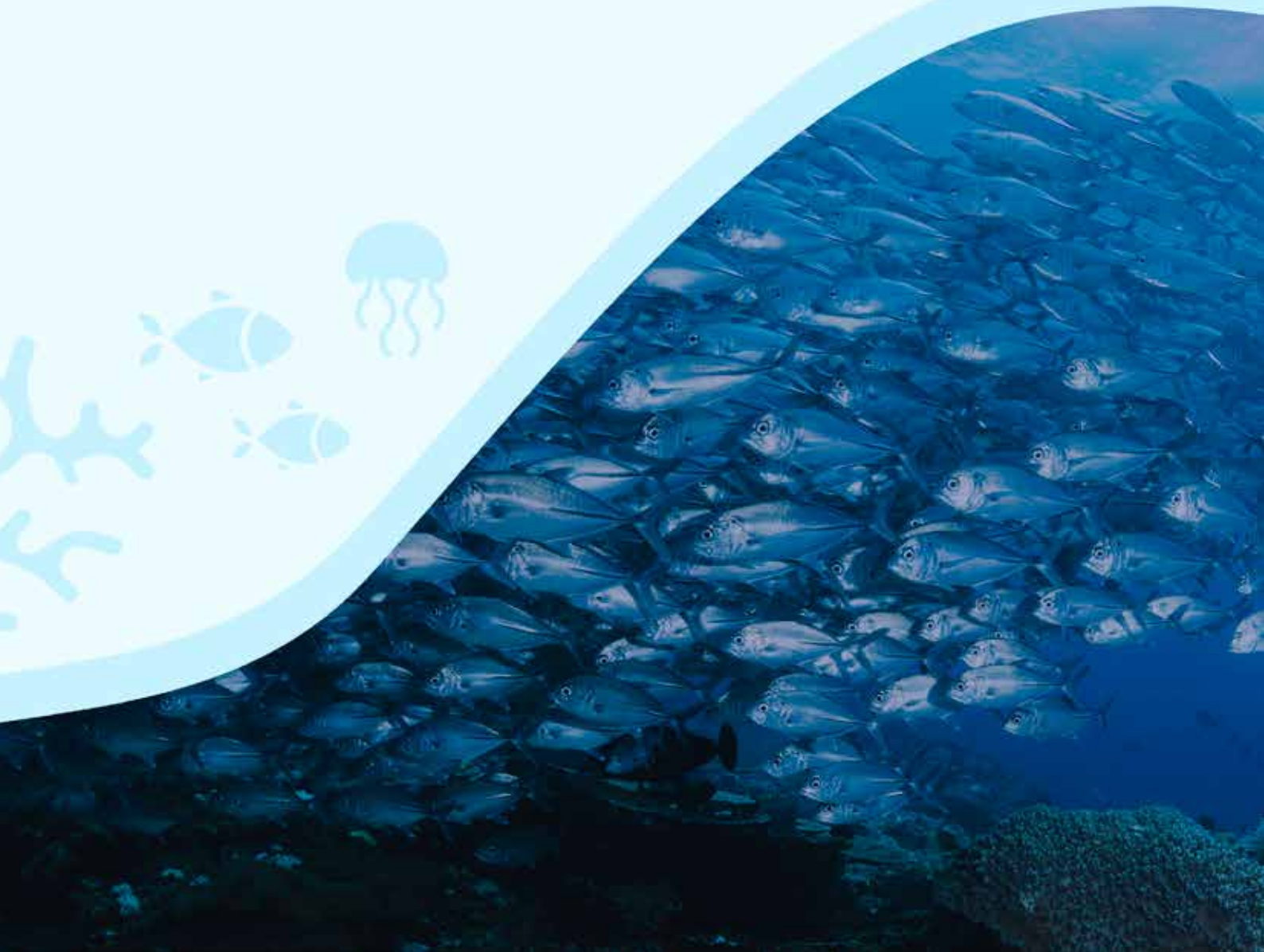




NAMIBIA FISH CONSUMPTION  
PROMOTION TRUST

# INTEGRATED ANNUAL REPORT 2022

MAKING FISH MORE ACCESSIBLE FOR ALL



# ABOUT THE THEME

## MAKING FISH **MORE ACCESSIBLE** FOR ALL



The 2022 Financial Year is one in which the Namibia Fish Consumption Promotion Trust (NFCPT) implored deliberate efforts to establish retail presence at grassroot level throughout the country and grow its footprint to increase accessibility of fish products for all.

Thus, this Annual Report reflects the stellar role that the Trust has played in strengthening prospects for

national growth and development through not only fish consumption, but also enterprise development and food security.

Despite the operational activities that are showcased in this report, this has also been done through fluid corporate governance practices, enhanced systems, processes and procedures and above all, dedicated human capital.

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# ABOUT THIS REPORT

## SCOPE OF THE REPORT

This IAR covers NFCPT’s performance for the Financial Year ended 31 December 2022. Any material events which occurred between the year-end and the report’s approval are included to provide a forward-looking narrative which is as complete as possible.

The IAR aims to provide our stakeholders with a holistic view of NFCPT’s value-creation drivers, our strategy, governance and performance. It also outlines the organisation’s outlook for the Financial Year ending 31 December 2023 and beyond.

## REPORTING STANDARDS

During the 2022 financial year, the Trust utilised the International Financial Reporting Standards for Small and Medium Sized Entities. Previously the Trust prepared its annual financial statements in conformity with Namibia Generally Accepted Practice – NAC 001 – Financial Reporting for Small & Medium Sized Entities. There were no major changes reported in the year under review.

## FORWARD-LOOKING STATEMENTS

The integrated report includes forward-looking statements which relate to the possible future financial position and results of the Trust’s operations. These statements by their nature involve risk and uncertainty as they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not statements of fact, but statements by the management of the Trust based on its current estimates, expectations and assumptions regarding the Trust’s future performance.

The Trust does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information or future events or otherwise. The forward-looking statements have not been reviewed or reported on by the Trust’s independent auditor.

## APPROVAL AND ASSURANCE

The Board of Trustees acknowledges its responsibility to ensure the integrity of the integrated annual report and believes it provides stakeholders with an



Mrs. Suzan Hambelela Ndjaleka



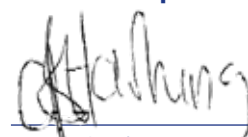
Mrs. Charlene Hartung

accurate and balanced view of NFCPT’s strategy, past performance, and future prospects, and addresses the material issues faced by the organisation.

The annual financial statements were audited by PricewaterhouseCoopers and approved by the Board of Trustees on 27 October 2023.



Mrs. Suzan Hambelela Ndjaleka  
**Board Chairperson**



Mrs. Charlene Hartung  
**Audit and Risk Chairperson**



# ABOUT THE NFCPT

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# ABOUT THE NFCPT



## WHO WE ARE

The Namibian Fish Consumption Promotion Trust (NFCPT) is the corporate entity through which Government, through the agency of the Ministry of Fisheries and Marine Resources, makes marine resources available to the Namibian public.

This goal is accomplished by way of sourcing, distributing and retailing affordable fish products, which are available at 18 fish shops established by the NFCPT in 14 regions throughout the country.

Critical to the NFCPT's *raison d'être* is its function, on behalf of the Ministry of Fisheries and Marine Resources, to ensure that Namibia's marine wealth is

used to help alleviate poverty, create employment and safeguard families in terms of food security. The NFCPT was established in March 2001 by Cabinet Resolution 38th/05 12:00/0.00.

## HOW WE ARE GOVERNED AND MANAGED

The NFCPT is governed by a Board of Trustees, which is appointed for a period of two years. The current board has served since October 2017; its term expires on 30 September 2019. However, Trustees and the Board were appointed on 20 November 2020 on a temporal basis until such a time that a substantive Board is appointed by the Minister.

An Internal Auditor was appointed to oversee the internal auditing function, while the Company Secretary provides support to the board and management on governance issues. The management team consists of the Chief Executive Officer, supported by four functional managers.



# HIGH-LEVEL STATEMENTS OF NFCPT

## Mandate

*In terms of the Deed of Trust, the mandate of the NFCPT is:*

*To promote the consumption of fish throughout Namibia by improving distribution, and by educating and empowering citizens concerning the best ways to prepare fish and the health benefits derived from fish consumption*



## Vision

To be a catalyst of fish consumption for a healthier Namibia



## Mission

To promote fish consumption in Namibia by making fish more accessible and affordable



## Values

The description of NFCPT's core values, which its staff members should uphold in the execution of their duties are as follows:



**Integrity**



**Quality**



**Accountability**



**Responsibility**



**Teamwork**



# OUR VALUE CREATING BUSINESS MODEL

## OUR SIX CAPITALS

### CAPITALS

### OUTCOMES



#### Financial capital

- NFCPT made N\$4.7 million from investments
- Spent N\$8.6 million on capital projects and asset acquisition
- Sold a total of 7 907 tons of Horse Mackerel
- Sold a total of 35,473 canned products



#### Intellectual capital

- Signed an agreement with Sui Generis Trust
- Multi-platform engagement with stakeholders
- Maintained brand equity



#### Human capital

- Invested N\$288 621.41 on employee training and development
- 146 positions filled
- 47% filled with women



#### Manufactured capital

- Upgraded the Virtual Private Network (VPN) connections between the Head Office in Walvis Bay and the fish shops across the Country.



#### Social and relationship capital

- Spent N\$322,817.00 on youth empowerment
- Signed a collaborative MoU with NYS
- National Fish Consumption Day has contributed N\$3.8 million towards social enhancement

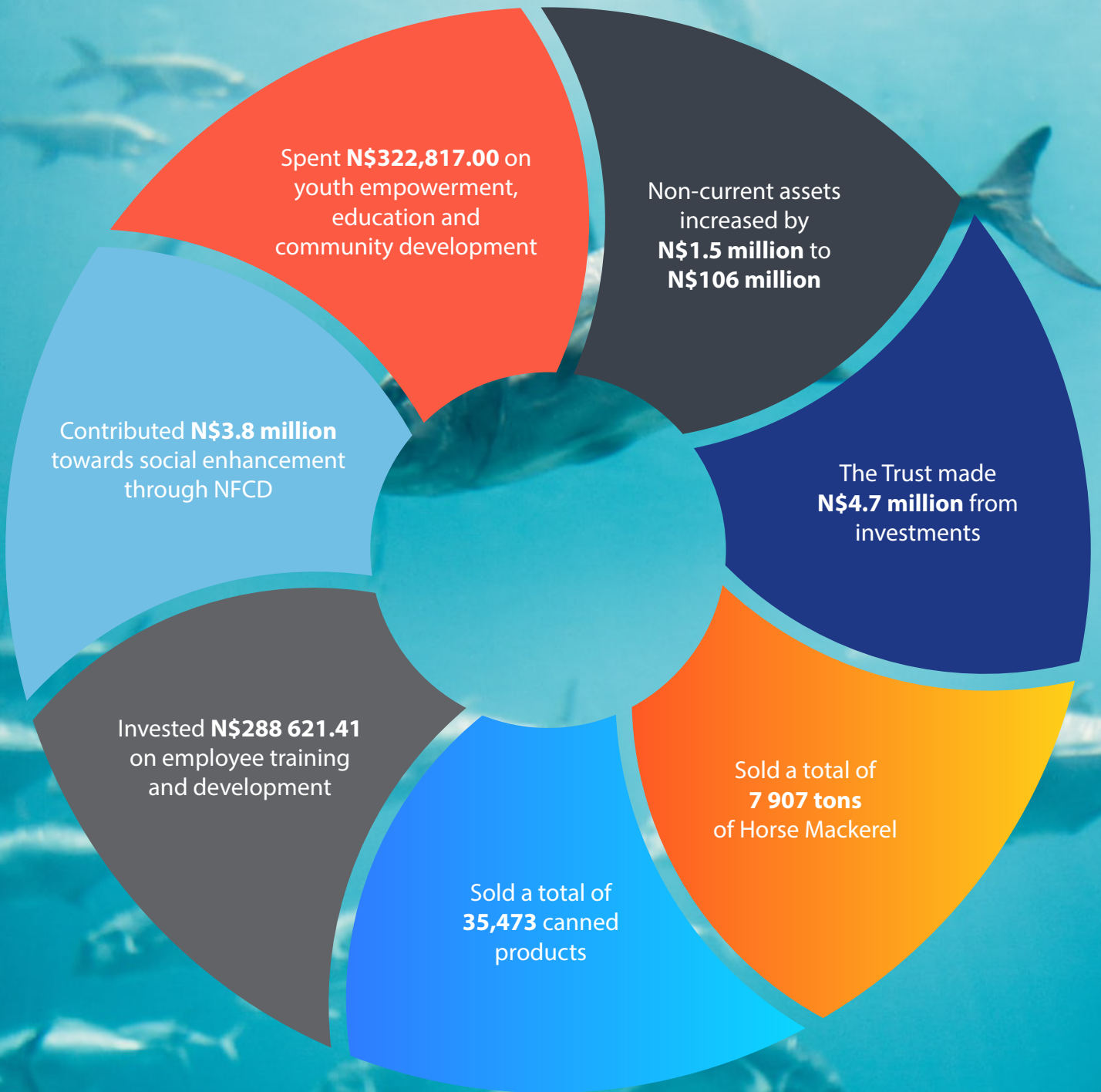


#### Natural capital

- Installed solar panels at various facilities, namely the Head Office, Wanaheda, Omuthiya, Outapi, Eenhana and Rundu Fish Shops.



