Fisheries Observer Agency

Marine Resources Forever!

Annual Report

2008/09

OUR VISION

"To provide an efficient and reliable monitoring and data collection services to stakeholders"

OUR MISSION

"The Fisheries Observer Agency contributes towards sustainable utilisation of marine resources within the Namibian exclusive economic zone and international waters through actively monitoring compliance to applicable legislation and collection of relevant data."

OUR CORE VALUES

Integrity

We will always be honest and trustworthy in everything we do.

Commitment

We dedicate ourselves to performance excellence and take full responsibility for all our actions.

Respect

We value many things that make us different from one another.

Fairness

We commit to uphold the principles of equality and justice for all.

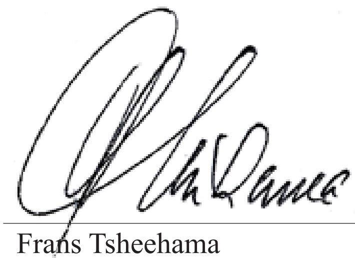
CHAIRPERSON'S REPORT
For the year ended 31 March 2009

The Fisheries Observer Agency continues to be a significant role player in the sustainable utilisation of the Namibian marine resources through the continuous deployment of fisheries observers onboard fishing vessels. The Agency has been watchdog of the Ministry of Fisheries and Marine Resources in monitoring compliance to marine legislation as it has first hand information obtained while fishing vessels are at sea. During the period under review, the fisheries observers managed to detect some illegal activities that were undertaken by some vessels. These illegal activities could have had a negative impact on the resources of the country. Such reported infringements were dealt with according to the marine legislation and for this we extend our many thanks to the information provided by the observers.

The Board and the staff of the Agency revisited the Strategic Plan of the Agency and recommitted to the strategies that will lead to effective monitoring of the fishing activities and to see if such activities comply with the set up legislation aimed at protecting the resources.

During the period under review, wage negotiations for the ensuing year started, but could not be concluded by the end of the year, as some differences between the partner union NAPWU and the employer stalled the process. I am, however, of the positive opinion that the negotiation would be concluded so that an amicable solution can be found, early in the ensuing year. As an organisation, we continue to commit ourselves to the wellbeing of our employees who are doing such a good job, and contributing tremendously, to the preservation of our marine resources for current and future generations.

The Board further appreciates and value the support extended to it and the Agency in general from Hon. Dr Abraham Iyambo, Minister of Fisheries and Marine Resources as well as for the commitment to ensure that his Ministry works hand in hand with the Agency in order to achieve our common goal. The Board also appreciates the other stakeholders, such as the fishing industry for their cooperation and good working environment that exists between the Agency and the industry before and during the period under review.



Frans Tsheehama
Chairperson

CHIEF EXECUTIVE OFFICER'S REPORT
for the year ended 31 March 2009

1. Introduction

The period under review brought with it challenges that the Fisheries Observer Agency faced head on. Among those challenges are the financial constraints on the Agency, the optimal coverage of fishing vessels with observers, wages and many others.

The Fisheries Observer Agency is committed to contribute and offer valuable service in the form of monitoring compliance and collection of scientific data. We strived to provide quality information to both the Ministry of Fisheries and Marine Resources Directorate of Operations as far as monitoring is concerned and quality scientific data to the scientists at the Directorate of Resource Management. Continuous improvements took place in the form of continuous training of our staff on how to deliver quality work.

In order to improve the efficiency in the FOA; during the period under review, the FOA embarked upon the development of a Performance Management System (PMS) based on the Balance Score Card methodology. A Performance Management Policy was developed and approved by the board during the financial year. Plans, programmes, objectives as well as strategies to achieve targets were devised and balance scorecards for the whole management team have been drawn up and is expected to be implemented during the ensuing year. The balance scorecards will be extended to the rest of the administrative staff and later to the seagoing personnel, during ensuing financial years.

The 2008/09 was a successful one despite many challenges we faced. We managed to cover 86.3% of the total fishing trips with fisheries observers, an improvement from the previous 79.3%. This achievement is due to a recruitment of additional seagoing personnel, which further resulted in improved coverage in those vessels that only carried one observer could now carry two observers for optimum coverage. Violations had also dropped from the previous 93 to 60 violations during this period.

2. Operations

2.1 GOALS AND OBJECTIVE OF THE DEPARTMENT

The Operations Department's overall goal is to ensure an effective, efficient and optimal deployment of fisheries observers onboard fishing vessels, to monitor compliance with marine legislation and to collect reliable marine biological and scientific data. During the period under review, the department made strides in achieving its goals and objectives as presented below.

2.2 DEPLOYMENT

While the Operations Department strives to cover as many vessels with observers as possible to ensuring marine legislation compliance, shortages of seagoing personnel cropped up regularly. This had resulted in some vessels to be given permission to sail without observers. The department emphasized observers briefing at vessel boarding and debriefing on arrivals from sea to ensure that they performed their duties diligently and effectively.

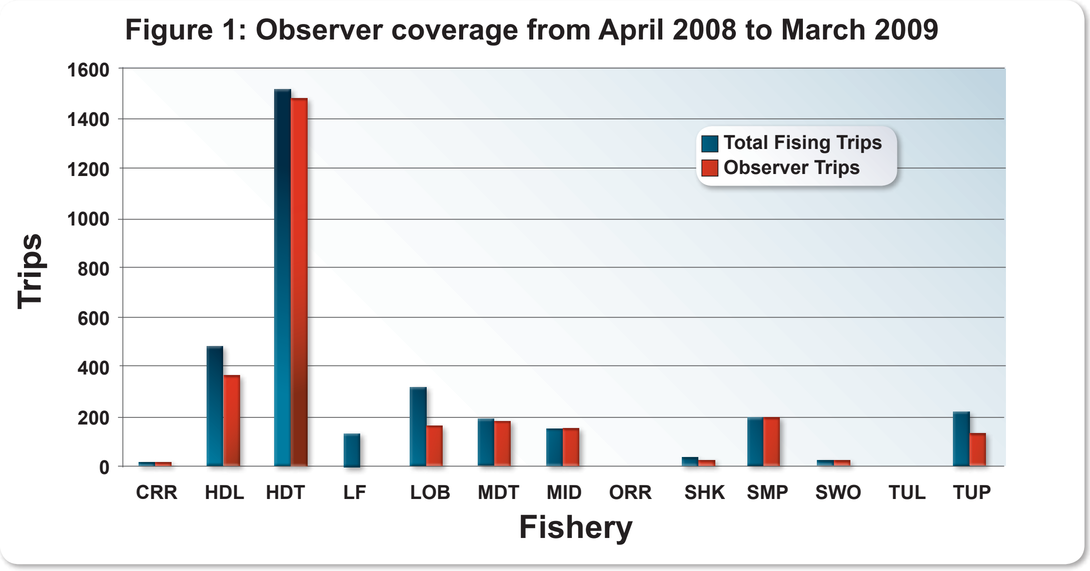
The Operations Department continued to guide seagoing personnel in report compilation of activities at sea such as violations committed or collection of biological and scientific data for stock assessment and fisheries management purposes. The cooperation between NATMIRC scientists at Swakopmund helped in guiding the observers on how to do commercial sampling on various fishing vessels catching different fish species such as hake, horse mackerel and monk.

