 868 249	11 673 719	(641 554)	(8) %	
Depreciation	22	1 307 542	326 422	397 709	909 833	229 %	ix
Market Research	23	4 640 874	2 661 521	8 656 534	(4 015 660)	(48) %	x
Ear Tags – Cost of Sales		5 918 729	14 017 154	14 160 000	(8 241 271)	(58) %	xi
Commission	24	1 819 750	1 957 676	2 008 073	(188 323)	(9) %	xii
Other expenses	25	7 074 797	2 618 241	22 695 255	(15 620 458)	(69) %	xiii
Other gains/losses							
Gain on revaluation of building	26	999 422	-	-	-		
Surplus/(Deficit) for the year including interest		6 318 124	9 521 041	(4 131 659)	9 450 360		

MEAT BOARD OF NAMIBIA
STATEMENT OF CHANGES IN NET ASSETS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2020

	2020	2019
	NS	NS
General fund	63 696 848	59 317 362
FAN Meat fund	15 517 174	11 711 678
Emergency Veterinary Services fund	12 679 058	11 340 241
Surplus/(deficit) for the period	6 318 122	9 521 070
Transfer surplus - Agri Board	1 946 840	1 484 412
Drought Admin fund	728 104	708 376
MCA Caprivi Fund	1 650 740	1 754 409
NCA Levy fund	6 518 158	7 265 327
Stock brands fund balance	1 375 830	1 241 624
DVS Account balance	318 041	361 237
Ear tags fund balance	5 340 562	5 206 770
Bukalo Processing Plant fund	468 842	451 613
Balance as at 31 March 2020	116 558 319	110 364 119



ANNEXURE D

MEAT BOARD OF NAMIBIA
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020	2019
Note	NS	NS
CASH FLOW FROM OPERATING ACTIVITIES		
Cash (utilized) generated from operations	(11 121 611)	8 435 470
Interest Received	4 604 000	3 990 583
Net cash flow from operating activities	(6 517 611)	12 426 053
CASH FLOW FROM INVESTING ACTIVITIES		
Movement in property investments	288 000	(8 488 200)
Additions to property plant and equipment	(1 176 244)	(126 998)
Net cash flow from investing activities	(888 244)	(8 615 198)
CASH FLOWS FROM FINANCING ACTIVITIES		
Movement in project account reserves	-	3 906 589
Movement in ear tag fund	-	807 419
Net cash flow from financing activities	-	4 714 008
Net cash inflow for the year	(7 405 856)	8 524 863
Cash and cash equivalents at the beginning of the period	27 76 677 592	11 381 559
Agriboards building	-	1 505 281
Cash and cash equivalents at the end of the year	69 271 736	21 411 703
RECONCILIATION OF SURPLUS FOR THE PERIOD TO CASH GENERATED FROM OPERATIONS		
	2020	2019
Note	NS	NS
Surplus for the year	27 6 318 122	4 581 344
Disposal / Loss on assets	4 271	57 295
Adjustments on Assets	113 302	
Funds adjustments	123 342	
Gain	(1 287 422)	
Depreciation	1 307 542	458 112
Interest received	(4 604 000)	(3 990 583)
	1 975 157	1 106 168
Profit before working capital movements	1 975 157	1 106 168
Movement in accounts receivable	1 065 627	(3 575 999)
Movement in Stock	(3 394 172)	4 917
Movement in accounts payable	(10 768 223)	10 900 384
CASH GENERATED FROM OPERATIONS	(11 121 611)	8 435 470

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2020**

1. ACCOUNTING POLICIES

Statement of compliance and basis of preparation - IPSAS 1

The financial statements of the entity have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Namibia Dollars which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost unless stated otherwise. The cash flows statement is prepared using the indirect method. The financial statements are prepared on an accrual basis.

The following are the critical judgements and estimation that management have made in the process of applying the Meat Board of Namibia Accounting Policies and that have most significant effect on the amounts recognized in Annual Financial statements:

Significant judgements and sources of estimation uncertainty - IPSAS 1

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgement estimates and assumptions that affect the reported amounts of revenues expenses assets and liabilities and the disclosure of contingent liabilities at the reporting period. However uncertainty about those assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Change in accounting policies and estimates - IPSAS 3

The Board recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Foreign currency transactions - IPSAS 4

The transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors or are from the reporting of creditors are rated different from those at which they were initially recorded during the period are recognized as income or expenses in the period in which they arise.



**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Revenue recognition - IPSAS 9 & 23

Revenue is derived from a variety of sources which include sales in respect of trading operations and levies received excluding Value Added Taxation. Revenue comprises the fair value of the consideration received or receivable for the sale of the goods and services in the ordinary course of the Meat Board's activities.

Revenue is shown net of value-added tax returns rebates and discounts.

