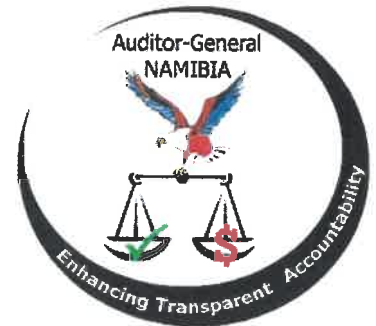




REPUBLIC OF NAMIBIA



MVA Fund

The Motor Vehicle Accident of Namibia
Driven to lend a helping hand!



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MOTOR VEHICLE ACCIDENT FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Motor Vehicle Accident Fund for the financial year ended 31 March 2017, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Transport in terms of Section 8 of the Motor Vehicle Accident Fund Act, 2007 (Act 10 of 2007) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

WINDHOEK, January 2018

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MOTOR VEHICLE ACCIDENT FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

1. Report on the Financial Statements

1.1 INTRODUCTION

The accounts of the Motor Vehicle Accident Fund for the financial year ended 31 March 2017 is presented to the National Assembly in accordance with the provisions set out in the Motor Vehicle Accident Fund Act, 2007 (Act 10 of 2007).

The firm Saunderson & Co Chartered Accountants of Windhoek has been appointed in terms of Section 26 (2) of the State Finance Act, 1991, to audit accounts of the Motor Vehicle Accident Fund of Namibia on behalf of the Auditor-General and under his supervision.

Figures in the report are rounded to the nearest Namibia Dollar and deficits are indicated in (brackets).

I certify that I have audited the accompanying financial statements of the Motor Vehicle Accident Fund for the financial year ended 31 March 2017. These financial statements comprise of the following:

Annexure A: Report of the directors;
Annexure B: Statement of financial position;
Annexure C: Statement of comprehensive income;
Annexure D: Statement of changes in equity;
Annexure E: Statement of cash flows;
Annexure F: Notes to the financial annual statements; and
Annexure G: Detailed statements of comprehensive income.

The financial statements were submitted on time by the Accounting Officer to the Auditor-General in terms of Section 7 of the Motor Vehicle Accident Fund Act, 2007 (Act 10 of 2007).

The financial statements, notes to the financial statements and general information provided by the Chief Financial Officer are attached as Annexure A- G.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 & 13 of the State Finance Act, Act 31 of 1991 and relevant legislation, and for such internal control as management determines it necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

3. AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. ACKNOWLEDGEMENT

The assistance and cooperation given by the staff of the Motor Vehicle Accident Fund during the audit is appreciated.

5. KEY AUDIT FINDINGS

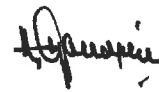
No key material findings.

6. UNQUALIFIED AUDIT OPINION

The financial statements of the Motor Vehicle Accident Fund for the financial year ended 31 March 2017 have been audited in accordance with the provisions of Section 7 of the Motor Vehicle Accidents Fund Act, 2007 (Act 10 of 2007).

In my opinion, the financial statements fairly present in all material respects, the financial position of the Motor Vehicle Accident Fund of Namibia as at 31 March 2017 and the results of the operations and cash flow for the year ended 31 March 2017 in accordance with the International Financial Reporting Standards and the requirements of the Motor Vehicle Accident Act, 2007 (Act 10 of 2007).

WINDHOEK, January 2018



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Directors present their annual report, which forms part of the audited financial statements of the Fund for the year ended 31 March 2017.

1. Activities of the fund

Main business and operations

The Fund is statutorily mandated to design, promote and implement crash and injury prevention measures. It provides assistance and benefits to all people injured and the defendants of those killed in motor vehicle crashes in accordance with the Motor Vehicle Fund Act, 2007 (Act 10 of 2007) Number 10 of 2007 and operates in Namibia.

State of affairs and financial results

The state of affairs and full details of financial results are dealt with in the annual financial statements and can be summarized as follows:

Summary of income statement

| | 2017 | 2016 |
|--|---------------|---------------|
| | N\$ | N\$ |
| Fuel levy income | 561 129 543 | 540 730 010 |
| Income from investments | 56 429 376 | 33 492 727 |
| Claim expense | (290 946 048) | (243 104 354) |
| Rental Income and Other income | 2 722 055 | 2 991 932 |
| Movement in claims provisions and reserves | (56 423 000) | (72 779 000) |
| Operating expenses | (156 154 045) | (137 831 788) |

Analytical review of the Fund's operations and state of affairs

The new levy of 47.7 cents was applied for the full 12 months in the current year.

Following the Actuarial Valuation performed at the reporting date, provisions for claims and related expenditure were charged to income in the current year, with the following effect:

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

Summary of financial position

| | 2017 | 2016 |
|---|---------------|-------------|
| | N\$ | N\$ |
| Total assets | 1 057 382 250 | 853 697 084 |
| Total liabilities | 877 108 517 | 827 870 575 |
| Accumulated Fund surplus / (deficit) | 145 006 524 | 25 826 509 |
| Ratio of total assets to Fund surplus / (deficit) | 7.29:1 | 33.06:1 |
| Ratio of total assets to Fund surplus / (deficit) % | 729% | 3306% |

Fuel sales in litres

| | Liters | Liters |
|-------------------------|----------------------|----------------------|
| Diesel | 730 891 460 | 695 303 524 |
| Petrol | 445 480 747 | 438 302 369 |
| | 1 176 372 207 | 1 133 605 893 |
| Increase in litres sold | 42 766 314 | 73 885 816 |

Cash and investments

Surplus cash and part of investment returns invested at various financial institutions comprise:

| | 2017 | 2016 |
|--------------------------------|--------------------|--------------------|
| | N\$ | N\$ |
| Funds held with asset managers | 532 881 462 | 389 549 826 |
| Fixed term investments | 275 086 508 | 253 019 523 |
| Call account investments | 121 289 | 361 735 |
| Bank balances | 15 700 514 | 9 854 949 |
| Cash on hand | 35 362 | 20 492 |
| | 823 825 135 | 652 806 525 |

2. 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.