2.3 OBSERVER COVERAGE

As per the requirement of the Marine Resources Act, the Department aims to ensure observer coverage on all commercial fishing vessels operating in Namibian waters. *Figure 1, on the next page,* highlights the coverage for the period under review. Hake trawling, crab, monk, midwater, orange roughy, sharks, small pelagics and tuna longline fisheries were covered with over 90%.

The rest of the fisheries were covered from 89% and lower. The overall coverage of the fishing trips amounted to 86.3% of all the trips that have been undertaken by the industry.

This was an increase from the coverage of 79.3% during the previous period. The improved percentage coverage is due to recruitment of additional observers, in November 2008, as well as a reduction in the number of fishing trips reported during the financial year.



The total number of fishing trips that could be covered with fisheries observers declined by 159 from 3275 during the 2007/08 period to 3116 and by 304 trips if compared with 2006/07 period.

This could be attributed to the reduction in the number of fishing vessels in the industry that went to sea.

Figure 2, below, depicts the percentage coverage of fishing trips during the three financial years from 2006/07 to 2008/09. The figure indicates that coverage of fishing trips by fisheries observers has been consistent especially with the major fisheries types such as hake trawling, midwater trawling, monk trawling, small pelagic and crab.

For midwater trawling which targets horse mackerel as well the orange roughy fishery, the coverage had been consistent at 100% coverage while other fishery type such as hake trawling monk and small pelagics showed a consistent increase over the three periods increasing to 97% and 98% respectively.

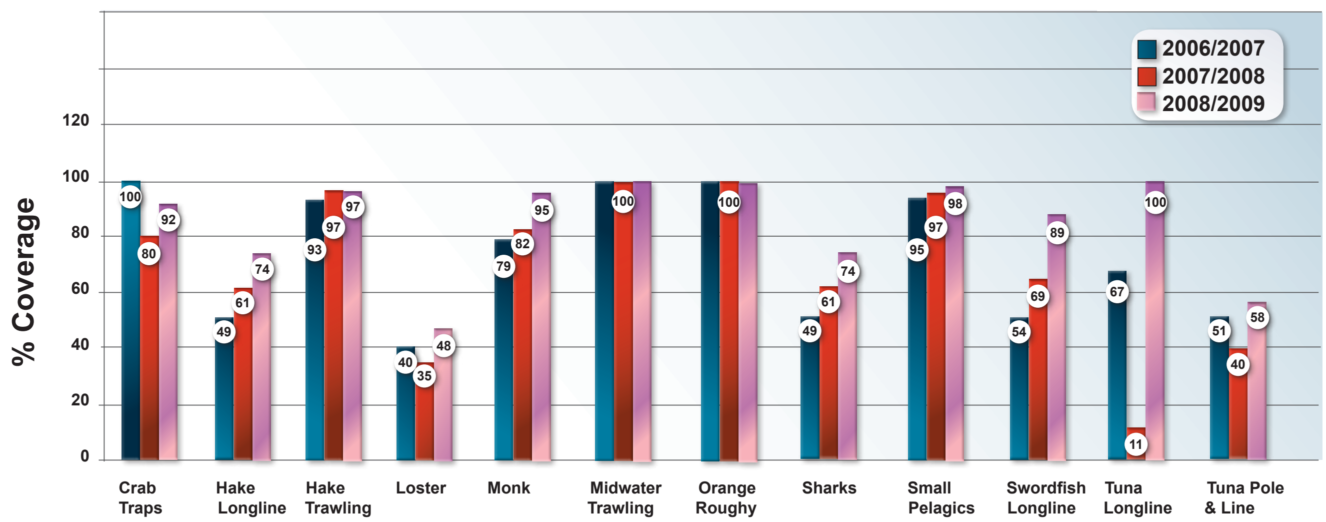
The tuna longline fishery coverage that declined dramatically from 67% to only 11% during 2007/08 due to shortage of seagoing personnel, has picked up again and the coverage now stands at 100%. The Operations Department will strive to ensure that optimal coverage of fishing trips by vessels thus fulfilling our responsibilities of ensuring compliance.

2.4 COMMERCIAL SAMPLING

Various biological and scientific data was collected during the 2008/2009 period for the scientists at NATMIRC. The department continues to interact with scientists to establish the quality and quantity data required by the Ministry in order to meet the demands. Scientists visited the Operations Department and, together with supervisors and observers, they assessed collected data to determine data quality.

As a result of the visit, there is noticeable improvement of data collection by the observers and the department received positive feedback from scientists on the quality of submitted data. It is however worth to mention that the feedback did not cover all sectors of the main commercial harvested species.

Figure 2: Coverage of fishing trips for 2006/07-2008/09



Together with NATMIRC, it was decided that refresher courses should be conducted on a continuous basis whenever possible to ensure recording of reliable and correct data on different fish species. Departmental challenges remain to improve on both quality and quantity of data collection.

Such challenge necessitates the need for observers to put emphasis on sampling as a main task and to sample three stations per fishing day as opposed to the previous one station per day on trawler vessels. Despite few problematic inhibiting factors such as bad weather and lack of space onboard some fishing vessels, most sampling has been achieved as depicted in *Table 1, below.*

Table 1: Number of sampled stations

Fishery	Stations Sampled	Fishing Days
CRAB TRAPS	192	248
HAKE TRAWLING	3835	5469
MIDWATER TRAWLING	2407	2045
MONK	695	1156
ORANGE ROUGHY	29	34
SHARKS	43	47
SMALL PELAGICS	9	16
SWORDFISH LONGLINE	48	120
TUNA LONGLINE	129	120

2.5 COMPLIANCE MONITORING

As per the department's mandate; monitoring of compliance to marine legislation remains a priority. During the period under review, observers managed to report various marine legislation infringements committed by various vessel operators during fishing activities and as such, violation notifications have been forwarded to the Ministry of Fisheries and Marine Resources Inspectorate for investigation and appropriate action.