The Meat Board recognizes revenue when the amount of revenue can be reliably measured it is probable that future economic benefits or service potential will flow to the Meat Board and when specific criteria have been met for each of the Meat Board's activities as described below except when specifically stated otherwise. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Revenue for Exchange Transactions refers to revenue that accrued to the Meat Board directly in return for services rendered/ goods sold the value of which approximates the consideration received or receivable.

Revenue from Non-exchange Transactions refers to transactions where the Meat Board received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognized to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customers returns stock rotation price projection rebates and other similar allowances.

Revenue from sale of goods and services is recognized when the significant risks and rewards of ownership are transferred to the buyer. The Meat Board revenue/levies is calculated as per the Meat Industry Act of 1981 GRN gazette no. 272 of December 2010 as amended and is allocated between the funds as follows:

General levy fund 80%; FAN Meat levy fund 15% and Emergency Veterinary levy fund 5%.

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

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
MAWRL Projects funds	-Money received from Government from time to time as per the Minister's directive.

Joint operation-IPSAS 37

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 recognized in the annual financial statements.

Investment property - IPSAS 16

Investment properties are measured initially at cost including transaction costs. The carrying amount includes the replacement costs of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition subsequently to initial recognition investment properties are measured using the fair value model. The fair value of an investment property shall reflect market conditions at the reporting date.

A gain or loss arising from a change in the fair value of an investment property shall be recognized in surplus or deficit for the period in which it arises. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment properties only when there is a change in use.

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



**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Property, plant and equipment - IPSAS 17

Initial Recognition

Property, Plant and Equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or service or for administrative purposes and are expected to be used during more than one year. The cost of an item of Property, Plant and Equipment is recognised as an asset if and only if it is probable that future economic benefits or service potential associated with the item will flow to the Meat Board and if the cost or fair value of the item can be measured reliably.

Property, Plant and Equipment are initially recognized at cost on its acquisition date or in the case of assets acquired by grants or donations deemed cost being the fair value of the asset on initial recognition. The cost of an item of Property, Plant and Equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Meat Board of Namibia. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the Meat Board for none or nominal consideration (i.e. a non-exchange transaction) the cost is deemed to be equal to the fair value of that asset on the date acquired. The cost of an item of Property, Plant and Equipment acquired in exchange for non-monetary assets or monetary assets or a combination of the two is measured at the fair value of the asset unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value its cost is measured at the carrying amount of the asset.

Land and buildings are carried at under the revaluation model. Land is not depreciated.

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 methods |
| • Computer equipment | 20% straight line method |
| • Motor vehicle | 33% straight line method |
| • Building | 2% straight line method |

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

The gain or loss arising from 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 recognized in income.

Subsequent measurement

Subsequent expenditure relating to Property, Plant and Equipment is capitalized if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the Meat Board and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalized when it increases the capitalist or future economic benefits associated with the asset. Where the Meat Board replaces parts of an asset it derecognizes the part of the asset being replaced and capitalizes the new component.

Subsequently all Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Compensation from third parties for the items of Property, Plant and Equipment that were impaired lost or given up is included in the Statement of Financial Performance when the compensation becomes receivable.

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 recognized 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.

De-recognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from de-recognition of an item of Property, plant and Equipment is included in surplus or deficit when the item is de-recognized. Gains are not classified as revenue.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated depreciation and accumulated impairment losses) and the proceeds from disposal are included in the Statements of Financial Performance as gain or loss on disposal of Property, Plant and Equipment.



**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Financial Instruments - IPSAS 29

The Meat Board has various types of Financial Instruments and these can be broadly categorized as *Financial Assets* and *Financial Liabilities* or *Residual Interests* in accordance with the substance of the contractual agreement. The Meat Board only recognizes a Financial Instrument when it becomes a party to the contractual provisions of the instrument.

The Meat Board's Financial Instruments recognized on the balance sheet include cash and cash equivalents investments trade receivables and trade payables.

Initial recognition and measurement

Financial assets within the scope of *IPSAS 29 Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit loans and receivables held-to-maturity investments or available-for-sale financial assets as appropriate. The entity determines the classification of its financial assets at initial recognition.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus and deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with changes in fair value recognized in surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement such financial assets are subsequently measured at amortized cost using the effective interest method less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the entity has the positive intention and ability to hold it to maturity. After initial measurement held-to-maturity investments are measured at amortized cost using the effective interest method less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

De-recognition

The entity derecognizes a financial asset or where applicable a part of a financial asset or part of a group of similar financial assets when:

- The rights to receive cash flows from the asset have expired or is waived.
- The entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the entity has transferred substantially all the risks and rewards of the asset; or (b) the entity has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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Impairment of financial assets

The entity assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if and only if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the asset or the group of financial assets that can be reliably estimated.



