



REPUBLIC OF NAMIBIA



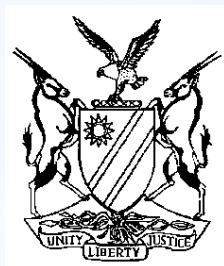
REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MEAT BOARD OF NAMIBIA
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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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 2021 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honorable 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, November 2021

**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 2021**

1. UNQUALIFIED AUDIT OPINION

I have audited the financial statements of the Meat Board of Namibia for the financial year ended 31 March 2021. These financial statements comprise the Statement of Financial Position, 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 2021 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 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.

7. ACKNOWLEDGEMENT

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

WINDHOEK, November 2021

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

MEAT BOARD OF NAMIBIA
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

		2021	2020
	Note	N\$	N\$
ASSETS			
Non-current assets			
Property Plant and equipment	3	29 728 897	30 588 901
Investment property	2	5 040 000	5 040 000
		67 084 935	85 593 949
Current assets			
Cash and Cash Equivalent	4	19 493 755	25 969 854
Investments	5	38 885 195	43 301 881
Receivables from exchange transactions	6	6 677 495	8 945 613
Receivables from non-exchange transactions	7	552 912	2 512 846
Inventories	8	1 475 578	4 863 754
		101 853 831	121 222 852
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other Payables from exchange transactions	9	3 840 661	2 175 158
Leave pay provisions	10	2 392 809	2 117 063
Deferred income		-	279 032
Payments made in advance from customers		138 127	93 283
		6 371 597	4 664 535
Total liabilities		6 371 597	4 664 535
Net assets		95 482 206	116 558 317
Reserves		95 482 206	116 558 317
Total net assets and liabilities		101 853 831	121 222 852

MEAT BOARD OF NAMIBIA

STATEMENT OF FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		2021- Actual	2020	2021- Annual Budget	Difference (Actual less Budget)	Difference	Commentary Budget info Notes
Note	N\$	N\$	N\$	N\$	N\$	%	
Income		51 249 790	74 844 093	74 470 030	(23 220 240)	-31%	
Revenue from non-exchange transactions		36 374 738	55 944 016	57 046 415	(20 671 677)		
Levy Income	12	36 374 738	55 944 016	57 046 415	(20 671 677)	-36%	i
Revenue from exchange transactions		14 875 052	18 900 077	17 423 615	(2 548 563)	-15%	ii
Administration fees	13	605 797	654 036	1 038 311	(432 514)	-42%	iii
Financing income (Interest received)	14	3 429 984	4 604 001	3 930 398	(500 414)	-13%	iv
Rendering of service Classification	15	2 256 776	6 101 426	4 541 280	(2 284 504)	-50%	v
Other Income	16	8 582 495	7 540 614	7 913 626	668 869	8%	vi
Total Expenditure		61 760 993	73 305 913	75 628 432	(13 867 439)	-18%	vii
Donation	17	3 744 715	15 900 000	6 352 719	(2 608 004)	-41%	viii
Board administration expenses	18	1 906 439	2 610 774	2 971 518	(1 065 079)	-36%	ix
Personnel expenses	19	29 547 131	28 268 938	33 410 963	(3 863 832)	-12%	x

MEAT BOARD OF NAMIBIA

STATEMENT OF FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (continue)

Travelling and Subsistence	20	338 955	651 073	609 684	(270 729)	-44%	xi
Office expenses	21	13 203 643	11 032 165	11 702 685	1 500 958	13%	xii
Depreciation	22	847 768	1 307 542	397 503	450 265	113%	xiii
Market Research	23	2 873 235	4 640 874	4 982 361	(2 109 126)	-42%	xiv
Commission	24	1 012 979	1 819 750	1 637 299	(624 320)	-38%	xvi
Other expenses	25	8 286 129	7 074 797	13 563 700	(5 277 571)	-39%	xvii
Other gains/losses							
Gain on revaluation of building	26	-	999 422	-	-		
Surplus/(Deficit) for the year including interest		(10 511 203)	2 537 602	(1 158 402)	(9 352 801)		