During the period under review, 60 violations were reported to the Inspectorate for action, compared to 93 reported during the previous period.

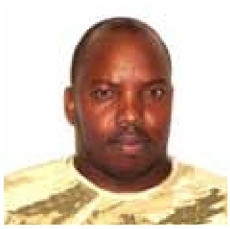
BEST SCIENTIFIC DATA COLLECTION OBSERVERS

Rauna Mhata
Hake trawl

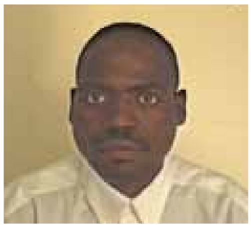
Gerson Blockstein
Hake trawl

Immanuel Hamunyela
Hake trawl

Erastus Ileka
Hake trawl



Robert Liyeke
Hake trawl



Bucks Lubinda
Hake trawl

David Ashipala
Midwater trawl

Priscilla Nsundano
Midwater trawl

Jonas Antsino
Crab

Henry Farmer
Monk

Table 2: Violations committed during the reporting period

Violation Category	Violations	Violations Handled	Pending Cases	Fines Issued (N$)
Logbook not completed	3	1	2	300
Non compliance with licence conditions	13	3	11	1,050
Non recording of fish caught	2	1	1	300
Discarding of fish or fish products	21	3	18	3,000
Discarding of non-biodegradable objects	4	1	3	300
Fishing gear not complying with licence condition	2	0	2	-
Not carrying a copy of the Marine Resources Act	4	2	2	300
Unfair or inhuman treatment of observers onboard vessel	11	6	5	1,800
Total	60	17	44	N$7,050

The decline in violations could be attributed to the diligence of the fisheries observes who are determined in ensuring that marine resources are harvested accordingly. Fisheries Observers are not only expected to report violations but also to discuss, advise and enlighten fishers on the requirement of the legislation.

As per *Table 2, above,* discarding of fish or fish products remains the most frequent infringements, representing 21 of the cases reported. Furthermore, non-compliance with licence conditions was recorded as second most frequent violation, with 13 such cases reported, while 11 cases of unfair or inhuman treatment of the Fisheries Observers onboard vessels were reported.

Apart from the cases pertaining to the Marine Resources Legislation, observers registered 6 cases regarding safety conditions onboard vessels and in all instances, inspections onboard vessels concerned proved non-compliance to safety regulations. All vessels that failed to comply were reported to the Directorate of Maritime Affairs, which detained them until defects were satisfactorily attended to.

A case of a vessel that left for the fishing ground without a qualified engineer was also detected and as a result, the vessel was detained until a qualified sailing engineer was presented.

3. Human resources

3.1 PERSONNEL ADMINISTRATION

SOCIAL SECURITY COMMISSION

All FOA employees are registered with the SSC and are entitled to benefits covered under both maternity, sick and disability and employees compensation funds.

The Social Security Commission has adjusted its benefits on the maternity leave, sick leave and death benefits. The minimum monthly contribution by members remains at N$ 2.70 and the maximum N$ 54.00.

Sick leave benefits are only payable after the employee has exhausted his/her paid sick leave days granted under the contract of employment and still booked off for 30 days or more consecutively.

Death, Disability and Retirement benefits for fully paid-up members have increased from N$ 3,500.00 to N$ 4,000.00. The table below indicates the number of Maternity, Sick, Disability (MSD) claims for the period under review.

Table 3: Maternity, Sick, Disability (MSD) Claims

Maternity Leave	Sick Leave	Death
3	1	0

FOA PENSION FUND

Due to various reasons, the FOA moved its pension fund from Ondunda (Metropolitan) to Orion (Old Mutual) effective, 1st March 2008. All pension fund contributions of all FOA employees have henceforth, been paid over to Orion, Old Mutual Umbrella Pension Fund. The transfer of the asset base in terms of Section 14 of the Pension Fund Act that was scheduled to take place in January 2009 is ongoing. These issues are expected to be sorted out early in the next financial year.

PENSION FUND CLAIMS

The table below indicates the total claims over the period from the fund.

Table 4: FOA Pension Fund Claims

Retirement	Withdrawl	Death Claims	Disability
0	8	0	1

MEDICAL AID SCHEME

FOA s' personnel are mainly covered under the three Medical Aid Schemes as shown in the table below. The FOA was also introduced to Day One Care for consideration but no employee had so far shown interest.

The *Table 5, below,* indicates that from the total staff component of 221, only 174 employees have medical aid and 47 are either on their spouses' medical aid or do not have a medical aid.

Table 5 Medical Aid Membership Data

Medical Aid Scheme	Administration	Observers	Total
NHP	4	8	12
NMC	13	142	155
PROPESPERITY HEALTH	2	5	7
DAY ONE CARE	0	0	0
TOTAL	19	155	174

RECRUITMENT

The FOA is an equal opportunities employer. It has a staff complement of 221 employees on its payroll. One Observer was promoted to a Senior Fisheries Observer rank after the resignation of a Senior Fisheries Observer.

Table 6: Recruitment Data (External)

Job Category	Post Designation	Walvis Bay	Lüderitz
Administration	PA/CEO	1	0
	Head Information Management	1	0
Observers	Trainee Observers	0	22
TOTAL		2	22

STAFF TURNOVER

A total of 8 employees left the Agency during the reporting period, due to disability, resignations and dismissals as shown in the table below:

Table 7: Termination Categories

Type	Duty Station		Total
	Walvis Bay	**Lüderitz**	**FOA**
Resignation	5	1	6
Death	0	0	0
Retrenchment	0	0	0
Misconduct	0	1	1
Abscondment	0	0	0
Retirement	0	0	0
Incapacity	1		1
Total	**6**	**2**	**8**

3.2 LABOUR RELATIONS

MANAGEMENT-EMPLOYEE RELATIONS

The three-year rolling salary agreement that was signed in November 2006 ended in March 2009. Management engaged the Union (NAPWU) since September 2008 in extensive salary negotiations to be implemented from 1 April 2009. A three-year salary adjustment was proposed but the Union rejected it. Since the parties failed to reach an agreement, the Union declared a dispute in terms of the Labour Act, (Act 11 of 2007) and the matter was referred to the Office of the Labour Commissioner. The Office of the Labour Commissioner appointed a Conciliator and the matter could not be resolved.