**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Financial assets carried at amortized cost

For financial assets carried at amortized cost the entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset whether significant or not it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the entity. If in a subsequent year the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered the recovery is credited to finance costs in surplus or deficit.

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.

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 recognized at cost but subsequently carried at amortized cost.

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Trade receivables

Trade receivables are carried at the 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. The category includes derivative financial instruments entered into by the entity that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29.

Gains or losses on liabilities held for trading are recognized in surplus or deficit.



**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Loans and borrowing

After initial recognition interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in surplus or deficit.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if and only if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions) without any deduction for transaction costs.

Provisions - IPSAS 19

Provisions are recognized when:

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

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Inventory - IPSAS 12

Inventory is measured at cost upon the initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost) the cost of the inventory is its fair value at the date of acquisition.

The cost of inventories shall comprise all costs of purchase costs of conversion and other costs incurred in bringing the inventories to their present location and condition. After initial recognition inventory is measured at the lower of cost and net realizable value. However to the extent that class of inventory is distributed or deployed at no charge or for a nominal charge that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated cost necessary to make the sale exchange or distribution. Inventory are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the entity.

Merchandise is valued at the lower of cost and net realized 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 realizable values.

Interest expenses

The Board recognizes interest and expenses in the Statement of Financial Performance for all instruments measured at amortized cost using the effective interest method.

Computer software

Computer software is expensed in the year it is incurred.

Budget information - IPSAS 24

IPSAS 24 requires a comparison of budget amounts and actual amounts arising from the execution of the budget to be included in the financial statements of entities that are required to, or elect to, make publicly available their approved budget(s), and for which they are, therefore, held publicly accountable. The MBN prepares its budget on an accrual basis. As such, the budget and the financial statements are already on the same basis and further adjustments are not required to align the financial statements to the budget. The MBN has the option to present this comparison either as a separate additional financial statement or as additional budget columns in the financial statements (IPSAS 24.14). The MBN has chosen to add budget a column in the financial statements.



MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

There are differences in comparing the actual amount and the budget amount as follows:

- i) Ear tags sales are determined based on the prior year's marketing data, due to persistent drought conditions over the years, the board experienced lower ear tags sales than budgeted for, hence the decrease.
- ii) Administration fees are based on Ear Tags and Stock Brands' income. Income received was lower as a result of sporadic drought conditions during the last few years which resulted in a decrease in administration fees.
- iii) Interest received on investments depends on the market rates, funds were invested at a higher rate than projected, hence the increase.
- iv) Rendering of Services decreased due to the sharp decline in classification levies as a result of the decline in livestock slaughtered, especially at small stock abattoirs. The decline in slaughter numbers is a result of the persistent drought conditions experienced over the past years.
- v) Other income decreased as a result of funds budgeted for the sale of Arboricides not received as the license to import was not approved in time.
- vi) Donations increased as a result of money that was transferred for drought relief assistance to the Ministry of Finance, in response to the State of Emergency declared by the President.
- vii) Board administration expenses declined as a result of lower travel expenses compared to the budget.
- viii) Travel and Subsistence decreased as a result of lower travel expenses compared to projections due to the closure of some abattoirs.
- ix) Depreciation increased due to deprecation on Buildings that was not budgeted for.
- x) Market research decreased as a result of funds budgeted not being utilized as funds were received from the MAWLR to recommission the NCA abattoirs.
- xi) Ear tags cost of sales is direct costs associated with the sales of Ear Tags (Cost of Sales) and is based on the sales value, due to persistent drought conditions over the past years, the board experienced lower ear tags sales than budgeted for, hence the decrease.
- xii) Commission on levy is based on levy collected, the decline of livestock marketed resulted in a decrease in commission paid to producers.
- xiii) Other expenses decreased due to funds that were allocated to some projects such as containment of disease outbreak, assistance to Veterinary services and Arboricides that were not utilized.

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Social Security Fund

Membership to the Social Security Fund is compulsory as per the Social Security Act of 1994. All employees of the Meat Board of Namibia irrespective of their employment status must be registered according to the Social Security Act 1994 (Act 34 of 1994).

Events after the reporting date - IPSAS 14

The Board is not aware of any material events which occurred after the reporting date (31 March 2020) and up to the date of this report.

There is widespread global uncertainty associated with the COVID-19 pandemic. While the limitation in movement implemented by Government both nationally and internationally are expected to be temporary the duration of the operational disruption and related financial impact cannot be estimated at this time. We are monitoring the situation on a daily basis. Agriculture and the livestock sector per se have not been disrupted as other sectors.

The extent of the impact of COVID-19 on our operations financial results and liquidity will depend largely on future developments including the duration and spread of the outbreak and the related impact on consumer confidence and spending.

