



NATIONAL AGRICULTURAL MARKETING BOARD

*(A corporate body established under the National Agricultural
Marketing Board Act No. 13 of 1985)*

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

National Agricultural Marketing Board

Annual Financial Statements for the year ended 31 March 2019

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National Agricultural Marketing Board

Directors' Responsibility Statement for the year ended 31 March 2019

The directors are responsible for the preparation and fair presentation of the financial statements of the National Agricultural Marketing Board (NAMBoard) comprising the statement of financial position as at 31 March 2019 and the statements of comprehensive income, changes in shareholders equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and in the manner required by the National Agricultural Marketing Board Act No.13 of 1985.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of NAMBoard's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the annual financial statements

The financial statements of the National Agricultural Marketing Board, as identified in the first paragraph and set out on pages 7 to 32, were approved by the Board of Directors on the **2nd October 2020** and are signed on its behalf by:

.....
Director

.....
Director

8 October 2020

Independent Auditors' Report

To the Shareholder of National Agricultural Marketing Board

Qualified Opinion

We have audited the financial statements of National Agricultural Marketing Board (NAMBoard) which comprise the statement of financial position as at 31 March 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes and the directors' report, as set out on pages 9 to 32.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of National Agricultural Marketing Board as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Basis for Qualified Opinion

As described in the Other Matter paragraph, we were unable to obtain sufficient appropriate audit evidence on the opening balances for the year ended 31 March 2019. Accordingly, we could not satisfy ourselves as to the accuracy of the opening balances and whether the adjustments that were processed in the income statement to reverse prior year unsupported balances were necessary which could impact the surplus for the year reported in the statement of comprehensive income and the net cash flows from operating activities reported in statement of cash flows. In these circumstances, we were unable to determine the effect on the comparability on the current year's figures with those of prior year.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are independent of NAMBoard in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to the audit of financial statements in Eswatini and have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other Matter

The financial statements of the entity for the year ended 31 March 2018 were audited by another auditor and management had inadequate supporting schedules to support certain balances as at that date due to a system failure which resulted in the entity losing all its recorded financial information.

Other Information

The directors are responsible for the other information. The other information comprises the directors' responsibility statement, corporate information and the detailed income statements attached to the financial statements which we obtained prior to the date of this report. Other information does not include the financial statements and our auditors' 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 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. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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 Directors for the Financial Statements

The directors 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 directors 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 directors are responsible for assessing NAMBoard'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 directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 skepticism throughout the audit. We also:

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- 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 NAMBoard's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 NAMBoard's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause NAMBoard 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 directors 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.

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Auditors

National Agricultural Marketing Board

Corporate Information for the year ended 31 March 2019

Directors

The directors in office at the date of approval of these financial statements were:

| | |
|--------------------------|------------------|
| Mr. Joseph Ndlangamandla | <i>Chairman</i> |
| Ms. Portia Mamba | |
| Ms. Lindiwe Ngwenya | |
| Ms. Sonia Paiva | |
| Mr. Nelson Mavuso | |
| Mr. Nicholas Mkhathshwa | |
| Dr. Siphon Nkambule | |
| Mr. Siphephiso Dlamini | <i>Secretary</i> |

The directors during and at the end of the financial year were:

| | |
|------------------------|------------------|
| Dr. Mike Matsebula | <i>Chairman</i> |
| Mr. Enock Dlamini | |
| Mr. Wilson Sikhondze | |
| Mr. Richard Ngwenya | |
| Ms. Sonia Paiva | |
| Mr. Linda Hlophe | |
| Mr. Siphephiso Dlamini | <i>Secretary</i> |

Chief Executive Officer

Mr. Siphephiso Dlamini

Business addresses and contact details

NAMBoard Building, Cnr Mbabha and Masalesikhundleni
Streets, Manzini, Eswatini

P O Box 4261, Manzini, M200

Telephone: +268 505 5314/5

Website: www.namboard.co.sz

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National Agricultural Marketing Board

Corporate Information – continued
for the year ended 31 March 2019

Bankers

Standard Bank (Eswatini) Limited
Nedbank (Swaziland) Limited
Eswatini Development and Savings Bank

Auditors

SNG Grant Thornton Chartered Accountants (Eswatini)
Umkhiwa House
Mbabane, Eswatini

Investment institutions

African Alliance (Swaziland) (Proprietary) Limited
2nd Floor, Nedbank Corporate Building
Mbabane, Eswatini

Old Mutual Eswatini
Public Service Pensions Fund Building
Mbabane, Eswatini

Stanlib
Corporate Plaza
Mbabane, Eswatini

Legal counsel

Sabelo Mngomezulu Attorneys
4th Floor Mbandzeni House
Mbabane, Eswatini

Robinson Bertram Attorneys
Ingcongwane Building, Gwamile Street
Mbabane, Eswatini

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National Agricultural Marketing Board

Directors' Report for the year ended 31 March 2019

The Directors' take pleasure in presenting their report which forms part of the Annual Financial Statements of National Agricultural Marketing Board (*hereinafter 'NAMBoard'*) for the year ended 31 March 2019.

General Review

NAMBoard is a body corporate established under the National Agricultural Marketing Board Act No. 13 of 1985.

Principal Mandate

NAMBoard's principal mandate is to regulate imports of scheduled agricultural produce. Further functions of NAMBoard are to register wholesale distributors, importers and exporters of scheduled products and to facilitate the production, distribution and sale of same.

Comparative Results

The comparative results for the year ended 31 March 2018 are audited.