# PERFORMANCE OVERVIEW



# LEADERSHIP REPORTS

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# BOARD CHAIRPERSON'S REPORT



Mrs. Suzan Hambelela Ndjaleka

***We find ourselves in a financial year transition period and I am happy to report that we have managed to implement this transition committed to the highest standards of business integrity, ethical behaviour and accountability.***

Withstanding this, it is the Trust's certain conviction that good corporate governance plays a critical role in delivering an ethical culture, good performance in terms of profit, planet and people, effective control, trust and legitimacy.

Notably during the 2022 financial year, the Namibian economy recovered from the COVID-19 pandemic. The economy was boosted by higher commodity prices which contributed to an improvement in the country's fiscal position, but overshadowed the underlying factors that continued to impede the country's ability to reach its potential in terms of sustainable growth for the long term.

Earlier in the year Russia invaded Ukraine. The invasion resulted in significant increases in both energy and food prices and created supply chain disruptions. The economic stimulus packages implemented by many countries, as well as the lengthy COVID-19 lockdown in China during 2022, all contributed to high global inflation rates and the subsequent risk of increased interest rates and a global recession.

These geopolitical events resulted in high local inflation rates which, together with the continued lower business confidence, led to greater financial constraints on consumers and businesses in Namibia.

Despite these challenges, as a Board, we were encouraged by the commitment and passion of our employees who continued to serve our stakeholders to the best of their ability.



The way in which each employee lives the founding fundamentals of the Trust makes it possible for management to execute on its strategic objectives.

Indeed, the transition period has been challenging but we have managed to execute it in a resilient manner. The Board notes that during the prior year, investments held by the Trust in call accounts and money market funds were incorrectly classified as part of cash and cash equivalents. The comparative figures have been adjusted to reclassify the related investments to other financial assets at amortised cost.

As we look ahead into 2023, the global geopolitical and economic picture remains volatile and is anticipated to remain challenging.

The capital markets have already been shaken by the failure in mid-March of two US banks, with repercussions also felt in the banking sector in Europe.

The Trust will continue to implement proactive measures to manage inflationary pressures and macroeconomic volatility. Despite these challenges that impact our business in the short term, we still see attractive opportunities ahead and believe that NFCPT's resilient business model, robust and relevant strategy position the Trust for accelerated growth and relevance in the run-up to the next financial year and beyond.

Conclusively, I would like to express my gratitude to our fellow board members for their unwavering support and the invaluable guidance that they provide. We are fortunate to have a highly engaged board with vast experience within the fisheries services industry.

Thank you to the executive team led by Mr Victor Pea for their committed leadership of the Trust over the past year. Our employees remain our back bone and I thank them for their commitment to our guiding values and mandate. To all our stakeholders, thank you for your unflinching support over the past 9 months. We look forward to positive engagement in the next financial year which is filled with great promise.



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Mrs. Suzan Hambelela Ndjaleka  
**Chairperson**

# BOARD OF TRUSTEES

**Mrs. Suzan Hambelela Ndjaleka**  
*Chairperson*



**Mrs. Charlene Hartung**  
*Trustee*

**Chairperson:**  
Audit and Risk Committee



**Mr. Gideon Thomas**  
*Trustee*

**Committee member:**  
Human Resource and Remuneration Committee;  
Audit and Risk Committee



**Mrs. Nicole Kloppers**  
*Trustee*

**Chairperson:**  
Human Resource and Remuneration Committee



# CORPORATE GOVERNANCE



The Trust is governed by a Board of Trustees which is the ultimate custodian of corporate governance and is responsible for sustaining and developing the Trust's operational model and strives to ensure that the Trust functions as a responsible corporate citizen. The Board currently comprises of four Board members.

Clause 5 of the Notarial Deed of Trust No. T76/01, prescribes the appointment of the Board of Trustees as a responsibility of the Minister of Fisheries and Marine Resources.

Membership tenure on the Board is a period of three years. The current Board was appointed in October 2017, with some of the members having been re-appointed.

This is in line with the provisions of our Trust Deed which states that Trustees are eligible to hold office for a longer period but may only be re-appointed for two terms. Tenures of the current Trustees expired in September 2019. However, it was extended further by the appointing authority until such a time that a new board is appointed.

## Board Performance

Board performance is integral to the success of NFCPT. To ensure that the board is a strategic asset, it must have the right mix of skills and knowledge as well as the ability to work effectively as a team.

To this end, members of the Board are required to sign a Performance and Governance Agreement within the first three months of their appointment by the line minister in accordance with the PEGA requirements.

Not only does each agreement call on members to take their fiduciary duties seriously, it also requires that they dedicate high-quality service to the Trust. The agreement holds them accountable to the responsibilities they assume as Board members and also delineates the objective of seeing that the Trust fulfils its mandate.

## Board Committees

The Board of Trustees may establish Board Committees for the purposes of assisting the Board with its responsibilities. The Board has established two committees, namely:

### (i). Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities relative to internal controls, financial control and reporting, and corporate governance. Generally, the responsibility of the Audit Committee may be summed up as follows:

- ensuring the integrity, reliability and accuracy of accounting and financial reporting systems;
- identifying that appropriate systems are in place to identify and monitor risk, controls and compliance with the law and codes of conduct;
- evaluating the adequacy and effectiveness of internal audit, risk and compliance; and
- reviewing the scope, quality and cost of the statutory audit and the independence and objectivity of the auditors.

## (ii). Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee assists the Board of Trustees in meeting its responsibilities in respect of the development of skills and talent within the NFCPT, as well as establishing, implementing and executing its remuneration policy.

Furthermore, the Human Resources and Remuneration Committee assists the Board in ensuring that the

performance management of the Trust is geared towards a performance culture.

### Board and Committee meetings

During the period under review, the Board met three times and both the Audit and Risk and Human Resources and Remuneration Committees convened two times each. All committee members and the Chief Executive Officer attended the committee meetings.

The table below shows the attendance of Trustees.

Name of Trustee	Position	Number of Board meetings attended	Number of Committee meetings attended
Mrs. Suzan Ndjaleka	Chairperson	3	N/A
Mrs. Charlene Hartung	Trustee	3	2
Mrs. Nicole Kloppers	Trustee	3	2
Mr. Gideon Thomas	Trustee	3	4
Mr. Victor Pea	Chief Executive Officer	3	4

### Board Remuneration

Sitting on the Board of at any organisation requires significant time and experience. After all, these individuals are responsible for making strategic and financial decisions regarding an organisation's future.

Remuneration of the Board of Trustees is on a Tier-one level as stipulated by the Directives in Relation to Remuneration Levels for Chief Executive Officers and Senior Managers of State-Owned Enterprises and Annual Fees and Sitting Allowance for Board Members: Public Enterprises Governance Act, 2006.

### Board of Trustees: Monthly retainer fee

	Guideline Amount	Current Amount
Chairperson	N\$ 3,510.75	N\$ 3,510.75
Trustee	N\$ 2,867.85	N\$ 2,867.85

### Board of Trustees: Sitting Allowance per meeting

	Guideline Amount	Current Amount
Chairperson	N\$ 6,234.04	<b>N\$ 6,234.04</b>
Trustee	N\$ 4,086.29	<b>N\$ 4,086.29</b>

### Board Committees: Sitting Allowance per meeting

	Guideline Amount	Current Amount
Chairperson	N\$ 2,870.46	<b>N\$ 2,870.46</b>
Trustee	N\$ 2,132.81	<b>N\$ 2,132.81</b>



# CHIEF EXECUTIVE OFFICER'S REPORT



Mr Victor Pea

*Having recovered from the Covid-19 turmoil, NFCPT's operating environment in 2022 was characterised by elevated inflation and interest rates; local foreign exchange volatility; evolving regulatory developments and rising energy costs. Despite this, we are pleased with our commercial and operational performance in the period.*

Our business model describes how we create and preserve long-term sustainable value, and minimise value erosion for our stakeholders, through the effective and balanced use of our capitals.

What has guided us in this period has been this business model which is underpinned by strong stakeholder relationships and robust corporate and social governance, with our enduring values at its core.

The on-going work on key strategic initiatives aims to secure the long-term growth of the Trust, as well as unlock value. Notably, the financial year end changed from March to December each year, therefore, this financial year covered a period of 9 months from April 2022 to December 2022, instead of the previous 12-month period.

## STRAINED FINANCIAL PERFORMANCE

Hindsight of the prevailing conditions, we endured a strained financial period that we look to rise from in the next financial year. Our harvesting costs for Horse Mackerel increased rampantly in comparison to the previous reporting period and this increase which topped 45% has trickle down implications which subsequently affected both our selling price and consumer base. While this is so, we remained vigilant and implored strategic moves that ensured that affordability of fish was not compromised.

I am pleased to report that a 32% increase in selling price was implemented so that the consumers remain able to access fish which is one of our key operational objectives. This however put pressure on our bottom line. In the reporting period, a combination of harvesting cost increase and reduction in quota income meant that our operating interest suffered a drastic decline with net surplus coming in at N\$5.5 million (N\$20.5 million: 31 March 2022). Notable of this total, the bulk of it (N\$4.7 million) was generated from investment returns. Further to this, our cash reserves went down by N\$15.6 million while the total assets value reduced by N\$9.6 million due to the depletion of cash reserves and value of inventory as at 31<sup>st</sup> December 2022.

On the bright side, it is encouraging that I report that we had lower debts at end of period as compared to prior year. This is clearly demonstrated by that the current ratio is 8:7, while in the prior year it was 4:6.

Furthermore, non-current assets increased by N\$1.5 million to N\$106 million as this increase demonstrates the Trust's resolve to set-up infrastructure and acquire assets. These challenging financials have hardened our resolve to bounce back in the next financial year and return to the path towards continued sustainability.

## OPERATIONAL PROGRESS

Our operations remained firm in the transitional period exhibiting great potential and continuity. The Trust received deliveries of 7 756 tons between April and December 2022. During this period, the Trust sold 7 907 tons of Horse Mackerel, 337 tons (4.45%) more than the targeted quantity of 7 570 tons. 5 643 tons were sold through retail and 2 264 tons through bulk. It is worth noting that in June 2022, NFCPT signed an agreement with Sui Generis Trust to supply and distribute aquaculture fish species across the country. As part of the agreement, Sui Generis will supply cultured freshwater fish, namely Tilapia/Zambezi Bream, to complement the NFCPT market needs, while NFCPT will ensure cold storage and distribution of fish across Namibia in accordance with its mandate.

The supply and distribution of the Tilapia/Zambezi Bream is aimed at product diversification to meet the growing demand by consumers and broadly tackle poverty and enhance nutritional security, particularly among low-income and marginalized households of our communities.

## OUR PEOPLE

Our people are the heart of the business and their personal development remains a core focus area as it drives retention and our culture. The Trust is committed to empowering and upskilling our employees through education and mentorship. Our formal learning initiatives continue to play a key role in providing employees with additional development and growth opportunities, while also addressing key business needs. To support this endeavour, NFCPT invested N\$288 621.41 on training and development interventions for employees.