General levy Fund

The General Levy Fund is based on the General Levy and calculated as 80% of the total levies received. The accumulated reserves is transferred to the Reserve fund. In terms of Section 13(6) of the Meat Industry Act this fund shall be utilized for various purposes as authorized by the Minister on recommendation of the Board from time to time.

Emergency Veterinary Services Fund

This fund was established during the 1994/1995 financial year with the objective of accruing a special health levy to be utilized 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 with the objective of accruing a special levy 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.



**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

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. The fund is still in operating on accumulating reserves.

Ear Tag Fund

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

MAWLR 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.

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 utilized.

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 Zambezi". The remaining balance was put in a call account to gain interest.

Bukalo Meat Processing Plant - Zambezi

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

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

FINANCIAL INSTRUMENTS

Financial risk management

Exposure to currency commodity interest rate liquidity and credit risk arises in the normal course of the Board's operations. This note presents information about the Board's exposure to each of the above risks policies and processes for measuring and managing risk and the Board's management of capital. Further quantitative disclosures are included throughout these financial statements.

Fair Values

Set out below is a comparison by class of the carrying amounts and fair values of the Board's financial instruments.

	Company 2020	Company 2019
Financial assets	80 730 195	89 429 621
Financial instruments at fair value through surplus/deficit	43 301 881	39 932 642
Held-to-maturity financial instruments	8 945 613	10 416 023
Receivables from exchange transactions	2 512 846	2 336 006
Receivables from non-exchange transactions	25 969 855	36 744 950
Cash and cash equivalents		
Financial liabilities	4 669 902	15 432 759
Trade payables from exchange transactions	4 669 902	15 432 759

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced sale or liquidation.

The following methods and assumptions were used to estimate the fair values:

- a. Cash and short-term deposits trade receivables trade payables and other current liabilities approximate their carrying amount largely due to the short-term maturities of these instruments
- b. Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Board based on parameters such as interest rates specific country risk factors and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation allowances are taken to account for the incurred losses of these



MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

receivables and market related interest rates. As at 31 March 2020 and 2019 respectively the carrying amounts of such receivables net of allowances are not materially different from their calculated fair values.

- c. The fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments loans from banks and other financial liabilities obligations under finance leases as well as other non-current liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms credit risk and remaining maturities.
- d. Fair value of financial assets is derived from quoted market prices in active markets if available.
- e. Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques.

Credit risk

Credit risk is the risk of financial loss to the Board if customers or counterparties to financial instruments fail to meet their contractual obligations and it arises principally from the Board's investments loans receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as 31 March was:

Investments	Company 2020	Company 2019
Trade receivables exchange transactions	8 945 613	10 416 023
Trade receivables non-exchange transactions	2 512 846	2 336 006
Cash and cash equivalents	25 969 855	36 744 950
Maximum exposure to credit risk	37 428 314	49 496 979

Investments

The Board limits its exposure to credit risk by investing only with reputable financial institution to which are within the specific guidelines set in accordance with the Board's approved investment policy.

Consequently the Board does not consider there to be any significant exposure to credit risk.

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Receivables

Receivables are amounts owed by customers and are presented net of impairment losses. The Board has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Board is compelled by its constituted mandate to provide all of its customers with basic minimum services without recourse to an assessment of creditworthiness. There were no material changes in the exposure to credit risk and its objectives policies and processes for managing and measuring the risk during the year under review. The Board's strategy for managing its risk is regulated by the Meat Industry Act 1981.

The Board's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial performance. The Board has no significant concentration of credit risk with exposure spread over a large number of consumers and is not concentrated in any particular sector or geographic area. The Board establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables.

The outstanding amounts of NS\$12.7 million largest debtors represent NS\$10.3 million of the total outstanding balance. The average credit period on services rendered is 30 days from date of invoice. The Board provided fully for all receivables outstanding over 365 days are provided for based on estimated irrecoverable amounts determined by reference to past default experience.

Cash and cash equivalents

The Board limits its exposure to credit risk by investing cash and cash equivalents with only reputable financial institutions that have a sound credit rating and within specific guidelines set in accordance with the Board's approved investment policy. Consequently the Board does not consider there to be any significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk of the Board not being able to meet its obligations as they fall due. The Board's approach to managing liquidity risk to ensure that sufficient liquidity is available to meet its liabilities when due without incurring unacceptable losses or risking damage to the Board's reputation. The Board ensures that it has sufficient cash on demand to meet expected operating expenses. Receivables are settled within 30 days after the due date and payables are settled within 30 days of invoice.



MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

The following are contractual liabilities of which interest is included in borrowings:

	Company 2020	Company 2019
	N\$	N\$
Payables	4 669 902	15 432 759

Capital management

The primary objective of managing the Board's capital is to ensure that there is sufficient cash available to support the Board's funding requirements including capital expenditure to ensure that the Board remains financially sound. The Board monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. In a capital-intensive industry a gearing ratio of 54.5% or less can be considered reasonable. Included in net debt are interest-bearing loans and borrowings payables less investments.

Currency risk

The Board is exposed to foreign-currency risk through the importation of goods and services either directly or indirectly through the award of contracts to local importers. The Board manages any material direct exposure to foreign-currency risk by entering into forward exchange contracts. The Board manages its indirect exposure by requiring the local importer to take out a forward exchange contract at the time of procurement in order to predetermine the foreign value of the contracted goods or services. The Board was not a direct party to any outstanding forward exchange contracts at the reporting date. The movement in the currency was not material to the Board's procurement.

Market Risk

Market risk is the risk of changes in market prices such as foreign-exchange rates and interest rates affecting the Board's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on the risk. The weighted average interest rates and maturity profile on financial instruments as at 31 March 2020 are as follows:

	Weighted Average Interest rate	Company 2020	Company 2019
	%	N\$	N\$
Financial assets			
Investments	8%	43 301 881	39 932 642
Cash and cash equivalents	7%	25 969 855	36 744 950
Total financial assets		69 271 736	76 677 592

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

RELATED PARTY DISCLOSURE

Key management personnel

The key management personnel as defined by IPSAS related party disclosure are the members of Board who together constitute the governing body of the Entity. The total remuneration of the Board members and the number of individuals on a full-time equivalent basis receiving remuneration from the Board are:

	6 039 491
Board members	1 714 853
Key management personnel	4 324 638

2. INVESTMENT PROPERTY

	Company 2020 NS	Company 2019 NS
Investment property	5 040 000	5 328 000
Opening balance	5 328 000	-
Additions	-	-
Fair value adjustment	(288 000)	5 328 000
Closing balance	5 040 000	5 328 000

The fair value of investment property – Erf 744 is NS 5 040 000. The fair value was determined based on valuations performed by Gert Hamman Property Valuers CC an accredited independent valuer as at August 2019. Gert Hamman Property Valuers CC is an industry specialist in valuing these types of investment properties. The Meat Board of Namibia has restrictions on the realization of its investment property as it only owns 72% of the investment property. The fair values of the properties have been determined on observable transactions in the market.



MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

3. PROPERTY PLANT AND EQUIPMENT

2020	Land	Buildings	Furniture & Fixtures	Office Equipment	Motor vehicles	TOTAL
	N\$	N\$	N\$	N\$	N\$	N\$
Carrying amount at beginning:	-	28 206 357	938 037	343 326	81 958	29 569 678
Cost as at 01/04/2019	-	28 206 357	1 553 351	1 488 158	2 586 124	33 833 990
Accumulated depreciation	-	-	(615 314)	(1 144 832)	(2 504 166)	(4 264 312)
Additions /	-	-	18 777	236 152	898 439	1 153 368
Agri Boards	-	-	22 876	-	-	22 876
Revaluation gain	-	1 287 422	-	-	-	1 287 422
Transfer Land value / Disposals	14 391 360	(14 391 360)	-	-	-	-
Disposal	-	-	(45 000)	-	-	(45 000)
Disposal	-	-	(4 271)	-	-	(4 271)
Depreciation adjustment	-	-	(37 818)	(7 724)	(11 998)	(57 540)
Depreciation Agri Boards	-	-	(30 090)	-	-	(30 090)
Depreciation for the year	-	(838 823)	(66 794)	(136 749)	(265 176)	(1 307 542)
Carrying amount end of the year	14 391 360	14 263 596	795 717	435 005	703 223	30 588 901
Cost as at 31/03/2020	14 391 360	15 102 419	1 545 733	1 724 310	3 484 563	36 248 385
Accumulated depreciation	-	(838 823)	(750 016)	(1 289 305)	(2 781 340)	(5 659 484)

4. CASH AND CASH EQUIVALENTS

	2020	2019
	N\$	N\$
Project Bank Accounts	5 148 024	6 419 996
Stock brands current account	1 382 260	1 429 945
MAWF Project current account	331 565	318 863
Drought Admin current account	752 459	728 104
Ear tags current account	2 194 377	3 474 242
Bukalo Processing Plant current account	487 363	468 842
Money Market investments	14 661 289	13 579 937
Meat Board - Simonis Storm	1 869	48 129
Meat Board - Simonis Storm	12 843 399	11 858 996
Meat Board - Cirrus	26 133	21 673
MCA Caprivi Account - Simonis Storm	1 787 766	1 650 740
Meat Board t -PSG	2 122	399
Meat Board -Current accounts	6 160 542	16 745 017
Meat Board Bank Current Account	1 713 429	8 085 103
FAN Meat Levy Current Account	340 045	4 527 279
Emergency VET Levy Current Account	1 720 085	636 694
Classification Levy Current Account	149 250	198 731
NCA Levy Current Account	824 535	1 491 130
CVL Account	214 836	-
Agricultural Board's Building Current account	1 196 362	1 804 370
Petty Cash	2 000	1 710
Balance as at 31/03/2020	25 969 855	36 744 950