ANNEXURE C

MEAT BOARD OF NAMIBIA
STATEMENT OF CHANGES IN NET ASSETS FOR THE FINANCIAL YEAR ENDED 31
MARCH 2021

	2021	2020
	N\$	N\$
General fund	67 113 678	63 696 848
FAN Meat fund	18 838 651	15 517 174
Emergency Veterinary Services fund	14 298 934	12 679 058
Surplus/(deficit) for the period	(10 511 203)	6 318 122
Transfer surplus - Agri Board	1 329 896	1 946 840
Drought Admin fund	-	728 104
MCA Caprivi Fund	-	1 650 740
NCA Levy fund	4 412 250	6 518 158
Stock brands fund balance	-	1 375 830
DVS Account balance	-	318 041
Ear tags fund balance	-	5 340 562
Bukalo Processing Plant fund	-	468 842
Balance as at 31 March 2021	95 482 206	116 558 319

ANNEXURE D

MEAT BOARD OF NAMIBIA
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021	2020
Note	N\$	N\$
CASH FLOW FROM OPERATING ACTIVITIES		
Cash (utilized)generated from operations	(3 222 558)	(11 121 611)
Interest Received	3 429 984	4 604 000
Net cash flow from operating activities	207 426	(6 517 611)
CASH FLOW FROM INVESTING ACTIVITIES		
Movement in property investments	-	288 000
Additions to property plant and equipment	(204 859)	(1 176 244)
Net cash flow from investing activities	(204 859)	(888 244)
CASH FLOWS FROM FINANCING ACTIVITIES		
Movement in project funds account	(10 895 380)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash inflow for the year	(10 892 814)	(7 405 856)
Cash and cash equivalents at the beginning of the period	69 271 743	76 677 592
Cash and cash equivalents at the end of the year	58 378 929	69 271 736

MEAT BOARD OF NAMIBIA

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

(Continued)

RECONCILIATION OF SURPLUS FOR THE PERIOD TO CASH GENERATED FROM OPERATIONS

	Note	2021 N\$	2020 N\$
Surplus for the year		(10 511 203)	6 318 122
Depreciation adjustment		217 096	117 573
Funds adjustments		330 474	123 342
Gain		-	(1 287 422)
Depreciation		847 768	1 307 542
Interest received		(3 429 984)	(4 604 000)
		(2 034 645)	(4 342 965)
Profit before working capital movements		(12 545 848)	1 975 157
Movement in accounts receivable		4 228 053	1 065 627
Movement in Stock		3 388 176	(3 394 172)
Movement in accounts payable		1 707 062	(10 768 223)
		9 323 291	(13 096 768)
CASH GENERATED FROM OPERATIONS		(3 222 558)	(11 121 611)

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021**

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 MBN 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 FINANCIAL YEAR ENDED
31 MARCH 2021**

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 FINANCIAL YEAR ENDED
31 MARCH 2021 (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

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

MEAT BOARD OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

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.

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.

MEAT BOARD OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

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:

	Depreciation Method	Rate
Plant and equipment	straight line	10%
Computer equipment	straight line	20%
Motor vehicle	straight line	33%
Building	straight line	2%

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 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

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

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.

Financial Instruments - IPSAS 29

The Meat Board has various types of Financial Instruments and these can be broadly categorized as *Financial Assets*, *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.

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

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.

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.

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

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.

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.

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

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

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.

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.

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

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 FINANCIAL YEAR ENDED
31 MARCH 2021 (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.

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

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.

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.

**MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

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.

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

- i) Levy income has decrease due to post drought recovery, total animals marketed for the FY ended has significantly dropped, as a result of producers which are in the process of restocking.
- ii) Administration fees is based on Ear Tags and Stock Brands' income received, less income received as a result of sporadic drought conditions during the last few years resulted in a decrease in administration fees.
- iii) Interest received on investments depends on the market rates, funds was invested at a lower rate than projected, hence the decrease.
- iv) The rendering of services decrease is due to the Classification levy income which is limited as a result of a drastic decline in slaughter numbers during the year, especially at small stock abattoirs as a result of the sporadic drought conditions.

MEAT BOARD OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

- v) Other income decreased as a result of arboricides sales, only half of the budgeted sales were purchased due to Covid-19 restrictions.
- vi) Donations to Agricultural unions are calculated as a certain percentage (%) based on income received, less levy income resulted in a donation decrease.
- vii) The decrease in the Board administration expenses is due to traveling being less than projected, due to Covid-19 restrictions.
- viii) Personnel expenses cost decrease is as a result of some positions which were put on hold due to financial constraints.
- ix) Travel and Subsistence costs decreased as a result of less traveling being less than projected, due to Covid-19 restrictions.
- x) Office Expenses increase due to Covid-19 health regulations expenses.
- xi) Depreciation increased due to depreciation on Buildings that was not budgeted for.
- xii) The decrease in Market research is due to Covid-19 restrictions; some projects/ industry studies were not implemented as anticipated.
- xiii) Commission on levy is based on levy collected, the decline in livestock marketed resulted in a decrease in commission paid to producers.
- xiv) Other expenses decreased due to funds that were allocated to assisting Veterinary services and buying of arboricides which were not disbursed.