Financial Results

| | 2019 E | 2018 E |
|--|--------------------|-------------------|
| Revenue | <u>62,719,038</u> | <u>60,109,884</u> |
| Total comprehensive (loss)/income for the year | <u>(1,416,766)</u> | <u>4,236,976</u> |

Directors' Interests

None of the Directors had a material interest in any significant contract with NAMBoard during the year.

Gifts and Donations

NAMBoard supported activities and programmes under the Ministry of Agriculture through its corporate social responsibility programme.

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National Agricultural Marketing Board

Directors' Report – continued *for the year ended 31 March 2019*

Property, Plant and Equipment

NAMBoard acquired property, plant and equipment and residential property during the year amounting to E 8,023,973 (2018: E 5,874,257). Additionally, in the current year management did an exercise whereby they updated the fixed asset register and revalued all assets with the assistance of an external consultant. This resulted in a revaluation loss of E2,220,556 on land and buildings and an impairment of E1,258,675 on all other categories of assets.

Farmer Development Projects

The Board continued to pursue several farmer development projects in the year under review in partnership with ESWADE, UNDP and COMESA.

Health and Safety of Employees

The Directors are aware of their responsibilities towards the health and safety of employees and have accordingly put in place appropriate measures to safeguard the health and safety of employees.

Adoption of the International Financial Reporting Standard for Small and Medium-sized Entities

NAMBoard has elected to adopt the International Financial Reporting Standard for Small and Medium-sized Entities (“IFRS for SMEs”) for the year ended 31 March 2019. Previously International Financial Reporting Standards (“IFRS”) was the primary reporting framework. On adoption of the International Financial Reporting Standard for Small and Medium-sized Entities there were no significant changes to the recognition and measurement of amounts previously recognised and consequently there is no change to previously reported comparative amounts.

Going concern

NAMBoard meets its day-to-day working capital requirements through the use of its cash reserves and bank facilities. Management’s forecasts and projections, taking into account reasonable possibility of changes in trading performance, show that NAMBoard should be able to operate within the level of its current resources and facilities. The Directors have every reason to believe that the entity has adequate resources to continue in operational existence for the foreseeable future.

The directors believe that the organisation will have adequate financial resources to continue operating for 12 months and beyond after the date of issue of these financial statements and accordingly the financial statements have been prepared on a going concern basis.

National Agricultural Marketing Board

Directors' Report – continued *for the year ended 31 March 2019*

Events after the reporting date

COVID-19 effects

On 11 March 2020, the World Health Organisation declared the Coronavirus CoVid-19 outbreak to be a pandemic in recognition of its rapid spread across the globe, with more than 200 countries affected. On 17 March 2020, His Excellency the Right Honourable Prime Minister of Eswatini informed the nation that he had been commanded by His Majesty King Mswati III to invoke Section 29 of the Disaster Management Act of 2006 and declared a national emergency, commissioning a partial lockdown for the country. Government has taken steps to contain the virus and the economic impacts of these events include disruption to business operations and a significant increase in economic uncertainty.

NAMBoard is considered to be an essential service and continued to operate during the partial lockdown whilst implementing best practice as recommended by the World Health Organisation.

The impacts of the pandemic are monitored by management and the Board and corrective action is implemented as required.

There were no other material matters that have arisen between the reporting date and the date of the approval of the financial statements

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National Agricultural Marketing Board

Statement of Comprehensive Income for the year ended 31 March 2019

| | Note | 2019 E | 2018 E |
|---|------|---------------------------|-------------------------|
| Revenue | 14 | 62,719,038 | 60,109,884 |
| Cost of sales | | <u>(22,557,358)</u> | <u>(18,468,061)</u> |
| Gross profit | | 40,161,680 | 41,641,823 |
| Other income | | <u>213,918</u> | <u>1,256,826</u> |
| | | 40,375,598 | 42,898,649 |
| Administration and operating expenses | | <u>(39,202,810)</u> | <u>(37,828,026)</u> |
| Operating surplus before net finance income | | 1,172,788 | 5,070,623 |
| Finance income | | 1,681,819 | 1,838,489 |
| Finance costs | | <u>(1,249,834)</u> | <u>(851,378)</u> |
| Operating surplus before taxation | | 1,604,773 | 6,057,734 |
| Income tax expense | 16 | <u>(800,983)</u> | <u>(1,820,758)</u> |
| Surplus for the year | | 803,790 | 4,236,976 |
| <i>Other comprehensive income</i> | | | |
| Revaluation loss | | <u>(2,220,556)</u> | <u>-</u> |
| Total comprehensive (loss)/income for the year | | <u>(1,416,766)</u> | <u>4,236,976</u> |

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National Agricultural Marketing Board