EMPLOYEE DISCIPLINARY PROFILE

During the reporting period, the FOA Disciplinary Policy was amended to bring it in line with the new Labour Act. The policy in terms of the recognition agreement was distributed to the Union which raised concerns that need to be addressed. Once these issues are resolved, the policy will be adopted and implemented.

The revision of the Recognition Agreement entered into between the Union and the FOA in July 2003, has also started during the period under review in order to bring it in line with the new Labour Act. The Agency is hopeful that it will enter into a new agreement with the Union that will strengthen employee relations in the FOA.

Table 8, below, illustrates the disciplinary profile over the period of reporting. The number of disciplinary cases recorded represent a reduction from the 12 recorded during the previous reporting period.

Table 8: Disciplinary Cases Recorded

No. of Cases	First W/W	Final W/W
7	1	6

3.3 HUMAN RESOURCE DEVELOPMENT AND TRAINING

OBSERVER TRAINING

The Fisheries Inspector and Observer Course (FIOC) did not take place during the period under review due to reasons beyond the FOA's control and will only resume in 2010. The last FIOC students graduated through the Polytechnic of Namibia. In the meantime, NAMFI received its accreditation from NQA which enables NAMFI to issue FIOC certificates in the future. This was seen as a great achievement by NAMFI and its stakeholders.

The table below is an illustration of training status of observers currently in the employ of the FOA as on 31 March 2009.

Table 9: Observer Training

Training Course	Total Staff Employed	Total Staff Trained	Total Staff Untrained
Grade 0	200	200	0
Grade 1	200	176	24
Grade 2	200	164	36
FIOC	200	89	111
Navigation	200	64	136
Basic Safety	200	27	173
International Convention	200	18	182

TRAINING OF ADMINISTRATION STAFF

The company sponsored the enrolment of three Heads of Departments and three Senior Fisheries Observers for SMDP and MDP courses respectively through the Business School of the University of Stellenbosch for 2008. All had since completed the courses successfully.

Furthermore, investigation and preparation of disciplinary cases are areas identified for possible employee training and are envisaged for all supervisory staff as well as heads of departments.

Table 10: Administration Staff Training

Post Designations	Course, Workshop Attended	Institute/ Place
Head of Operations (Lüderitz)	SMDP	Stellenbosch University
Head Info. Management	SMDP	Stellenbosch University
HD: HR	SMDP	Stellenbosch University
Senior Observers	MDP	Stellenbosch University
	New Labour Act	Easy HR Consultancy
Assistant Accountant	VIP Payroll	VIP Softline
Assistant HR	New Labour Act	Easy HR Consultancy
Accounts Clerk	Fixed Assets Register	NAMPRO Consulting
Receptionist	Procurement	Corporate Training Solutions

Table 10 reflects all courses attended by administrative staff during the period of reporting.

The FOA deems it very important for supervisory staff to get training in investigating procedures and initiating disciplinary hearings for them to be able to prepare properly when presenting cases of discipline. This can only happen if proper training and coaching in industrial relations are offered to the Agency staff thereby contributing enormously to the speedy resolution of cases.

4 Finance

4.1 FINANCIAL POLICIES

During the year under review, the Finance Department referred the Entertainment Expenses and Fixed Assets Alienation Policies to the Audit Committee for review and subsequent recommendations to the Board. Both policies were approved by the Board.

These policies would enable management to utilize allocated budget on entertainment expenses for daily activities, while the fixed asset alienation policy would enable the Agency to write-off and auction redundant fixed assets.

4.2 PROJECT FUNDING / INFRASTRUCTURAL DEVELOPMENT

In terms of the its strategic Plan, the Agency identified several projects that require external funding, such as funding for infrastructure development. The FOA was fortunate to receive funding for feasibility study of the FOA Walvis Bay office infrastructure from National Planning Commission to tune of N$362,069.45.

The study was completed successfully during the reporting period and the process of sourcing for funding for the infrastructural development will be started during the ensuing financial year.

5 Information Management

During the reporting period, maintenance and continuous development of all systems that were put in place during the previous financial year was done. This includes hardware and software updates and maintenance, virus protection, backup system and the OBSDAT database.

The OBSDAT database which is an integrated system with modules for all departments has been used actively on a daily basis since June 2005.

The use of the database make management and performance measurement much easier. Interruptions of operations due to technical problems are almost non-existing.

The FOA website is still under development.

6 Strategic Plan

During the reporting period the board and employees from all levels of the organization revisited the organisational strategy at two three-day workshops. The result was a revised Strategic Plan, mapping out the vision, mission, core values and the challenges facing the FOA.

The board also approved the Corporate Governance Charter and a Performance Management Policy for the Agency.

7 Conclusion

In conclusion, a word of thanks goes towards all the colleagues who put in so much effort towards realising our objectives of contributing towards sustainable utilisation of our marine resources for future generations.

I would also like to acknowledge the good cooperation between the Agency and Ministry of Fisheries and Marine Resources, the fishing industry as well as all our partners. I appreciate the boards' support and direction.

Hafeni Mungungu
Chief Executive Officer

STATEMENT OF MANAGEMENT BOARD'S RESPONSIBILITIES
for the year ended 31 March 2009

The members of the management board are responsible for the preparation, integrity and fair presentation of the financial statements of Fisheries Observer Agency and its subsidiary. The financial statements have been prepared in accordance with International Financial Reporting Standards, and include amounts based on judgements and estimates made by management.

The members of the management board consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all International Financial Reporting Standards that they consider to be applicable have been followed. The management board is satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the agency at year-end.

The members of the management board have the responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the agency to enable the management board to ensure that the financial statements comply with relevant legislation.

The group operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled.

The going-concern basis has been adopted in preparing the financial statements. The management board has no reason to believe that the agency will not be a going concern in the foreseeable future.

The Agency's external auditor, Pricewaterhouse-Coopers, audited the financial statements, and their report is presented on page 15.