3. Events after the reporting period

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

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017**

4. Directors of the motor vehicle accident fund

The Directors of the Fund during the year and to the date of this report are as follows:

| Name | Nationality |
|---------------|--------------------|
| Z. Erkana | Namibian |
| C. Kavendjii | Namibian |
| A. Kapia | Namibian |
| P. Nakathingo | Namibian |
| A. Tierspoor | Namibian |

5. Executive management of the motor vehicle fund

The Executive Management of the Fund at the date of this report are as follows:

| Name | Title |
|--------------------|--------------------------|
| R. Martins-Hausiku | Chief Executive Officer |
| P. Nghifitikeko | Chief Operations Officer |
| J. Kurz | Chief Legal Services |
| K. Tjombonde | Chief Corporate Affairs |
| S. Tjiuoro | Chief Business Strategy |
| F. Uugwanga | Chief Human Relations |

6. Auditor

The Auditor-General will continue in office in accordance with Section 7(4) of the Motor Vehicle Accident Act Number 10 of 2007.

THE MOTOR VEHICLE ACCIDENT FUND NAMIBIA
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH

| | Note | 2017 N\$ | 2016 N\$ |
|-------------------------------------|------|----------------------|--------------------|
| Assets | | | |
| Non-Current Assets | | 144 421 269 | 101 333 502 |
| Investment property | 3 | 32 450 000 | 30 230 000 |
| Property plant and equipment | 4 | 111 971 269 | 71 103 502 |
| Current Assets | | 912 960 981 | 752 363 582 |
| Investments | 5 | 807 967 970 | 642 569 349 |
| Trade and other receivables | 6 | 89 135 846 | 99 557 057 |
| Cash and cash equivalents | 7 | 15 857 165 | 10 237 176 |
| Total Assets | | 1 057 382 250 | 853 697 084 |
| Equity and Liabilities | | | |
| Equity | | 180 273 733 | 25 826 509 |
| Accumulated surplus | | 145 006 523 | 25 826 509 |
| Reserves | | 35 267 210 | - |
| Liabilities | | | |
| Non-Current Liabilities | | 836 821 247 | 792 669 309 |
| Long term liabilities | 8 | 21 834 284 | 31 332 037 |
| Retirement benefit obligation | 9 | 5 289 000 | 4 824 000 |
| Deferred income | | 4 667 963 | 7 906 272 |
| Claims provisions and reserves | 11 | 805 030 000 | 748 607 000 |
| Current Liabilities | | 40 287 270 | 35 201 266 |
| Long term liabilities | 8 | 9 497 753 | 8 661 691 |
| Trade and other payables | 12 | 30 789 517 | 26 539 575 |
| Total Liabilities | | 877 108 517 | 827 870 575 |
| Total Equity and Liabilities | | 1 057 382 250 | 853 697 084 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH

| | Note | 2017 N\$ | 2016 N\$ |
|---|------|--------------------|--------------------|
| Revenue | 13 | 620 280 974 | 577 214 669 |
| Claims paid | 14 | (347 369 048) | (315 883 354) |
| Gross surplus | | 272 911 926 | 261 331 315 |
| Other income | | 218 070 | 1 174 112 |
| Operating expenses | | (156 154 045) | (137 831 788) |
| Surplus before finance costs | | 116 975 951 | 124 673 639 |
| Fair value gains on investment property | 3 | 2 220 000 | 7 708 389 |
| Finance costs | | (15 937) | (16 280) |
| Surplus for the year | | 119 180 014 | 132 365 748 |
| Other comprehensive income | | - | - |
| Surplus for the year | | 119 180 014 | 132 365 748 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

| | Revaluation Reserve | Accumulated surplus / (deficit) | Total equity |
|---------------------------------|------------------------|------------------------------------|--------------------|
| | N\$ | N\$ | N\$ |
| Balance at 01 April 2015 | - | (106 539 239) | (106 539 238) |
| Surplus for the year | - | 132 365 748 | 132 365 748 |
| Balance at 01 April 2016 | - | | 25 826 509 |
| Revaluation surplus | 35 267 210 | 25 826 509 | 35 267 210 |
| Surplus for the year | - | 119 180 014 | 119 180 014 |
| Balance at 31 March 2017 | 35 267 210 | 145 006 523 | 180 273 733 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

| | Note | 2017 | 2016 |
|---|------|----------------------|----------------------|
| | | N\$ | N\$ |
| Cash flows from operating activities | | | |
| Cash generated from operations | 20 | 192 932 191 | 166 441 956 |
| Finance costs | | (15 937) | (16 280) |
| Net cash from operating activities | | 192 916 254 | 166 425 676 |
| Cash flows from investing activities | | | |
| Purchase of property plant and equipment | 4 | (13 454 023) | (19 802 334) |
| Sale of property plant and equipment | 15 | 218 070 | 1 174 112 |
| Movement in investments | | (165 398 621) | (159 338 822) |
| Net cash from investing activities | | (178 634 574) | (177 967 044) |
| Cash flows from financing activities | | | |
| Movement in long term liabilities | | (8 661 691) | 17 239 734 |
| Net cash from financing activities | | (8 661 691) | 17 239 734 |
| Total cash movement for the year | | 5 619 989 | 5 698 366 |
| Cash at the beginning of the year | | 10 237 176 | 4 538 810 |
| Total cash at end of the year | 7 | 15 857 165 | 10 237 176 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

ACCOUNTING POLICIES

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the Motor Vehicle Accident Act Number 10 of 2007. The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

Trade receivables held to maturity investments and loans and receivables

The Fund assesses its trade receivables held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss the Fund makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables held to maturity investments and loans and receivables is calculated on a portfolio basis based on historical loss ratios adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****(Continued)**

The Fund reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Outstanding claims provision

The estimation of the ultimate liability arising from claims incurred but not settled at the reporting date is the fund's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability the fund will ultimately pay for such claims. The provision for outstanding claims is actuarially determined on an annual basis. The measurement of the obligations in respect of this liability requires actuarial estimates and valuations. An actuary is engaged to perform these calculations. Additional disclosure of these estimates of provisions are included in Note 11 - Provisions.

Post- retirement benefit

The Fund provides a defined benefit plan to its employees. The measurement of the obligations and or assets in respect of this liability requires actuarial estimates and valuations. An actuary is engaged to perform these calculations. Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 9 - Retirement benefit obligation.

Allowance for doubtful debts

On receivables an impairment loss is recognized in surplus or deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivable carrying amount and the present value of estimated future cash flow discounted at the effective interest rate computed at initial recognition.