Employee benefits - IPSAS 25**Short-term employee benefit**

Remuneration to employees is recognized in the statement of Financial Performance as the service rendered, except for non-accumulating benefits which are only recognized when the specific event occurs. The Meat Board opted to recognize its provision for leave pay as an accrual.

The cost of all short-term employees benefits such as leave pay, are recognized during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the statement of Financial Position. The Meat Board recognizes expected cost of performance bonuses only when a legal or constructive obligation to make such payment and reliable estimate can be made.

Retirement fund

Membership of the Meat Board's retirement fund is compulsory for all full-time employees in the permanent employment of the Meat Board of Namibia.

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

Post-employment benefits

Meat Board provides retirement benefits to its employees, and has defined contribution post-employment plans.

Defined Contribution plans

The Meat Board's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognized in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Medical aid scheme

Membership to the Meat Board's Medical Aid Scheme is optional to all employees.

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 2021), 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.

MEAT BOARD OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

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.

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.

MEAT BOARD OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

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.

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.

MEAT BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

Fair Values

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

	2021	2020
Financial assets	65 609 357	80 730 195
Financial instruments at fair value through surplus/deficit		
Held-to-maturity financial instruments	38 885 195	43 301 881
Receivables from exchange transactions	6 677 495	8 945 613
Receivables from non-exchange transactions	552 912	2 512 846
Cash and cash equivalents	19 493 755	25 969 855
Financial liabilities	6 371 597	4 664 535
Trade payables from exchange transactions	6 371 597	4 664 535

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 receivables and market related interest rates. As at 31 March 2021 and 2020, 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,

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2021 (continued)

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 2021	Company 2020
Trade receivables exchange transactions	6 677 495	8 945 613
Trade receivables non-exchange transactions	552 912	2 512 846
Cash and cash equivalents	19 493 755	25 969 855
Maximum exposure to credit risk	26 724 161	37 428 314

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.

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.

MEAT BOARD OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

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 N\$6.5 million, largest debtors represent N\$4 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 FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

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

	<u>2021</u>	<u>2020</u>
Liabilities		
Payables	6 371 597	4 664 535

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 2021 are as follows:

MEAT BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

	Weighted Average Interest rate	Company	Company
	%	2021	2020
Financial assets			
Investments	4%	38 885 195	43 301 881
Cash and cash equivalents	3%	19 493 755	25 969 855
Total financial assets		58 378 950	69 271 736

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:

	6 606 581	6 039 491
Board members	1 109 357	1 714 853
Key management personnel	5 497 224	4 324 638

2. Investment Property

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

The fair value of investment property – Erf 744 is N\$ 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 FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

3.	2021	Land	Buildings	Furniture & Fixtures	Office Equipment	Motor vehicles	TOTAL
		N\$	N\$	N\$	N\$	N\$	N\$
Carrying amount at beginning:		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)
Additions / Depreciation / Agri Boards		-	-	25 421	179 438	-	204 859
Depreciation adjustments				(27 772)			(27 772)
Depreciation for the year		-	(302 048)	(189 323)	-	-	(189 323)
		-	(77 399)	(168 842)	(299 480)	(847 768)	(847 768)
Carrying amount end of the year		14 391 360	14 263 596	526 645	445 602	403 743	29 728 897
Cost as at 31/03/2021		14 391 360	15 102 419	1 571 154	1 903 748	3 484 563	36 453 244
Accumulated depreciation		-	(838 823)	(1 044 510)	(1 458 146)	(3 080 820)	(6 724 347)