The financial statements set out on pages 16 to 30 were approved and authorised for issue by the members of the management board and are signed on its behalf:

Chairperson — 04/12/2009 Date

Vice Chairperson — 04/12/2009 Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FISHERIES OBSERVER AGENCY AND ITS SUBSIDIARY
for the year ended 31 March 2009

REPORT ON THE FINANCIAL STATEMENTS

We have audited the group annual financial statements and annual financial statements of Fisheries Observer Agency, which comprise the consolidated and separate balance sheets as at 31 March 2009, and the consolidated and separate income statements, the consolidated and separate statements of changes in equity, the consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the management board's report as set out on pages 16 to 30

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The group's members of the management board are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Fisheries Observer Agency as at 31 March 2009, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have, with the written consent of all shareholders, performed certain accounting and secretarial duties, in the name of PricewaterhouseCoopers Tax and Advisory Services (Proprietary) Limited.

PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS
CHARTERED ACCOUNTANTS (NAMIBIA)
REGISTERED ACCOUNTANTS AND AUDITORS
DATE: 4/12/2009

MANAGEMENT BOARD'S REPORT
for the year ended 31 March 2009

1. The members of the management board present their annual report which forms part of the audited financial statements of the group for the year ended 31 March 2009.

GENERAL REVIEW

2. The purpose of the agency is to administer and manage the Observer programme and to ensure compliance with marine resources legislation by placing fisheries observers on board fishing vessels to monitor the harvesting operations and to collect biological and scientific data in order to compliment the Government's monitoring, control, surveillance and scientific activities.

3. No matter which is material to the financial affairs of the agency has occurred between 31 March 2009 and the date of approval of the annual financial statements.

RESULTS

4. Full details of the financial results of the agency and the group are set out in the income statement and the notes thereto.

EVENTS SUBSEQUENT TO THE YEAR END

5. There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report.

MEMBERS OF THE MANAGEMENT BOARD

6. The following were members of the management board of the agency during the year:

Name	Date Appointed	Nationality
Steven Ambabi	01-10-2007	Namibian
Salomé Bandlow-Izaaks	01-10-2007	Namibian
Carel Jacobs	01-10-2007	Namibian
Amit Mohan	01-10-2007	Namibian
Frans Tsheehama	01-10-2007	Namibian

AUDITORS

7. PricewaterhouseCoopers will continue in office for the ensuing year.

SUBSIDIARY

8. The subsidiary, Fisheries Observer Agency (Proprietary) Limited is a property owning company which is 100% owned by Fisheries Observer Agency.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS. (IFRS)

9. Effective 1 April 2008, the group adopted IFRS as the basis of preparing financial statements. The date of transition to IFRS is thus 1 April 2007, which is the date of the opening balance sheet of the comparative information presented. The group did not use any of the exemptions in IFRS : First-time Adoption of International Financial Reporting Standards during the conversion process and no reconciliation is thus required between the amounts previously reported under NamibiaN GAAP and IFRS.

The International Financial Reporting Standards applied are those issued by the international Accounting Standards Board as at 31 March 2009, including the interpretations issued by the International Financial Reporting Interpretations Committee (IFRC) as applicable to the group.

Frans Tsheehama
Chairperson

BALANCE SHEET
At 31 March 2009

	Notes	The Group 2009 N$	The Group 2008 N$	The Agency 2009 N$	The Agency 2008 N$
ASSETS					
Non-current assets		**1 354 272**	1 399 507	**509 097**	547 417
Property, plant and equipment	4	**1 354 272**	1 399 507	**501 824**	540 144
Investment in subsidiary	5	**- -**	- -	**7 273**	7 273
Current assets		**2 065 881**	3 014 093	**2 957 645**	3 892 708
Loans and receivables	6	**- -**	- -	**891 763**	878 615
Cash and cash equivalents	7	**2 065 881**	3 014 093	**2 065 881**	3 014 093
Total assets		**3 420 153**	4 413 600	**3 466 741**	4 440 125
EQUITY AND LIABILITIES					
Equity					
Capital and reserves attributable to equity holders of the company					
(Accumulated deficit) / Retained surplus		**1 283 792**	2 927 516	**1 330 380**	2 954 576
Current liabilities		**2 136 361**	1 486 084	**2 136 361**	1 485 549
Trade and other payables	9	**2 136 361**	1 475 388	**2 136 361**	1 474 853
Bank overdraft	7	**- -**	10 696	**- -**	10 696
Total liabilities		**2 136 361**	1 486 084	**2 136 361**	1 485 549
Total equity and liabilities		**3 420 153**	4 413 600	**3 466 741**	4 440 125

INCOME STATEMENT
For the year ended 31 March 2009

		The Group		The Agency	
		2009	2008	**2009**	2008
	Notes	**N$**	N$	**N$**	N$
Revenue	10	**21 388 437**	21 387 670	**21 388 437**	21 387 670
Cost of services rendered		**20 909 757**	19 276 447	**20 909 757**	19 276 447
(Deficit) / surplus after employee expenses		**478 680**	2 111 223	**478 680**	2 111 223
Administrative expenses		**2 247 505**	2 452 686	**2 227 977**	2 432 542
Other income	11	**125 101**	372 471	**125 101**	372 471
Operating (deficit) / surplus	12	**(1 643 724)**	31 008	**(1 624 196)**	51 152
Income tax	15	**- -**	9 634	**- -**	- -
(Deficit) / surplus for the year		**(1 643 724)**	40 642	**(1 624 196)**	51 152
Attributable to the equity holder of the agency		**(1 643 724)**	40 642	**(1 624 196)**	51 152

STATEMENT OF CHANGE IN EQUITY
For the year ended 31 March 2009

	The Group		The Agency	
	2009	2008	**2009**	2008
	N$	N$	**N$**	N$
Retained (deficit) / surplus				
Balance at the beginning of the year	**2 927 516**	2 886 874	**2 954 576**	2 903 424
Surplus for the year	**(1 643 724)**	40 642	**(1 624 196)**	51 152
Balance at the end of the year	**1 283 792**	2 927 516	**1 330 380**	2 954 576