1.2 Investment property

Investment property is recognized as an asset when and only when it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise and the cost of the investment property can be measured reliably.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**

Investment property is initially recognized at cost. Transaction costs are included in the initial measurement.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.3 Property, plant and equipment

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

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

Property plant and equipment is initially measured at cost.

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

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

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

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

| Item | Average useful life |
|--------------------------------|----------------------------|
| Buildings | 50 years |
| Motor vehicles | 2-4 years |
| Office equipment and furniture | 7-10 years |
| IT equipment | 3 years |

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

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**

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

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

1.4 Financial instruments**Classification**

The Fund classifies financial assets and financial liabilities into the following categories:

- Held-to-maturity investment
- Loans and receivables
- Financial liabilities measured at fair value
- Financial liabilities measured at amortized cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis except for derivatives and financial assets designated as at fair value through profit or loss which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

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

The Fund classifies financial instruments or their component parts on initial recognition as a financial asset. A financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are measured initially at fair value except for equity investments for which a fair value is not determinable which are measured at cost and are classified as available-for-sale financial assets. For financial instruments which are not at fair value through profit or loss transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****(Continued)**

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss includes dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the Fund's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost using the effective interest method less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method less accumulated impairment losses.

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities) the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions reference to other instruments that are substantially the same discounted cash flow analysis and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Impairment of financial assets

At each reporting date the Fund assesses all financial assets other than those at fair value through profit or loss to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****(Continued)**

For amounts due to the Fund significant financial difficulties of the debtor probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment. Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the Fund has the positive intention and ability to hold to maturity are classified as held to maturity.

1.5 Tax

The Fund is exempt from income taxation in terms of the provision of Section 6 of the Motor Vehicle and Accident Fund Act Number 10 of 2007.

1.6 Leases

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

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or if lower the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**Operating leases – lessor**

Operating lease income is recognised as an income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

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

1.7 Impairment of assets

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

Irrespective of whether there is any indication of impairment the Fund also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

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

- Pro rata on the basis of the carrying amount of each asset in the unit.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Continued)

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists the recoverable amounts of those assets are estimated.

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss.

1.8 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party the reimbursement shall be recognised when and only when it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Continued)

has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.
Contingent assets and contingent liabilities are not recognised.

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or in the case of non-accumulating absences when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that at the beginning of the financial year any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****(Continued)**

Actuarial gains and losses are recognised in the year in which they arise in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the Fund is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects the asset is treated in the same way as plan assets. In profit or loss the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs plus the present value of available refunds and reduction in future contributions to the plan.

1.10 Government grants

Government grants are recognised when there is reasonable assurance that:

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

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

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

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

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

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

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**

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

1.11 Revenue**Fund levies**

The main income received by the Fund is a levy that is based on fuel sales known as the Motor Vehicle Accident Fund Levy. The Motor Vehicle Accident Fund Levy is a charge levied on fuel throughout the country and the quantum of the Fund Levy per litre is determined by the Ministry of Mines and Energy.

The Fund recognises revenue from the fuel levies when the amount of revenue can be easily measured and it is probable that future economic benefits will flow to the Fund.

Revenue is measured at the fair value of the consideration received or receivable.

Investment income

Investment income comprises interest income on funds invested. Interest income for financial assets not classified as at fair value through statement of comprehensive income is recognised on a time-proportion basis using the effective interest rate method.

Rental income

The Fund receives income from rent on properties leased out to third parties. Rental income is measured at fair value of the consideration received or receivable.

1.12 Claims paid

An insurance contract is defined as a contract under which the insurer accepts significant insurance risk from another party the policyholder by agreeing to compensate the policyholder if a specified uncertain future event insured event adversely affects the policyholder. The fund does not have any insurance contracts but it accepts insurance risk as it is mandated by legislation to compensate victims of road accidents for injuries suffered as a result of motor vehicle accidents.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**

The Fund covers the following claims:

1. Medical expenses
2. Funeral grants
3. Loss of income
4. Loss of support
5. Injury grant

Claims incurred

Claims incurred comprise claims related expenses incurred during the year and changes in the provisions for outstanding claims including related external expenses together with any other adjustments to claims from previous years.

Outstanding claims provision

Provision is made at year end for the estimated cost of claims incurred but not yet settled at the reporting date. Claims outstanding are determined as accurately as possible on the basis of a number of factors including previous experience in claims patterns claim settlement patterns and trends in claim frequency. Further the outstanding claims provision is calculated taking the following elements into account:

- estimates of additional claims payments that may be required on claims that have already been reported to the fund and are still open;
- estimates of additional claims payments that may be required on claims that have already been reported to the fund and are closed but could be reopened in the future; and
- estimates of external claim-handling expenses such as legal and medical experts assessors and other experts excluding the fund overhead administrative costs.

The estimates of the outstanding claims provision were produced on a going-concern basis and the outstanding claims estimate is reflected in the financial statements at a discounted value based on expected monetary values at the expected time of the payment of those claims. Reserves for the internal or indirect claim-handling expenses are specifically excluded from the estimates for example administrative costs.

Contingent liability for claims IBNR

The cost of claims incurred but not yet reported (commonly referred to as IBNR) to the fund will be disclosed as a contingent liability as the obligating event in terms of lodging and ascertaining the merit of the claim has not yet happened.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Translation of foreign currencies**Foreign currency transactions**

A foreign currency transaction is recorded on initial recognition in Namibia Dollars by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****(Continued)**

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

1.15 Comparative figures

Where necessary comparative figures have been reclassified to conform to changes in presentation in the current year.

1.16 Related parties

The fund operates in an economic sector currently dominated by entities directly or indirectly owned by the Namibian Government. These entities are considered related parties.

Management comprises those persons responsible for planning directing and controlling the activities of the fund; as well as those charged with governance of the fund in accordance with legislation in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence or be influenced by management in their dealings with the fund.