## FORWARD OPTIMISM

In the short term, we are encouraged by the resilience of our business. We are also reassured by the effectiveness of the proactive interventions we have implemented to manage the inflationary and regulatory environment in our markets, cement the resilience in our networks and safeguard the financial flexibility we have built into our Trust. NFCPT is also committed to supporting broader stakeholders through the volatility as well as fulfilling our mandate in the socioeconomic development of Namibia.

## GRATITUDE

I would like to thank our Board of Trustees for their committed leadership over the past year, and to my executive team for their counsel, oversight and active participation in running the Trust. Further, I would like to thank our employees for their commitment and effort in serving and creating value for all our stakeholders in this challenging time. Our external stakeholders, including, customers, regulators, suppliers and business associates, are critical to the success and sustainability of our business and I thank them for their engagement and support over the past year.



**Mr Victor Pea**  
Chief Executive Officer



# EXECUTIVE COMMITTEE

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**Mr. Victor Pea**  
*Chief Executive Officer*



**Mr. Kornelius Iiyambo**  
*Finance Manager*



**Ms. Angelika INuwuses**  
*Human Resources Manager*



**Ms. Loraine Kondombolo**  
*Acting Operations Manager  
and Senior Operations Officer: Southern and Central Regions*



**Ms. Eveline Stephanus**  
*Marketing and Communications Manager*



**Mr. Timoteus Amwele**  
*Senior Operations Officer: Northern Region*



**Ms. Eililaama Ndume**  
*Internal Auditor*



**Mr. Israel Iilende**  
*Company Secretary*



# INTERNAL AUDIT, CONTROL, RISK AND FRAUD

Our risk management philosophy is critical to our operations and has been critical in enhancing the risk management processes at both strategic and operational levels. The realisation of NFCPT's business strategy depends on the Trust's Management being able to take calculated risks in a way that does not jeopardise stakeholders' direct interests. The sound management of risk has over the years enabled the Trust to not only to anticipate and respond to changes in its business environment, but also to make informed decisions under conditions of uncertainty.

## INTERNAL AUDIT

The Trust's internal audit function is an independent and objective review and consulting function created to add value and assist to improve the Trust's operations. The function assists the Trust to achieve its objectives by systematically reviewing current processes, using a risk-based approach to establish the adequacy of design and effectiveness and appropriateness of controls, the risk management, and governance processes.

The Internal Auditor continues to report administratively to Chief Executive Officer and functionally to the Audit & Risk Committee. During the reporting period, the Audit and Risk Committee approved the Internal Audit Plan for 2022/23 financial year and received communication from internal audit function on its performance.

Execution of the approved Internal Audit Plan: (The 'Trust' did not have an Internal Auditor for the full reported period and thus the complete IAP for the respective financial year was not fully executed as planned. The Internal Auditor completed 57% of planned audit engagements, and two (2) special management requests). The outstanding engagements have been carried over to the Internal Audit Plan of the next financial year.

## INTERNAL CONTROL

The responsibility for establishing and maintaining a system of internal control to achieve the Trust's objectives rests with management. Management oversees the establishment, administration and assessment of the system of controls. During the period under review, internal audit evaluated the adequacy and effectiveness of controls in responding to risks within NFCPT.

Since there are inherent limitations in all control systems, internal controls cannot provide absolute assurance that all control issues and instances of fraud, have been detected. No matter how well designed and operated, a control system can only provide reasonable assurance that the objectives of controls are met.

## RISK MANAGEMENT

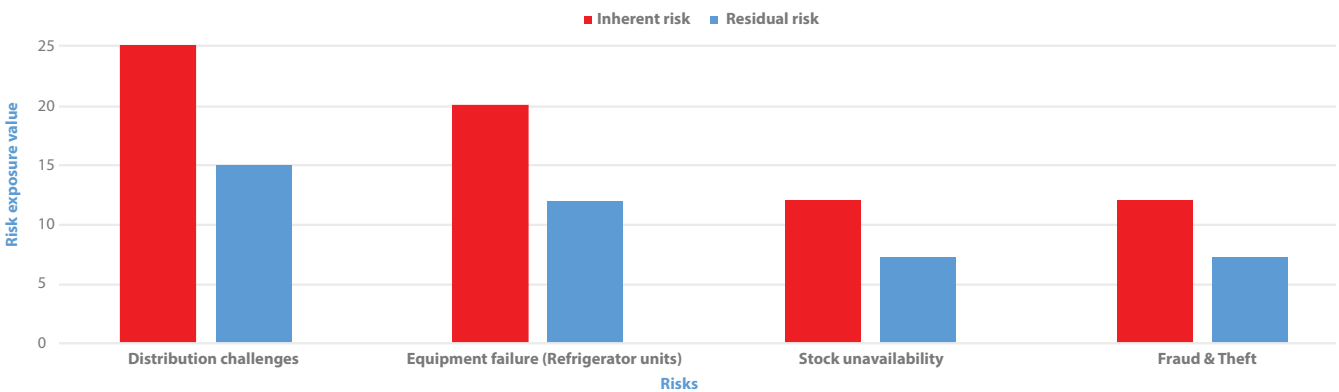
The Board of Trustees is responsible for the governance of risk. This task is carried out by the Audit and Risk Committee. Management is responsible for implementing risk management processes. Each Head of Department ensures that key risks are identified and managed reasonably. The Trust has a Risk Register that is reviewed and reported to the Audit and Risk Committee annually. All risks in the register are monitored and managed by Heads of Department.

A facilitated risk assessment workshop was held on 10 October 2022 and 21 November 2022 respectively to identify and analyse uncertain events that may

occur and negatively affect the achievement of our objectives. The outcome of the workshop represents management’s view of the risks facing the Trust, as well as mitigating activities that are in place to respond to the identified risks.

### Our Material Risks

The material risks that we have prioritized this year as having a significant impact on NFCPT’s ability to achieve its objectives are listed below:



Ref	Material risk	L	I	Risk Rating
R1	Distribution challenges	5	5	25
R2	Equipment failure (Refrigerator units)	5	4	20
R3	Stock unavailability	3	4	12
R4	Fraud & theft	4	3	12

Source: Risk Assessment Report Nov 2022



## Our Response to material risk

The Trust aims to provide stakeholders with the assurance that all material risks at NFCPT are properly identified, assessed, mitigated and monitored. The table below is a summary of risk mitigation actions.

RF	Categories	Risks	Risk mitigation actions
R1	Promote Fish Consumption	Distribution challenges	<ul style="list-style-type: none"> <li>• Policies and procedures;</li> <li>• Fleet management (service plan - third-party);</li> <li>• IQS (inventory module);</li> <li>• Inter-shop transfers;</li> <li>• Transportation service provider (as required);</li> <li>• Stock counts / minimum stock-levels; and</li> <li>• Update the IQS stock on hand with Cold Storage Warehouse stock-levels report.</li> </ul>
R2	Enhance Operational Efficiency	Equipment failure (Refrigerator units)	<ul style="list-style-type: none"> <li>• Inhouse maintenance team;</li> <li>• Maintenance schedule in place;</li> <li>• Workaround i.e., outsource specific maintenance activities; and</li> <li>• Develop and implement a maintenance plan for the refrigeration units.</li> </ul>
R3	Ensure Financial Sustainability	Stock unavailability	<ul style="list-style-type: none"> <li>• Cabinet resolution (ministerial commitment);</li> <li>• Stakeholder (ministerial) engagement plan in place;</li> <li>• Budget projection (assumption: reduction basis);</li> <li>• Strategy in place (to deliver on mandate); and</li> <li>• Supplier agreement in place (aquaculture).</li> </ul>
R4	Ensure Financial Sustainability	Fraud & theft	<ul style="list-style-type: none"> <li>• Policies and procedures (Code of conduct);</li> <li>• Custody and access control;</li> <li>• CCTV surveillance &amp; 24hr security;</li> <li>• Whistle blower (hotline);</li> <li>• Internal audit surprise audits;</li> <li>• Fraud awareness trainings;</li> <li>• Manual receipt (in event of IQS downtime);</li> <li>• Reconciliations;</li> <li>• Review of access rights on IQS and implement adequate segregation of duties accordingly; and</li> <li>• Review and update the receiving and repacking process for fish stocks from distribution to fish shop (excess kilograms).</li> </ul>

**Source:** NFCPT Risk Register

## FRAUD CONTROL

To mitigate the risk of fraud, the following controls were implemented:

- The Whistle Blower Policy and Fraud Awareness framework was presented during induction of new employees as well as during branch visits as a refresher to old employees.





# PROPELLING HEALTH AND SAFETY FOR GROWTH

Health and safety remain key aspects in the delivery of our mandate and as such, this arm of our operations was prioritised in the reporting period considering that the long and devastating effects of COVID-19 were beginning to abate.

In the reporting period and prior financial year, there was considerable focus by the SHEQ on NFCPT's response to the COVID-19 pandemic and safe continuity of services.

To ensure that this is achieved, the SHEQ worked closely with branch administrators to ensure risk assessments are carried out and safe systems of work remain robust to manage the risk of COVID-19 transmission to our employees and service users. Whilst there have been operational challenges due to localized outbreaks

amongst employees, overall controls remained effective in reducing the impact of infections with continuity of essential services being maintained.

As the 2022 year ended an improving picture began to emerge with falling infection rates and reduced health risks due to the success of the vaccination programme. Employees followed public health advice and sickness absence policies, whilst maintaining standard infection prevention control measures at work.

Whilst the pandemic took significant focus, SHEQ continued with improvements in all areas of health and safety management including personal safety, reduction in incident and accidents (slip, trip, manual handling, vehicle incidents).

## Health & Safety Objectives

In the period under review, SHEQ made concerted efforts to continue promoting a strong positive health and safety culture which includes competency training, promotion of risk assessment and risk controls, incident reporting and ongoing learning following incident/accident investigations.

Other key interventions that were undertaken in the reporting period include but not limited to:

- Providing safe and compliant buildings- Various departments including operations and finance engaged each other using SHEQ reports on improvement requirements and such operational improvements for buildings are budgeted and executed as prioritized on annual basis.
- Monitoring legal compliance - SHEQ continues with the corporate monitoring programme where the branches are visited twice annually for recording inspections and tracking actions. This programme provides greater consistency and quality of inspections whilst allowing SHEQ to monitor action completion. Therefore, the Trust complies with the Trust Safety Health Environmental and Quality policy, Labour Act no. 11 of 2007 and Regulations relating to health & safety of employees at work Labour Act no.156 of 1992
- Reporting safety events - We encouraged all team leaders especially the branch administrators and the employees at large to report safety events to manage information as per build up trends.

**In 2022 there were:**

- 1 reported incident of fuel theft from the Truck
- 1 reported incident of property damage
- 1 reported incident of attempted break-in at fish shop
- 1 reported incident of vehicle involving a donkey bumped

**Health and safety training**



During the reporting period, all branch administrators received training in respect of HSE representative duties & responsibilities, emergency preparedness and first aid class A which is valid for 2 years.

**Risk management**

SHEQ continued to provide and maintain advice in line with government guidance including the provision of corporate risk assessments, safe working procedures and supporting employees with day-to-day issues and queries.

**Policy and procedure updates**

The Trust’s Safety, Health, Environment and Quality policy approved on 28 June 2017 is due for review and evaluation in accordance with industry changes.

Under development

- HACCP pre-requisite programs for all outlets
- Mandatory medical surveillance for employees

**Looking ahead**

Looking ahead to the 2023 Financial Year, there are key deliverable that have already commenced but would be completed. These include 80 – 90% HSE compliance at each outlet, implementation of industry standards HACCP pre-requisite programs, ISO 45001 safety management systems and addressing the current training shortfall in safe operating procedures and policy awareness across the Trust.

These key deliverables will enhance our ability to deliver more in view of health and safety which is a critical enabler in the achievement of our short- and long-term objectives.





# OUR BUSINESS

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# FINANCIAL CAPITAL

## CONSOLIDATING OUR FINANCIAL POSITION

Despite inherent challenges, we continue to make progress, and our financial performance continues demonstrating ongoing improvements amid setbacks we have encountered from unforeseen circumstances. Performance remains aligned to our key strategic focus areas of improving operations and cash flows while focusing on overall performance metrics, especially governance. In the reporting period, the Trust demonstrated its resilience in challenging conditions to deliver a resilient operating performance for the year.