CASH FLOW STATEMENTS
For the year ended 31 March 2009

		The Group		The Agency	
		2009	2008	**2009**	2008
	Notes	**N$**	N$	**N$**	N$
Cash flows from operating activities					
Cash (utilised in) / generated by operations	16	**(842 396)**	303 150	**(829 247)**	316 387
Cash flows from investing activities					
Acquisition of property, plant and equipment	4	**(123 752)**	(321 166)	**(123 752)**	(321 166)
Interest received	11	**28 631**	231 250	**28 631**	231 250
Net cash utilised in investing activities		**(95 120)**	(89 916)	**(95 120)**	(89 916)
Cash flows from financing activities					
Proceeds from borrowings	6	**- -**	1 246	**(13 148)**	(11 991)
Net cash utilised in financing activities		**- -**	1 246	**(13 148)**	(11 991)
Net increase in cash, cash equivalents and bank overdrafts		**(937 516)**	214 480	**(937 516)**	214 480
Cash, cash equivalents and bank overdrafts at the beginning of the year		**3 003 397**	2 788 917	**3 003 397**	2 788 917
Cash, cash equivalents and bank overdrafts at the end of the year	7	**2 065 881**	3 003 397	**2 065 881**	3 003 397

1. Summary Of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Standards, amendments and interpretations issued

Standards, amendments and interpretations effective for the year ending 31 March 2009:

- IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the company's financial instruments, or the disclosures relating to taxation and trade and other payables.

Standards, amendments and interpretations effective for the year ending 31 March 2009, but not relevant:

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

- IFRIC 10 (AC 443), Interim Financial Reporting and Impairment (effective from 1 November 2006).
- IFRIC 11 (AC 444), IFRS 2 – Group and Treasury Share Transactions (effective from 1 March 2007). Management assessed the relevance of these amendments and interpretations with respect to the operations of the company and concluded that they are not relevant to the company.

Standards, interpretations and amendments to published standards that are not yet effective:

At the date of authorisation of these annual financial statements, the following Standards and interpretations were in issue but not yet effective, and were not early adopted:

- IAS 1 (Revised), Amendment to IAS 1 Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2009).
- IAS 14 (Revised), Segment Reporting (effective from 1 January 2009).
- IAS 23 (Revised), Borrowing costs (effective from 1 January 2009).
- IAS 27 (Revised), Consolidated and separate financial statements and accounting for investments in subsidiaries (effective from 1 July 2009).
- IAS 32 (Amended), Financial instruments: Presentation (effective from 1 January 2009).
- IFRS 2 (Amended), Share based payments vesting conditions (effective from 1 January 2009).
- IFRS 3 (Revised) Business Combinations - Comprehensive revision on applying the acquisition method (effective from 1 July 2009).
- IFRS 8, Operating Segments (effective from 1 January 2009).
- IFRIC 12, Service Concession Ararngements (effective from 1 January 2008).
- IFRIC 13, Customer Loyalty Programmes (effective from 1 July 2008).
- IFRIC 14, The limit on a defined benefit asset, minimum funding requirements and their interaction (effective from 1 January 2008).

1.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the share of the Group of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. Inter-company transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

1.3 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	50 years
Motor vehicles	5 years
Computer and office equipment	3 years
Furniture and fittings	10 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains in the income statement.

Repairs and maintenance are generally charged to expenses during the financial year in which they are incurred. However, major renovations are capitalised and included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the group.

1.4 Leased assets

IAS 17 defines a lease as an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed year of time.

Lease income is recognised over the term of the lease on the straight-line basis, where applicable. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the term of the lease. Payments received under operating leases (net of any incentives received from the lessor) are credited to the income statement on a straight-line basis over the term of the lease.

1.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

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

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.6 Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

1.7 Financial assets

The Group classifies its financial assets in the following categories: held to maturity, at fair value through profit and loss, loans and receivables and available-for-sale.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The group had no financial assets classified at fair value, through profit and loss.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. The group had no assets in this class.

b) Loans and receivables

These consist of related party loans, with no fixed terms of repayment. These loans are classified as non-current.

c) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. The group had no assets in this class.

1.8 Cash and cash equivalents

Cash and cash equivalents includes 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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.9 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.10 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services or the sale of goods in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group. Revenue is recognised as follows:

(a) ***Contributions received***

Contributions are recognised when the right to receive payment is established.

(b) ***Interest income***

Interest income is recognised on a time-proportion basis using the accrual interest method.

1.11 Retirement benefits

The Group operates a defined contribution plan. The assets are held in a separate trustee-administrated fund. The plan is funded by payments from employees and by the Group. The contributions of the Group to the defined contribution pension plan are charged to the income statement in the year to which they relate.

2 Financial Risk Management

2.1 Financial risk factors

The group's activities expose it to credit risk and liquidity risk. The management board consider that the group is not exposed to currency risk, fair value interest rate risk, cash flow interest rate risk and price risk.

(a) ***Credit risk***

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. The management board manages the risk by depositing funds only with highly rated banks and financial institutions.

(b) ***Liquidity risk***

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the group aims at maintaining flexibility in funding by keeping committed credit lines available.

The management board consider that the liquidity risk is low due to it being sponsored for all financial requirements by the Fisheries Observer Fund. The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 2 and 5 years	Over 5 years
At 31 March 2009			
The Group and Agency			
Bank Overdraft	--	--	--
Trade and other payables	2 136 361	--	--
	2 136 361		
At 31 March 2008			
The Group and Agency			
Bank Overdraft	10 696	--	--
Trade and other payables	1 474 853	--	--
	1 485 549	--	--

2.2 Fair value estimation

In assessing the fair value of financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The carrying value, less impairment provision of financial assets and liabilities with a maturity of less than one year, are assumed to approximate fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rates available to the Group for similar financial instruments, where applicable.

Long-term debt obtained from related parties are stated at cost, as these balances are not subject to fixed terms of repayment, and are interest-free and the fair values can not be reasonably determined, due to the demand feature.

Loans and receivables granted to related parties are stated at cost, as these balances are not subject to fixed terms of repayment, and are interest-free and the fair values can not be reasonably determined, due to the demand feature.

3 Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual result. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

(a) Asset lives and residual values

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

(b) Impairment of assets

Ongoing assessments are made regarding any potential impairment of assets, using assumptions made in terms of the models allowed under International Financial Reporting Standards. The estimated cash flows and discount rate used in the value in use calculations may ultimately differ from the actual results.

(c) Deferred income tax asset

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The provisions of IAS 12 does not allow a time limit to be placed on the recoverability of tax losses. In this context, management considered it inappropriate to recognise deferred income tax asset.