Only transactions with related parties not at arm's length and not in the ordinary course of business are disclosed.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**2. New standards and interpretations****2.1 Standards and interpretations effective and adopted in the current year**

In the current year, the fund has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to the funds operations.

| Standard/ Interpretation: | Effective date: Expected impact: | Years beginning on or after |
|---|---|---|
| • Amendments to IAS 7: Disclosure initiative: | 01 January 2017 | The impact of the amendment is not material |
| • IFRS 15 Revenue from Contracts with Customers: Annual improvements project | 01 January 2017 | The impact of the amendment is not material |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

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

3. Investment property

| | 2017 | | | 2016 | | |
|---------------------|------------|--------------------------|----------------|------------|--------------------------|----------------|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation | Carrying value |
| | N\$ | N\$ | N\$ | N\$ | N\$ | N\$ |
| Investment property | 32 450 000 | - | 32 450 000 | 30 230 000 | - | 30 230 000 |

Reconciliation of investment property - 2017

| | Opening balance | Transfer from PPE | Fair value adjustment | Total |
|---------------------|-----------------|-------------------|-----------------------|------------|
| | N\$ | N\$ | N\$ | N\$ |
| Investment property | 30 230 000 | - | 2 220 000 | 32 450 000 |

Reconciliation of investment property - 2016

| | Opening balance | Transfer from PPE | Fair value adjustment | Total |
|---------------------|-----------------|-------------------|-----------------------|------------|
| | N\$ | N\$ | N\$ | N\$ |
| Investment property | 6 123 668 | 16 397 943 | 7 708 389 | 30 230 000 |

Details of property

| | 2017 | 2016 |
|---|------------------|------------------|
| | N\$ | N\$ |
| Erf 6436 measuring 960 square meters situated in the Municipality of Windhoek | | |
| - Purchase price: 11 May 2011 | 4 000 000 | 4 000 000 |
| - Fair value adjustments | 4 450 000 | 3 830 000 |
| | 8 450 000 | 7 830 000 |
| Erf 6441 measuring 1340 square metres situated in the Municipality of Windhoek | | |
| - Purchase price: 23 September 2008 | 1 500 000 | 1 500 000 |
| - Additions since purchase or valuation | 623 668 | 623 668 |
| - Fair value adjustments | 4 526 332 | 4 176 332 |
| | 6 650 000 | 6 300 000 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)Erf 6326 Service Centre Ongwediva (transferred from property,
plant and equipment)

| | 2017 | 2016 |
|--|-------------------|-------------------|
| | N\$ | N\$ |
| - Purchase price: 16 November 2007 | 228 858 | 228 858 |
| -Additions since purchase or valuation | 16 169 085 | 16 169 085 |
| -Fair value adjustment | 952 057 | (297 943) |
| | 17 350 000 | 16 100 000 |

4. Property, plant and equipment

| | 2017 | | | 2016 | | |
|--------------------------------|--------------------|--|--------------------|--------------------|--|-------------------|
| | Cost | Accumulated revaluation depreciation | Carrying value | Cost | Accumulated revaluation depreciation | Carrying value |
| | N\$ | N\$ | N\$ | N\$ | N\$ | N\$ |
| Land and buildings | 96 145 000 | (9 791 931) | 86 353 069 | 37 661 164 | (7 696 037) | 29 965 127 |
| Motor vehicles | 18 317 482 | (11 937 865) | 6 379 617 | 13 359 296 | (9 174 683) | 4 184 613 |
| Office equipment and furniture | 13 562 114 | (10 646 601) | 2 915 513 | 12 942 322 | (9 725 067) | 3 217 255 |
| IT equipment | 34 387 461 | (30 918 804) | 3 468 657 | 32 979 027 | (28 502 767) | 4 476 260 |
| Buildings - Work in progress | 12 854 413 | - | 12 854 413 | 29 260 247 | - | 29 260 247 |
| Total | 175 266 470 | (63 295 201) | 111,971,269 | 126 202 056 | (55 098 554) | 71 103 502 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

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

Reconciliation of property, plant and equipment – 2017

| | Opening balance | Additions | Transfers In(Out) | Revaluation | Depreciation | Total |
|--------------------------------|--------------------|-------------------|----------------------|-------------------|--------------------|--------------------|
| | N\$ | N\$ | N\$ | N\$ | N\$ | N\$ |
| Land and buildings | 29 965 127 | - | 22 873 445 | 35 267 210 | (1 752 713) | 86 353 069 |
| Motor vehicles | 4 184 613 | 4 958 187 | - | | (2 763 183) | 6 379 617 |
| Office equipment and furniture | 3 217 255 | 619 792 | - | | (921 534) | 2 915 513 |
| IT equipment | 4 476 260 | 1 408 433 | - | | (2 416 036) | 3 468 657 |
| Buildings - Work in progress | - | - | - | - | - | - |
| | 29 260 247 | 6 467 611 | (22 873 445) | | | 12 854 413 |
| | 71 103 502 | 13 454 023 | - | 35 267 210 | (7 853 466) | 111 971 269 |

Reconciliation of property, plant and equipment – 2016

| | Opening balance | Additions | Transfers In(Out) | Depreciation | Total |
|--------------------------------|--------------------|-------------------|----------------------|--------------------|-------------------|
| | N\$ | N\$ | N\$ | N\$ | N\$ |
| Land and buildings | 47 980 899 | - | (16 397 943) | (1 617 829) | 29 965 127 |
| Motor vehicles | 5 798 409 | 2 719 967 | - | (4 333 763) | 4 184 613 |
| Office equipment and furniture | 3 658 973 | 456 450 | - | (898 168) | 3 217 255 |
| IT equipment | 1 977 778 | 4 290 753 | - | (1 792 271) | 4 476 260 |
| Buildings - Work in progress | 16 925 083 | 12 335 164 | | | 29 260 247 |
| | 76 341 142 | 19 802 334 | (16 397 943) | (8,642,031) | 71 103 502 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (Continued)