Notably, the financial year end changed from March to December each year, therefore, the financial year covers a period of 9 months from April 2022 to December 2022, instead of the previous 12-month period.

### A challenging but resilient financial performance

The reporting period was characterized by headwinds but it is worth noting that Horse Mackerel harvesting cost increased by 45% compared to prior periods and this drastic increase had a negative effect on our selling price and ultimately the consumers. In order to keep the Horse Mackerel product affordable to our customers, the selling price was only increased by 32% subsequently putting a strain on our surplus margins.

Withstanding this, operating surplus decreased from N\$16 million to N\$898 000 owing to a combined effect of harvesting cost increases and reduction in quota income. The net surplus for the year was N\$5.5 million, down from N\$20.5 million in the prior period. Even though the current period is for 9 months, most of this surplus was generated from investment returns, which stood at N\$4.7 million.

On the other hand, there was a negative cash flow from operations to the tune of N\$20.5 million in the current period, compared to prior year's positive cash flow from operations of N\$50.6 million. This is a clear indication of how much the harvesting cost increase affects the Trust's operating results, for the period under review. The cash reserves overall reduced by N\$15.6 million, while last year's reduction was N\$21.7 million. This was necessary to fund the ever-increasing costs of operations and various capital projects and asset acquisitions required for operations.

Our total assets value reduced by N\$9.6 million due to the depletion of cash reserves and value of inventory as at 31<sup>st</sup> December 2022. However, there were lower debts at end of period as compared to prior year.

On the bright side however, the non-current assets increased by N\$1.5 million to N\$106 million and this increase demonstrate the Trust's resolve to set-up infrastructure and acquire assets.

### Prior period errors

During the prior year, investments held by the Trust in call accounts and money market funds were incorrectly classified as part of cash and cash equivalents. The comparative figures have been adjusted to reclassify the related investments to other financial assets at amortised cost.

Further, during the prior year, investments in government bonds with a maturity of more than 12 months after year-end were incorrectly classified as current assets. The comparative figures have been adjusted to reclassify the government bonds to non-current assets.

Additionally, during the same period, revenue generated from quota usage fees were incorrectly classified as part of other operating income. The comparative figures have been adjusted to reclassify the quota usage fees to revenue.

*The impact of the reclassification is shown in the tables below:*

The correction of the error(s) results in adjustments as follows:

Effect on statement of financial position:	Year-ended 31 March 2022 (N\$)
Decrease in bank balances (included in cash and cash equivalents)	(86,409,438)
Increase in other financial assets at amortised cost	86,409,438
Decrease in other financial assets, disclosed as current assets	(9,452,933)
Increase in other financial assets, disclosed as non-current assets	9,452,933

Effect on the statement of cash flows:	Year-ended 31 March 2022 (N\$)
Decrease in cash and cash equivalents at the beginning of the year	(31,042,993)
Decrease in interest received recognised on the statement of cash flows	(2,990,038)
Sale of other financial assets, included in cash flow from investing activities	22,623,593
Purchase of other financial assets, included in cash flow from investing activities	(75,000,000)

Effect on statement of profit and Loss and other comprehensive income	Year-ended 31 March 2022 (N\$)
Decrease in other operating income	(38,830,000)
Increase in revenue from quota usage fees	38,830,000

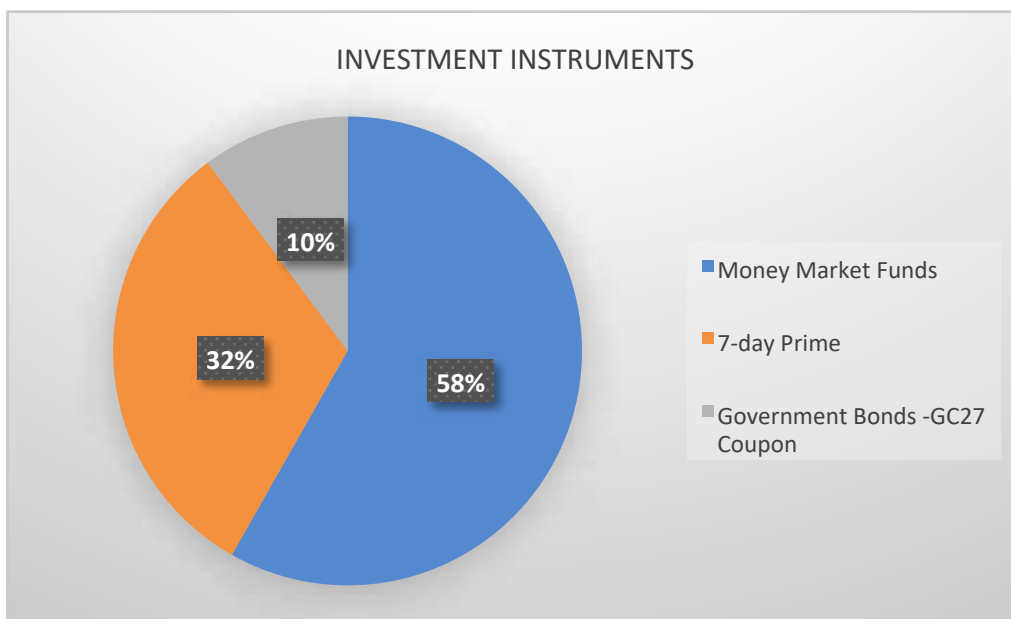


## Investments

The increase in the repo rate has improved the investment income for the Trust due to a substantial investment portfolio. In 9-months, the Trust made N\$4.7 million from investments compared to N\$4.4 million made in the prior period.

Below is a summary of the investment portfolio as at the end of December 2022:

Instrument	Rate	Market Value
Money Market Funds	7.03%	51,214,427.75
7-day Prime	6.40%	27,827,845.50
Government Bonds -GC27 Coupon	8.38%	8,940,776.34
		<b>87,983,049.59</b>



## Inventory

The Trust's inventory of fish and fish products is the cornerstone of its operations and it is the biggest costs, with the Trust expensing N\$107 million during the 9-month period and N\$120 million in the prior financial year.

Below is the breakdown of the sales summary from different species from 01 April 2022 to 31 December 2022:

Species	Amount (N\$)
Bycatches	9,352,710.21
Canned Prod	505,623.88
Horse Mackerel	106,156,471.64
Restaurant Cons	724,532.34
Refreshments Shop	19,061.08
Other Products	313,400.39
Horse Mackerel (BULK)	32,472,614.78
<b>Total</b>	<b>149,544,414.32</b>



The graph below shows the location of inventory held at year-end:



Commercial cold storage keeps most of the stock held, which is distributed to the various outlets on a weekly basis. NBIC also keeps some of the stock, however the volumes are limited because it is located outside the port which become cumbersome and costly to offload harvested stock.

**Procurement and capital projects**

The Trust completed 69% of the Annual Procurement Plan by the end of 9-months with the remaining 31% of the projects transferred to the next financial year. The change in financial year necessitated the transfer as the period was planned to end in March 2023.



The Trust has complied with the requirements of the Procurement Policy Unit in submitting the quarterly reports throughout the year and Annual Procurement Plan for 2023 financial year.



The Trust spent N\$8.6 million in capital project and asset acquisition, with the construction of Ondangwa fish shop taking the lion’s share of N\$5.2 million The acquisition of computer equipment costed N\$398 000 and fencing of Nkurenkuru & Mariental costing a combined N\$225 000.

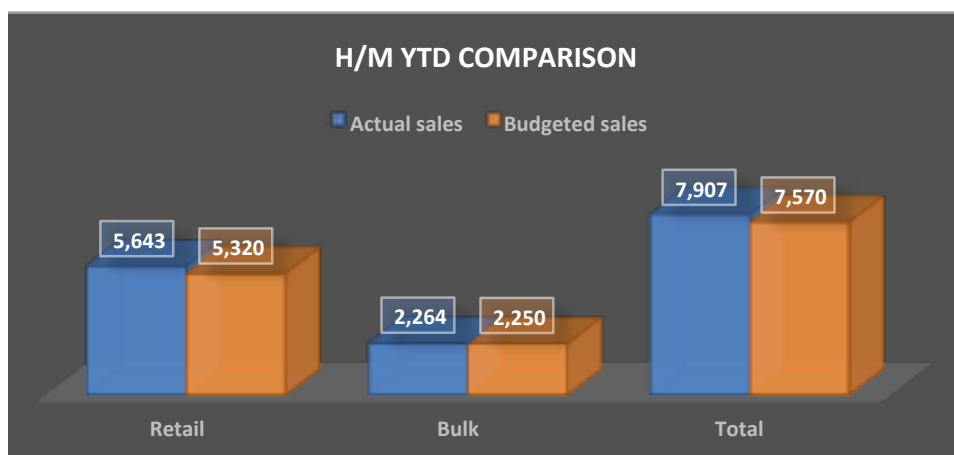




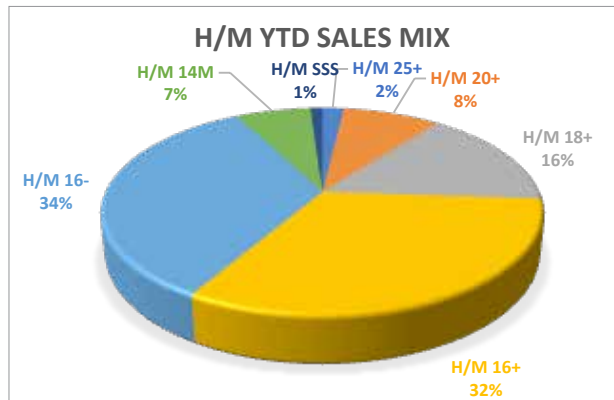
# ENHANCED OPERATIONS FOR GROWTH

Our operations remained firm in the transitional period exhibiting great potential and continuity. The Trust received a total delivery of 7756 ton of Horse Mackerel between April and December 2022. During this period,

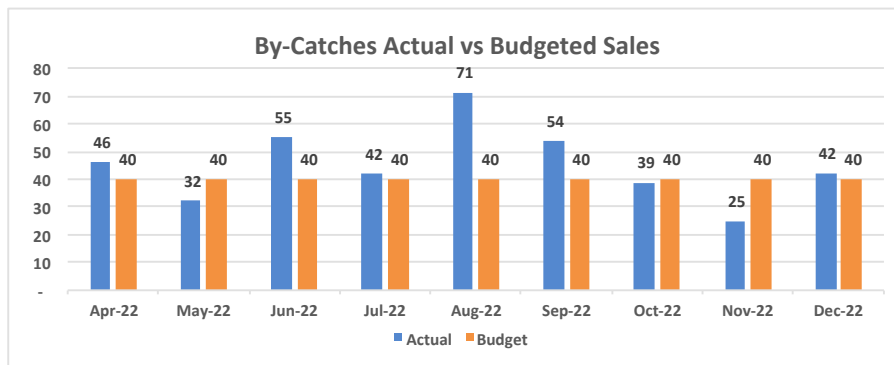
the Trust sold a total of 7 907 tons of Horse Mackerel, 337 tons (4.45%) more than the targeted quantity of 7 570 tons. 5 643 tons were sold through retail and 2 264 tons through bulk.



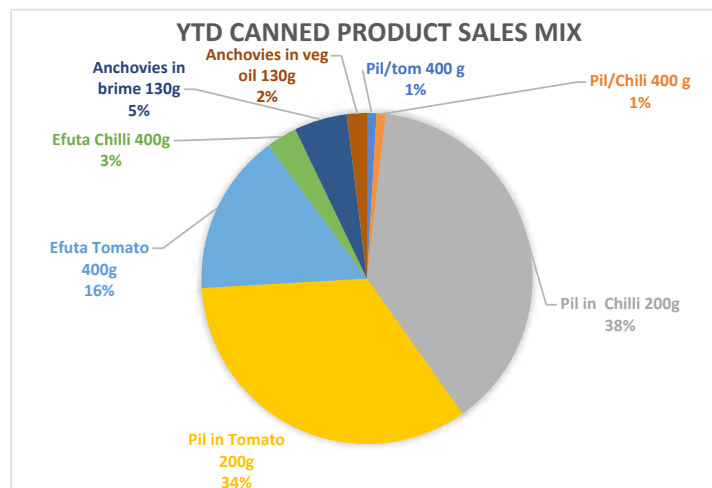
The graph below indicates that the HM 16m performed above all other sizes accounting for 34% of the total sales during the period under review followed by HM 16+ at 32%.