3.2 Critical judgements in applying the accounting policies of the company

During the year under review the group did not make any critical judgements in applying the accounting policies of the company that have a significant risk of causing material adjustment on the carrying amounts of assets and liabilities within the next financial year.

Notes to the balance sheet

4. Property, plant and equipment

4.1 **31 March 2009** **The Group**	**Land and building** **N$**	**Furniture and fittings** **N$**	**Motor vehicles** **N$**	**Computer and office equipment** **N$**	**Total** **N$**
Opening net book amount	**859 363**	**199 569**	**330 477**	**10 098**	**1 399 507**
Additions	**110 945**	**850**	**- -**	**11 957**	**123 752**
Transfers	**- -**	**5 756**	**(48 665)**	**42 909**	**- -**
Depreciation charge for the year	**(6 914)**	**(32 596)**	**(92 339)**	**(37 137)**	**(168 987)**
Closing net book amount	**963 394**	**173 579**	**189 472**	**27 827**	**1 354 272**
Cost	**984 136**	**325 960**	**556 570**	**373 008**	**2 239 674**
Accumulated depreciation	**(20 742)**	**(152 381)**	**(367 098)**	**(345 181)**	**(885 402)**
Closing net book amount	**963 394**	**173 579**	**189 472**	**27 827**	**1 354 272**
31 March 2008 **The Group**					
Opening net book amount	866 277	197 700	249 919	94 085	1 407 981
Additions	- -	40 211	252 295	28 660	321 166
Disposals	- -	(12 875)	(170 588)	- -	(183 463)
Depreciation charge for the year	(6 914)	(25 467)	(1 149)	(112 647)	(146 177)
Closing net book amount	859 363	199 569	330 477	10 098	1 399 507
Cost	873 191	325 110	556 570	361 051	2 115 922
Accumulated depreciation	(13 828)	(125 541)	(226 093)	(350 953)	(716 415)
Closing net book amount	859 363	199 569	330 477	10 098	1 399 507

4.2 **31 March 2009** **The Agency**	**Land and building** **N$**	**Furniture and fittings** **N$**	**Motor vehicles** **N$**	**Computer and office equipment** **N$**	**Total** **N$**
Opening net book amount	**- -**	**199 569**	**330 477**	**10 098**	**540 144**
Capital expenditure / additions	**110 945**	**850**	**- -**	**11 957**	**123 752**
Transfers	**- -**	**5 756**	**(48 665)**	**42 909**	**- -**
Depreciation charge for the yea	**- -**	**(32 596)**	**(92 339)**	**(37 137)**	**(162 072)**
Closing net book amount	**110 945**	**173 579**	**189 473**	**27 827**	**501 824**
Cost	**110 945**	**325 960**	**556 570**	**373 008**	**1 366 483**
Accumulated depreciation	**- -**	**(152 381)**	**(367 097)**	**(345 181)**	**(864 658)**
Closing net book amount	**110 945**	**173 579**	**189 473**	**27 827**	**501 824**

4. Property, plant and equipment (continued)

31 March 2008 **The Agency**	**Land and building** **N$**	**Furniture and fittings** **N$**	**Motor vehicles** **N$**	**Computer and office equipment** **N$**	**Total** **N$**
Opening net book amount	- -	197 700	249 919	94 085	541 704
Additions	- -	40 211	252 295	28 660	321 166
Disposals	- -	(12 875)	(170 588)	- -	(183 463)
Depreciation charge for the yea	- -	(25 467)	(1 149)	(112 647)	(139 263)
Closing net book amount	**- -**	199 569	330 477	10 098	540 144
Cost	- -	325 110	556 570	361 051	1 242 731
Accumulated depreciation	**- -**	(125 541)	(226 093)	(350 953)	(702 587)
Closing net book amount	**- -**	199 569	330 477	10 098	540 144

5. Investment in subsidiary

	The Agency	
	2009 **N$**	2008 N$
5.1 **Fisheries Observer Agency Property (Proprietary) Limited**		
Unlisted shares at cost	**7 273**	7 273

6. Loans and receivables

	The Agency	
	2009 **N$**	2008 N$
Fisheries Observer Agency Property (Proprietary) Limited	**891 763**	878 615
	891 763	878 615

7. Cash and cash equivalents

Included in current assets				
Bank balances	**2 065 881**	3 014 093	**2 065 881**	3 014 093
Included in current liabilities				
Bank overdraft	**- -**	10 696	**- -**	10 696

The year-end cash and cash equivalents comprise the following:

Cash on hand	**3 730**	3 541	**3 730**	3 541
Funds at call	**2 043 942**	2 768 982	**2 043 942**	2 768 982
Bank balances	**18 209**	230 874	**18 209**	230 874
	2 065 881	3 003 397	**2 065 881**	3 003 397

	The Group		The Agency	
	2009	2008	**2009**	2008
	N$	N$	**N$**	N$
8. Deferred income tax liability				
The gross movement on the deferred income tax is as follows:				
Balance at the beginning of the year	**- -**	9 634	**- -**	- -
Timing differences	**- -**	(9 634)	**- -**	- -
	- -	- -	**- -**	- -
9. Trade and other payables				
Trade payables	**122 065**	72 819	**122 065**	72 819
Other payables				
Accruals	**- -**	3 055	**- -**	2 520
Leave pay accrual	**1 184 240**	1 219 106	**1 184 240**	1 219 106
Other payables and provisions	**830 056**	180 408	**830 056**	180 408
	2 014 296	1 402 569	**2 014 296**	1 402 034
	2 136 361	1 475 388	**2 136 361**	1 474 853

Notes to the income statement

	The Group		The Agency	
	2009	2008	**2009**	2008
	N$	N$	**N$**	N$
10. Revenue				
Fisheries Observer Fund Contributions				
Employee expenses	**15 338 437**	18 887 670	**15 338 437**	18 887 670
Operational expenses	**6 050 000**	2 500 000	**6 050 000**	2 500 000
	21 388 437	21 387 670	21 388 437	21 387 670
11. Other income				
Interest received	**28 631**	231 250	**28 631**	231 250
Sundry income	**96 470**	141 221	**96 470**	141 221
	125 101	372 471	**125 101**	372 471