| Details of properties | 2017 | 2016 |
|--|--------------------|-------------------|
| | N\$ | N\$ |
| ERF 6325 measuring 4 084 square meters situated in the Municipality of Ongwediva | | |
| - Purchase price: 16 November 2007 | 142 818 | 142 818 |
| - Additions since purchase or valuation | 21 607 182 | 20 456 193 |
| | 21 750 000 | 20 599 011 |
| ERF 8596 measuring 6 747 square meters situated in the Municipality of Windhoek | | |
| - Purchase price: 30 November 2010 | 2 882 487 | 2 882 487 |
| - Additions since purchase or valuation | 52 617 513 | 26 026 901 |
| | 55 500 000 | 28 909 388 |
| ERF 1771 (Portion of 1760) measuring 1 193 square meters situated in the Municipality of Otjiwarongo | | |
| - Purchase price: 05 February 2013 | 1 000 000 | 1 000 000 |
| - Additions since purchase or valuation | 5 160 485 | 3 487 791 |
| | 6 160 485 | 4 487 791 |
| ERF 2542 measuring 2 887 square meters situated in the Municipality of Rundu | | |
| - Purchase price: 1 December 2005 | 125 220 | 125 220 |
| - Additions since purchase or valuation | 9 288 708 | 5 453 936 |
| | 9 413 928 | 5 579 156 |
| ERF 1370 (Portion of ERF 1368) 1 514 measuring square meters situated in the Municipality of Keetmanshoop | | |
| - Purchase price: 1 December 2005 | 400 000 | 400 000 |
| - Additions since purchase or valuation | 4 425 000 | 1 851 625 |
| | 4 825 000 | 2 251 625 |
| ERF 879 measuring 1 250 square meters situated in the Municipality of Walvis Bay | | |
| - Purchase price: 16 March 2012 | 4 200 000 | 4 200 000 |
| - Additions since purchase or valuation | 7 150 000 | 894 440 |
| | 11 350 000 | 5 094 440 |
| | 108 999 413 | 66 921 411 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)

| 5. Investments | N\$ | N\$ |
|---|--------------------|--------------------|
| | 2017 | 2016 |
| At fair value through profit or loss | | |
| Funds held with asset managers | 532 881 462 | 389 549 826 |
| Funds held with professional managers are fair valued by professional managers at year end. | | |
| Held to maturity | | |
| Fixed term investments | 275 086 508 | 253 019 523 |
| Fixed term deposits are held with financial institutions. | | |
| Total other financial assets | 807 967 970 | 642 569 349 |
| Current assets | | |
| At fair value through profit or loss | 532 881 462 | 389 549 826 |
| Held to maturity | 275 086 508 | 253 019 523 |
| | 807 967 970 | 642 569 349 |

Fair value information

Funds held with professional managers are fairly valued by asset managers as at year end.

The fair value of the financial assets was determined as follows:

- The fair value of listed or quoted investments are based on quoted market price.

The fair values are determined annually at statement of financial position date.

Fair value hierarchy of financial assets at fair value through profit or loss

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

6. Trade and other receivables

| | | |
|------------------------|-------------------|-------------------|
| Fuel levies receivable | 88 802 814 | 88 846 773 |
| Deposits | 45 668 | 45 668 |
| Other receivables | 287 364 | 10 664 616 |
| | 89 135 846 | 99 557 057 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(Continued)

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2017 N\$ 89 135 846(2016: N\$ 99 557 057) were past due but not impaired.

| | 2017 | 2016 |
|--|-------------------|-------------------|
| | N\$ | N\$ |
| The ageing of amounts past due but not impaired is as follows: | | |
| Less than 1 year past due | 89 135 846 | 99 557 057 |
| | 89 135 846 | 99 557 057 |

7. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------------|-------------------|-------------------|
| Cash on hand | 35 362 | 20 492 |
| Bank balances | 15 700 514 | 9 854 949 |
| Short-term deposits | 121 289 | 361 735 |
| | 15 857 165 | 10 237 176 |

8. Long term liabilities**Ministry of Mines and Energy**

The loan is interest free, however, it was amortized at an effective prime interest rate of 9.25% per annum and is repayable in 37 monthly installments of N\$ 1,000,000 each. The difference between the remaining nominal loan amount and the amortized cost is recognised as deferred income as disclosed on note 10 to the annual financial statements. The finance costs for the year is set-off against the movement in the deferred income in the statement of profit and loss and other comprehensive income. There are no securities on the loan.

| | | |
|--|------------|------------|
| | 31 332 037 | 39 993 728 |
|--|------------|------------|

| | | |
|--|-------------------|-------------------|
| | 31 332 037 | 39 993 728 |
|--|-------------------|-------------------|

Non-current liabilities

At amortised cost

| | | |
|--|------------|------------|
| | 21 834 284 | 31 332 037 |
|--|------------|------------|

Current liabilities

At amortised cost

| | | |
|--|-----------|-----------|
| | 9 497 753 | 8 661 691 |
|--|-----------|-----------|

| | | |
|--|-------------------|-------------------|
| | 31 332 037 | 39 993 728 |
|--|-------------------|-------------------|

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

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

9. Retirement benefit obligation

Defined benefit plan

The defined benefit plan consists of the Severance pay benefit which is governed by Section 35 (1) of the Namibia Labour Act of 2007 which came into effect 01 November 2008. In terms of the Act the Severance benefits are payable to an employee for one (1) week's wages for each completed year of service if the employee is dismissed; dies while employed; or resigns or retire on reaching the age of 65 years.

The retirement benefit obligation has been determined through Actuarial valuation.

| | 2017 | 2016 |
|---|--------------------|--------------------|
| | N\$ | N\$ |
| Carrying value | | |
| Present value of the defined benefit obligation wholly unfunded | (4 824 000) | (3 859 000) |
| Net actuarial gains or losses not recognized. | (465 000) | (965 000) |
| | (5 289 000) | (4 824 000) |
| Opening balance | (4 824 000) | (3 859 000) |
| Net expense recognised in profit or loss | (465 000) | (965 000) |
| | (5 289 000) | (4 824 000) |
| Current service cost | (663 000) | (561 000) |
| Interest cost | (554 000) | (385 000) |
| Amortisation | 752 000 | (19 000) |
| | (465 000) | (965 000) |
| Assumptions used on last valuation on 25 May 2017. | | |
| Number of employees | 167 | 156 |
| Total annual salaries | 63 134 000 | 60 402 000 |
| Average service (in years) | 37.70 | 37.30 |
| Salary weighted average age (in years) | 7.00 | 6.4 |
| Discount rates used | 9.80% | 10.10% |
| Inflation rate | 7.00% | 7.60% |
| Expected increase in salaries | 8.00% | 8.60% |

The liability has been calculated using the projected Unit Credit Method which accrues uniformly whilst the member is in service. The normal retirement age for all employees is 60 years.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(Continued)