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

	2020	2019
	N\$	N\$
5. INVESTMENTS		
<u>Held-to-maturity financial instruments</u>	43 301 881	39 932 642
Investment Simonis Storm Securities (Fixed for 12 Months)	7 530 018	6 912 757
Namibia Equity Brokers - (12 months)	19 035 000	17 576 040
Namibia Equity Brokers - (12 months)	5 429 000	5 000 000
Treasury Bill (12 months)	11 307 863	10 443 845
<u>Investments held-to-maturity financial instruments</u>		
Opening balances at 1 April 2019	39 932 642	31 444 442
Additional investments made	-	7 000 000
Interest capitalized	3 369 239	1 488 200
Balance as at 31/03/2020	43 301 881	39 932 642
6. RECEIVABLE FROM EXCHANGE TRANSACTIONS	8 945 613	10 416 023
Trade Debtors (Levies & other receivables)	8 906 356	10 366 863
Ear Tag Expenses	22 008	21 789
Stock Brands Expenses	17 249	27 371
7. RECEIVABLE FROM NON-EXCHANGE TRANSACTIONS	2 512 846	2 336 006
Accrued Interest	970 333	900 314
Ear tags receivables	320 239	1 194 144
Agri boards receivables	194 502	210 921
Import VAT	1 025 262	28 117
Nampower (Electricity deposit - Border Post)	2 510	2 510
8. INVENTORIES	4 863 754	1 469 582
Ear tag Stock on hand	4 862 503	1 469 582
Arboricides	1 251	-
Sales	-	4 917
Less: cost sales	-	(4 917)
Opening stock	1 251	6 168
Less: Closing stock	-	(1 251)



MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

	2020	2019
	NS	NS
9. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	2 175 158	12 892 425
Sundry accruals, payments	1 574 134	1 504 889
Ear tags payables	481 041	478 799
Agri boards payables	60 968	44 375
Stock brands payables	58 978	38 369
Agri boards VAT	-	24 073
Accrued payments to Agricultural Unions	-	10 786 708
VAT	37	15 212

10. LEAVE PAY PROVISIONS	2 117 063	1 940 077
Balance at the beginning of the year	1 940 077	1 884 346
Additional provision raised	289 264	-
Provision utilized	(106 911)	-
Ear Tags provision	(1 774)	39 985
Stock Brands provision	(3 593)	15 746

11. RESERVES

	Drought Admin	MCA Caprivi	NCA Levy Fund	Stock Brands	DVS	Ear Tags	Bukalo
	NS	NS	NS	NS	NS	NS	NS
2020							
Opening balances	728 104	1 650 740	6 518 158	1 375 830	318 041	5 340 562	468 842
Surplus/Deficit	24 355	137 026	(2 105 908)	(14 388)	228 359	1 349 153	18 521
Closing balances	752 459	1 787 766	4 412 250	1 361 442	546 400	6 689 715	487 363

	General Fund	Emergency Fund	FanMeat Fund	Agri Boards	Gain/loss	TOTAL
Opening balances	63 696 848	12 679 058	15 517 174	-	-	108 293 357
Surplus/Deficit	1 469 990	1 619 876	3 321 477	(729 763)	999 422	6 318 120
Transfer Agri Board surplus	1 946 840	-	-	-	-	1 946 840
Closing balances	67 113 678	14 298 934	18 838 651	-	-	116 558 317

	Drought Admin	MCA Caprivi	NCA Levy Fund	Stock Brands	DVS	Ear Tags	Bukalo
	NS	NS	NS	NS	NS	NS	NS
2019							
Opening balances	708 376	1 754 409	7 265 327	1 241 624	361 237	5 206 770	451 613
Surplus/Deficit	19 728	(103 669)	(747 169)	181 626	(42 374)	132 133	17 229
Closing balances	728 104	1 650 740	6 518 158	1 423 250	318 863	5 338 903	468 842

	General Fund	Emergency Fund	FanMeat Fund	TOTAL
Opening balances	59 317 362	11 340 241	11 711 678	99 358 637
Surplus/Deficit	4 638 635	1 338 817	4 086 113	9 521 069
Transfer Agri Board surplus	1 484 412	-	-	1 484 412
Closing balances	65 440 409	12 679 058	15 797 791	110 364 118