MEAT BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

	2021	2020
	N\$	N\$
4. CASH AND CASH EQUIVALENTS	19 493 755	25 969 854
Project Bank Accounts	-	5 148 024
Stock brands current account	-	1 382 260
MAWF Project current account	-	331 565
Drought Admin current account	-	752 459
Ear tags current account	-	2 194 377
Bukalo Processing Plant current account	-	487 363
Money market investment funds	14 690 524	14 661 289
Meat Board - Simonis Storm	1 223 036	1 869
Meat Board - Simonis Storm	13 467 488	12 843 399
Meat Board - Cirrus	-	26 133
MCA Caprivi Account - Simonis Storm	-	1 787 766
Meat Board t -PSG	-	2 122
Current Accounts	4 803 230	6 160 542
Meat Board Bank Current Account	1 626 552	1 713 429
FAN Meat Levy Current Account	80 405	340 045
Emergency VET Levy Current Account	910 419	1 720 085
Classification Levy Current Account	7 472	149 250
NCA Levy Current Account	185 722	824 535
CVL Account	215 898	214 836
Agricultural Board's Building Current account	1 776 254	1 196 362
Petty Cash	509	2 000

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

	2021	2020
	N\$	N\$
5. INVESTMENTS	38 885 195	43 301 881
Held-to-maturity financial instruments		
Investment Simonis Storm Securities (Fixed for 12 Months)	-	7 530 018
Namibia Equity Brokers - (12 months)	26 709 422	19 035 000
Namibia Equity Brokers - (12 months)	-	5 429 000
Treasury Bill (12 months)	12 175 774	11 307 863
6. RECEIVABLE FROM NON-EXCHANGE TRANSACTION	6 677 495	8 945 613
Trade Debtors (Levies & other receivables)	6 626 908	8 906 356
Ear Tag Expenses	19 598	22 008
Stock Brands Expenses	30 989	17 249
7. RECEIVABLE FROM EXCHANGE TRANSACTION	552 912	2 512 846
Accrued Interest	-	970 333
Ear tags receivables	-	320 239
Agri boards receivables	282 696	194 502
Import VAT	267 706	1 025 262
Nampower (Electricity deposit - Border Post)	2 510	2 510

MEAT BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

	2021	2020
	N\$	N\$
8. INVENTORIES	1 475 578	4 863 754
Ear tag Stock on hand	-	4 862 503
Arboricides		
Sales	-	-
	-	-
Less: cost sales	1 475 578	-
Opening stock	1 475 578	1 251
Less: Closing stock	-	(1 251)
Gross Profit	(1 475 578)	-
9. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	3 840 661	2 175 158
Sundry accruals, payments	3 784 858	1 574 134
Ear tags payables	-	481 041
Agri boards payables	55 803	60 968
Stock brands payables	-	58 978
VAT	-	37
10. LEAVE PAY PROVISIONS	2 392 809	2 117 063
Balance at the beginning of the year	2 066 699	1 940 077
Additional provision raised	430 475	289 264.00
Provision utilized	(104 365)	(106 911.00)
Ear Tags provision	-	(1 774)
Stock Brands provision	-	(3 593)

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

11. RESERVES
2021

	General Fund	Emergency Fund	Fan Meat Fund	NCA Levy Fund	Agri Boards	TOTAL
	N\$	N\$	N\$	N\$	N\$	N\$
Opening balances	67113678	14295934	18838651	4412250	1329896	105993410
Surplus/Deficit	(8804583)	(1058185)	237432	(1556117)	673250	(10511203)
Closing balances	58309095	13237749	19076083	2856133	2003146	95482207

2020

	DroughtAdmin	MCA Caprivi	NCA Levy Fund	Stock Brands	DVS	Ear Tags	Bukalo
Opening balances	728104	1650740	6518158	1375830	318041	5340562	468842
Surplus/Deficit	24355	137026	(2105908)	(64704)	228359	1238273	18521
Closing balances	752459	1787766	4412250	1311126	546400	6578835	487363

	General Fund	Emergency Fund	Fan Meat Fund	Agri Boards	Gain/loss	TOTAL
Opening balances	63696848	12679058	15517174	-	-	108293357
Surplus/Deficit	1469990	1619876	3321477	(729763)	999422	6156924
Transfer Agri Board surplus	1946840	-	-	-	-	1946840
Closing balances	67113678	14298934	18838651	(729763)	999422	116397121

MEAT BOARD OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

	2021	2020
	N\$	N\$
12. REVENUE FROM NON-EXCHANGE TRANSACTIONS	36 374 738	55 944 016
General levies on livestock exported and slaughtered (80%)	26 967 092	42 668 137
In-transit Levy	167 432	282 797
Meat Products levy (imports)	2 484 437	2 326 408
Emergency Vet Levy (5%)	1 681 085	2 666 674
FAN Meat Levy (15%)	5 074 692	8 000 000
13. ADMINISTRATION FEE	605 797	654 036
Ear Tags	413 018	486 599
Stock Brands	58 348	37 997
Agricultural Boards Building	126 757	119 105
Commission on 3rd Parties Deductions	7 675	10 335
14. FINANCING INCOME	3 429 984	4 604 001
Interest received General fund	3 429 984	4 383 557
Interest received MCA fund	-	137 026
Interest received Drought admin fund	-	24 355
Interest received DVS	-	13 523
Bukalo meat processing plant	-	18 521
Interest received Stock brands account	-	27 019
15. RENDERING OF SERVICES	2 256 776	6 101 426
Classification levy	2 256 776	5 341 495
Stock brands registration fee	-	759 931