10. Deferred income

Deferred income relates to unamortized deferred interest income on the interest free loan from the Ministry of Mines and Energy. The unamortized deferred interest income is recognised as a form of government assistance and it represents the difference between the nominal amount of the loan and the amortised loan amount as disclosed on note 8 to the annual financial statements. The movement in the deferred income is set-off against the finance costs in the statement of profit and loss and other comprehensive income.

| | 2017 | 2016 |
|-------------------------|------------------|------------------|
| | N\$ | N\$ |
| Non-current liabilities | 4 667 963 | 7 906 272 |
| | 4 667 963 | 7 906 272 |

11. Claims provisions and reserves**Reconciliation of claims provisions and reserves - 2017**

| | Opening balance | Increase in claims provisions and reserves | Total |
|------------|----------------------------|---|--------------|
| | N\$ | N\$ | N\$ |
| Provisions | 748 607 000 | 56 423 000 | 805 030 000 |

Reconciliation of claims provisions and reserves - 2016

| | Opening balance | Increase in claims provisions and reserves | Total |
|------------|----------------------------|---|--------------|
| | N\$ | N\$ | N\$ |
| Provisions | 675 828 000 | 72 779 000 | 748 607 000 |

Provisions include:

Provisions for Outstanding claims including Notified Outstanding Claims Reserve (NOCR) and Claims incurred but not Reported Reserve (IBNR).

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)**Fair value determination of the unreported incurrent claims**

| | 2017 | 2016 |
|---|--------------------|--------------------|
| | N\$ | N\$ |
| Claims incurred but not reported - Funeral and Injury grants | 10 802 000 | 37 512 000 |
| Claims incurred but not reported - Loss of Income and Loss of Support | 25 814 000 | 43 609 000 |
| Claims incurred but not reported - Medical Undertakings | 26 905 000 | 28 587 000 |
| Claims undertakings - Loss of Income | 79 811 000 | 73 579 000 |
| Claims undertakings - Loss of Support | 378 623 000 | 300 158 000 |
| Claims undertakings - Medical Undertakings | 64 134 000 | 68 143 000 |
| Belgian doctors' claims | 103 975 000 | 110 272 000 |
| Claims in litigation | 6 932 000 | 17 149 000 |
| Claims handling expenses | 34 850 000 | 33 950 000 |
| Data & Systems reserves | 36 592 000 | - |
| Contingency reserves | 36 592 000 | 35 648 000 |
| | 805 030 000 | 748 607 000 |

Claims incurred but not reported – Funeral and Injury Grant

Development patterns as summarised in the actuarial valuation. The report derived from the monthly claims run-off was used to evaluate claims incurred but not yet reported.

The projected claim numbers were multiplied by the average claim amounts of N\$ 7 000 and N\$ 16 676 (N\$ 14 608 in 2016 and N\$ 14 089 in 2015 and N\$ 11 922 in 2014) for Funeral and Injury Grants respectively to get incurred but not reported liability.

Claims incurred but not reported – Loss of Income Loss of Support and Medical Undertakings

For undertakings we also used development patterns derived from the claims data provided. The development factors were used to project claims undertaking amounts in respect of accidents prior to 31 March 2017 but yet to be reported in subsequent years. The projections were based on total claims undertakings recorded to date.

Medical Undertakings

The actuaries set the liability equal to 100% of the sum of the outstanding balances (subject to a minimum of zero) irrespective of the year the undertaking was made. They however reviewed all the historical dormant undertakings together with the management of the Fund and in cases where there is no further future payments expected the records have been expunged from the system and no liability held.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**Belgian Doctors**

The schedule of all future remaining payments was set out in court papers drafted in November and December 2009. The actuaries have set the liability at the present value of these future payments with allowance for mortality interest and expected future N\$/Euro exchange rate movement.

Two cases have been fully settled by the Fund as at 31 March 2017. Calculations were only made in respect of Ms. Carol Clara Cornelis' claim which is the only outstanding claim.

Claims in Litigation

Management provided a separate schedule with case estimates of claims in litigation at year end. The total of these amounted to N\$ 16.1 million and this amount has been set aside as the liability.

Claims handling expenses

The actuaries have allowed for claim handling expenses at 5% of outstanding liabilities including IBNR.

Data and Systems Reserves

The actuaries have introduced a temporary reserve of 5% of outstanding liabilities in respect of Data and Systems concerns. This reserve is held to act as a cushion against potential adverse findings of the data and system Investigation that we recommended the fund carries out. The reserves are expected to be released over time once data and systems concerns raised have been rectified.

Contingency reserves

The contingency reserve is set as 5% of the liability for the IBNR and Claims undertakings.

The key financial and demographic assumptions used are:

| | | |
|---|-----------|-----------------|
| - Average historic rate | 8% | (2016: 8%) |
| - Valuation discount rate | 7.5% | (2016: 7.5%) |
| - Annual future inflation | 5% | (2016: 5%) |
| - Expected future exchange rate (Euro vs N\$) | N\$ 14.56 | (2016:N\$16.78) |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

| | 2017 | 2016 |
|---|--------------------|--------------------|
| | N\$ | N\$ |
| 12. Trade and other payables | | |
| Trade payables | 5 125 703 | 5 000 444 |
| Value Added Tax | 350 176 | 131 126 |
| Other payables | 3 513 303 | 4 422 397 |
| Accrued leave pay | 3 162 472 | 2 857 753 |
| Accrued bonus | 17 759 017 | 13 591 039 |
| Other accrued expenses | 878 846 | 536 816 |
| | 30 789 517 | 26 539 575 |
| 13. Revenue | | |
| Fuel levy income | 561 129 543 | 540 730 010 |
| Xupifa Eemwenyo revenue | 211 900 | 251 250 |
| Rental Income | 2 339 119 | 2 622 674 |
| Investment income | 56 429 376 | 33 492 727 |
| Miscellaneous other revenue | 171 036 | 118 008 |
| | 620 280 974 | 577 214 669 |
| 14. Claims | | |
| Claims paid | 290 946 048 | 243 104 354 |
| Movement in actuarial liability | 56 423 000 | 72 779 000 |
| | 347 369 048 | 315 883 354 |
| 15. Other income | | |
| Surplus on sale of property plant and equipment | 218 070 | 1 174 112 |
| | 218 070 | 1 174 112 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(Continued)