The Trust sold a total of 407 tons during the period in question (April to December 2022), 13% above the targeted 360 tons.



In addition to frozen fish, the Trust sold a total of 35,473 canned products, 59% above the target for the period in question.



### Product Diversification

In June 2022, NFCPT signed an agreement with Sui Generis Trust to supply and distribute aquaculture fish species across the country. As part of the agreement, Sui Generis will supply cultured freshwater fish, namely Tilapia/Zambezi Bream, to complement the NFCPT market needs, while NFCPT will ensure cold storage and

distribution of fish across Namibia in accordance with its mandate. The supply and distribution of the Tilapia/Zambezi Bream is aimed at product diversification to meet the growing demand by consumers and broadly tackle poverty and enhance nutritional security, particularly among low-income and marginalized households of our communities.





# INTELLECTUAL CAPITAL

## PRIORITISING STAKEHOLDER THROUGH EFFECTIVE MECHANISMS

Stakeholder relations remain the cornerstone of our strategy execution. In the period under review, we maintained our effective engagement with stakeholders which supported our growth initiatives. This was done hindsight of the fact that effective stakeholder engagement is particularly important in an era of social, technological and environmental disruption.

It requires on-going engagement with key stakeholders to ensure our strategy remains agile and responsive to the risks and opportunities that may arise.

To this end, emphasis was placed on creating value through innovative stakeholder engagement mechanisms and continuously evaluating our stakeholder landscape to ensure that we do not overlook stakeholders who may have a material influence on our business.

Our appropriate and relevant mechanisms ensured that we kept abreast of changing needs, interests and expectations of our key stakeholders.

### **Quest to increase per capita consumption of fish in Namibia**

In pursuit of the Trusts mandate to increase per capita consumption of fish in Namibia, the Marketing and Communications Department promotes the consumption of fish locally, and strives to enhance the image and brand of the Trust.

These goals are primarily achieved by familiarising Namibian citizens with the country's fish and the health benefits derived from including fish.

Additionally, the department imparts skills on how to prepare and cook fish. It also distributes and sells affordable fish to communities across Namibia and foster its consumption by conducting regional promotional activities that incorporate cooking demonstrations and offer fish sales.

During the 9 months under review, the Trust witnessed participation in a series of successful marketing and communications initiatives.

These include attendance at monthly regional promotions, exhibitions, educational seminar and national Fish consumption Day.

### Monthly regional mobile fish sales promotions



Monthly regional fish sales and educational promotions were conducted in eight regions namely Omusati, Ohangwena, southern part of Kunene, Otjozondjupa, Zambezi, //Karas and Oshikoto regions. These visits were well received, particularly in remote areas to ensure grassroot accessibility of affordable fish. These promotions incorporated cooking demonstrations to impart skills to public on how to prepare and cook fish. In so doing, this addresses the perception that fish is complex to prepare especially in areas where fish is not common.

### Fish consumption educational seminars stakeholder engagement



Each year, the Trust identifies areas where fish is not commonly known, or it is known but perceived as complex to prepare and cook. The aim is to engage and educate these communities by addressing this misperception.

One of the areas identified during the reporting period was Aranos within the Hardap region. At Aranos, a fully

packed official program was implemented where close to 250± community members attended. The program was officiated by Hon. Salomon April, Governor of Hardap Region, alongside local authority and regional constituency councillors. As a priority region in addressing local fish consumption gaps, the seminar was centred on educating the public about health benefits of consuming fish as well as different ways to prepare and cook fish that were conducted through cooking demonstrations. This event also witnessed live radio reads, interviews, entertainment as well as distribution of free cooked fish meals to the public. The impact of this can be seen in Aranos fish sales which have risen.

### Trade fairs and expos



Between April and December 2022, NFCPT exhibited at various trade fairs and expos. The Trust's participation was aimed at educating, informing and creating awareness of the Trust's activities and its promotion of fish consumption.

To attract visitors to the Trust's stall at these exhibitions, the marketing team used live onsite broadcasting, radio interviews and daily live streaming of cooking demonstrations from the stand.

The Trust won the Protagonist of the industry award at the Ongwediva Annual Trade Fair. Apart from the Ongwediva Trade Fair, the Trust participated at the Cray Fish Festival, the parliamentary Luncheon, World Ocean Day and Swakopmund International Trade Expo (SWAitex Expo).



**Mainstream media awareness campaign**

Namibia’s per capita fish consumption annually remains below the national and United Nation’s (UN) Food and Agricultural Organisation (FAO) average of 21.4kg per capita per annum. Namibia’s fisheries landing is estimated at about 550 000 metric tonnes (MT) per annum making it one of the leading fishing nations in the world. As one of the leading fishing nations, the local per capita fish consumption per annum is estimated at 16.59kg per capita, a rate which is deemed to be low when compared to the total landing.

In relation to this and for the nine months ended 31 December 2022, NFCPT implemented a mainstream media campaign which was mainly done through radio, billboards, and social media.

The main reasons for the campaign were to have NFCPT recognised as the affordable fish distributor across the country, influence the public to consume fish regularly, increased public awareness on how to prepare and cook different fish cuisines and increased public awareness about the health benefits of consuming fish coupled by how it contributes to food security as well as income generation.



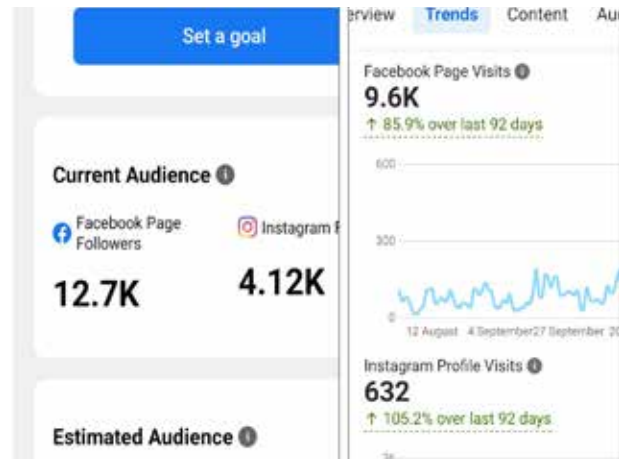
The campaign was directed primarily at households, bucket Boys (frozen fish vendors) and Kapana Memes (cooked fish vendors). The campaign also extended to Small Medium Enterprises (SMEs) and restaurants.





The campaign highlighted that the importance of eating fish does not only provide substantial nutritional benefits (omega 3 fatty acids, high quality protein and essential amino acids, micronutrients important to human health such as zinc, iodine, vitamins, etc.) but also contributes significantly to food security and income generation.

### Multi-platform delivery



To spread the word of the Trust’s initiatives to the public, various media strategies were employed during the reporting year, including radio advertisements, posts on social-media platforms (Facebook, Instagram and YouTube), as well as the Trust’s own website [www.nfcpt.com.na](http://www.nfcpt.com.na).

These media platforms are well suited to the Trust’s needs, as they enabled the Marketing and Communications team to engage with the public in an immediate fashion, reaching a great number of people in a cost-effective manner and sometimes in real time.

Central to the campaign was that the campaign needed to deliver key messages that were informative and expressed in plain language using a consumer-friendly approaches and terminology.

They sought to explain the role of fish in household diets, role of fish as a source of income, fish consumption patterns, consumer knowledge of fish as food and how individual participation contributes to national consumption of fish.

### Outlook

During the next financial year, we look forward to the fish consumption survey which will be essential to validate the per capita fish consumption survey for the country. Furthermore, we will continue to promote fish consumption and strive towards promoting a health-conscious nation through our educational, and fish promotion activities.

Imperatively, NFCPT recognises the importance of constructive engagement with all stakeholders as a key driver of the long-term sustainability of the organisation. Building and nurturing relationships with all our stakeholders are critical aspects of our commitment to good governance and an ethical culture, and essential to restore stakeholders’ trust and the Trust’s good reputation.





# HUMAN CAPITAL

## building a strong and diverse team

NFCPT's human capital is a key asset of the company and the skills and experience in our workforce are essential contributors to achieve our strategic goals through operational improvements, cost reductions and increased productivity. Essentially, our people are central to everything we do. Building a safe, inclusive and diverse culture has been a focus for us for a number of years and this is constant work for any company.

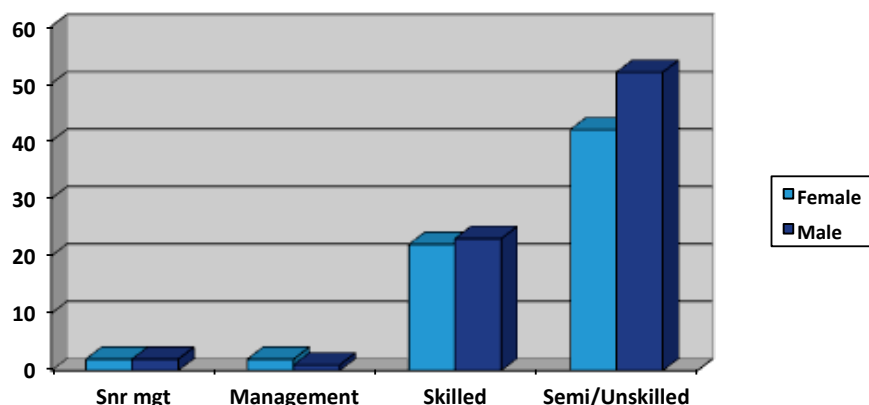
We are determined to provide a work environment where we all act with integrity, treat each other with care, respect and dignity, and can fulfil our roles to a high level of performance. Extensively, we are committed to building a strong and diverse team that reflects the communities we serve. We engage with employees to communicate strategy and responsibilities, improve our

productivity and efficiency, identify needs, recognise and reward good performance and hold each team member accountable for their individual contribution to the Trust's success.

### Employee Profile

During the period under review, Provision of 191 positions was made on the organisational structure of which 146 were filled while 45 positions remained unfilled. The staff complement is distributed as follows: 2.7% of employees in senior management, 2.0% in middle management, 30.8% are skilled/specialised and 64.3% are unskilled labour. This is summarised in the chart below:

Labour force establishment



## Gender

The graph below shows that female representation constituted 68 employees (47%) while male representation constituted 78 employees (53%). The fishing industry's male dominance is mirrored by this status. It is noteworthy that the prevalence of males is

largely confined to operational level (mainly comprising of fish processors) while female employees are largely concentrated in the administration and support departments.

Gender distribution



## Inoculating a high-performance culture

To inoculate a high-performance culture, NFCPT enacts a myriad of measures that foster productivity and effectiveness. Among these measures are that the Trust employs suitably qualified workers that are adaptable thus workers have the ability to occupy varied post/jobs.

The Trust also has clearly defined job roles, has no surmountable barriers between job roles and has implemented a performance management system with constant improvement on the assessment /review processes.

Furthermore, the Trust engages employees through various means (i.e., long service awards, employee wellness initiatives & CEO's meet n greet), capacitates employees through training and development programs as informed by respective individual development plans and maintains sound employee relations and prefers dialogue to resolve issues related to but not limited to grievance and discipline.



## Capacity development

The NFCPT places emphasis on employee development and thus invested N\$288 621.41 on training and development interventions for employees during the reporting period. There were competency-based interventions such as employee culture training, health & safety training for branch administrators, practical cleaning, hygiene & office etiquette training for A grade employees as well as development programs pertaining to conferences & seminars for management. A total of one hundred and thirty (130) employees received training in the 2022 financial year.

## Study assistance

Within the reporting period, the NFCPT implemented the Employee Study Assistance Scheme to help employees achieve their educational and professional goals. Overall, the employee study assistance scheme has been a valuable program. Through regular evaluation and monitoring of the program, we identified areas for improvement to ensure that the program is meeting its objectives. Thus far, the NFCPT has invested a total of **N\$105,156.71** for the 2022 financial year towards employee study assistance.