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

	2020	2019
	N\$	N\$
12. REVENUE FROM EXCHANGE TRANSACTIONS	55 944 015	57 607 631
General levies on livestock exported and slaughtered (80%)	42 668 137	43 847 153
In-transit Levy	282 797	299 554
Meat Products levy (imports)	2 326 408	2 499 059
Emergency Vet Levy (5%)	2 666 674	2 740 466
FAN Meat Levy (15%)	8 000 000	8 221 399
13. ADMINISTRATION FEES	654 036	1 012 111
Ear Tags	486 599	830 054
Stock Brands	37 997	49 118
Agricultural Boards Building	119 105	122 761
Commission on 3rd Parties Deductions	10 335	10 178
14. FINANCING INCOME	4 604 002	4 217 423
Interest received General fund	4 383 557	3 990 557
Interest received MCA fund	137 026	146 331
Interest received Drought admin fund	24 355	19 728
Interest received DVS	13 523	14 651
Bukalo meat processing plant	18 521	17 229
Interest received Stock brands account	27 019	28 927
15. RENDERING OF SERVICES	6 101 427	5 345 256
Classification levy	5 341 495	4 393 903
Stock brands registration fee	759 931	951 353



MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

	2020	2019
	NS	NS
16. OTHER INCOME	7 540 613	4 178 820
CVL Cost recovery	1 713 727	-
CVL Income	374 405	-
Market compliance Audit	26 615	43 460
Seal of Quality	15 330	25 500
Poultry scheme Admin fee	226 611	875 402
NTA refund	104 277	108 528
Transfer from (MAWF)	2 982 979	250 000
African Meals Legal fee refund	-	25 923
Disposal of Assets & Others	28 909	18 824
Refund CCTV Camera	-	24 484
Agri-Benchmark	176 461	159 880
Water Refund Border	42 242	-
House rent received	62 497	62 080
Agricultural Boards Buildings rent received	993 537	909 197
Refunds COW	404 779	396 687
Recoveries	-	29 210
Agricultural Boards Buildings interest received	68 782	-
Inspection fee	319 463	1 280 455
Ear tags other income	-	758
Arboricides	-	(31 568)
17. DONATIONS	15 900 000	19 223 386
NAU	2 000 000	6 271 686
Drought assistance	6 000 000	-
NNFU	4 380 000	10 524 691
NECFU	3 520 000	2 427 009
18. BOARD ADMINISTRATION EXPENSES	2 610 774	2 481 290
Sitting Allowance	1 714 853	1 487 287
Travelling and Subsistence expenses	813 769	805 479
Insurance	8 463	8 060
Telephone Chairperson	11 025	12 704
Secretariat & Admin	62 664	144 760
Workshops	-	23 000

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

	2020	2019
	N\$	N\$
19. PERSONNEL EXPENSES	28 268 938	25 701 446
General fund remuneration (TCC)	24 440 868	22 230 525
FAN Meat fund remuneration (TCC)	2 745 983	2 512 761
Ear Tags fund remuneration (TCC)	767 921	712 357
Stock brands fund remuneration (TCC)	314 166	245 803
20. TRAVELLING & SUBSISTENCE	651 073	795 986
General fund S&T	489 370	567 922
FAN Meat fund S&T	161 703	222 938
Ear Tags fund S&T	-	5 126
21. OFFICE EXPENSES	11 032 165	9 868 248
General fund expenses	5 863 371.09	5 996 039
FAN Meat fund expenses	1 573 400	1 222 098
Stock Brands expenses	443 475	498 158
Ear Tags fund expenses	955 057	790 359
Agri Board expenses	2 196 862	1 361 594
22. DEPRECIATION	1 307 542	326 422
Motor vehicles	265 176	139 781
Furniture & Fittings	66 794	53 178
Computer Equipment	136 749	133 463
Buildings	838 823	-



MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)

	2020	2019
	NS	NS
23. MARKET RESEARCH	4 640 874	2 661 521
Industry Studies	1 124 207	537 773
Agricultural Shows	94 297	93 200
MCA - Zambezi expenses	-	152 250
Adhoc Studies	100 000	60 559
Market Exploration	-	69 318
International Markets	250 000	144 000
NCA levy expenses	2 105 908	747 169
Local Market Development	966 462	857 252
24. COMMISSION	1 819 750	1 957 676
General levy fund	1 278 784	1 314 835
FAM Meat levy fund	239 380	246 449
Ear tags	221 792	314 242
Emergency Vet Services levy fund	79 793	82 150
25. OTHER EXPENSES	7 074 797	2 618 241
Scholarships for Veterinary students	15 280	96 464
Assistance to DVS	894 636	-
MAWF Zambezi Expenses	2 794 287	250 000
CVL Expenses	159 569	57 025
Emergency Vet Serv expenses	2 680 730	1 319 500
Admin fees 5% (VAT incl)	530 295	895 252
26. GAIN OR LOSS	999 422	-
Revaluation gain	1 287 422	-
Revaluation loss - Investment property	(288 000)	-

