



2013/14

# AGRO-MARKETING & TRADE AGENCY ANNUAL REPORT

October 2013-March 2014



**AMTA**  
FROM LAND TO NATION

# AMTA BRAND

The Purpose of the AMTA brand is to facilitate the marketing and trading of agricultural produce and promote food security in Namibia, through two main streams, grain and fresh produce. These brands are depicted as follows:



**AMTA**  
FROM LAND TO NATION

Ensuring smooth marketing and trading of agricultural produce and manage Namibian food security and safety.



**AMTA**  
GRAIN

Represents the cereals and grains component of AMTA's operations. It is a brand representing the National Strategic Food Reserve, to ensure Namibia has secured food for emergency reliefs or needs.



**AMTA**  
FRESH PRODUCE

Represents the fresh produce component of AMTA's operations. It is a brand representing all locally traded agricultural fresh produce.



**NamFresh**  
ASSURED QUALITY  
AND FRESHNESS

Represents food safety and quality assurance. It is a logo used to confirm that the produce has gone through the series of standard compliances through the entire value chain.

## OUR VISION

To be a centre of excellence in facilitating food security  
and agricultural marketing and trade in Namibia.

## OUR MISSION:

- To enhance food security and facilitate  
agricultural marketing and trade in Namibia,
- To efficiently manage Fresh Produce  
Business Hubs and the National  
Strategic Food Reserve,
- To promote industrialisation, value addition and  
standards compliance of agricultural products

## OUR CORE VALUES:

Integrity  
Transparency  
Accountability  
Partnership  
Service Excellence  
Innovation



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## OUR VISION

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**MS. ANNA SHIWEDA**  
CHAIRPERSON



## MESSAGE FROM THE CHAIRPERSON

The development of the FPBHs and NSFR has its roots in the Vision 2030, NDP 4 and the Ministry of Agriculture, Water and Forestry (MAWF) policies. It is part of the Government's programmes aimed at contributing to production, processing, marketing and distribution.

The facilities are very important in that they will present a platform for farmers to market their produce as well as provide a common place where local retailers and processors can source their produce for distribution in the domestic and international markets. Furthermore, they will also potentially contribute to skills development and transfer to Namibians that will be employed in the processing and value addition facilities.

The absence of these facilities resulted in a substantial tonnage of Namibian originating horticultural fresh produce being marketed through third parties/countries. As a result, Namibian consumers suffer the most, as they have to pay the transportation and foreign handling charges, which are passed on to them. It is logically expected that the new development should mitigate such costs, while improving Namibia's trade balance for these commodities.

The rationale for the development of FPBHs and NSFR is that the Government through MAWF is rendering services to crop producers to increase food production, thereby contributing to food security in the country both at national and household levels.

It is the wish of the Government that the FPBHs will create business opportunities for processing, marketing and value addition of fresh produce, through industrial activities such as sorting, cleaning, grading, juicing, packing, branding, drying, bottling and canning.

Other economic benefits expected from the FPBHs include, but are not limited to the stimulation of the domestic economic activity, employment creation, technology and skills transfer, quality assurance, affordable access to nutrition, increase domestic market share of Namibian horticultural produce, increase foreign currency earnings from horticultural exports, etc.

The NSFR facilities on the other hand are grain storage facilities for storing grain. This is also an initiative of the Government which will be managed via AMTA, with the aim of maintaining a national optimal level of food reserves to address local food shortage, respond to immediate emergency food requirements and to have a well-managed business. Food security remains a national priority as all regional members contribute 10% of their budget towards food security goals. The Namibian Government through the MAWF has achieved an NSFR capacity of 18400 MT and is still in the progress of expanding.

MS. ANNA SHIWEDA  
CHAIRPERSON



## MESSAGE FROM THE MANAGING DIRECTOR

This year marks the 1st anniversary of the Agro-Marketing and Trade Agency (AMTA). That also mean this is our very first annual report 2013/14.

The Government of the Republic of Namibia through the Ministry of Agriculture, Water and Forestry (MAWF) established two Fresh Produce Business Hubs which are now fully operational. There will be another hub in the near future which will be in the capital city, Windhoek.

The Fresh Produce Business Hubs are located in Rundu and Ongwediva and are covering 5000m<sup>2</sup> each. The Windhoek Fresh Produce Business Hub is under construction and it will be 10 000 m<sup>2</sup> respectively. The hub will have a Laboratory to carry out physical, biological and chemical tests and many other exciting services that everyone can look forward to.

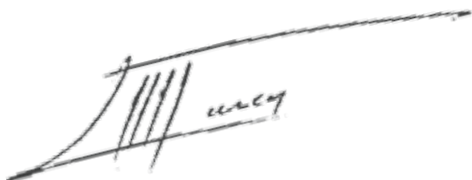
Namibia's horticulture industry had missing linkage of Bulk cold storage facilities, Marketing facilities, Logistical facilities and Processing facilities especially for small scale farmers.

The National Strategic Food Reserve on the other hand is now also operating under AMTA and it has offices in Katima Mulilo, Rundu, Okongo, Omuthiya and Tsandi. The current capacity is 18400MT. There is future expansion plan for it to be 68000MT.

Since inception, we were recruiting and training competent staff. We also had to organize, mobilize and train farmers to produce according to Good Agricultural Practices. This is because we were introducing new ways, which are best and beneficial for production. This required a lot of consultations and training and hand to hand guidance. We assted farmers and categorized them to produce as per market demand. We developed a production calendar which enables farmers continuous production with no reason for off season.

The Ministry of Agriculture, Water and Forestry via AMTA embarked on a programme of training fresh produce farmers on Good Agricultural Practices (GAP). These international best practices are aimed at ensuring that the farmers produce safe food for consumption. The training is aimed primarily at small-scale farmers both in green schemes and also in private/communal farmers. Commercial farmers are also integrated into the programme.

So far, the programme has trained over 200 farmers in the northern and southern parts of the country on GAPs. These farmers were chosen for their capacity to train other farmers in their groups on skills that they learnt. The programme ends in March 2014, during which all fresh produce farmers in the country would have been trained on practical production skills and international best practices on GAPs. The aim is to ensure that fresh produce from Namibia is safe for any consumer anywhere, and can be traded in Namibia, the region and across the world as they meet international standards. This way we will be opening the market opportunities for our fresh produce farmers beyond our borders. Adherence to food safety standards is important especially considering the need for Namibia to replace imported fresh produce in local markets with local fresh produce of equal or higher standards.



**MR. LUNGAMENI LUCAS**  
MANAGING DIRECTOR







**MR MR. LUNGAMENI LUCAS**  
**MANAGING DIRECTOR**

## OUR CORE VALUES:

- Integrity
- Transparency
- Accountability
- Partnership
- Service Excellence
- Innovation

## OFFICE OF THE MD COMMUNICATION AND STAKEHOLDER ENGAGEMENT

### PROGRESS MADE

Since inception, AMTA has been setting up company policies and strategic framework to make sure AMTA has a working system that will ensure that the FPBHs and NSFR systems run efficiently and effectively. Other activities were as follows:

#### a) Identifying key stakeholders

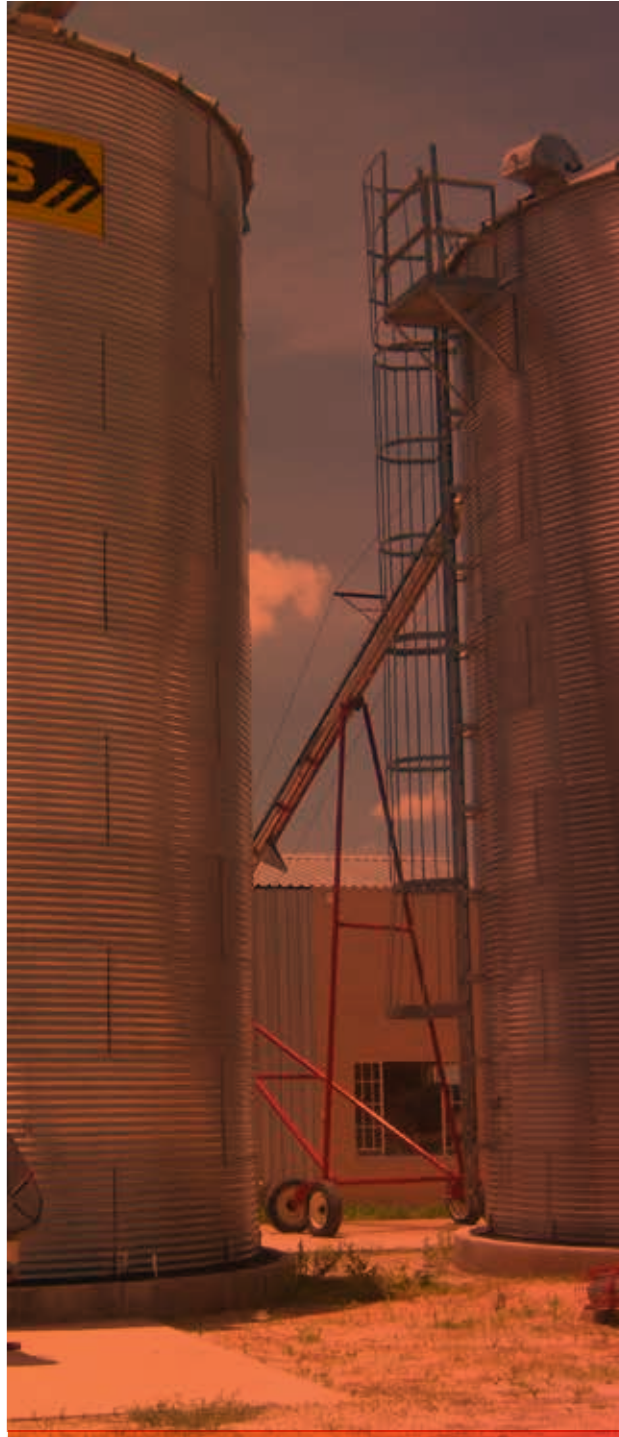
In order for AMTA to carry out its mandate to manage the Fresh Produce Business Hubs and NSFR effectively, it became necessary to identify key stakeholders in order to operationalize AMTA. Several meetings with identified key stakeholders were held at different platforms in order to sensitize them on AMTA's modus operandi as well as on all available investment and collaboration opportunities. Below is a list of some key stakeholders that were identified and engaged at different levels.

- Producers and Farmers Organisations
- Traders/Traders Organisations
- Namibia Agronomic Board (NAB)
- AGRIBUSDEV
- MAWF (DEES)
- AGRIBANK
- National Horticulture Task Team
- Local media like TV, radio and newspapers
- Government Institutions
- Catering companies etc.



# INTRODUCTION

AMTA was created following a Cabinet Decision 7th/10.05.11/015, in which it was approved that AMTA would be established as a specialised Agency of the Ministry of Agriculture, Water and Forestry (MAWF), to coordinate and manage the marketing and trading of Agricultural Produce in Namibia. AMTA's mandate is to manage the Fresh Produce Business Hubs (FPBHs) and National Strategic Food Reserve (NSFR) infrastructure, towards the attainment of food safety and security. In performing its role, AMTA works closely with AgriBusDev and the Namibian Agronomic Board (NAB).





## NATIONAL STRATEGIC FOOD RESERVE (NSFR)

13/14



## Wilhelmina Ishidimbwa Handunge ( Nalusha)

Senior Manager Operations: National Strategic Food Reserve

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Email: handungew@amta.na



Is an Agricultural Scientist specialized in Food Science and Technology with an additional fourteen years of experience in agricultural extension and rural development plus four additional years in the management of National Strategic Food Reserve.

Ms Handunge was born at Omufitu-Wa-Nauyala, Ombalantu in Omusati Region. She matriculated at Namibia Secondary Technical School (Ecole Secondaire Technique de la Namibie), Loudima, People Republic of Congo in 1991. She obtained her National Diploma (Agricultural Science) from the Polytechnic of Namibia, Windhoek in 1996.

In 2008, Ms Handunge graduated from the University of Namibia (UNAM), Windhoek, where she obtained a Bachelor Science Degree (Agric) Food Science and Technology. In 2007 as a fulfillment of the degree course, she conducted a Research Project: Extraction and determination of  $\beta$ -carotene quantity in Dunaliella Salina grown in different salinity, Henties Bay-Namibia.

From June 2009 - July 2010: she was appointed as an Agricultural Extension Officer, Ministry of Agriculture, Water and Forestry, Onankali ARDC, Oshikoto Region. She has been providing training and technical support to Agricultural Extension Technicians (AETs) in agricultural related aspects, compiling regional monthly reports, ensuring effective implementation of DEES strategic plan, assisting AETs in identifying farmers training needs and assisting with agricultural training on farms and at institutional level.

From August 2010 to September 2013, Ms Handunge was appointed an Interim GRN Silo Manager, Ministry of Agriculture, Water and Forestry, with the responsibilities of overall management of all grain storage facilities (Silos) country-wide, networking with grains producers to make them aware of the market availability and supplying grains to millers and Emergency Management Unit (EMU) when it was appropriate to do so.

## NSFR Achievements

National Strategic Food Reserve is an initiative of the Government with the aim of maintaining a national optimal level of food reserve to address local food shortage, respond to immediate emergency food requirements and provide market to local grain producers.

The Government through the Ministry of Agriculture, Water and Forestry (MAWF) has constructed Strategic Food Reserve Facilities (silos) in the five (5) grain producing regions to ensure food security and availability. During the reporting period, the Namibian Agronomic Board in co-operation with MAWF facilitated the purchase of maize and pearl millet (mahangu) grains for the National Strategic Food Reserve.

During the period under review, 504 tonnes of mahangu grain were procured by the Ministry. Three hundred and twenty four (324) tonnes were sold to private millers while the remained one hundred and eighty (180) tonnes was stored at Okongo silo. This was due to the fact that the Omuthiya silo was full with grain from

the 2010/2011 harvesting season. The Ministry also procured maize, at total of 10 000 Metric tonnes which was stored at Rundu (4 000), Katima Mulilo (4 000) and Tsandi (2 000) silos respectively.