### Reward and recognition

As part of our reward & recognition Initiatives, the NFCPT hosted a long service awards ceremony. This proved to be valuable in recognising and rewarding employees who have shown commitment and dedication to the Trust through long-term service. This also showcased the importance employee engagement and retention efforts, as it can help boost morale and loyalty among employees. For the 2022 financial year, the Trust paid out a total of **N\$79,000.00** towards long service employees.

### Employee wellness initiatives



For the Trust, employee well-being is paramount. Within the reporting period, the NFCPT has made a significant contribution towards wellness initiatives, whilst recognising the importance of supporting and empowering our staff.

The 2022 wellness programs were essential in creating a positive and supportive environment, improving employee well-being and fostering a culture of engagement and productivity.

The 2022 wellness initiatives conducted were the RMA Wellness Day in June, the Spring Day Competition in September, the Wellness Movement Campaign in October and the Men's health campaign in November (November).

### Looking ahead

In the next financial year, we look forward to the acquisition and implementation of Sage 300 payroll system to improve efficiency and effectiveness with particular emphasis on PMS and leave management. We also anticipate to fully implement the new remuneration structure coupled by a review of the organisational structure with consideration of processes, procedures, and budget provisions.





# MANUFACTURED CAPITAL

## TOWARD ENHANCED OPERATING SYSTEMS

As Namibia progresses toward a digitalized economy, we have placed digital transformation at the heart of our operations. This, the Trust believed, will further empower employees through enhanced agility and proficiency which, in turn, drives our drive towards meeting our short- and long-term objectives.

To effectively address digital gaps, the Trust continues to investment into system components that are critical to our developmental aspirations and at the same time laying the foundation for accelerated capital projects that aim to enhance efficacy and resilience in the long run. As a key tenant, we also seek to remain ahead of the curve and the Trust's commitment to focusing on global trends empowers us to stay relevant and agile in the face of technological challenges.

### Digital Infrastructure Upgrades

Upgrading digital infrastructure is essential for improved and modernized operating systems and facilities. It is deemed necessary to invest in the enhancement and expansion of the Trust's current digital infrastructure to meet the evolving needs and demands of the Trust. By upgrading our digital infrastructure, we have ensured better efficiency, reliability, and performance, which will ultimately contribute to the overall success and growth of our operations.

Following the Trust's information technology plan, upgrades have been made to the Virtual Private Network (VPN) connections between the Head Office in Walvis Bay and the fish shops country-wide.

These necessary upgrades enable fish shops to connect to the Head Office servers, providing real-time data access and online trading capabilities. As a result of the upgrade, the processing speed has been enhanced while the network connectivity has become more reliable and overall communication within the Trust has also improved. To boost employee efficiency, the Trust has taken an initiative to upgrade its existing computer equipment with the organization determined to enhance its overall computing experience and improve performance.

In today's world, technological advancements are happening at a breakneck pace, and it's vital for the Trust to keep up with the latest hardware and software trends to ensure maximum efficiency and productivity from its employees.

### Outlook

To stay ahead of the technological curve, the Trust is meticulously crafting a plan to upgrade internet lines at both Head Office and fish shops across the country, ensuring flawless connectivity.

Furthermore, the Trust is actively considering introducing an Intranet, which could potentially improve our systems and processes. The Intranet would be an exclusive, secure network solely for the Trust, providing employees with a safe platform for sharing essential company information. In addition, it would facilitate a more collaboration and a team work culture on group projects and teleconferencing.





# SOCIAL AND RELATIONSHIP CAPITAL

COMMITTED TO HELPING OUR COMMUNITIES TO THRIVE

Our commitment to improving the lives of historically disadvantaged Namibians among other Corporate Social Responsibility (CSR) initiatives through a wide range of initiatives has always gone beyond the prescribed standard and focuses on tangible outcomes to promote socio-economic stability, improve living standards and manage our impact on the natural environment.

We see CSR as a process that eliminates the barriers to inclusion and creates new opportunities; a process that contributes to inclusive growth and fosters a sustainable future for everyone who lives in our country.

Our CSR recipient selection has ensured that expenditures are made where they matter most and where the promotion of fish consumption will make a difference. In the reporting period, we made the following interventions that enhanced our social and relationship capital.

## Youth empowerment, education and community development donations

During the reporting period, the Trust made donations in the value of **N\$322,817.00** towards youth empowerment education and community development projects. Regions covered included Ohangwena, // Karas, Omusati, Erongo, Hardap, Khomas and Oshana.



This went a long way in helping various people in these regions and our intention is to continue widening the assistance net in our CSR initiatives of the future.

### MOU with NYS



In April 2022, the Trust signed a Memorandum of Understanding (MOU) with the National Youth Council (NYC). The main aim of the MOU was to work in partnership with NYC in developing programmes and projects that will benefit both institutions and in particular, the Namibian youth. Furthermore, the MOU was to formalise the parties' collaborative efforts in supporting youth development initiatives aimed at poverty alleviation. It is against that background that the Trust donated a partitioned retail container valued **N\$129,700.00** to NYC which will benefit a young business entrepreneur living with disability.

### Donation to Omaandi Combined School

In November 2022, the Trust committed a donation of **N\$60,000.00** to assist the completion of the construction of an administration block by procuring roofing materials, cement and bricks for the Omaandi Combined School in the Tsandi Constituency of the Omusati Region.

The facility will enhance learning at the school and we are proud to have shown our hand in advancing an educational cause in the Omusati region.

### National Fish Consumption Day (NFCD)



The National Fish Consumption Day is a CSR initiative to celebrate Namibian fisheries. The day was initiated in 2021 to promote fish consumption at regional level. It was launched in Swakopmneund in 2012 and has since been rolled out in 10 host regions namely ,Erongo, Omaheke, Otjozondjupa, Omusati, Oshana, Kavango West, Kunene, Oshikoto, //Karas and Khomas. Every year the Trust raises funds for regional educational development purposes in the host regions. To date , this initiative has contributed **N\$5.7 million**.





# NATURAL CAPITAL

## ENVIRONMENTAL CARE AT THE CENTRE

As a significant user of environmental resources, NFCPT is committed to the responsible use, protection, and conservation of the environment. Withstanding the environmental impact of our operations, we remain committed to managing this responsibly.

Solar energy provides a broad range of environmental, social, and economic benefits.

### Green Energy

In the period under review, NFCPT completed the installation of PV solar power systems at the Outapi, Eenhana, and Rundu fish shops in order to combat the ever-increasing electricity costs and invest in green energy.

Hence, our goal as part of our green initiatives is to install PV solar energy systems at all of our owned fish shops.





**NAMIBIA FISH CONSUMPTION  
PROMOTION TRUST**

*(Registration number T76/01)*

# **ANNUAL FINANCIAL STATEMENTS**

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FOR THE PERIOD ENDED 31 DECEMBER 2022

## General Information

<b>Country of incorporation and domicile</b>	Namibia
<b>Nature of business and principal activities</b>	To promote the consumption of fish, making it accessible and affordable in Namibia
<b>Trustees</b>	Mrs. Suzan Ndjaleka (Chairperson)  Mrs. Charlene Hartung (Chairperson: A&R Committee)  Mrs. Nicole Kloppers (Chairperson: HR Committee)  Mr. Gideon Thomas
<b>Business address</b>	Portion of Erf 207 John Ovenstone Street Industrial Area, Walvis Bay Namibia
<b>Postal address</b>	P. O. Box 568 Swakopmund Namibia
<b>Auditors</b>	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
<b>Secretary</b>	Mr. Israel Ilende
<b>Trust Registration Number</b>	T76/01



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## Trustees' Responsibilities and Approval

The Trustees are required by the Deed of Trust, 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 Trust as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Trust and place considerable importance on maintaining a strong control environment.

To enable the Trustees to meet these responsibilities, the Trustees 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 Trust and all employees are required to maintain the highest ethical standards in ensuring the Trust's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Trust is on identifying, assessing, managing and monitoring all known forms of risk across the Trust. While operating risk cannot be fully eliminated, the Trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Trustees 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 Trust have reviewed the Trustee's cash flow forecast for the period to 31 December 2023 and, in the light of this review and the current financial position, they are satisfied that the Trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

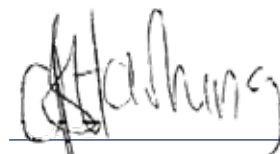
The external auditors are responsible for independently auditing and reporting on the Trust's annual financial statements. The annual financial statements have been examined by the Trust's external auditors and their report is presented on page 48 - 49.

The annual financial statements set out on pages 50 to 67, which have been prepared on the going concern basis, were approved by the Board of Trustees on 27 October 2023 and were signed on its behalf by:

### Approval of annual financial statements



**Mrs. Suzan Ndjaleka**  
(Chairperson)



**Mrs. Charlene Hartung**  
(Chairperson: A&R Committee)

# Trustees' Report

The Trustees have pleasure in submitting their report on the annual financial statements of Namibia Fish Consumption Promotion Trust for the period ended 31 December 2022.

## 1. Nature of business

Namibia Fish Consumption Promotion Trust was registered in Namibia with interests in the fishing industry. The Trust operates in Namibia.

There have been no material changes to the nature of the Trust's business from the prior period.

## 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Deed of Trust. The accounting policies have been applied consistently compared to the prior period.

Full details of the financial position, results of operations and cash flows of the Trust are set out in these annual financial statements.

## 3. Secretary

The Trust's secretary is Mr. Israel Iilende.

## 4. Trustees

The Trustees in office at the date of this report are as follows:

Trustees	Designation	Nationality
<b>Mrs. Suzan Ndjaleka</b> (Chairperson)	Non-executive	Namibian
<b>Mrs. Charlene Hartung</b> (Chairperson: A&R Committee)	Non-executive	Namibian
<b>Mrs. Nicole Kloppers</b> (Chairperson: HR Committee)	Non-executive	Namibian
<b>Mr. Gideon Thomas</b>	Non-executive	Namibian

There have been no changes to the Trustees for the period under review.

## 5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Trust or in the policy regarding their use. At 31 December 2022 the Trust's investment in property, plant and equipment amounted to N\$96,504,477 (2022:N\$94,904,723), of which N\$8,572,843 (2022: N\$11,930,207) was acquired during the current year.

## 6. Events after the reporting period

The Trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

## 7. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Trustees believe that the Trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Trustees have satisfied themselves that the Trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Trustees are not aware of any new material changes that may adversely impact the Trust. The Trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Trust.



# Trustees' Report

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## **8. Terms of appointment of the auditors**

PricewaterhouseCoopers were appointed as the Trust's auditors at the general meeting held on Thursday, 1 December 2022, for a period of three years, ending with the financial year 31 December 2024.

## **9. Change in financial year**

During the period under review, the Trust's financial year-end was changed from 31 March to 31 December each year. The change was done to align the Horse Mackerel fishing season to the Trust's financial year. The financial year will now commence on 01 January and end on the 31 December each year.