Statement of Financial Position as at 31 March 2019

| ASSETS | Note | 2019 E | 2018 E |
|-------------------------------------|------|-------------------|-------------------|
| Non Current Assets | | | |
| Property, plant and equipment | 4 | 32,498,585 | 32,295,731 |
| Residential property | 5 | 4,771,830 | 3,778,879 |
| Deferred tax | 17 | 790,411 | - |
| Investments | 6 | 22,960,045 | 22,346,078 |
| | | 61,020,871 | 58,420,688 |
| Current Assets | | | |
| Funds on deposit and cash resources | 7 | 5,309,096 | 1,207,198 |
| Inventory | 8 | 928,585 | 2,614,161 |
| Trade receivables | 9 | 7,938,741 | 7,152,591 |
| | | 14,176,422 | 10,973,950 |
| TOTAL ASSETS | | 75,197,293 | 69,394,638 |
| EQUITY AND LIABILITIES | | | |
| Funds and reserves | | | |
| Accumulated funds | | 34,496,056 | 32,975,949 |
| Revaluation reserve | 10 | 19,925,544 | 23,213,280 |
| | | 54,421,600 | 56,189,229 |
| Non current Liabilities | | | |
| Borrowings | 11 | 7,240,400 | 2,447,133 |
| Deferred income tax liability | 17 | - | 482,534 |
| Provision for employee benefits | 12 | 1,813,665 | 2,270,503 |
| | | 9,054,065 | 5,200,170 |
| Current Liabilities | | | |
| Borrowings | 11 | 2,680,471 | 1,949,695 |
| Taxation | 18 | 2,976,876 | 1,310,685 |
| Trade payables | 13 | 6,064,281 | 4,744,859 |
| | | 11,721,628 | 8,005,239 |
| TOTAL EQUITY AND LIABILITIES | | 75,197,293 | 69,394,638 |

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National Agricultural Marketing Board

Statement of Changes in Equity for the year ended 31 March 2019

| | Revaluation Reserve E | Accumulated Funds E | Total E |
|---|-----------------------------|---------------------------|-------------------|
| Balance at 1 April 2018 as previously reported | 23,213,280 | 32,975,949 | 56,189,229 |
| Sdemane* | - | (350,863) | (350,863) |
| Restated amount | 23,213,280 | 32,625,086 | 55,838,366 |
| Restated opening balance as at 1 April 2018 | 23,213,280 | 32,625,086 | 55,838,366 |
| Revaluation loss | (2,220,556) | - | (2,220,556) |
| Release of revaluation reserve to retained earnings | (1,067,180) | 1,067,180 | - |
| Surplus for the year | - | 803,790 | 803,790 |
| Balance as at 31 March 2019 | 19,925,544 | 34,496,056 | 54,421,600 |
| Balance as at 1 April 2017 | 23,825,325 | 28,126,928 | 51,952,253 |
| Release of revaluation reserve to retained earnings | (612,045) | 612,045 | - |
| Surplus for the year | - | 4,236,976 | 4,236,976 |
| Balance as at 31 March 2018 | 23,213,280 | 32,975,949 | 56,189,229 |

*Previously, Sdemane financial records were not combined with the NAMBoard financial records. Adjustment to accumulated funds on initial consolidation with NAMBoard.

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National Agricultural Marketing Board

Statement of Cash Flows for the year ended 31 March 2019

| | <i>Notes</i> | 2019 E | 2018 E |
|---|--------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | <i>15</i> | 7,623,532 | 5,837,243 |
| Taxation paid | <i>18</i> | <u>(407,737)</u> | <u>(471,275)</u> |
| Net cash flows from operating activities | | <u>7,215,795</u> | <u>5,365,968</u> |
| Cash flows from investing activities | | | |
| (Additions to)/disposals of investments | | (613,967) | 799,905 |
| Additions to property, plant and equipment and residential property | <i>4, 5</i> | <u>(8,023,973)</u> | <u>(5,874,257)</u> |
| Net cash flows from investing activities | | <u>(8,637,940)</u> | <u>(5,074,352)</u> |
| Cash flows from financing activities | | | |
| Loans raised | | 8,000,000 | - |
| Repayment of loans | | <u>(2,475,957)</u> | <u>(638,035)</u> |
| Net cash flows from financing activities | | <u>5,524,043</u> | <u>(638,035)</u> |
| Net cash flows | | 4,101,898 | (346,419) |
| Cash and cash equivalents at the beginning of the year | | <u>1,207,198</u> | <u>1,553,617</u> |
| Cash and cash equivalents at year end | <i>7</i> | <u>5,309,096</u> | <u>1,207,198</u> |
| Consisting of: | | | |
| Funds on deposit and cash resources | | <u>5,309,096</u> | <u>1,207,198</u> |

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National Agricultural Marketing Board

Summary of Significant Accounting Policies for the year ended 31 March 2019

1. Reporting entity

National Agricultural Marketing Board (NAMBoard) is an organization domiciled in Eswatini. NAMBoard is a body corporate established under the National Agricultural Marketing Board Act No. 13 of 1985.

2. Summary of significant accounting policies

Statement of compliance

The financial statements of NAMBoard have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board. The principle accounting policies applied in the preparation of these financial statements are set out below.

These financial statements were approved by the directors on 02 October 2020.

(a) Basis of preparation

(i) *Compliance with IFRS for SMEs*

The Annual Financial Statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

(ii) *Historical cost convention*

The Annual Financial Statements have been prepared under the historical cost convention, except where otherwise stated in the accounting policies below.

(b) Functional and presentation currency

Items included in the Annual Financial Statements are measured using the currency of the primary economic environment in which NAMBoard operates ('the functional currency'). The Annual Financial Statements are presented in Emalangeni ('E') which is the Boards' functional currency, rounded to the nearest one Lilangeni.

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National Agricultural Marketing Board

Summary of Significant Accounting Policies – continued for the year ended 31 March 2019

(c) Financial instruments

Financial instruments carried in the statement of financial position include funds on deposit and cash resources, trade receivables and trade payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(d) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. All land and buildings are subsequently stated at revalued amounts less accumulated depreciation and impairment. All other categories are subsequently stated at cost less accumulated depreciation and impairment.