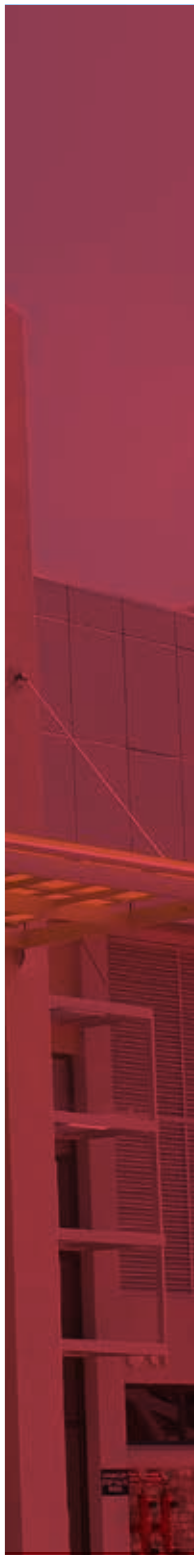
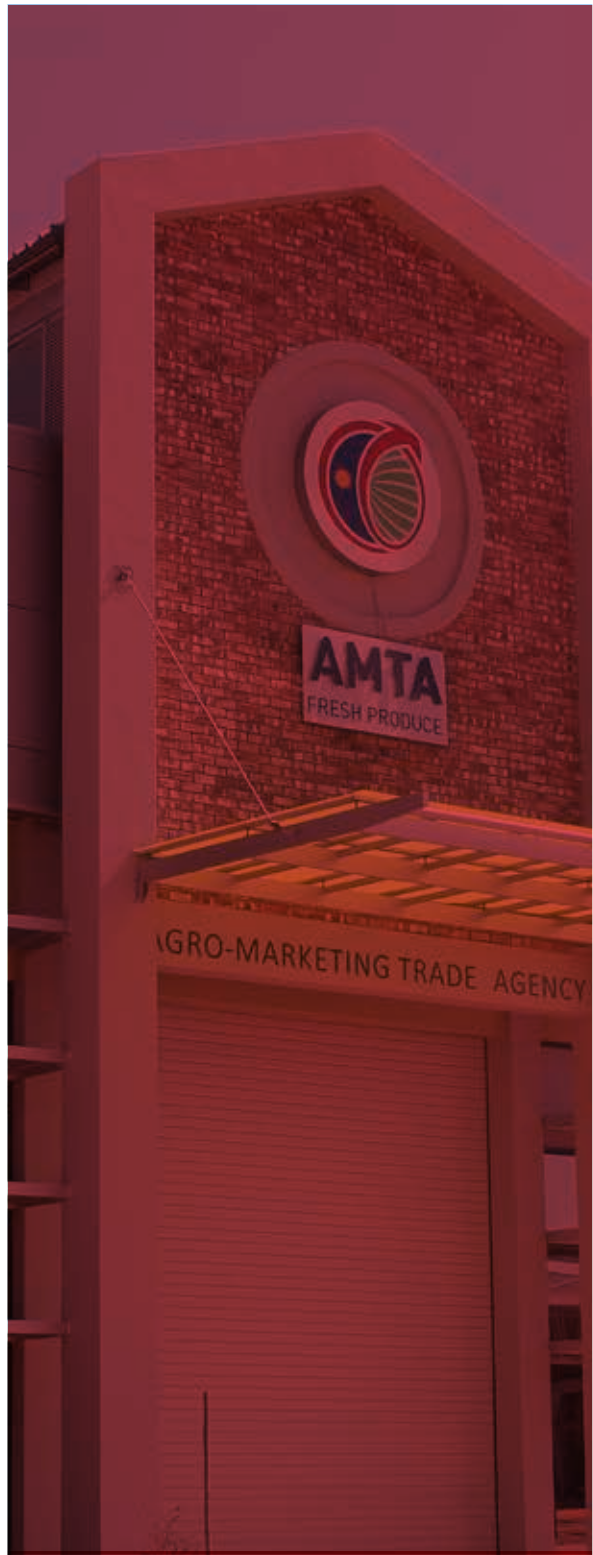
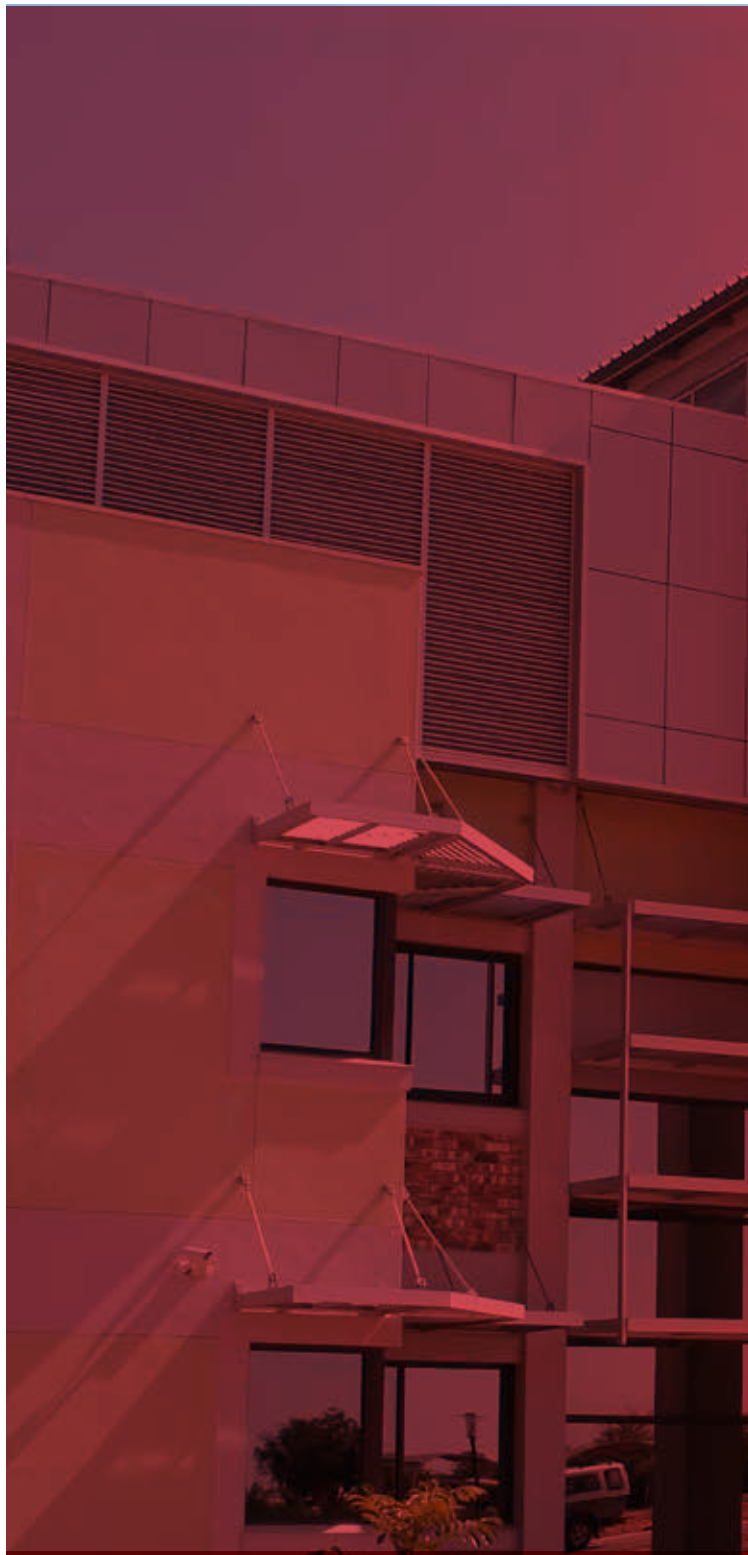
Due to low rainfall received in the whole country in 2012/13 it was declared a drought year. All the grains both mahangu and maize that was stored in the silos were released and distributed to drought victims as drought relief food. A total of 6240 metric tonnes (240 metric tonnes of millet and 6000 metric tonnes of maize) grains are distributed as emergency food relief because of the challenge of drought and flood (part of Caprivi) experienced in the country last year. While during the 2013/2014 harvesting season, the Ministry procured a total of 10 126 metric tonnes (10 000 tonnes of maize and 126 tonnes of millet) grains and have been all released and distributed as part of a Comprehensive drought Programme 2013/14.

**EXISTING SILOS' LOCATION AND THEIR CAPACITY (MARCH 2014)**

REGION	LOCATION	CAPACITY	NO. OF BINS
ZAMBEZI	Katima Mulilo	7400	6
KAVANGO EAST	Rundu	4000	4
OSHIKOTO	Omuthiya	500	2
OMUSATI	Tsandi	3000	3
OHANGWENA	Okongo	500	2
TOTAL		15 400	17



Mrs Handunge demonstrating to the Hon Minister John Mutorwa on how to check temperature inside the silo bin



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## FRESH PRODUCE BUSINESS HUBS (RUNDU AND ONGWEDIVA)

3/14

**Alfeus Siyamba**  
Senior Manager Operations: Fresh Produce business Hubs  
Ongwediva and Rundu

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Alfeus Siyamba, an Economist and Quality Manager by profession is appointed as the Senior Operations Manager (SMO) for the Fresh Produce Business Hubs of AMTA as from August 2013. Prior to his appointment he was employed with the Offshore Development Company as Investment Promotion Executive and Economist with the NPCCS. Throughout his career he demonstrated perseverance and determination.

Mr Siyamba obtained a Bcom degree at the University of Namibia, a Diploma in Ministry and Leadership Training at Crenshaw Christian Centre Global Ministries, quality Representative Accreditation (TUV Saarland), International Quality Manager Accreditation, Internal Auditor Quality Management, Six-Sigma Greenbelt at TUV Rheinland ACADEMY, European Assessor Accreditation, and International Management Competence certificate. Advanced Professional Training in International Leadership Quality for the World Market, (Germany).



Honourable Minister John Mutorwa Minister of Agriculture Water and Forestry at the official opening of the Ongwediva fresh produce hub





# FRESH PRODUCE BUSINESS HUBS (RUNDU AND ONGWEDIVA)

The launch of the markets and trading floors for the two hubs was done by the Honourable Minister of Agriculture, Water and Forestry, Minister John Mutorwa, on the 18th November 2013 for Rundu and the 29th November 2013 for Ongwediva respectively.

The Hubs were established to provide a marketing and trading platform for fresh produce farmers in Namibia. Most Namibian farmers, small-scale farmers in particular, had difficulties in trading their fresh produce through the established marketing channels due to lack of storage and processing facilities, as well as the gap in logistical and institutional framework. This situation has been a hindrance for increased agricultural production, product development and diversification. The situation has also resulted in high post-harvest losses and practices of market-rounding of fresh produce through other countries, making such products more expensive upon return to the retail outlets in Namibia. As such, the hub, equipped with state of the arts equipment/facilities, such as cold storage, grading, sorting, etc. was established to address all these shortcomings.