16. Surplus before finance costs

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

| | 2017 | 2016 |
|--|-------------|-------------|
| | N\$ | N\$ |
| Operating lease charges | | |
| Premises | | |
| □ Contractual amounts | 966 202 | 1 033 437 |
| Profit on sale of property plant and equipment | 218 070 | 1 174 112 |
| Depreciation on property plant and equipment | 7 853 466 | 8 642 031 |
| Employee costs | 111 358 194 | 91 959 930 |

17. Employee costs**Indirect employee costs**

| | | |
|---|--------------------|-------------------|
| Employee costs | 104 000 891 | 83 872 634 |
| Leave pay provision charge | 468 569 | 908 514 |
| Employee wellness | 2 723 550 | 2 215 470 |
| Staff development and training | 3 700 184 | 3 998 312 |
| Post-employment benefits - Pension - Defined benefit plan | 465 000 | 965 000 |
| | 111 358 194 | 91 959 930 |

Total employee costs

| | | |
|-------------------------|--------------------|-------------------|
| Indirect employee costs | 111 358 194 | 91 959 930 |
|-------------------------|--------------------|-------------------|

18. Finance costs

| | | |
|----------------------|--------|--------|
| Banking Institutions | 15 937 | 16 280 |
|----------------------|--------|--------|

19. Auditor's remuneration

| | | |
|---|-----------|-----------|
| Fees (external and internal audit fees) | 1 177 417 | 1 108 134 |
|---|-----------|-----------|

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(Continued)

| | 2017 | 2016 |
|--|--------------------|--------------------|
| | N\$ | N\$ |
| 20. Cash generated from operations | | |
| Surplus for the year | 119 180 014 | 132 365 748 |
| Adjustments for: | | |
| Depreciation | 7 853 466 | 8 642 031 |
| Profit on sale of property plant and equipment | (218 070) | (1 174 112) |
| Finance costs | 15 937 | 16 280 |
| Fair value adjustments | (2 220 000) | (7 708 389) |
| Movements in retirement benefit liabilities | 465 000 | 965 000 |
| Movements in provisions | 56 423 000 | 72 779 000 |
| Changes in working capital: | | |
| Trade and other receivables | 10 421 211 | (10 754 841) |
| Trade and other payables | 4 249 942 | 1 550 973 |
| Deferred income | (3 238 309) | (30 239 734) |
| | 192 932 191 | 166 441 956 |

21. Related parties

The fund is created by statute with the Minister of Works and Transport being the Executive Authority representing the Government of Namibia. The related parties of the fund mainly consist of departments, state owned enterprises, other public entities in Government and key management personnel of the fund, the directors, its Executive Authority and their close family members.

22. Directors' fees**Non-executive****2017**

| | Directors' fees | Total |
|----------------|----------------------------|--------------|
| | N\$ | N\$ |
| Directors fees | 981 355 | 981 355 |

2016

| | Directors' fees | Total |
|----------------|----------------------------|--------------|
| | N\$ | N\$ |
| Directors fees | 1 510 447 | 1 510 447 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****(Continued)**

23. Taxation

The Motor Vehicle Accident Fund is exempt from income taxation in terms of the section 6 of the Motor Vehicle Accident Fund Act 10 of 2007.

24. Risk management**Financial risk management**

The Fund is exposed to a range of financial risks through its financial assets and financial liabilities. The most important components of this financial risk are credit risk liquidity risk and market risk (which comprises of interest rate risk currency risk and other price risks). The risk that the Fund primarily faces due to the nature of its assets and liabilities are liquidity risk interest rate risk currency risk and insurance risk.

The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department under policies approved by the board. Fund treasury identifies evaluates and hedges financial risks in close co-operation with the Fund's operating units. The board provides written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk interest rate risk credit risk use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Liquidity risk

The Fund has exposure to liquidity risk which is the risk that the Fund will encounter difficulty in meeting its obligations associated with financial liabilities.

Ultimate responsibility for liquidity risk management rests within the Board of Directors which has built an appropriate liquidity risk management framework for the management of the Fund's short medium and long term funding and liquidity management requirements.

The Fund manages liquidity risk by preparing cash flow projections on a monthly basis to ensure adequate funding is available to meet its obligations. Furthermore the Fund invests surplus funds on appropriate instruments.

Cash flow forecasts are prepared and adequate utilized borrowing facilities are monitored.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| At 31 March 2017 | Trade and other receivables | Held at fair value through profit or loss | Held to maturity | Financial liabilities at amortised cost |
|-------------------------------|--|--|-----------------------------|--|
| | N\$ | N\$ | N\$ | N\$ |
| Investments | - | 532 881 462 | 275 086 508 | - |
| Trade and other receivables | 89 135 846 | - | - | - |
| Cash and cash equivalents | 15 857 165 | - | - | - |
| Trade and other payables | - | - | - | (30 789 517) |
| Long term liabilities | - | - | - | (31 332 037) |
| Provisions | - | (805 030 000) | - | - |
| Retirement benefit obligation | - | - | - | (5 289 000) |
| At 31 March 2016 | | | | |
| | N\$ | N\$ | N\$ | N\$ |
| Investments | - | 389 549 826 | 253 019 523 | - |
| Trade and other receivables | 99 557 057 | - | - | - |
| Cash and cash equivalents | 10 237 176 | - | - | - |
| Trade and other payables | - | - | - | (26 539 575) |
| Long term liabilities | - | - | - | (39 993 728) |
| Provisions | - | (748 607 000) | - | - |
| Retirement benefit obligation | - | - | - | (4 824 000) |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the fund's income or value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing return on risk.

The Fund's activities expose it primarily to the financial risks of changes in interest rates and foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Fund has interest-bearing assets at market interest rates.

The Fund's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Fund to cash flow interest rate risk. Borrowings issued at fixed rates expose the Fund to fair value interest rate risk. During 2017 and 2016 the Fund's borrowings at variable rate were denominated in the Namibia Dollar.