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

**27. RECONCILIATION OF BALANCES FROM PREVIOUS ACCOUNTING
FRAMEWORK (NAC 001) TO IPSAS**

Reconciliation of Net asset / equity

Net assets / equity in terms of NAC001 at 31 March 2019	NS111 161 933
Less: adjustment in terms of IPSAS	NS 797 816
Net assets / equity in terms of IPSAS at 1 April 2019	NS110 364 119

The adjustment relates to a change in classification of account balances from equity to liabilities. Previously liabilities relating to the Ear Tag Fund were set-off against the Ear-Tag Fund reserve, however in terms of IPSAS liabilities should not be set-off against other balances unless there is an agreement to settle the accounts on a net basis, which is not the case in this scenario.

Reconciliation of Non-current assets

Non-current assets in terms of NAC001 at 31 March 2019	NS 86 689 319
Adjustment in terms of IPSAS	NS 51 791 640
Non-current assets in terms of IPSAS at 1 April 2019	NS 34 897 679

The adjustments relates to reclassification of investments from non-current assets to current assets because investments meets the definition of current assets as the maturity date of all the investments is less than 12 months.

Reconciliation of current assets

Current assets in terms of NAC001 at 31 March 2019	NS 39 107 561
Adjustment in terms of IPSAS	NS 51 791 640
Current assets in terms of IPSAS at 1 April 2019	NS 90,899,203

The adjustments relates to reclassification of investments from non-current assets to current assets because investments meets the definition of current assets as the maturity date of all the investments is less than 12 months.

Reconciliation of trade receivables

Receivables in terms of NAC001 at 31 March 2019	NS 11 557 885
Adjustment in terms of IPSAS	NS 1 141 862
Receivables in terms of IPSAS at 1 April 2019	NS 10 416 023

The adjustments relates to trade receivables is between receivables from exchange transactions and non-exchange transactions which is a requirements in terms of IPSAS.



**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 (Continued)**

Reconciliation of Current liabilities

Current liabilities in terms of NAC001 at 31 March 2019	N\$ 14 580 828
Adjustment in terms of IPSAS	N\$ 851 931
Current liabilities in terms of IPSAS at 1 April 2019	N\$ 15 432 759

The adjustments relates to reclassification of trade payables which were previously included as part of the fund balances to account payables, in terms of IPSAS accounts with similar nature should be grouped together.

Inventory

Inventory was previously included as part of the fund balances to Ear tags fund current assets.

Reconciliation of surplus / deficit

Surplus /deficit in terms of NAC001 at 31 March 2019	N\$ 4 638 639
Adjustment in terms of IPSAS	N\$ 4 882 430
Net assets / equity in terms of IPSAS at 1 April 2019	N\$ 9 521 069

The adjustments relates to income and expenses for the various Funds which was previously not recorded in the Income statement, the net movement for the year was directly recorded in the Balance sheet in the Funds balances however in terms of IPSAS all income and expenses relating to the entity should be disclosed separately in the Income statement, not only the net movement being recorded in the Balance sheet.

Reconciliation of cash and cash equivalent

Cash and cash equivalent in terms of NAC001 at 31 March 2019	N\$ 21 411 703
Adjustment in terms of IPSAS	N\$55 265 889
Cash and cash equivalent in terms of IPSAS at 1 April 2019	N\$76 677 592

The adjustment of N\$51,791,638 relates to a re-classification of the investments from investments to cash and cash equivalent, as it meets the definition of cash equivalents in terms of IPSAS 2.8. The adjust of N\$3,474,242 relates to reclassification on a bank account balance from Ear Tags Fund account to cash and cash equivalent, in terms of account balances of similar nature should be classified together on the face financial statements.

ABBREVIATIONS

CVL	Central Veterinary Laboratory
DVS	Directorate Veterinary Services
FAN Meat	Farm Assured Namibian Meat Scheme
FMD	Foot and Mouth Disease
ISO	International Organization for Standardization
LPF	Livestock Producer Forum
MAWF	Ministry of Agriculture Water and Forestry
MCA	Millennium Challenge Account
MBN	Meat Board of Namibia
NamLITS	Namibian Livestock Identification and Traceability System
NAU	Namibia Agricultural Union
NCA	Northern Communal Areas
NECFU	Namibia Emerging Commercial Farmers' Union
NNFU	Namibia National Farmers Union
NTA	Namibia Training Authority
SLA	Service Level Agreement
SVCF	South of the Veterinary Cordon Fence
S&T	Subsistence & Travelling
TCC	Total Cost to Company
VAT	Value Added Tax
VET	Veterinary
VCF	Veterinary Cordon Fence