The FPBHs established the following units:

## 1. Marketing

This unit has been established to act as the active link between the hubs and the respective stakeholders such as the Agents, farmers, retailers, communities and all clientele that interact and transact with our markets at both regional and national levels.

## 2. Quality & Standards

This unit has been established to enforce various food production and safety standards that have to be implemented as part of our mandate to implement quality and standards systems to ensure Good Practices of agricultural production for our produce as well as food safety through Farmers, Staff and Agents training in GAP, HACCP, BRC and all related ISO standards as support services.

## 3. Logistics

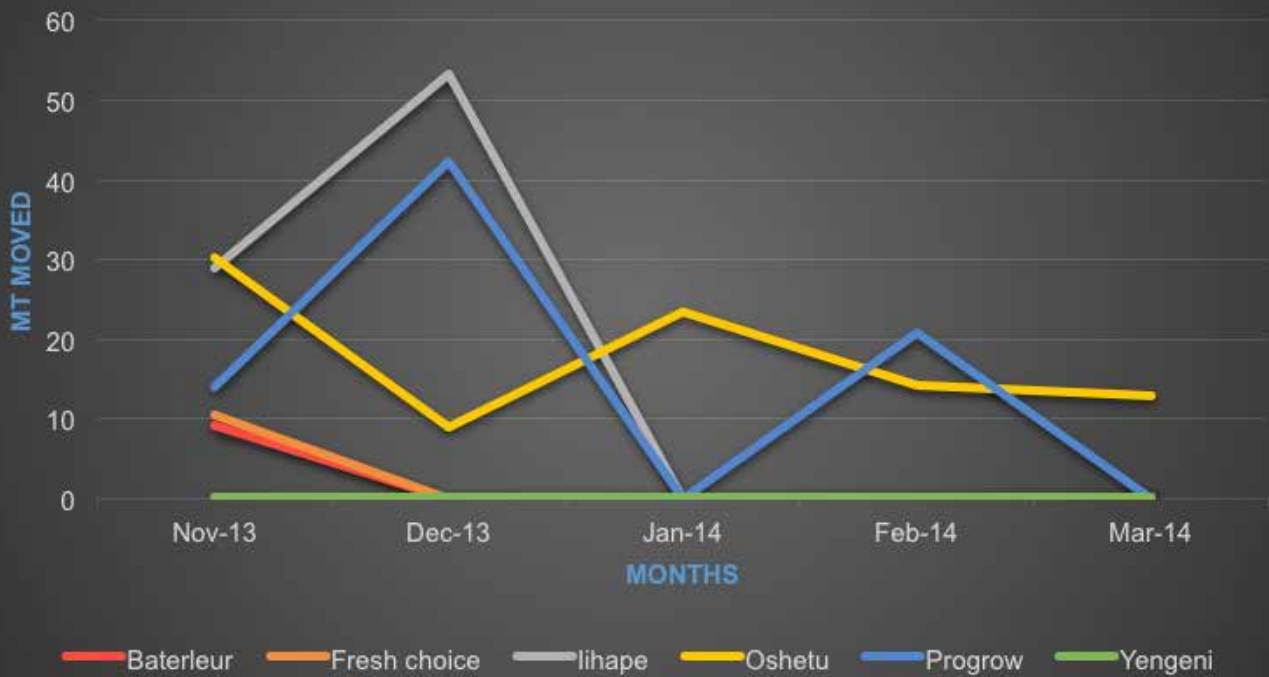
This unit has been established to act as the relevant management section of supplier/customer logistical relations and transactions of all Fresh produce traded through the AMTA (hub) system through fleet management as well as maintenance thereof. This unit has to ensure that all relevant standards required for the movement of all fresh produce are adhered to for effectiveness as well as timely deliveries.

## 4. Operations & Maintenance

This unit has been established to do all relevant hub infrastructure and equipment maintenance through routine monitoring and servicing. It is also the link to various external service suppliers of various hub maintenance equipment needed for smooth operations.

RFPBH Volume Transacted (Nov'13 to Mar'14)						
	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
Baterleur	9	0	0	0	0	9
Fresh choice	10	0	0	0	0	10
Iihape	29	53	0	0	0	82
Oshetu	30	9	24	14	13	90
Progrow	14	42	0	21	0	77
Yengeni	0	0	0	0	0	0
<b>Total</b>	<b>93</b>	<b>104</b>	<b>24</b>	<b>35</b>	<b>13</b>	<b>269</b>

## Produced moved/agent

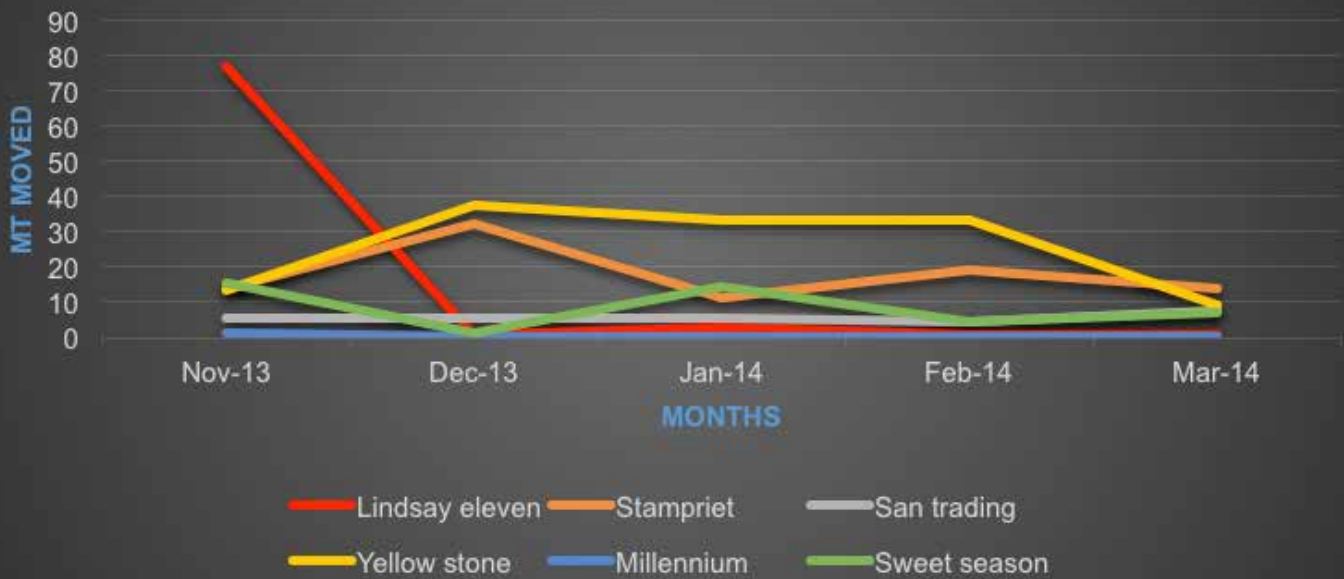


At the beginning, it was very difficult for agents to transact any produce. This was mainly due to lack of produce from the local farmers and lack of trust between farmers and agents.