Depreciation is calculated using the reducing balance method to allocate the cost less the residual values over the estimated useful lives as follows:

Categories

| | |
|-------------------------|-------|
| Land | 0% |
| Buildings | 5% |
| Office equipment | 10% |
| Computers | 33.3% |
| Plant and equipment | 10% |
| Motor vehicles | 25% |
| Furniture and equipment | 10% |
| Mobile offices | 10% |
| Residential property | 5% |

(e) Leased assets

Items of property, plant and equipment acquired under finance lease agreements are capitalised at their cash cost equivalent and the corresponding liability to the lessor is raised. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. The items of property, plant and equipment are depreciated on the same basis as other assets owned by NAMBoard. Operating lease payments are charged against income as they are incurred.

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National Agricultural Marketing Board

Summary of Significant Accounting Policies – continued for the year ended 31 March 2019

(f) Revenue recognition

Sales are recognised upon delivery of products net of discounts and value added tax. Levies, registration and permit fees are recognised on a cash received basis. Interest income is recognised as it accrues unless collectability is in doubt.

(g) Investments

Investments are measured at amortised cost.

(h) Funds on deposit and cash resources

In the statement of cash flows, funds on deposit and cash resources may include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(i) Trade receivables

Receivables are amounts due from customers in the ordinary course of business. If the collection is expected in one year they are classified as current assets. If not, they are presented as non-current assets.

(j) Accruals

Accruals are an obligation to pay for goods or services that have been acquired in the ordinary course of business not recognized in trade payables. Accruals are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accruals are recognised initially at fair value.

(k) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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National Agricultural Marketing Board

Summary of Significant Accounting Policies – continued for the year ended 31 March 2019

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. When calculating the effective interest rate, the entity estimates the cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. Any difference between proceeds (net of transaction costs) and the redemption values is recognised in the profit or loss over the period of the borrowings using the effective interest method.

(m) Provisions

Provisions are recognised when NAMBoard has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a realistic estimate of the amount of the obligation can be made.

(n) Pension and other retirement benefits

The policy of NAMBoard is to provide retirement benefits to permanent and pensionable employees. Current contributions to pension funds operated for the employees are charged against income as incurred. NAMBoards' obligation under the pension scheme is limited to the employer's contribution; hence, no obligation is recognised in the statement of financial position. NAMBoard recognises a severance obligation in accordance with statutory requirements on terminal benefits.

(o) Impairment

The carrying amount of NAMBoard's assets other than inventory and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment and, if any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

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National Agricultural Marketing Board

Summary of Significant Accounting Policies – continued *for the year ended 31 March 2019*

(p) Taxation

NAMBoard is a corporate tax paying entity in accordance with the Income Tax Order of 1975 (as amended). The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(q) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the average cost price. Net realisable value is the estimated selling price in the ordinary course of business

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National Agricultural Marketing Board

Summary of Significant Accounting Policies – continued *for the year ended 31 March 2019*

3. Critical accounting estimates and judgments in applying accounting policies

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The following areas in the financial statements involve a higher degree of judgement, or are areas where assumptions and estimates are significant to the financial statements. Where estimates are involved, these estimates are based on management's best knowledge of current events and actions and actual results may ultimately differ from those estimates.

- Assessment of useful lives and impairment of property, plant and equipment.
- Assessment of useful lives and impairment of residential property.
- Determination of the carrying value of provisions.
- Recognition of deferred tax assets.
- Assessment of impairment losses on accounts receivable balances.

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National Agricultural Marketing Board
Notes to the Annual Financial Statements
for the year ended 31 March 2019

4. Property, plant and equipment

| 2019 | Land E | Buildings E | Motor vehicles E | Office equipment E | Plant and equipment E | Mobile offices E | Computer equipment E | Total E |
|----------------------------------|-----------|----------------|------------------------|--------------------------|-----------------------------|------------------------|----------------------------|--------------|
| Cost/revalued amounts | | | | | | | | |
| As at 1 April 2018 | 449,947 | 25,658,422 | 13,553,543 | 1,540,613 | 8,066,831 | 899,968 | 2,343,571 | 52,512,895 |
| Reclassification and revaluation | 3,543,654 | (9,863,723) | (4,881,163) | (1,287,190) | (6,501,095) | 125,268 | (1,426,246) | (20,290,495) |
| Additions | 2,157,500 | 2,353,535 | 994,990 | 30,336 | 922,463 | - | 442,326 | 6,901,150 |
| As at 31 March 2019 | 6,151,101 | 18,148,234 | 9,667,370 | 283,759 | 2,488,199 | 1,025,236 | 1,359,651 | 39,123,550 |
| Accumulated Depreciation | | | | | | | | |
| As at 1 April 2018 | - | 4,798,397 | 7,720,795 | 665,444 | 5,137,234 | 111,120 | 1,784,173 | 20,217,164 |
| Reclassification and revaluation | - | (4,008,662) | (5,552,700) | (640,103) | (4,980,660) | (59,858) | (1,478,429) | (16,720,413) |
| Charge for the year | - | 846,457 | 1,778,581 | 23,986 | 182,900 | 48,699 | 247,591 | 3,128,214 |
| As at 31 March 2019 | - | 1,636,192 | 3,946,676 | 49,327 | 339,474 | 99,961 | 553,335 | 6,624,965 |
| Net Book Value (NBV) | | | | | | | | |
| As at 31 March 2019 | 6,151,101 | 16,512,042 | 5,720,694 | 234,432 | 2,148,725 | 925,275 | 806,316 | 32,498,585 |

Land comprises: Remaining Extent of Farm No 958, Hhohho District; Portion 3 (a portion of Portion A) of Farm No. 635, Hhohho District; Swazi Nation Land at Msaweni Matsamo Border Post, Hhohho District; Commercial property in Manzini in the Kingdom of Eswatini.