MEAT BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

	2021	2020
	N\$	N\$
16. OTHER INCOME	8 582 495	7 540 614
CVL Cost recovery	1 796 370	1 713 727
CVL Income	43 690	374 405
Market compliance Audit	8 646	26 615
Seal of Quality	19 500	15 330
Poultry scheme Admin fee	-	226 611
NTA refund	232 688	104 277
NCA Abattoirs - Transfer from (MAWF)	1 054 860	2 982 979
Disposal of Assets & Others	-	28 909
Agri-Benchmark	-	176 461
Water Refund Border	22 654	42 242
House rent received	61 029	62 497
Agricultural Boards Buildings rent received	3 045 440	993 537
Refunds COW	-	373 333
Recoveries	382 598	31 446
Agricultural Boards Buildings interest received	47 723	68 782
Agricultural Boards Buildings profit share	552 306	-
Inspection fee	-	319 463
Arboricides	1 314 992	-
17. DONATIONS	3 744 715	15 900 000
NAU	1 029 796	2 000 000
Drought assistance	-	6 000 000
NNFU	1 685 122	4 380 000
NECFU	1 029 796	3 520 000
18. BOARD ADMINISTRATION EXPENSES	1 906 439	2 610 774
Sitting Allowance	1 109 357	1 714 853
Travelling and Subsistence expenses	684 929	813 769
Insurance	7 323	8 463
Telephone Chairperson	11 027	11 025
Secretariat & Admin	91 203	62 664
Workshops	2 600	-

MEAT BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

	2021	2020
	N\$	N\$
19. PERSONNEL EXPENSES	29 547 131	28 268 938
General fund remuneration(TCC)	25 945 232	24 440 868
FAN Meat fund remuneration(TCC)	3 601 899	2 745 983
Ear tag Fund remuneration(TCC)	-	767 921
Stock brands fund remuneration(TCC)	-	314 166
20. TRAVELLING & SUBSISTANCE	338 955	651 073
General fund S&T	258 542	489 370
Ear Tags S&T	-	-
FAN Meat fund S&T	80 413	161 703
21. OFFICE EXPENSES	13 203 643	11 032 165
General fund expenses	9 370 901	5 863 371
FAN Meat fund expenses	1 030 230	1 573 400
Stock brands expenses	-	443 475
Ear Tags fund expenses	-	955 057
Agri Board expenses	2 802 511	2 196 862
22. DEPRECIATION	847 768	1 307 542
Motor vehicles	299 480	265 176
Furniture and Fittings	77 399	66 794
Computer Equipment	168 842	136 749
Buildings	302 048	838 823
23. MARKET RESEARCH	2 873 235	4 640 874
Industry Studies	23 000	1 124 207
Agricultural Shows	22 500	94 297
Ad-hoc Studies	-	100 000
International Markets	260 875	250 000
NCA levy expenses	1 556 117	2 105 908
Local Market Development	1 010 743	966 462

MEAT BOARD OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**

	2021	2020
	N\$	N\$
24. COMMISSION	1 012 979	1 819 750
General levy fund	809 407	1 278 784
FAM Meat levy fund	152 864	239 380
Ear tags	-	221 792
Emergency Vet Services levy fund	50 708	79 793
25. OTHER EXPENSES	8 286 129	7 074 797
Scholarships for Veterinary students	243 452	15 280
Assistance to DVS	323 393	894 636
Arboricides Expenses	3 838	2 794 287
CVL Expenses	42 628	159 569
NCA Export abattoir expenses	3 184 886	
Emergency Vet Service expenses	4 487 932	2 680 730
Admin fees 5% (VAT inclusive)	-	530 295
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 FINANCIAL YEAR ENDED