# Independent Auditor's Report

## To the Trustees of Namibia Fish Consumption Promotion Trust

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Namibia Fish Consumption Promotion Trust (the Trust) as at 31 December 2022, and its financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

### What we have audited

Namibia Fish Consumption Promotion Trust's financial statements set out on pages 9 to 23 comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period then ended;
- the statement of cash flows for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

### Independence

We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standard)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "Namibia Fish Consumption Promotion Trust Annual Financial Statements for the period ended 31 December 2022". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### PricewaterhouseCoopers, Registered Auditors

1st Floor, PwC Building, 122 Theo-Ben Gurirab Street, Walvis Bay, Erongo Region, Republic of Namibia

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Country Senior Partner: Chantell N Husselmann

The Firm's principal place of business is at 1st Floor, PwC Building, 122 Theo Ben Gurirab Street, Walvis Bay, Erongo Region, Republic of Namibia

Partners: Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuysen, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Willem A Burger, Nina A Coetzer

Practice Number 9406, VAT reg no. 00203281-015



# Independent Auditor's Report

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers*

**PricewaterhouseCoopers**

Registered Accountants and Auditors

Chartered Accountants (Namibia)

Per: Willem A Burger

Partner

Walvis Bay

**Date:** 27.10.2023 | 12:38 SAST

## Statement of Financial Position as at 31 December 2022

	Note(s)	<b>31 December 2022</b>	<b>31 March 2022 Restated *</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	96,504,477	94,904,723
Other financial assets	3	9,452,933	9,452,933
		<b>105,957,410</b>	<b>104,357,656</b>
<b>Current Assets</b>			
Inventories	4	10,114,417	15,745,708
Trade and other receivables	5	22,604,848	5,223,130
Other financial assets	3	79,071,657	86,409,438
Cash and cash equivalents	6	10,204,023	25,827,817
		<b>121,994,945</b>	<b>133,206,093</b>
<b>Total Assets</b>		<b>227,952,355</b>	<b>237,563,749</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		209,243,482	203,694,412
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income	7	4,731,520	4,815,512
<b>Current Liabilities</b>			
Trade and other payables	8	13,977,353	29,053,825
<b>Total Liabilities</b>		<b>18,708,873</b>	<b>33,869,337</b>
<b>Total Equity and Liabilities</b>		<b>227,952,355</b>	<b>237,563,749</b>

## Statement of Comprehensive Income

	Note(s)	9 months ended 31 December 2022	Year ended 31 March 2022 Restated *
Revenue	9	149,544,414	164,046,294
Cost of sales	10	(107,190,995)	(120,325,353)
<b>Gross surplus</b>		<b>42,353,419</b>	<b>43,720,941</b>
Revenue from quota sales	11	18,450,000	38,830,000
Other income	12	3,103,991	505,102
Administrative expenses	13	(63,009,506)	(66,954,833)
<b>Operating surplus</b>		<b>897,904</b>	<b>16,101,210</b>
Investment income	16	4,662,223	4,400,339
Interest paid	17	(11,057)	(14,968)
<b>Surplus for the period / year</b>		<b>5,549,070</b>	<b>20,486,581</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period / year</b>		<b>5,549,070</b>	<b>20,486,581</b>

## Statement of Changes in Equity

	Retained income	Total equity
<b>Restated* Balance at 1 April 2021</b>	<b>183,207,831</b>	<b>183,207,831</b>
Surplus for the year	20,486,581	20,486,581
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>20,486,581</b>	<b>20,486,581</b>
<b>Restated* Balance at 1 April 2022</b>	<b>203,694,412</b>	<b>203,694,412</b>
Surplus for the period	5,549,070	5,549,070
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>5,549,070</b>	<b>5,549,070</b>
<b>Balance at 31 December 2022</b>	<b>209,243,482</b>	<b>209,243,482</b>

## Statement of Cash Flows

	Note(s)	<b>9 months ended 31 December 2022</b>	<b>Year ended 31 March 2022 Restated *</b>
<b>Cash flows (to) from operating activities</b>			
Cash (used in) generated from operations	18	(20,473,242)	50,609,663
Interest income		493,866	1,410,301
Interest paid		(11,057)	(14,968)
<b>Net cash (to) from operating activities</b>		<b>(19,990,433)</b>	<b>52,004,996</b>
<b>Cash flows from (to) investing activities</b>			
Purchase of property, plant and equipment	2	(8,572,843)	(11,930,207)
Proceeds from sale of property, plant and equipment	2	20,805	-
Investment in Government bond		-	(9,452,933)
Purchase of other financial assets		-	(75,000,000)
Sale of other financial assets		12,918,677	22,623,593
<b>Net cash from (to) investing activities</b>		<b>4,366,639</b>	<b>(73,759,547)</b>
<b>Total cash movement for the period / year</b>			
		<b>(15,623,794)</b>	<b>(21,754,551)</b>
Cash and cash equivalents at the beginning of the period / year		25,827,817	47,582,369
<b>Total cash at end of the period</b>	6	<b>10,204,023</b>	<b>25,827,818</b>

## Accounting Policies

### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Deed of Trust. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

##### Key sources of estimation uncertainty

In preparing annual financial statements, management is required to make judgements, estimates and assumptions that affects the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to annual financial statements. No significant estimates and judgements have been applied in the preparation of these financial statements.

#### 1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the Trust holds for its own use or for rental to others and which are expected to be used for more than one period.

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 Trust, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Trust and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Trust.

Land is not depreciated. The useful lives of other items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Plant and machinery	Straight line	4 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	4 years
IT equipment	Straight line	3 years
Prefabricated buildings (included in buildings)	Straight line	10 years

Capital work in progress is not depreciated, until it is ready for use.

## Accounting Policies

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. Depreciation is not charged to an asset if its estimated residual value exceeds or equal to its carrying amount.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

### 1.3 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Subsequent measurement - financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

#### Trade receivables

Trade receivables are recognised initially at transaction prices. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as a current liability on the statement of financial position.

#### Trade payables

Trade payables are recognised initially at transaction prices and subsequently measured at amortized cost using the effective interest rate method. Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Namibian Dollars using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.



## Accounting Policies

### Other financial assets

These include investments made by the Trust in various financial instruments, they are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

### 1.4 Tax

#### Tax expenses

The Trust is exempt from Income Tax in terms of Section 16(1) of the Namibian Income Tax Act, 1981.

### 1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

### 1.6 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

### 1.7 Impairment of non-financial assets

The Trust assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior periods. A reversal of impairment is recognised immediately in surplus or deficit.

### 1.8 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

#### Termination benefits

Termination benefits are recognised as an expense with its resulting liability when the entity is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

## Accounting Policies

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

### 1.9 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

Government grants related to an asset, 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.

### 1.10 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or services in the ordinary course of the trust's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the trust, and specific criteria have been met for each of the trust's activities, as described below:

#### (a) Sale of fish

Revenue from the sale of fish is recognised when all the following conditions have been satisfied:

- the trust has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the trust 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 trust; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### (b) Interest income

Interest is recognised using the effective interest rate method and recognised as investment revenue in the statement of comprehensive income.

#### (c) Quota usage fees received

Quota usage fees are recognised as revenue on the accrual basis, in terms of the underlying contract.

### 1.11 Cost of sales

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

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

### 1.12 Comparative figures

The financial year end of the trust changed to 31 December 2022. The financial results for the year are therefore from April 2022 to December 2022, compared to April 2021 to March 2022 in the comparative figures. Comparative figures are therefore not entirely comparable.



## Notes to the Annual Financial Statements

### 2. Property, plant and equipment

	2022			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	3,402,905	-	3,402,905	3,402,905	-	3,402,905
Buildings	82,997,873	(9,903,188)	73,094,685	63,725,400	(8,861,369)	54,864,031
Plant and machinery	8,619,580	(5,618,670)	3,000,910	6,739,617	(4,886,041)	1,853,576
Furniture and fixtures	2,695,472	(1,362,771)	1,332,701	2,674,763	(1,124,713)	1,550,050
Motor vehicles	17,879,637	(14,260,438)	3,619,199	17,277,539	(12,653,850)	4,623,689
IT equipment	5,269,493	(3,697,624)	1,571,869	4,955,368	(3,023,441)	1,931,927
Computer software	-	-	-	247,850	(247,850)	-
Capital work in progress	10,482,208	-	10,482,208	26,678,545	-	26,678,545
<b>Total</b>	<b>131,347,168</b>	<b>(34,842,691)</b>	<b>96,504,477</b>	<b>125,701,987</b>	<b>(30,797,264)</b>	<b>94,904,723</b>

### Reconciliation of property, plant and equipment - December 2022

	Opening balance	Additions	Transfers	Other changes, movements	Depreciation	Closing balance
Land	3,402,905	-	-	-	-	3,402,905
Buildings	54,864,031	-	19,394,610	-	(1,163,956)	73,094,685
Plant and machinery	1,853,576	1,879,962	(373)	-	(732,255)	3,000,910
Furniture and fixtures	1,550,050	82,326	402	-	(300,077)	1,332,701
Motor vehicles	4,623,689	3,727	598,372	-	(1,606,589)	3,619,199
IT equipment	1,931,927	398,802	(28)	-	(758,832)	1,571,869
Capital work in progress	26,678,545	6,208,026	(19,992,983)	(2,411,380)	-	10,482,208
	<b>94,904,723</b>	<b>8,572,843</b>	<b>-</b>	<b>(2,411,380)</b>	<b>(4,561,709)</b>	<b>96,504,477</b>

## Notes to the Annual Financial Statements

### Reconciliation of property, plant and equipment - March 2022

	Opening balance	Additions	Transfers	Other changes, movements	Depreciation	Closing balance
Land	3,402,905	-	-	-	-	3,402,905
Buildings	55,460,937	-	664,493	1	(1,261,400)	54,864,031
Plant and machinery	2,122,710	941,955	-	-	(1,211,089)	1,853,576
Furniture and fixtures	449,363	1,427,562	-	-	(326,875)	1,550,050
Motor vehicles	4,948,536	2,000,848	-	-	(2,325,695)	4,623,689
IT equipment	1,350,211	1,405,673	-	-	(823,957)	1,931,927
Capital work in progress	21,188,869	6,154,169	(664,493)	-	-	26,678,545
	<b>88,923,531</b>	<b>11,930,207</b>	<b>-</b>	<b>1</b>	<b>(5,949,016)</b>	<b>94,904,723</b>

### Details of capital work in progress

Ondangwa fish shop	10,106,255	4,914,537
Assets in transit	150,436	2,631,744
Head office	-	19,132,264
Mariental erven	97,341	-
Nkurenkuru fish shop	128,176	-
	<b>10,482,208</b>	<b>26,678,545</b>

Assets in transit consists of Heavy Duty Shelves, Security Shatters and iPads.

Land and buildings consists of the following properties:

- Walvis Bay, portions of Erf 207, John Ovenstone Street, Industrial area, measuring 3 660 square meters
- Ongwediva, Erf 3166, Extension 4, measuring 7 600 square meters
- Swakopmund, Erf 618, section 6,7 & 8 Coastal Courtyard, measuring a combined 446 square meters
- Eenhana, Erf 946, measuring 1 263 square meters
- Rundu, Erf 1 685, Extension 6, measuring 701 square meters
- Outapi, Erf 393, Extension 1, measuring 1 903 square meters
- Opuwo, Erf 19 101, measuring 1 220 square meters
- Omuthiya, Erf 473 & 474, Extension 3, measuring 644 & 989 square meters, respectively
- Ondangwa, a portion of Erf 1 784, measuring 1 600 square meters
- Mariental, Erf 982, measuring 845 square meters
- Luderitz, Erf 1 293, Benguela, measuring 1,016 square meters
- Windhoek, Erf 787, Extension 2, Wanaheda, measuring 675 square meters
- Otjiwarongo, Erf 100 & 101, Heroes Park, measuring 954 square meters
- Nkurenkuru, Erf 1 419, a portion of Erf 525, Extension 1, measuring 2 239 square meters



## Notes to the Annual Financial Statements

Note(s)	<b>9 months ended 31 December 2022</b>	<b>Year ended 31 March 2022 Restated *</b>
<b>3. Other financial assets</b>		
<b>At amortised cost</b>		
<b>Bonds</b>	9,452,933	9,452,933
The investment in Government Bond is classified as a financial asset measured at amortised cost, The bond carries an annual coupon rate of 8% and will mature on 15 January 2027		
<b>IJG Investments</b>	79,071,657	86,409,438
These financial assets includes money market account, 7-day call account and 12-month fixed term deposit.		
<b>SME Bank Namibia</b>	25,293,294	26,705,833
Fixed term deposit held with SME Bank Namibia, now under liquidation		
Provision for Impairment of SME Bank Namibia fixed-term deposit	113,817,884 (25,293,294)	122,568,204 (26,705,833)
	<b>88,524,590</b>	<b>95,862,371</b>
<b>Non-current assets</b>		
At amortised cost	9,452,933	9,452,933
<b>Current assets</b>		
At amortised cost	79,071,657	86,409,438
	<b>88,524,590</b>	<b>95,862,371</b>
<b>4. Inventories</b>		
Fish held for resale	10,114,417	15,745,708

## Notes to the Annual Financial Statements

Note(s)	<b>9 months ended 31 December 2022</b>	<b>Year ended 31 March 2022 Restated *</b>
<b>Inventory expenses</b>		
Cost of inventory expensed amounted to N\$ 107,190,995 (March 2022: N\$ 120,325,353).		
<b>5. Trade and other receivables</b>		
Trade receivables	22,275,927	776,503
Deposits	218,218	218,376
VAT	110,703	4,239,454
Other receivables	-	(11,203)
	<b>22,604,848</b>	<b>5,223,130</b>
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	40,314	70,214
Bank balances	10,163,709	25,757,603
	<b>10,204,023</b>	<b>25,827,817</b>
<b>7. Deferred income</b>		
Other deferred income	4,731,520	4,815,512
<b>Net deferred income</b>		
Non-current liabilities	4,731,520	4,815,512

## Notes to the Annual Financial Statements

Note(s)	<b>9 months ended 31 December 2022</b>	<b>Year ended 31 March 2022 Restated *</b>
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<b>Asset description</b>	<b>Initial costs</b>	<b>Opening balance</b>	<b>Transfer to income</b>	<b>Closing Balance</b>
Land & Building	4,194,402	3,607,084	(62,916)	3,544,168
Motor vehicles	310,798	-	-	-
Coldroom	1,405,030	1,208,427	(21,075)	1,187,352
	<b>5,910,230</b>	<b>4,815,511</b>	<b>(83,991)</b>	<b>4,731,520</b>

Transfer from the Spanish Cooperation Agency Project: Land and building worth N\$ 4,194,402 and Motor vehicles and trucks worth N\$ 310,798 that were transferred at the end of the Spanish Cooperation Agency Project in 2013 as per the agreement between the Trust and the Project.