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National Agricultural Marketing Board
Notes to the Annual Financial Statements
for the year ended 31 March 2019

4. Property, plant and equipment – continued

| 2018 | Land E | Buildings E | Motor vehicles E | Office equipment E | Plant and equipment E | Mobile offices E | Computer equipment E | Total E |
|-------------------------------------|-----------|----------------|------------------------|--------------------------|-----------------------------|------------------------|----------------------------|------------|
| <u>Cost</u> | | | | | | | | |
| As at 1 April 2017 | 449,947 | 22,657,493 | 11,173,344 | 1,541,627 | 7,460,872 | 899,968 | 2,047,664 | 46,230,914 |
| Reclassification | (162,400) | 192,580 | 260,176 | (1,014) | 118,382 | - | - | 407,724 |
| Additions | 162,400 | 2,808,349 | 2,120,024 | - | 487,577 | - | 295,907 | 5,874,257 |
| As at 31 March 2018 | 449,947 | 25,658,422 | 13,553,544 | 1,540,613 | 8,066,831 | 899,968 | 2,343,571 | 52,512,895 |
| <u>Accumulated Depreciation</u> | | | | | | | | |
| As at 1 April 2017 | - | 4,005,900 | 6,766,106 | 566,731 | 4,353,178 | 21,123 | 1,576,485 | 17,289,523 |
| Charge for the year | - | 792,497 | 954,689 | 98,713 | 784,056 | 89,997 | 207,688 | 2,927,641 |
| As at 31 March 2018 | - | 4,798,397 | 7,720,795 | 665,444 | 5,137,234 | 111,120 | 1,784,173 | 20,217,164 |
| <u>Net Book Value (NBV)</u> | | | | | | | | |
| As at 31 March 2018 | 449,947 | 20,860,025 | 5,832,749 | 875,169 | 2,929,597 | 788,848 | 559,398 | 32,295,731 |

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National Agricultural Marketing Board

Notes to the Annual Financial Statements – continued
for the year ended 31 March 2019

5. Residential property

| | 2019 E | 2018 E |
|----------------------------------|-------------------------|-------------------------|
| Cost | 4,251,131 | 4,251,131 |
| Revaluation adjustment | (177,731) | - |
| Additions | 1,122,823 | - |
| | <u>5,196,223</u> | <u>4,251,131</u> |
| Opening accumulated depreciation | (472,252) | (70,649) |
| Revaluation adjustment | 268,582 | - |
| Depreciation charge | (220,723) | (401,603) |
| | <u>(424,393)</u> | <u>(472,252)</u> |
| Net Book Value (NBV) at year end | <u><u>4,771,830</u></u> | <u><u>3,778,879</u></u> |

Residential owner occupied property consists of semi-detached houses, hostels and a block of bachelorettes situated at Encabeni on Portion 3 of Farm 1185, in the Manzini District of the Kingdom of Eswatini.

6. Investments

Money market:

| | | |
|-----------------------|-------------------|-------------------|
| African Alliance (AA) | 19,663,951 | 19,248,482 |
| Stanlib | 2,660,214 | 2,499,856 |
| Old Mutual (Eswatini) | 635,880 | 597,740 |
| | <u>22,960,045</u> | <u>22,346,078</u> |

Business loans with Nedbank (Swaziland) Ltd are secured by a pledge and cession of the AA investment amounting to E9.4 million.

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National Agricultural Marketing Board

Notes to the Annual Financial Statements – continued
for the year ended 31 March 2019

7. Funds on deposit and cash resources

| | 2019 E | 2018 E |
|----------------------------|------------------|------------------|
| Restricted bank accounts | 2,459,406 | - |
| Receipting control account | - | 133,446 |
| Standard Bank | 1,499,919 | 736,518 |
| Nedbank | 1,228,444 | 242,421 |
| Eswatini Bank | 73,190 | 71,701 |
| Cashiers float | 200 | 200 |
| Petty cash | (3,976) | 12,000 |
| MTN mobile money | 51,913 | 10,912 |
| | <u>5,309,096</u> | <u>1,207,198</u> |

Letter of Guarantee:
By Nedbank for E 125,000 in favour of Johannesburg Fresh
Produce Market.

8. Inventory

| | | |
|---|----------------|------------------|
| Fertilizers and pesticides | 424,226 | 439,808 |
| Packaging material | 304,006 | 560,440 |
| Seeds and seedlings | 726,939 | 998,366 |
| Fruit and vegetables | 21,444 | 615,547 |
| Provision for condemned and slow moving stock | (548,030) | - |
| | <u>928,585</u> | <u>2,614,161</u> |

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National Agricultural Marketing Board

Notes to the Annual Financial Statements – continued
for the year ended 31 March 2019

9. Trade receivables

| | 2019 E | 2018 E |
|------------------------|---|---|
| Customers | 7,689,889 | 5,062,282 |
| Less: impairment | <u>(546,486)</u> | <u>(1,006,302)</u> |
| | 7,143,403 | 4,055,980 |
| | - | - |
| 2018 other receivables | 804,303 | - |
| Less impairment | (804,303) | - |
| | 702,745 | 3,096,611 |
| Other receivables | 92,593 | - |
| Staff salary advances | <u>7,938,741</u> | <u>7,152,591</u> |