### OFPBH Volume Transacted (Nov'13 to Mar'14)

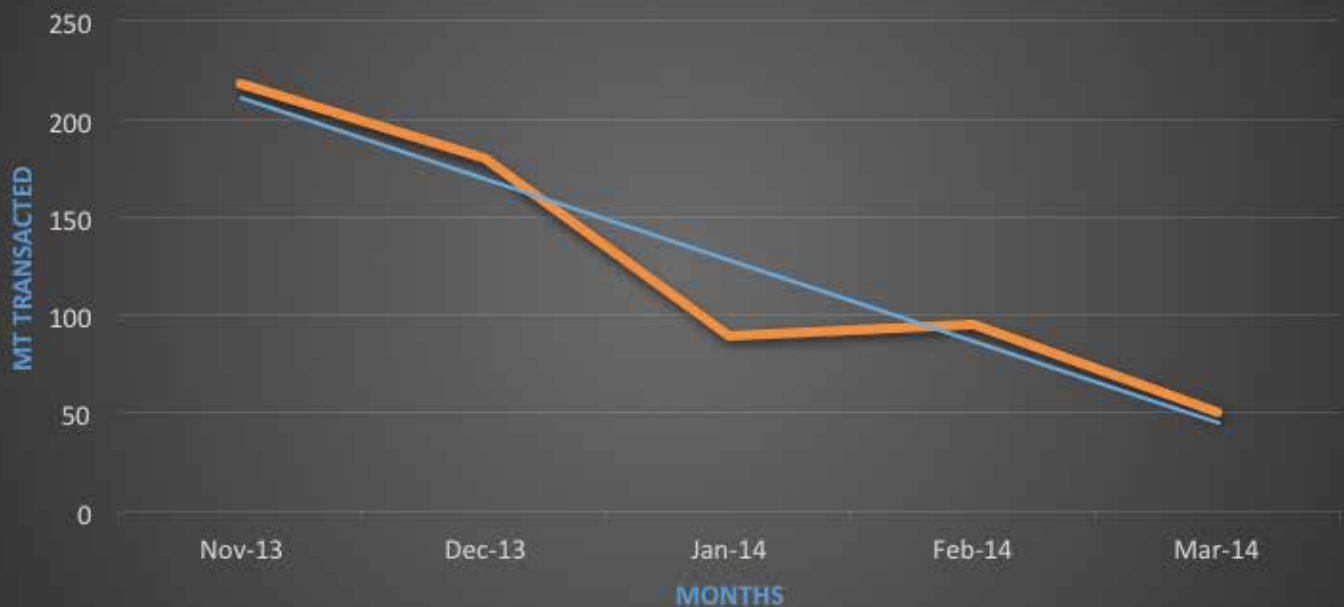
	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
Lindsay Eleven	77	1	3	1	1	83
Stampriet	14	32	11	19	14	90
San Trading	5	5	5	4	7	26
Yellow Stone	13	37	33	33	9	125
Millennium	1	0	0	0	0	0
Sweet Season	15	1	14	4	7	41
<b>Total</b>	<b>125</b>	<b>76</b>	<b>66</b>	<b>61</b>	<b>38</b>	<b>366</b>

## Produced Moved/Agent



Volume transacted from Nov'13 to Mar'14 for both hubs

## FPBHs MT Moved



The blue solid line is the trend line showing the movement of produce during the period under review.

FPBHs Volume Transacted (Nov'13 to Mar'14)					
Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
218	180	90	96	51	635

Cluster name	Name of Producer/Farm	Area production	Ha under person	Distance to Rundu & Ongwediva
Etunda	SSF & Etunda Central	Etunda Irrigation Project	66.5ha	150km to OFPBH
Olushandja	Olushandja Horticulture Producers Association	Olushandja Dam	37ha	100km to OFPBH
Karst	Karst Area	Tsumeb-Grootfontein in-Otavi	67ha	374 km to OFPBH
Rundu West	Sikondo Green Scheme/small scale farmers	Kapako	68.5ha	10km to RFPBH
Rundu	Salem/Uvhungu-Vhungu/ Uvhungu-Vhungu SSF	Uvhungu Vhungu	89.5ha	11km to RFPBH
Ndonga Linena	Ndonga Linena green scheme and SSF, Shitemo Project	Ndonga Linena	230ha	80km to RFPBH
Shadikongoro	Shadikongoro SSF	Divundu	16.1ha	180km to RFPBH
Zambezi	Kongola Project and Kopano garden	Kongola	4ha	300-500 km to RFPBH
Aussenkehr	ORIP Green Scheme/ ORIP SSIFs	Aussenkehr	45.5ha	900-1000 Km to RFPBH

**Table 1: Farm Clusters for Rundu&Ongwediva FFBH's**

#### **a) Fresh Mark Trading System**

One of the milestones during the period under review was the installation of the Fresh Mark Trading System which is a system that identifies transparent trading systems for clients, agents and farmers for all transactions that take place at the hubs through all agents. Our FFBHs' respective department personnel was trained on the use of the Fresh Mark Trading system before the official launch of the trading activities on the market floor.

#### **b) Sourcing of fresh produce**

Initially, twelve (12) agents were appointed on a provisional basis with permission to operate in order to source and trade fresh produce at the two FFBHs. They were classified in two categories as commission agents or wholesale agents in groups of two (2), six (6) per hub. The commission for Ongwediva agents are: San Trading cc; Lindsay Eleven Investments; and Sweet Seasons. Stampriet Farmers Market; Yellow Stones Trading cc; and Millennium Food Co (Pty) Ltd, on the other hand are operating as Wholesale agents.

The following agents were appointed to source produce either as commission agents or wholesale agents at Rundu and Ongwediva Fresh Produce Hubs. The commission agents are: Yengeni Fresh Produce cc, Fresh Choice and Iihape Marketing and Promotions. The wholesale agents are: Oshetu Marketing Agency, ProGrow Marketing Agents and Bateleur Group (Pty) Ltd.

At the time of launching, all agents sourced their fresh produce from the local producers. The produce received came mostly from the Green Schemes (Ndonga Linena, Vhungu-Vhungu, Sikondo and Etunda), Salem small scale producers, Namfo, Cando farm, Oshikoto Fruits and Vegetables; and Olushandja Horticultural Producers Association.

#### **c) Capacity building**

##### **i) GAP training**

Horticultural producers need to comply with internationally recognised set of farming standards which are dedicated to Good Agricultural Practices (GAP). A group of small scale farmers from



Salem horticultural project (44), Uvhungu-Vhungu Irrigation Project (12), Shadikongoro Irrigation Project (14) and Ndonga Linena Irrigation Project (27) were trained on Good Agricultural Practices by AMTA staff from Rundu Fresh Produce Business Hub. The table below shows the contents of the training done.

**Table 2: Global GAP training programme outline**

Topics	Contents
• Introduction to Global GAP	Description of GAP and where it applies GAP in Namibia and the link with AMTA
• GAP Standards	Farm Identification/ delineation Quality Management System (QMS)
• Global GAP benefits to farmers	IFA – Integrated Farm Assurance
• Certification categories	Option 1 (single grower) Option 2 (group of farmers under one certificate)
• GAP Practical Guide	Good Agricultural Practice in Horticulture
• Global GAP Compliance Criteria	A detailed summary of; <ul style="list-style-type: none"> <li>• All Farm</li> <li>• Crop Base</li> <li>• Fruits and Veg</li> </ul>



Small Scale Farmers attending GAP training (L); Salem farmers with AMTA staff at one of their plots





Figure 7: AMTA team and Market Agents during a field visit at one of the Green Scheme projects.

## ii) Trip to India

The AMTA staff members attended a two weeks training program on “Africa Nationals (Intergrade food Management: Farm to fork)” in India from 19 March 2014 to 2 April 2014. The objectives of the training were for capacity building, enhance technical competency

## iii) Fruit Logistica, Berlin – Germany

In February 2014, Agro Marketing Trading Agency (AMTA), attended the 2014 Fruit Logistica Exhibition in Berlin, Germany. The aim of the visit was to familiarise AMTA staff with the international horticultural marketing trends and also to look for potential business connections and networks in the areas of Agro-processing and value addition. In addition to that, the trip also aimed at obtaining ideas, canvassing for support and enhancing the understanding of the horticultural marketing business in Europe and some parts of Africa.

## iv) Field visits

Green Scheme Projects, Small Scale Farmers and commercial farms were visited by AMTA staff members to assess their potential and production capabilities. This was important for the agency in order to assess their adherence to GAP and other food safety requirements. Market Agents were also introduced to the farmers in order for them to liaise with each other for potential business agreements. Challenges specific to different projects were identified and mitigation recommendations were made.