Cash flow interest rate risk

At 31 March 2017

Financial instrument

| | Current interest rate | Due in less than a year | Due in one to five years | Due after five years |
|-------------------------------|----------------------------------|------------------------------------|-------------------------------------|---------------------------------|
| | | N\$ | N\$ | N\$ |
| Investments | -% | - | 807 967 970 | - |
| Trade and other receivables | -% | 89 135 846 | - | - |
| Cash and cash equivalent | -% | 15 857 165 | - | - |
| Long term liabilities | -% | 9 497 753 | 21 834 284 | - |
| Retirement benefit obligation | -% | - | - | 5 289 000 |
| Provisions | -% | - | - | 805 030 000 |
| Trade and other payables | -% | 30 789 516 | - | - |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)

At 31 March 2016

| Financial instrument | Current interest rate | Due in less | Due in one | Due after five |
|-------------------------------|-----------------------|-------------|---------------|----------------|
| | | than a year | to five years | years |
| | | N\$ | N\$ | N\$ |
| Investments | -% | - | 642 569 349 | - |
| Trade and other receivables | -% | 99 557 057 | - | - |
| Cash and cash equivalent | -% | 10 237 176 | - | - |
| Long term liabilities | -% | 8 661 691 | 31 332 037 | - |
| Retirement benefit obligation | -% | - | - | 4 824 000 |
| Provisions | -% | - | - | 748 607 000 |
| Trade and other payables | -% | 26 539 575 | - | - |

Credit risk

The Fund has exposure to credit risk which is the risk that the counterparty will be unable to pay amounts in full when due. Key areas where the Fund is exposed to credit risk are:

- Amounts due within respect of motor finance scheme loans
- Amounts due from fuel levy debtor (income receivable)

Management manages the credit risk as follows:

The debtors of the Fund's motor vehicle scheme are at executive and management levels. The Fund is the registered title holder to all the vehicles involved and the vehicles are comprehensively insured. Monthly installments are deducted directly from payroll.

The provision of the Petroleum Act does not allow the Fund to collect fuel levies directly from different fuel companies but instead from the Ministry of Mines and Energy. The Fund is constantly communicating with the Ministry through the office of the Minister and the Permanent Secretary to find ways to reduce the period of payment.

Foreign exchange risk

Foreign currency risk is defined as the risk that the fair value future cash flows or a financial instrument will fluctuate because of changes in the market prices. The Fund is exposed to foreign currency risk arising from the Belgium doctor's claims which are denominated in Euro currency. The responsibility for the foreign exchange risk management rests within the board of directors which has built an appropriate risk management framework.

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Continued)**

The Fund reviews its foreign currency exposure including commitments on an ongoing basis.

Insurance risk

The Fund accepts significant insurance risk from another party i.e. the claimant by agreeing to compensate the claimant if a specified uncertain future event (the insured event) adversely affects the claimant. These are classified as insurance contracts.

The Fund accepts insurance risk as it is mandated by legislature to compensate victims of road accidents for injuries suffered as a result of motor vehicle accidents.

Insurance risk is significant if and only if an insured event could cause the fund to pay significant additional benefits once a contract is classified as an insurance contract until all rights and obligations are extinguished or expire.

Claims incurred

Claims incurred comprise related expenses incurred during the year and changes in the provisions for outstanding claims including provisions for claims incurred but not reported and related external expenses together with any other adjustments to claims from previous year.

25. 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 MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH

| | Note | 2017 N\$ | 2016 N\$ |
|------------------------------------|------|----------------------|----------------------|
| Revenue | | | |
| Fuel levy revenue | | 561 129 543 | 540 730 010 |
| Xupifa Eemwenyo revenue | | 211 900 | 251 250 |
| Rental Income | | 2 339 119 | 2 622 674 |
| Miscellaneous other revenue | | 171 036 | 118 008 |
| Income from investments | | 56 429 376 | 33 492 727 |
| | 13 | 620 280 974 | 577 214 669 |
| Cost of sales | | | |
| Claims paid | | (347 369 048) | (315 883 354) |
| | | 272 911 926 | 261 331 315 |
| Gross surplus | | | |
| Other income | | | |
| Gains on disposal of assets | | 218 070 | 1 174 112 |
| Fair value adjustments | 3 | 2 220 000 | 7 708 389 |
| | | 2 438 070 | 8 882 501 |
| Expenses (Refer to page 47) | | | |
| | | (156 154 045) | (137 831 788) |
| Operating surplus | | | |
| Finance costs | 18 | (15 937) | (16 280) |
| Surplus for the year | | 119 180 014 | 132 365 748 |

THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH (Continued)

| | Note | 2017 N\$ | 2016 N\$ |
|----------------------------------|------|--------------------|--------------------|
| Other operating expenses | | | |
| Actuarial Fees | | 965 867 | 487 630 |
| Auditors remuneration | 16 | 1 177 417 | 1 108 134 |
| Bank charges | | 308 675 | 262 713 |
| Cleaning | | 1 090 122 | 878 903 |
| Computer expenses | | 342,356 | 347 981 |
| Consulting and professional fees | | 4 033 072 | 4 641 777 |
| Corporate Communications | | 223 609 | 195,857 |
| Corporate Gifts | | 121 246 | - |
| Corporate Social Investment | | 6 537 120 | 6 622 553 |
| Courier & Postage | | 416 194 | 420 667 |
| Depreciation | | 7 853 466 | 8 642 031 |
| Employee costs | | 111 358 194 | 91 959 930 |
| Entertainment | | 33 216 | 171,487 |
| General expenses | | 124 778 | 35 042 |
| Insurance | | 934 749 | 956 025 |
| Lease rentals on operating lease | | 966 202 | 1 033 437 |
| Leasing Charges | | 2 020 698 | 300 356 |
| Legal Fees | | 831 468 | 621,422 |
| License Fees | | 3 219 706 | 4 388 300 |
| Magazines books and periodicals | | 120 254 | 292 933 |
| Motor vehicle expenses | | 2 018 148 | 1,854,074 |
| Municipal expenses | | 2 371 567 | 2 311 177 |
| Organization Development | | 764 460 | 478 176 |
| Printing and stationery | | 404 895 | 346 325 |
| Property Management Expenses | | 2 121 696 | 1 804 679 |
| Relocation Cost | | 39 796 | 69 372 |
| Repairs and maintenance | | 617 566 | 354 994 |
| Security | | 1 383 716 | 1 205 767 |
| Subscriptions | | 264 918 | 150 792 |
| Telephone and fax | | 878 847 | 2 156 677 |
| Travel and Accommodation | | 2 610 027 | 3 732 577 |
| | | 156 154 045 | 137 831 788 |