10. Revaluation reserve

| | | |
|---|--------------------|-------------------|
| Opening balance | 23,213,280 | 23,825,325 |
| Revaluation loss | (2,220,556) | - |
| Release of revaluation reserve to retained earnings | <u>(1,067,180)</u> | <u>(612,045)</u> |
| | <u>19,925,544</u> | <u>23,213,280</u> |

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National Agricultural Marketing Board

Notes to the Annual Financial Statements – continued
for the year ended 31 March 2019

11. Borrowings

| | 2019 | 2018 |
|-------------------------------------|------------------|------------------|
| | E | E |
| Business loans - long term portion | 5,068,940 | - |
| Business loans - short term portion | 2,401,060 | - |
| Finance leases - long term portion | 2,171,460 | 2,447,133 |
| Finance leases - short term portion | 279,411 | 1,949,695 |
| | <hr/> | <hr/> |
| Total borrowings | <u>9,920,871</u> | <u>4,396,828</u> |

Nedbank:

Business loan facility of E 8,000,000 attracts interest at prime less 0.5% per annum, repayable over 60 months at E 173,303 per month, subject to prime rate fluctuations.

Revolving credit line facility of E 3,000,000 for asset based financing subject to a 10% deposit. Facility attracts interest at prime less 0.25% per annum. Facility periods range from 36 – 60 months.

Business loan facility of E 1,357,777 attracts interest at prime less 0.5% per annum, repayable over 60 months at E 86,382 per month, subject to prime rate fluctuations.

Security held:

- 1. Lien over call deposit account with balance of E 270,489 as at 18 April 2018,*
- 2. Lien over assets financed under revolving credit line facility,*
- 3. Comprehensive insurance cover over assets financed under revolving credit line facility,*
- 4. Pledge and cession of African Alliance investment amounting to E9.4 million.*

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National Agricultural Marketing Board

Notes to the Annual Financial Statements – continued for the year ended 31 March 2019

12. Provision for employee benefits

| | 2019 | 2018 |
|---------------|------------------|------------------|
| | E | E |
| Leave pay | 133,696 | 66,859 |
| Gratuity | - | 421,176 |
| Severance pay | <u>1,679,969</u> | <u>1,782,468</u> |
| | <u>1,813,665</u> | <u>2,270,503</u> |

Leave pay:

The provision relates to contract employees who are allowed to carry over unused leave days to the next financial year.

Gratuity provision:

Provision is made for payments in accordance with Executive and Senior Management employee contracts for the year ended 31 March. The gratuity provision is determined by reference to the contractual agreements and calculated at 20% -25% of annual basic pay and is payable at the end of the employment contract.

Severance pay:

Management recognises the severance pay provision for employees employed by NAMBoard. The severance pay liability is calculated with reference to the severance allowance payable in terms of section 34 to 37 of the Employment Act of 1980, as amended, in the event of present employees continuing in employment with the company until retirement.

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National Agricultural Marketing Board

Notes to the Annual Financial Statements – continued
for the year ended 31 March 2019

13. Trade payables

| | 2019 E | 2018 E |
|---|------------------|------------------|
| Accruals | 1,560,019 | 1,178,199 |
| Trade creditors | 2,044,856 | 3,566,660 |
| Amounts held on behalf external parties | 2,459,406 | - |
| | <u>6,064,281</u> | <u>4,744,859</u> |

14. Revenue

Revenue comprises of:

| | | |
|----------------------|-------------------|-------------------|
| Import levies | 44,816,748 | 39,573,244 |
| Ncabeni sales | 13,175,880 | 20,345,288 |
| Sdemane sales | 4,726,410 | - |
| Income from projects | - | 191,352 |
| | <u>62,719,038</u> | <u>60,109,884</u> |

15. Cash flows from operating activities

| | | |
|---|------------------|------------------|
| Surplus for the year | 1,604,773 | 6,057,734 |
| Impairment loss | 1,258,675 | - |
| Sdemane | (350,863) | - |
| PPE reclassification | - | (407,724) |
| Depreciation | 3,348,937 | 3,329,244 |
| | 5,861,522 | 8,979,254 |
| Working capital changes | | |
| Decrease in provision for employee benefits | (456,838) | (170,663) |
| Decrease/(increase) in inventory | 1,685,576 | (403,999) |
| Increase in trade payables | 1,319,422 | 1,327,098 |
| Increase in trade receivables | (786,150) | (3,894,447) |
| Cash flows generated by operations | <u>7,623,532</u> | <u>5,837,243</u> |

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National Agricultural Marketing Board

Notes to the Annual Financial Statements – continued
for the year ended 31 March 2019

| 16. Income tax expense | 2019 | 2018 |
|--|-----------------------|------------------|
| | E | E |
| The statutory tax rate of 27.5% was used to calculate the current income tax and deferred tax. | | |
| -Current tax -Eswatini normal tax | 2,073,928 | 1,026,480 |
| -Deferred tax (Note 17) | <u>(1,272,945)</u> | <u>794,278</u> |
| Income tax expense | <u>800,983</u> | <u>1,820,758</u> |
| <i>Income tax reconciliation:</i> | | |
| Operating surplus before taxation | <u>1,604,773</u> | <u>6,057,734</u> |
| Tax at 27.5% | 441,313 | 1,665,877 |
| Disallowable expenses | <u>359,670</u> | <u>154,881</u> |
| Tax charge | <u>800,983</u> | <u>1,820,758</u> |

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National Agricultural Marketing Board

Notes to the Annual Financial Statements – continued
for the year ended 31 March 2019

| | 2019 E | 2018 E |
|---|-----------------------|------------------|
| 17. Deferred tax asset/(liability) | | |
| The movement on deferred tax asset/(liability) is as follows: | | |
| At the beginning of the year | (482,534) | 311,744 |
| Statement of comprehensive income charge (Note 16) | <u>1,272,945</u> | <u>(794,278)</u> |
| Deferred tax asset/(liability) | <u>790,411</u> | <u>(482,534)</u> |
| Reconciliation of deferred tax asset/(liability) | | |
| Provision for doubtful debts | 270,049 | 207,242 |
| Provision for severance | 461,991 | - |
| Provision for leave pay | 36,767 | - |
| Provision for obsolete stock | 150,708 | - |
| Property plant and equipment | <u>(129,104)</u> | <u>(689,776)</u> |
| | <u>790 411</u> | <u>(482,534)</u> |

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same fiscal authority.