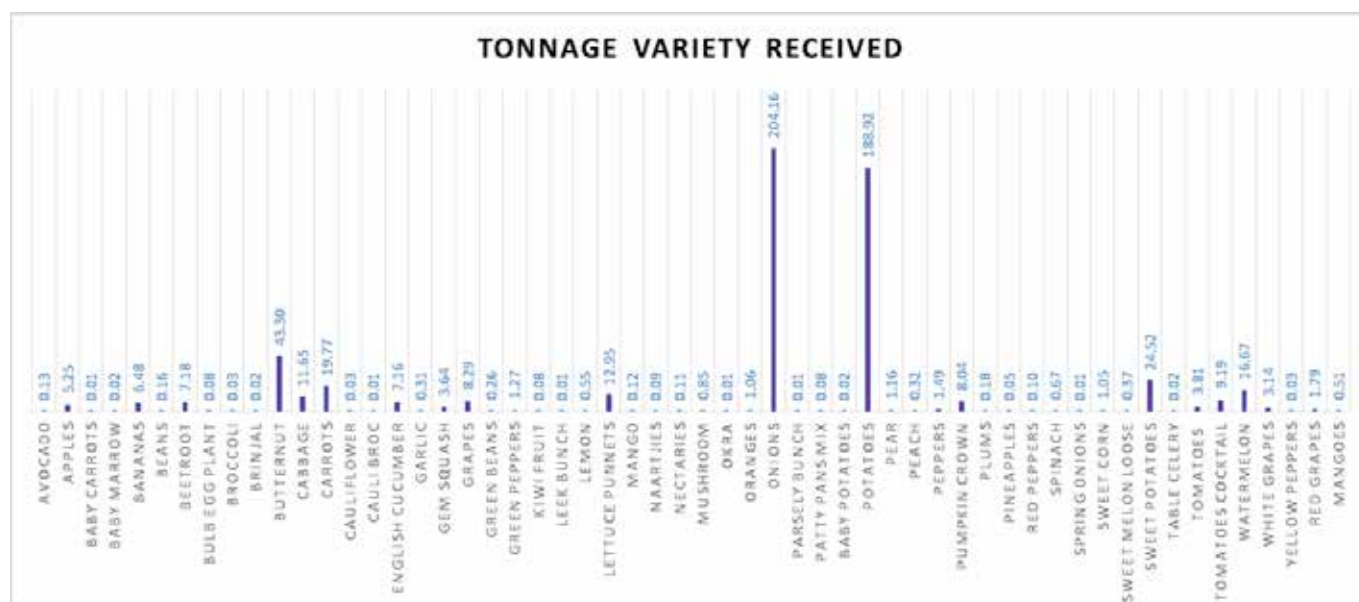
## d) Quality and Standards Policy Development

The AMTA quality and standard team met at Ongwediva Fresh Produce Business Hub to draft various policies and pre-request programmes (PRP) which are highly required for smooth operations of the hubs. The manual consists of various documents required to implement a Total Quality Management System.

## OVERVIEW FOCUS ON FRESH PRODUCE THROUGHPUT IN THE HUBS

Below is a graphic tonnage representation for the variety of the fresh produce that was moved through the Fresh Produce Business Hubs during the period under review. Most of the tonnage received was derived from Onions and Potatoes, other produce recorded less than fifty tonnes each.

Figure 8: Tonnage per variety received











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## HUMAN RESOURCES DEPARTMENT

13/14

Seth Awa-Eiseb  
Senior Manager: Human Resource

**Senior Manager Human Resource | Tel: +264 61 236 387**  
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**Email: awa-eisebs@amta.na**



## Senior Human Resources Manager

Mr Seth Awa-Eiseb is multi-disciplined and skilled as he holds a post graduate Justice Training Certificate of UNAM concomitant to his possession of an LLB degree (UNISA) which is preceded by a National Diploma in Law (paralegal) from RAU. Being a human resources practitioner, he obtained a BA Honours degree (Public Admin) in which he majored in human resources management and development from UNISA preceded by a BA degree (Public Admin) and a Diploma in Development Studies (Community Development) from UNISA. Being currently operating in the agricultural industry, he is backed-up by a Diploma in Agriculture (Tsumis Agric. College).

For a number of years, Mr Awa-Eiseb was engaged in the development of communal farmers as Trainer / Consultant for IMLT. As of 1995 he joined the public service community as Training Officer and was shortly promoted and engaged as Human Resources Systems Analyst in the employment of the Public Service Commission. Since 2003, he entered the management cadre as a Deputy Director: Human Resources in the then Ministry of Works, Transport and Communication, Due to his flexibility and adaptability to divergent circumstances, he was transferred to deputized the Director of Communications in the same Ministry. This Directorate was amalgamated with the then Ministry of Information and Broadcasting for the creation of the Ministry of Information and Communication Technology, the Ministry which mandated him to head and partially facilitate the transformation of Namibian Communications Commission (NCC) to Communications Regulatory Authority of Namibia (CRAN).

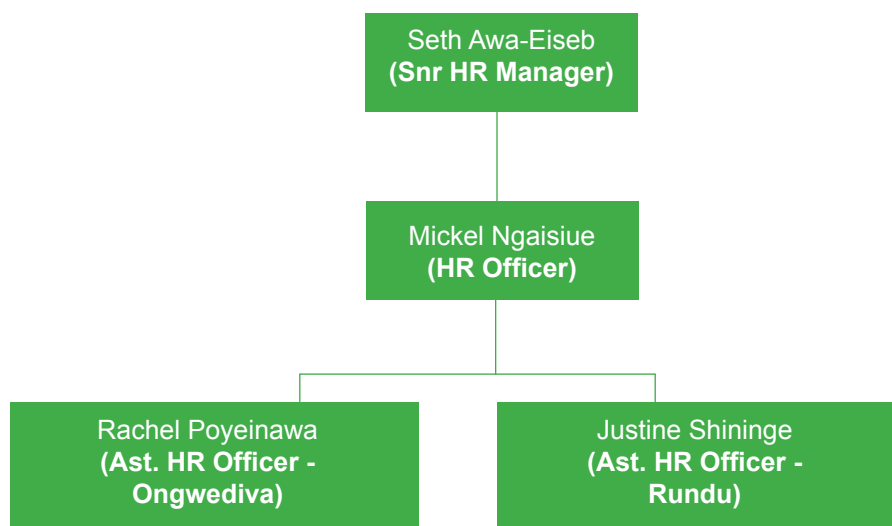


## 1. Introduction

The intention of this report is to highlight the milestones achieved during the reporting period or 2013 financial year.

However, it is equally important to present the abridged profile of the head of department and outline the challenges experience during the reporting period.

## 2. Operational Organisational Structure (during the reporting period)



## 3. Achievements

### 4.1 Human Resource Provisioning

Fifty seven (57) staff members have been employed by the Agency.

### 4.2 Registration with Statutory Bodies

Agency has been registered with Social Security Commission as an Employer. Fifty seven (57) employees have been registered with the Social Security Commission as Employees of the Agency. The Department managed to register fifty seven (57) employees as tax payers with the Ministry of Finance.

### 4.3 Establishment of Job Grading and Remuneration Structure

The Agency entered into the short term service level agreement with the Easy-HR consultancy to develop the job gradings for the identified positions and remuneration structure for the Agency.

### 4.4 Service Level Agreements

The Agency entered into a SLA with Namibia Health Plan (NHP) for medical aid service of the employees

## 4. Challenges Experience

Being a pioneer in a number of issues placed heavy burden on the available staff members in terms of limited time and technical dexterity.

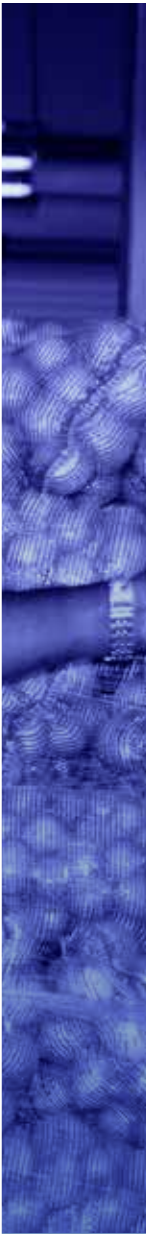
## 5. The Way Forward (2013 -2014 Reporting Period)

### HR department envisaged to:

- Register all employees with a reputable pension fund service provider;
- Appoint additional personnel corps to the tune of thirty seven (37).
- Develop crucial human resources policies (operational manual)
- Establish job grading and remuneration structure;
- Facilitate that all the employees be registered with Social Security Commission and Ministry of Finance for tax purposes.
- Register AMTA as designated employer with Employment Equity Commission for Affirmative Action purposes.
- Facilitate and/or conduct staff capacity building interventions
- Operationalised the performance management system

## 6. Conclusion

In conclusion the successful implementation of the envisaged milestones is derivative of good cooperation and availability of critical success factors / resources.