Transfers from the Overseas Fishery Cooperation Foundation of Japan: Cold room worth N\$ 1,405,030 constructed in Ongwediva for the Trust. The completion of construction and the handing over of the building was done in March 2015.

### 8. Trade and other payables

Trade payables	11,268,632	25,772,008
Accrued leave pay	2,573,259	2,312,264
Other accrued expenses	135,462	969,553
	<b>13,977,353</b>	<b>29,053,825</b>

### 9. Revenue

Sale of fish and fish related products	149,544,414	164,046,294
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### 10. Cost of sales

#### Sale of goods

Cost of goods sold	107,162,865	120,109,739
Inventory adjustment	28,130	215,614
	<b>107,190,995</b>	<b>120,325,353</b>

## Notes to the Annual Financial Statements

Note(s)	<b>9 months ended 31 December 2022</b>	<b>Year ended 31 March 2022 Restated *</b>
<b>11. Revenue from quota sales</b>		
Quota usage fees	18,450,000	38,830,000
<b>12. Other income</b>		
Profit on sale of assets and liabilities	20,805	69,565
Bad debts recovered	1,412,539	-
Insurance proceeds	28,163	-
Tender fee income	49,700	2,900
Deferred income	83,991	111,989
Miscellaneous income	1,508,793	320,648
	<b>3,103,991</b>	<b>505,102</b>
<b>13. Administrative expenses</b>		
Administrative expenses for the year is stated after accounting for the following, amongst others:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	450,257	540,910
Equipment		
• Contractual amounts	31,016	148,094
	<b>481,273</b>	<b>689,004</b>
Depreciation	4,561,709	5,949,016
Employee costs	25,426,904	26,291,356
<b>14. Auditor's remuneration</b>		
Fees	331,092	281,689

## Notes to the Annual Financial Statements

Note(s)	9 months ended 31 December 2022	Year ended 31 March 2022 Restated *
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### 15. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

#### Depreciation

Property, plant and equipment	4,561,709	5,949,016
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### 16. Investment revenue

#### Interest revenue

Bank and investments in other financial assets	4,662,223	4,400,339
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### 17. Interest paid

Trade and other payables	11,057	14,968
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### 18. Cash (used in) generated from operations

Net profit before taxation	5,549,070	20,486,579
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#### Adjustments for:

Depreciation	4,561,709	5,949,016
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Profit on sale of assets and liabilities	(20,805)	-
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Other non-cash items	2,411,380	1,253
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Provision for SME investment recovered	(1,412,539)	-
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Investment income	(4,662,223)	(4,400,339)
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Finance costs	11,057	14,968
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#### Changes in working capital:

(Increase) decrease in inventories	5,631,291	(11,971,614)
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(Increase) decrease in trade and other receivables	(17,381,712)	19,846,272
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Increase (decrease) in trade and other payables	(15,076,477)	20,795,515
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Increase (decrease) in deferred income	(83,992)	(111,988)
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	<b>(20,473,241)</b>	<b>50,609,662</b>
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## Notes to the Annual Financial Statements

Note(s)

**9 months  
ended 31  
December  
2022**

**Year ended 31  
March 2022**

### 19. Related parties

#### Relationships

Members of key management	Chief Executive Officer
	Finance Manager
	HR & Administration Manager
	Marketing & Communication Manager
	Operations Manager
	Company Secretary
	Internal Auditor
	Senior Operations Officer (Northern Region)
	Senior Operations Officer (South & Central Region)

#### Related party balances and transactions with key management personnel of the trust

#### Related party transactions

#### Amount paid to related parties

Key Management Remuneration	4,880,389	4,783,439
Trustees Sitting Allowance	249,838	292,725



## Notes to the Annual Financial Statements

Note(s)

**9 months ended  
31 December  
2022**

**Year ended 31  
March 2022**

### 20. Trustees emoluments

#### Non-executive

#### December 2022

##### Trustees' emoluments

	Trustees fees	Committee fees	Retainer fees	Total
Mrs. Suzan Ndjaleka (Chairperson)	18,702	-	31,597	50,299
Mrs. Charlene Hartung (Chairperson: A&R Committee)	12,259	8,611	42,452	63,322
Mrs. Nicole Kloppers (Chairperson: HR Committee)	12,259	8,611	42,452	63,322
Mr. Gideon Thomas	8,172	12,797	38,920	59,889
	<b>51,392</b>	<b>30,019</b>	<b>155,421</b>	<b>236,832</b>

#### March 2022

##### Trustees' emoluments

	Trustees fees	Committee fees	Retainer fees	Total
Mrs. Suzan Ndjaleka (Chairperson)	18,702	-	42,129	60,831
Mrs. Charlene Hartung (Chairperson: A&R Committee)	12,259	8,611	56,602	77,472
Mrs. Nicole Kloppers (Chairperson: HR Committee)	12,259	8,611	56,602	77,472
Mr. Gideon Thomas	12,259	12,797	51,894	76,950
	<b>55,479</b>	<b>30,019</b>	<b>207,227</b>	<b>292,725</b>

## Notes to the Annual Financial Statements

Note(s)	9 months ended 31 December 2022	Year ended 31 March 2022 Restated *
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### 21. Prior period errors

During the prior year, investments held by the Trust in call accounts and money market funds were incorrectly classified as part of cash and cash equivalents. The comparative figures have been adjusted to reclassify the related investments to other financial assets at amortised cost. The impact of the reclassification is shown in the tables below:

During the prior year, investments in government bonds with a maturity of more than 12 months after year-end were incorrectly classified as current assets. The comparative figures have been adjusted to reclassify the government bonds to non-current assets. The impact of the reclassification are shown in the tables below:

During the prior period, revenue generated from quota usage fees were incorrectly classified as part of other operating income. The comparative figures have been adjusted to reclassify the quota usage fees to revenue. The impact of the reclassification is as shown in the tables below:

#### Effect on statement of financial position

The correction of the errors results in the adjustments as follows:

Decrease in bank balances (included in cash and cash equivalents)	-	(86,409,438)
Increase in other financial assets at amortised cost	-	86,409,438
Decrease in other financial assets, disclosed as current assets	-	(9,452,933)
Increase in other financial assets, disclosed as non-current assets	-	9,452,933

#### Effect on the statement of cashflows:

Decrease in cash and cash equivalents at the beginning of the year	-	(31,042,993)
Decrease in interest received recognised on the statement of cash flows	-	(2,990,038)
Sale of other financial assets, included in cash flow from investing activities	-	22,623,593
Purchase of Other Financial Assets	-	(75,000,000)

#### Effect on statement of profit and Loss and other comprehensive income

Decrease in other operating income	-	(38,830,000)
Increase in revenue from quota usage fees	-	38,830,000

### 22. Categories of financial instruments

Debt instruments at amortised cost		
Cash and cash equivalents	10,204,023	25,827,817
Other financial assets	88,524,590	95,862,371
Trade and other receivables	22,494,145	983,676
	<b>121,222,758</b>	<b>122,673,864</b>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	<b>11,404,092</b>	<b>26,741,564</b>



## Detailed Income Statement

	Note(s)	9 months ended 31 December 2022	Year ended 31 March 2022 Restated *
<b>Revenue</b>			
Sale of fish and fish related products		149,544,414	164,046,294
<b>Cost of sales</b>			
Opening stock		(15,745,708)	(3,774,094)
Purchases		(101,559,704)	(132,296,967)
Closing stock		10,114,417	15,745,708
	10	<b>(107,190,995)</b>	<b>(120,325,353)</b>
<b>Gross surplus</b>		<b>42,353,419</b>	<b>43,720,941</b>
<b>Other income</b>			
Bad debts recovered		1,412,539	-
Insurance proceeds		28,163	-
Tender fees		49,700	2,900
Deferred income		83,991	111,989
Other income		1,508,793	320,648
Gains on disposal of assets		20,805	69,565
		<b>3,103,991</b>	<b>505,102</b>
<b>Expenses (Refer to pages 69-70)</b>		<b>(63,009,506)</b>	<b>(66,954,833)</b>
<b>Operating surplus</b>		<b>(17,552,096)</b>	<b>(22,728,790)</b>
Investment income	16	4,662,223	4,400,339
Interest paid	17	(11,057)	(14,968)
Capital expenses expensed		18,450,000	38,830,000
		<b>23,101,166</b>	<b>43,215,371</b>
Surplus for the year		<b>5,549,070</b>	<b>20,486,581</b>

\* See Note 21

The supplementary information presented does not form part of the annual financial statements and is unaudited

## Detailed Income Statement

	Note(s)	<b>9 months ended 31 December 2022</b>	<b>Year ended 31 March 2022 Restated *</b>
<b>Operating expenses</b>			
Advertising		(2,010,668)	(1,913,726)
Auditors remuneration	14	(331,092)	(281,689)
Bad debts		(12,500)	(466,742)
Bank charges		(1,056,633)	(1,090,186)
Board meeting expenses		(313,842)	(182,055)
Cleaning		(185,361)	(437,133)
Computer expenses		(186,559)	(2,435,499)
Consulting fees		(1,832,081)	(1,907,372)
Consumables		(15,361)	(22,497)
Depreciation		(4,561,709)	(5,949,016)
Donations		(642,297)	(3,142,707)
Employee costs		(25,426,904)	(26,291,356)
Entertainment		(204,278)	(156,981)
Gifts		(11,531)	(22,109)
Insurance		(641,916)	(786,463)
Lease rentals on operating lease		(481,273)	(689,004)
Legal expenses		(30,122)	(32,590)
Levies		(38,331)	(57,400)
Magazines, books and periodicals		(341,772)	(88,909)
Motor vehicle expenses		(572,832)	(520,440)
National fish consumption day		(3,839,683)	(651,361)
Other operating expenses		(507,567)	-
Petrol and oil		(4,473,699)	(3,259,298)
Postage		(127,539)	(141,767)
Printing and stationery		(423,533)	(428,051)
Promotions		(808,912)	(1,328,795)
Protective clothing		(144,611)	(62,066)

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## Detailed Income Statement

	Note(s)	<b>9 months ended 31 December 2022</b>	<b>Year ended 31 March 2022 Restated *</b>
Repairs and maintenance		(2,427,108)	(2,317,124)
Security		(2,477,393)	(3,383,221)
Small tools & equipment		(11,237)	(5,619)
Sports		(101,665)	(63,471)
Staff welfare		(13,642)	(8,759)
Subscriptions		(86,184)	(42,717)
Telephone and fax		(709,828)	(889,000)
Training		(282,444)	(308,298)
Travel - local		(4,276,954)	(2,825,415)
Trustees sitting allowance		(236,832)	(292,725)
Utilities		(3,040,554)	(4,192,165)
Workshops & conference		(123,059)	(281,107)
		<b>(63,009,506)</b>	<b>(66,954,833)</b>

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**NAMIBIA FISH CONSUMPTION  
PROMOTION TRUST**

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