18. Tax paid

Taxation paid is reconciled to the amounts shown in the statement of cash flows as follows

| | | |
|--------------------------------|-----------------------|--------------------|
| Opening outstanding balance | 1,310,685 | 755,480 |
| Charges for the year (Note 16) | 2,073,928 | 1,026,480 |
| Closing outstanding balance | <u>(2,976,876)</u> | <u>(1,310,685)</u> |
| Taxation paid | <u>407,737</u> | <u>471,275</u> |

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National Agricultural Marketing Board

Notes to the Annual Financial Statements – continued for the year ended 31 March 2019

19. Contingencies

NAMBoard is currently being sued for E2.3 million for an unlawful termination. The directors will defend the claim and the costs to be incurred on this claim and expense have not been provided for by the directors in the current financial statements. All expenses relating to the defense of this claim will be recorded in the period in which the expense is incurred.

20. Capital commitments

The entity has budgeted for capital expenditure of E1.2 million for the financial year 2020.

21. Going concern

NAMBoard meets its day-to-day working capital requirements through the use of its cash reserves and bank facilities. Management's forecasts and projections, taking into account reasonable possibility of changes in trading performance, show that NAMBoard should be able to operate within the level of its current resources and facilities. The Directors have every reason to believe that the entity has adequate resources to continue in operational existence for the foreseeable future.

The directors believe that the organisation will have adequate financial resources to continue operating for 12 months and beyond after the date of issue of these financial statements and accordingly the financial statements have been prepared on a going concern basis

22. Events after the reporting date

COVID-19 effects

On 11 March 2020, the World Health Organisation declared the Coronavirus CoVid-19 outbreak to be a pandemic in recognition of its rapid spread across the globe, with more than 200 countries affected. On 17 March 2020, His Excellency the Right Honourable Prime Minister of Eswatini informed the nation that he had been commanded by His Majesty King Mswati III to invoke Section 29 of the Disaster Management Act of 2006 and declared a national emergency, commissioning a partial lockdown for the country. Government has taken steps to contain the virus and the economic impacts of these events include disruption to business operations and a significant increase in economic uncertainty.

NAMBoard is considered to be an essential service and continued to operate during the partial lockdown whilst implementing best practice as recommended by the World Health Organisation.

The impacts of the pandemic are monitored by management and the Board and corrective action is implemented as required.

There were no other material matters that have arisen between the reporting date and the date of the approval of the financial statements.

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National Agricultural Marketing Board

Detailed Income and Expenditure Statement for the year ended 31 March 2019

| | 2019 E | 2018 E |
|------------------------------|-------------|-------------|
| SALES | | |
| <u>Encabeni</u> | | |
| All markets | 13,175,880 | 20,345,288 |
| | 13,175,880 | 20,345,288 |
| COST OF SALES | | |
| <u>Encabeni</u> | | |
| Opening stock | 2,614,161 | 2,210,161 |
| Purchases and write offs | 16,382,171 | 18,872,061 |
| Closing stock | (928,585) | (2,614,161) |
| | 18,067,747 | 18,468,061 |
| GROSS (LOSS) / PROFIT | (4,891,867) | 1,877,227 |
| SALES | | |
| <u>Sdemane Farm</u> | | |
| | 4,726,410 | - |
| COST OF SALES | | |
| <u>Sdemane Farm</u> | | |
| Out growers and purchases | 1,726,023 | - |
| Air freight | 333,124 | - |
| Management fee | 1,392,106 | - |
| Packaging | 433,993 | - |
| Farm land lease | 42,000 | - |
| Electricity | 179,450 | - |

This statement is not covered by the audit opinion.

National Agricultural Marketing Board

Detailed Income and Expenditure Statement – continued for the year ended 31 March 2019

| | 2019 E | 2018 E |
|----------------------------------|------------|------------|
| COST OF SALES – continued | | |
| <i>Sdemane Farm –continued</i> | | |
| Quality management | 21,404 | - |
| Repairs and maintenance | 109,177 | - |
| Fertilizers and pesticides | 129,655 | - |
| Cleaning and hygiene | 33,135 | - |
| Border declarations | 41,122 | - |
| Field essentials | 6,956 | - |
| Provision for doubtful debts | 41,466 | - |
| | 4,489,611 | - |
| GROSS PROFIT | 236 799 | - |
| IMPORT LEVIES | | |
| Edible oil | 6,206,698 | 6,545,198 |
| Transit and other permits | 326,377 | - |
| Fruit and vegetables | 15,330,798 | 13,639,810 |
| Rice and maize | 9,592,502 | 7,175,576 |
| Wheat and wheat products | 9,500,546 | 8,392,299 |
| Animal feed | 36,957 | - |
| Poultry and poultry products | 3,822,870 | 3,820,361 |
| | 44,816,748 | 39,573,244 |
| INTEREST INCOME | 1,681,819 | 1,838,489 |
| OTHER INCOME AND GRANTS | | |
| Banana ripening | - | 462,189 |
| Grants received | - | 191,352 |
| Insurance claim | - | 33,950 |
| Permits | - | 201,857 |
| Proceeds from sale of assets | - | 104,583 |
| Residential rentals | 213,918 | 260,895 |
| Tender fees | - | 2,000 |
| | 213,918 | 1,448,178 |
| ADMINISTRATIVE COSTS | | |
| <i>Statutory and Ncabeni</i> | | |
| Audit | 224,250 | 215,207 |
| Accounting software costs | 676,155 | - |
| Advertising and promotions | 240,606 | 723,152 |
| Bank charges | 238,101 | 191,325 |
| Board allowances | 363,024 | 210,363 |