	The Group		The Agency	
	2009	2008	**2009**	2008
	N$	N$	**N$**	N$

12. Results from operating activities

The following items have been charged and credited in arriving at net operating (deficit) / surplus for the year:

	The Group 2009 N$	The Group 2008 N$	The Agency 2009 N$	The Agency 2008 N$
Expenditure				
Auditors' remuneration	**96 964**	186 866	**96 964**	201 079
Audit fees				
Current year	**80 845**	201 079	**80 845**	201 079
Other services	**16 119**	- -	**16 119**	- -
Depreciation	**168 987**	146 177	**162 072**	139 263
Donations	**- -**	3 688	**- -**	15 444
Board member's emoluments	**67 500**	20 500	**67 500**	20 500

13. Expenses by nature

	The Group 2009 N$	The Group 2008 N$	The Agency 2009 N$	The Agency 2008 N$
Depreciation	**168 987**	146 177	**162 072**	139 263
Employee benefit expenses	**20 909 757**	19 276 447	**20 909 757**	19 276 447
Other expenses	**2 078 518**	2 306 509	**2 065 905**	2 293 279
	23 157 262	21 729 133	**23 137 734**	21 708 989

14. Employee benefit expense

	The Group 2009 N$	The Group 2008 N$	The Agency 2009 N$	The Agency 2008 N$
Wages and salaries	**20 909 757**	19 192 920	**20 909 757**	19 192 920

15. Income tax expense

	The Group 2009 N$	The Group 2008 N$	The Agency 2009 N$	The Agency 2008 N$
Namibian normal tax				
Deferred income tax	**- -**	(9 634)	**- -**	- -
Current tax				
Prior year	**853**	- -	**- -**	- -
	853	(9 634)	**- -**	- -

	The Group		The Agency	
	2009	2008	**2009**	2008
	N$	N$	**N$**	N$

15. Income tax expense (continued)

Reconciliation of taxation on the group's (loss) / profit before tax with the tax charge in the income statement:

	The Group 2009 N$	The Group 2008 N$	The Agency 2009 N$	The Agency 2008 N$
(Loss) / profit before income tax	**(1 643 724)**	31 008	**(1 624 196)**	51 152
Tax thereon at the normal tax rate of 35%	**(575 303)**	10 853	**(568 469)**	17 903
Adjusted for:				
Prior year adjustment	**853**	(12 054)	**- -**	- -
Timing differences	**- -**	2 420	**- -**	- -
Deferred income tax asset not recognised	**6 536**	4 633	**- -**	- -
Non-taxable income	**567 107**	(15 486)	**568 469**	(17 903)
Tax credit as per income statement	**(807)**	(9 634)	**- -**	- -

In terms of Section 16 (1) (e) of the Income Tax Act, the Agency is exempt from income tax.

Notes to the cash flow statement

16. Cash (utilised in) / generated by operations

Reconciliation between net operating (loss) / profit and cash generated by operations of the group and of the company:

	The Group 2009 N$	The Group 2008 N$	The Agency 2009 N$	The Agency 2008 N$
(Deficit) / Surplus for the year	**(1 643 724)**	31 008	**(1 624 196)**	51 152
Adjustments for:				
Depreciation for the year	**168 987**	146 177	**162 072**	139 263
Interest received	**(28 631)**	(231 250)	**(28 631)**	(231 250)
Loss on disposal of property, plant and equipment	**- -**	183 463	**- -**	183 463
Movement in working capital				
Trade payables	**49 246**	(16 253)	**49 246**	(16 251)
Other payables	**611 727**	190 005	**612 262**	190 010
Cash (utilised in) / generated by operations	**(842 396)**	303 150	**(829 247)**	316 387

Other notes

17 Related party transactions

The group is controlled by the Fisheries Observer Fund. Fisheries Observer Agency owns 100% of Fisheries Observer Agency Property (Proprietary) Limited.

17.1 Outstanding Balances

Non-current receivables

Loans granted to subsidiary and other related parties are disclosed in note 6.

17.2 The following transactions were carried out with related parties:

Contributions received from the Ministry of Fisheries and Marine Resources are disclosed in note 10.

17.3 Board Members' remuneration

Board Members' remuneration is disclosed in note 12.

Related party transactions were carried out on terms and conditions as agreed by the parties.

DETAILED INCOME STATEMENT
for the year ended 31 March 2009

	2009 N$	2008 N$
Revenue	**21 388 437**	21 387 670
Fisheries Observer Fund Contributions	**13 638 437**	18 887 670
Ministry of Fisheries and Marine Resources Contributions	**1 700 000**	- -
Transfer from Fisheries Observer Fund	**6 050 000**	2 500 000
Employee expenses	**20 909 757**	19 276 447
Medical expenses	**64 129**	32 248
Recruitment expenses	**81 772**	29 884
Salaries and wages	**20 742 887**	19 192 920
Staff welfare	**20 969**	21 395
(Deficit) / surplus after employee expenses	**478 680**	2 111 223
Administrative expenses	**2 227 977**	2 432 542
Auditors' remuneration	**96 964**	201 079
Bank charges	**42 383**	14 021
Cleaning	**8 004**	2 424
Computer expenses	**22 053**	12 515
Consulting fees	**268 363**	64 035
Depreciation	**162 072**	232 232
Board member's emoluments	**67 500**	20 500
Donations	**- -**	15 444
Electricity and water	**84 867**	78 526
Entertainment	**4 766**	3 103
External administration fees	**7 976**	33 068
Insurance	**196 424**	188 251
Legal fees	**34 011**	82 729
Equipment hire	**75 768**	62 427
Loss on disposal of asset	**- -**	90 494
Licences	**18 191**	19 056
Motor vehicle expenses	**148 940**	171 616
Office expenses	**2 636**	2 911
Office rental	**18 000**	12 250
Postage	**18 290**	19 799
Printing and stationery	**94 796**	145 301
Protective clothing and materials	**16 814**	260 933
Repairs and maintenance	**- -**	18 279
Security expenses	**1 860**	2 712
Subscription fees	**150**	64
Sundry expenses	**75 755**	- -
Telephone and fax	**194 931**	209 645
Training	**175 036**	268 417
Travelling and accommodation	**391 426**	200 712
Other income	**125 101**	372 471
Interest received	**28 631**	231 250
Sundry income	**96 470**	141 221
(Deficit) / surplus for the year	**(1 624 196)**	51 152

This statement is unaudited and does not form part of the financial statements.

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