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# FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2014

13/14

**Reagan Kooper**  
Senior Manager: Finance and Admin

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## Manager: Finance & Administration

As Senior Manager: Finance & Administration of AMTA, Mr Reagan Kooper is tasked to provide strategic direction to the organization with regard to finances to ensure that the entity delivers on its mandate – to enhance the quality of life and improve food security for the Nation and the country at large.

Mr. Kooper is a B-Degree holder in Accounting, completed post-graduate Diploma in Internal Auditing first term and is busy with his final Masters of Business Administration (MBA) dissertation and research methods majoring in Ethics and Corporate Governance. Prior to joining AMTA, Kooper worked for Ministry of Finance, Air Namibia and the Municipality of Windhoek in different capacities.

He thus has extensive work experience and a proven track record in the areas of financial reporting, financial management, audits, cash flow management, risk management, good corporate governance practices and planning, and in developing evaluation and monitoring models to ensure that AMTA is adequately resourced and capable to meet service delivery obligations.

Kooper was instrumental in the successful operationalization of AMTA finance department and intends to create a reporting framework that meets the SOEGC reporting requirements, with the intent to obtaining a clean audit report from the onset.

He is pro-active and result-oriented and with a proven capability to interact at all different levels. His vast experience and business acumen will ensure that those around him are able to develop to their full potential.

# Review of Departmental Achievements and Financial Position

The following services accountability resort under the finance department:

Financial Management  
Procurement  
Asset Control and Insurance  
Cashiering Services  
IT

Due to the nature and complexity of the trading atmosphere a high level of prudence is required. Cash collections are made through cashiering services. AMTA is exploring cash handling and administration fees as means of supplementary income on Projects administered in future. The main source of income at initiation stage is the shareholder subsidy and transactional base levy collection, currently set at 3.6% of total consignment sold by agents.

AMTA recorded a surplus of N\$ 56, 59,719.53 for the financial year ended 31 March 2014. No comparative analysis can be drawn as AMTA operations only fully commenced in September 2014.

The operational cost for the financial year of N\$ 13, 591, 322.00 is expected to increase by 6-10% due to the implementation of key strategic objectives.

## 1. Revenue

A relative low volume growth was recorded for the current financial year. Alternative sources of revenue generation initiatives are explored which will increase the revenue base by 3% for 2014/15 FY. Agents need to aggressively push through volumes in order for AMTA to increase its levy income for 2014/15 FY.

## 2. Operating Cost

Employee cost increased from N\$ 447, 000.00 in September 2014 to N\$ 907, 000.00 March 2014 due to staffing of key positions. This was necessitated to fully operationalize the organization in order to meet immediate and long term objectives. Included in the operational cost is depreciation charge for the year of N\$ 94, 594.00.

## 3. Budget

The 2013/14-2014/15 budget was finalized and funded through MAWF to the tune of N\$ 93 582 542.00. The budget does not form part of the Financial Statements.

## 4. Cash Flow

Cash generated after adjustments of depreciation, finance cost and investing activities amounted to N\$ 85, 289, 897.00, to be recognised as deferred income for 2014-15 FY.

## 5. Information Communication Technology

Ravinia's Technology was appointed as the external IT support service provider. ICT infrastructural set up was completed at Head Office and Regional Hubs in February 2014. Voice and data communication are currently running on WiMAX/ADSL lines. Sustainability in the IT environment incorporates the ability to create cost saving operations. Comprehensive IT improvements, refinements and upgrades will be conducted during the 2014/15 FY to continuously innovate staff and customers alike.

## 6. Financial Policy Development

Shangela Pty Ltd was appointed as Financial Policy drafters. Policies were presented to management and board. As approved in October 2014

## 7. AMTA Business Plan

SJV Technical Systems was contracted for the development of AMTA Business Plan through the Ministry of Agriculture Water and Forestry. The draft Business Plan was presented and amendments recommended.

## 8. Administration and Procurement

Public Tender (T15/2014) for additional trucks and vehicles were placed and currently at procurement stage. Additional Capital items not budgeted for but critical to operations identified and need to be procured in 2014-2015 FY.

## 9. External Auditing

BDO was appointed as AMTA external Auditors for 3 years



## General Information

<b>Country of incorporation and domicile</b>	Namibia
<b>Nature of business and principal activities</b>	Facilitating marketing and trading of agricultural produce, promoting food security in Namibia
<b>Directors</b>	L Lucas A Nehemia DR Tshikesho S Kasheeta M Mulunga JA Kamwi TE Alweendo B van Wyk F Nakanyala J Ihemba
<b>Business address</b>	301 Independence Avenue Trust Centre Building 4th floor
<b>Postal address</b>	P.O. Box 350 Windhoek Namibia
<b>Bankers</b>	Standard Bank Namibia Limited
<b>Auditors</b>	BDO Registered Accountants and Auditors Chartered Accountants (Namibia)
<b>Company registration number</b>	21/2013/0853

# Index

The reports and statements set out below comprise the annual financial statements presented to the shareholders:

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## Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the association's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 29 to 46, which have been prepared on the going concern basis, were approved by the board on 26 January 2015 and were signed on its behalf by:



**MR. LUNGAMENI LUCAS**  
**MANAGING DIRECTOR**



**A NEHEMIA**

# Independent Auditors' Report

## To the members of Agro Marketing and Trade Agency (AMTA) Incorporated Association Not for gain

We have audited the annual financial statements of Agro Marketing and Trade Agency (AMTA) Incorporated Association Not for gain, which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 29 to 46.

### Directors' Responsibility for the Annual Financial Statements

The association's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Agro Marketing and Trade Agency (AMTA) Incorporated Association Not for gain as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of Namibia.

BDO  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)

Windhoek  
26 January 2015

**Per: JSW de Vos**  
Partner



# Directors' Report

The directors submit their report for the year ended 31 March 2014.

## 1. Incorporation

The association was incorporated on 01 October 2013 and obtained its certificate to commence business on the same day. The establishment of AMTA as an agency was through a Cabinet decision 7th/10.05.11/15. A legal process is currently underway whereby the Agronomic Industry Act (No.20 of 1992) is being amended to include AMTA.

## 2. Review of activities

### Main business and operations

The association is engaged in the facilitation of marketing and trading of agricultural produce, promoting food security in Namibia and operates principally in Namibia.

The operating results and state of affairs of the association are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Surplus for the year of the association was N\$ 5,649,717.

## 3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

## 4. Directors

The directors of the association during the year and to the date of this report are as follows:

Name	Nationality
L Lucas	Namibian
A Nehemia	Namibian
DR Tshikesho	Namibian
S Kasheeta	Namibian
M Mulunga	Namibian
JA Kamwi	Namibian
TE Alweendo	Namibian
B van Wyk	Namibian
F Nakanyala	Namibian
J Ihemba	Namibian

## 5. Auditors

BDO will continue in office in accordance with section 278(2) of the Companies Act of Namibia.

## Statement of Financial Position

Figures in Namibia Dollar	Notes	2014
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	3	<u>2,491,358</u>
<b>Current Assets</b>		
Inventories	4	319,782
Trade and other receivables	5	10,036
Cash and cash equivalents	6	<u>91,956,219</u>
		<b><u>92,286,037</u></b>
<b>Total Assets</b>		<b><u>94,777,395</u></b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Accumulated surplus		<u>5,649,717</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Deferred income	7	81,346,510
Trade and other payables	8	<u>7,781,168</u>
		<b><u>89,127,678</u></b>
<b>Total Equity and Liabilities</b>		<b><u>94,777,395</u></b>

## Statement of Comprehensive Income

Figures in Namibia Dollar	Notes	2014
Income	9	17,665,860
Cost of income	10	(234,290)
Gross surplus		<u>17,431,570</u>
Operating expenses		<u>(12,141,439)</u>
Surplus before investment income and finance costs	12	5,290,131
Investment income	14	368,130
Finance costs	15	<u>(8,544)</u>
<b>Surplus for the year</b>		<b><u>5,649,717</u></b>
Other comprehensive income		-
<b>Surplus for the year</b>		<b><u>5,649,717</u></b>

## Statement of Changes in Equity

Figures in Namibia Dollar	Accumulated surplus	Total equity
<b>Balance at 01 April 2013</b>	-	-
Changes in equity		
Surplus for the year	5,649,717	5,649,717
Total changes	5,649,717	5,649,717
<b>Balance at 31 March 2014</b>	<b>5,649,717</b>	<b>5,649,717</b>

## Statement of Cash Flows

Figures in Namibia Dollar	Notes	2014
<b>Cash flows from operating activities</b>		
Cash generated from operations	17	12,836,075
Interest income		368,130
Finance costs		(8,544)
<b>Net cash from operating activities</b>		<b>13,195,661</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	3	(2,585,952)
Cash flows from financing activities		
Proceeds from deferred income		81,346,510
<b>Net cash from financing activities</b>		<b>81,346,510</b>
<b>Total cash movement for the year</b>		<b>91,956,219</b>
<b>Total cash at end of the year</b>	6	<b>91,956,219</b>

# Accounting Policies

## 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of Namibia. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars.

### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

### 1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	5 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.3 Financial instruments

#### Initial recognition and measurement

Financial instruments are recognised initially when the association becomes a party to the contractual provisions of the instruments.

The association classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

#### Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and



losses arising from changes in fair value being included in profit or loss for the period.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

#### **Trade and other receivables**

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

#### **Trade and other payables**

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

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### **1.4 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### **Operating leases – lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

### **1.5 Inventories**

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### **1.6 Impairment of assets**

The association assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the association estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## 1.7 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

## 1.8 Employee benefits

### Defined contribution plans

The association provides for retirement benefits of its staff by way of a pension fund. The contribution by staff members and the association to this fund are in accordance with fixed scales determined in consultation with actuaries. The contribution of the agency are dealt with as a charge against income in the year of payment.

## 1.9 Provisions and contingencies

Provisions are recognised when:

- the association has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised.

## 1.10 Government grants

Government grants are recognised when there is reasonable assurance that:

- the association will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. A government grant that becomes

receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

## 1.11 Income

Income from the sale of goods is recognised when all the following conditions have been satisfied:

- the association has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the association retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the association; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest is recognised, in profit or loss, using the effective interest rate method.

## 1.12 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

## Notes to the Annual Financial Statements

### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations not yet effective

The association has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the association's accounting periods beginning on or after 01 April 2014 or later periods

At the date of authorisation of these financials statements, the following Standards and Interpretations were in issue but not yet effective:

#### **IFRS 7, Financial Instruments: Disclosures**

Disclosures (Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures) – effective for annual periods beginning on or after 1 January 2015; and

Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9) - date of application is 1 January 2018.

#### **IFRS 9, Financial Instruments**

Reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9 – effective date of application is 1 January 2018; and

Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures – effective for annual periods beginning on or after 1 January 2015.

#### **IFRS 13, Fair Value Measurement**

Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52) - effective for annual periods beginning 1 July 2014.

#### **IFRS 15, Revenue from Contracts with Customers**

Original issue - effective for annual periods beginning 1 January 2017.

#### **IAS 16, Property, Plant and Equipment**

Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation) - effective for annual periods beginning 1 July 2014.

#### **IAS 19, Employee Benefits**

Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service - effective for annual periods beginning 1 July 2014.

#### **IAS 32, Financial Instruments: Presentation**

Amendments relating to the offsetting of assets and liabilities – effective for annual periods on or after 1 January 2014.

#### **IAS 36, Impairment of Assets**

Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets - effective for annual periods beginning 1 January 2014.

#### **IAS 39, Financial Instruments: Recognition and Measurement**

Amendments for novations of derivatives - effective for annual periods beginning 1 January 2014; and

Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception - effective date of application is 1 January 2018.

The association does not envisage the adoption of these standards and interpretations until such time that they become applicable to the association's operations.

The directors do not anticipate that the above standards and interpretations will have a material effect on the association's annual financial statements.

# Notes to the Annual Financial Statement

## 3. Property, plant and equipment

	Cost / Valuation	Accumulated depreciation	2014 Carrying value
Furniture and fixtures	84,264	(4,526)	79,738
Motor vehicles	1,698,317	(39,436)	1,658,881
Office equipment	142,621	(6,037)	136,584
IT equipment	660,749	(44,594)	616,155
<b>Total</b>	<b>2,585,951</b>	<b>(94,593)</b>	<b>2,491,358</b>

## Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	-	84,265	(4,527)	79,738
Motor vehicles	-	1,698,317	(39,436)	1,658,881
Office equipment	-	142,621	(6,037)	136,584
IT equipment	-	660,749	(44,594)	616,155
	-	<b>2,585,952</b>	<b>(94,594)</b>	<b>2,491,358</b>

## 4. Inventories

Food reserves	319,782
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## 5. Trade and other receivables

Other receivables	10,036
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## 6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,772
Bank balances	51,586,317
Call deposits	40,368,130
	<b>91,956,219</b>

N\$ 30,000 of the call deposits are pledged as security to facilitate the processing of the managing director's corporate credit card application (maximum pledge N\$ 10,000) and the fleet management facility (maximum pledge N\$ 20,000).

## 7. Deferred income

### Current liabilities

Subsidy income received in advance	81,346,510
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## 8. Trade and other payables

Trade payables	4,548,712
Sundry payables	2,060,870
Employee liabilities	1,064,126
Deposits received	107,460
	<b>7,781,168</b>

## 9. Revenue

Sale of goods	270,815
Subsidy income	17,395,045
	<b>17,665,860</b>

**10. Cost of sales****Sale of goods**

Cost of goods sold	234,290
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**11. Employee benefits**

Defined contribution retirement plan

The association participates in an Alexander Forbes Financial Services Limited pension fund, which is a defined contribution pension fund for all of its employees. The defined contribution pension fund is subject to Pension Fund Act, Act 24 of 1956 of Namibia. The fund is funded both by member and association contributions, which are charged to profit or loss as they are incurred.

AMTA currently contributes 16% of the pensionable emoluments to the fund whilst the members contribute 7%.

**12. Surplus before investment income and finance costs**

Surplus before investment income and finance costs for the year is stated after accounting for the following:

**Operating lease charges**

Premises

• Contractual amounts	274,276
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Equipment

• Contractual amounts	19,984
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**294,260**

Depreciation on property, plant and equipment

94,594

Employee costs

7,693,507

**13. Employee costs****Direct employee costs**

Salaries and wages

7,544,180

**Indirect employee costs**

Salaries and wages

104,315

**Total employee costs**

Direct employee costs

7,544,180

Indirect employee costs

104,315

**7,648,495**

**14. Investment income****Interest income**

Bank

368,130

**15. Finance costs**

Bank

8,544

**16. Taxation**

No provision for taxation has been made as the association is exempt from taxation in accordance with section 16(1)(f) of the Income Tax Act of 1981.

**17. Cash generated from operations**

Surplus for the year

5,649,717

**Adjustments for:**

Depreciation and amortisation

94,594

Interest received

(368,130)

Finance costs

8,544



**Changes in working capital:**

Inventories	(319,782)
Trade and other receivables	(10,036)
Trade and other payables	7,781,168
	<b>12,836,075</b>

**18. Directors' emoluments**

Executive

2014

	<b>Emoluments</b>	<b>Other benefits*</b>	<b>Pension paid</b>	<b>Total</b>
For services as directors	348,160	145,264	43,138	536,562

\* Other benefits comprise housing, vehicle and cellphone allowances.

**19. Comparative figures**

No comparative figures have been presented as these are the first annual financial statements of the association.

**20. Risk management****Capital risk management**

The association's objectives when managing capital are to safeguard the association's ability to continue as a going concern in order to provide returns for the benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the association consists of debt, which includes cash and cash equivalents disclosed in note 6, and equity as disclosed in the statement of changes in equity.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

**Financial risk management**

The more important financial risks to which the association is exposed, and the ways in which they are managed are described below:

**Liquidity risk**

The association's risk to liquidity is a result of the funds available to cover future commitments. The association manages liquidity risk through an ongoing review of future commitments and credit facilities.

**Interest rate risk**

As the association has no significant interest-bearing assets, the association's income and operating cash flows are substantially independent of changes in market interest rates.

Cash flow interest rate risk

<b>Financial instrument Current</b>	<b>interest rate</b>	<b>Due in less than a year</b>
<b>Financial assets</b>		
Trade and other receivables - Non interest bearing	- %	10,036
Cash and cash equivalents	- %	91,956,219
<b>Financial liabilities</b>		
Trade and other payables - Non interest bearing	- %	(9,222,509)

[illegible]





# CONTACT US

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