This statement is not covered by the audit opinion.

National Agricultural Marketing Board

Detailed Income and Expenditure Statement – continued for the year ended 31 March 2019

| | 2019 E | 2018 E |
|--|-----------|-----------|
| ADMINISTRATIVE COSTS – continued | | |
| <u>Statutory and Ncabeni- continued</u> | | |
| Cleaning | 451,734 | 427,867 |
| Cell phone allowance | 60,470 | - |
| Computer expenses | 249,664 | 614,722 |
| Misappropriated funds | 181,130 | - |
| Consulting fees | 530,985 | 1,585,812 |
| Corporate responsibility | 106,504 | 246,460 |
| National and cultural events | 124,320 | - |
| Courier and postage | 1,173 | 267,371 |
| Depreciation | 3,170,858 | 2,927,641 |
| Impairment loss | 1,208,612 | - |
| Hospitality | 146,015 | - |
| General expenses | 9,660 | - |
| Legal fees | 338,045 | 160,184 |
| Levies | - | 3,135 |
| Licence fees | - | 145,780 |
| PEU loan guarantee | 438,960 | 419,970 |
| Car hire | 55,584 | - |
| Subscriptions | 132,730 | 262,400 |
| | 8,948,580 | 8,401,389 |

ADMINISTRATIVE COSTS

Sdemane Farm

| | | |
|--------------------------------|---------|---|
| Bank charges | 44,813 | - |
| Computer expenses | 30,726 | - |
| Depreciation | 178,078 | - |
| General expenses | 5,383 | - |
| Purchase of non-capital assets | 14,848 | - |
| Insurance | 25,854 | - |
| Conveyancing fees | 308,067 | - |
| Fuel | 209,054 | - |
| Printing and stationery | 11,912 | - |
| Rent paid | 11,600 | - |
| Staff welfare | 12,464 | - |
| Telephone and internet | 22,538 | - |
| | 875,337 | - |

This statement is not covered by the audit opinion.

National Agricultural Marketing Board

Detailed Income and Expenditure Statement – continued for the year ended 31 March 2019

| | 2019 E | 2018 E |
|---------------------------------------|-------------|------------|
| OPERATING COSTS | | |
| <i>Ncabeni</i> | | |
| Discount allowed | - | 64,190 |
| Marketing and promotions | 304,632 | - |
| Rent | 183,148 | 872,756 |
| Utilities | 904,674 | 1,100,029 |
| Co-sponsored events | 4,852 | - |
| Teas and meals | - | 218,878 |
| Fuel | 2,260,092 | 2,296,291 |
| Medical examinations | 69,544 | - |
| Farmer training and development | 1,108,605 | - |
| Motor vehicle maintenance | 1,056,069 | 1,005,334 |
| Printing and stationery | 564,322 | 746,643 |
| Insurances | 748,866 | 1,023,801 |
| Inspectorate expenses | 18,000 | - |
| Quality management | - | 141,934 |
| Security | 762,014 | - |
| Taiwan fruit tree project | 2,944 | - |
| Rates | 37,551 | 36,455 |
| Repairs and maintenance | 495,610 | 438,724 |
| Travel and accommodation | 887,433 | - |
| Telephone and internet | 1,371,511 | 1,042,633 |
| | 10,779,867 | 8,987,668 |
| STAFF COSTS | | |
| Protective clothing | - | 134,864 |
| Staff uniforms | - | 224,885 |
| Recruitment | 93,942 | 73,611 |
| Staff training | 200,458 | 46,648 |
| Employee welfare | 282,780 | 1,153,549 |
| National provident fund | 432,114 | 211,884 |
| Salaries and wages | 19,828,989 | 18,429,176 |
| | 20,838,283 | 20,274,617 |
| IMPAIRMENTS AND REVERSALS | | |
| Doubtful debts -Current year | 505,020 | - |
| Doubtful debts- Prior year | 804 303 | - |
| Obsolete stock | 548,031 | - |
| Reversals of unknown opening balances | (1,449,534) | - |
| Reversals of unknown payables | (2,214,223) | - |
| Reversal of gratuity | (421,176) | - |
| Reversal of variance on investment | (11,678) | - |
| | (2,239,257) | - |

This statement is not covered by the audit opinion.

National Agricultural Marketing Board

Detailed Income and Expenditure Statement – continued for the year ended 31 March 2019

| | 2019 E | 2018 E |
|--|------------------|------------------|
| Operating surplus before finance costs | 2,854,607 | 6,909,112 |
| Finance costs | <u>1,249,834</u> | <u>851,378</u> |
| Surplus before taxation | <u>1,604,773</u> | <u>6,057,734</u> |

This statement is not covered by the audit opinion.