31 MARCH 2021 (continued)

27. GOVERNMENT PROJECTS FUNDS

STOCK BRAND REGISTRATION FUND

	2021	2020
	N\$	N\$
Income	1 166 488	786 948
Interest received	5 050	27 017
Brand registration fee	1 161 438	759 931
Expenditure	1 015 645	851 652
Staff Salaries	340 481	314 166
Bank charges	179 585	147 224
Admin fees 5% (VAT incl)	66 768	43 696
Databases maintenance, upgrade & internet lines	192 979	140 944
Office rent	71 443	69 882
Stationery & other consumables	136 491	122 085
Publications	27 897	13 655
S&T allowance	-	-
Training	-	-
Office Furniture (capital expenses)	-	-
Computer Equipment	-	-
(Deficit) surplus for the year	150 844	(64 704)
Accumulated funds at beginning of the year 1 April 2021	1 311 129	1 375 830
Accumulated funds at end of the year	1 461 972	1 311 126
Creditors	72 264	71 131
Payables	50 454	58 978
Leave Accrued	21 809	12 153
	1 534 236	1 382 257

ANNEXURE E

MEAT BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**EAR TAG FUND****2021****2020**

N\$

N\$

Income statement

Sales

8 260 231

9 699 251

Less: Cost of Sales**6 365 737****5 918 729**

Opening stock

4 862 503

1 468 330

Purchased

3 881 999

9 312 902

Closing stock

(2 378 765)

(4 862 503)

Gross Profit**1 894 494****3 780 522****Expenditure****2 625 581****2 542 249**

Agents commission

192 740

221 792

Bank charges

183 906

236 076

Databases maintenance, upgrade & internet lines

330 996

307 879

Meat Board Admin fees

413 012

486 599

Packaging Bags

26 942

36 704

Office rent

161 497

153 999

Printing & publication, info materials

5 800

8 496

Rent of Equipment

150 237

146 786

S&T, Training & meetings

2 929

-

Scanner RFIS

-

11 754

Staff Salaries

883 482

767 921

Stationery & other consumables

244 636

129 797

Water & Electricity

29 405

34 446

Surplus(Deficit) for the year

(731 087)

1 238 273

Opening balance

6 578 836

5 340 562

Closing balance**5 847 749****6 578 835**

MEAT BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)

EAR TAGS FUND STATEMENT OF POSITION	2021	2020
	N\$	N\$
<i>Non-Current Assets</i>		
Property and Equipment	-	-
<i>Current Assets</i>		
Bank	2 411 666	2 194 377
Cash Control	1 290 415	309 930
Receiver of Revenue	664 604	10 309
Ear tag Stock on hand	2 378 765	4 862 503
Total assets	6 745 451	7 377 119
EQUITY AND LIABILITIES		
<i>Capital and Reserves</i>		
Capital Reserves	5 847 749	6 578 836
Ear tags Subsidies	279 032	279 032
<i>Current Liabilities</i>		
Accrued Expenses (Month end Payments)	553 165	415 534
Provision for Leave	65 506	38 211
Import VAT	-	65 253
Customer control	-	254
Total equity and liabilities	6 745 451	7 377 119

MEAT BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**DVS PROJECTS FUND**

	2021	2020
	N\$	N\$
Income	6 361	387 928
CVL Income	-	374 405
Interest received	6 361	13 523
Expenditure	-	159 569
Surplus(Deficit) for the year	6 361	228 359
Accumulated funds at beginning of the year 1 April 2021	331 565	318 863
Accumulated funds at end of the year	337 925	547 222

DROUGHT ADMINISTRATION FUND

	2021	2020
	N\$	N\$
Income	15 217	24 355
Interest received	15 217	24 355
Surplus(Deficit) for the year	15 217	24 355
Accumulated funds at beginning of the year 1 April 2021	752 459	728 104
Accumulated funds at end of the year	767 676	752 459

MEAT BOARD OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (continued)**MCA ZAMBEZI PROJECT FUND**

	2021	2020
	N\$	N\$
Income	86 872	137 026
Interest received	86 872	137 026
Surplus/Deficit for the year	86 872	137 026
Accumulated funds at beginning of the year 1 April 2021	1 787 766	1 650 740
Accumulated funds at end of the year	1 874 638	1 787 766

BUKALO MEAT PROCESSING PLANT - ZAMBEZI FUND

	2021	2020
	N\$	N\$
Income	9 360	18 521
Interest received	9 360	18 521
Surplus/Deficit for the year	9 360	18 521
Accumulated funds at beginning of the year 1 April 2021	487 363	468 842
Accumulated funds at end of the year	496 723	487 363