



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**

# **MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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**REPUBLIC OF NAMIBIA**



**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 2024, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister 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.

**WINDHOEK, October 2024**

  
**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 2024**

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**1. UNQUALIFIED AUDIT OPINION**

I have audited the financial statements of the Motor Vehicle Accident Fund for the year ended 31 March 2024, these financial statements comprise of the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Motor Vehicle Accident Fund as at 31 March 2024, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Motor Vehicle Accident Fund Act, 2007 (Act 10 of 2007).

**2. BASIS FOR AUDIT OPINION**

I conducted my audit in accordance with International Standards for Supreme Audit Institutions (ISSAI's). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my audit report. I am independent of the Entity in accordance with Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia. I have fulfilled my other ethical responsibilities in accordance with these requirements and the code of ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion.

**3. KEY AUDIT MATTERS**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming the audit opinion thereon, and I do not provide a separate opinion on these matters. No key audit matters were observed during the year under review and as such I have nothing to report in this regard.

**4. OTHER INFORMATION**

The Directors are responsible for the other information. The other information does not include the financial statements and the audit report thereon. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon. In connection with the audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

**5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH  
GOVERNANCE 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 Standards and the requirements of the Motor

Vehicle Accident Act Number 10 of 2007, 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 the entity's ability to cooperation 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 company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

## **6. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

My 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 audit report that includes the audit opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards for Supreme Audit Institutions 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 International Standards for Supreme Audit Institutions, I exercise professional judgement and maintain professional scepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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 the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the audit opinion. My conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern.

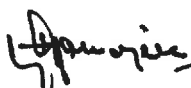
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during the audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable related safeguards.

From the matters communicated with those charged with governance I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in the audit report unless law or regulation precludes public disclosure about the matter or, when in extremely rare circumstances, I determine that a matter should not be communicated in the audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**WINDHOEK, October 2024**

  
**JUNIAS ETUNA-KANDJEKE**  
**AUDITOR-GENERAL**

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024**

The Directors present their annual report, which forms part of the audited financial statements of the MVA Fund for the year ended 31 March 2024.

**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 dependents of those killed in motor vehicle crashes in accordance with the Motor Vehicle Accident Fund Act, 2007 (Act 10 of 2007) and operates in Namibia.

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

**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**

	Note	2024 N\$	2023 N\$
Fuel levy income		565 591 006	471 565 053
Income from investments		133 951 913	100 112 552
Claim expense	11	(264 828 598)	(260 497 247)
Rental Income and other income		4 738 357	3 620 470
Xupifa Eemwenyo		318 000	604 500
Movement in claims provisions and reserve		(92 104 942)	(8 482 750)
Operating expenses		(249 363 232)	(213 298 285)

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

The fuel levy of 47.7 cents was applied for the full 12 months in the current financial 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

**Summary of financial position**

Total assets	2 048 005 546	1 898 860 877
Total liabilities	925 077 174	885 825 421
Accumulated Fund surplus	1 062 498 325	963 488 826
Ratio of total assets to Fund surplus	1.93:1	1.97:1
Ratio of total assets to Fund surplus %	193%	197%

**Fuel sales in liters**

	Liters	Liters
Diesel	856 473 941	767 253 925
Petrol	329 251 438	333 554 124
	<b>1 185 725 379</b>	<b>1 100 808 049</b>
Increase /(decrease) in litres sold	84 917 330	(8 528 271)

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

**Cash and investments**

	<b>2024</b>	<b>2023</b>
	<b>N\$</b>	<b>N\$</b>
Funds held with Asset Managers	683 225 775	1 314 122 214
Fixed term investments	-	277 535 629
Investment in Equity and Bonds	1 011 508 713	-
Call account investments	10 114 425	12 108 782
Bank balances	27 237 790	27 244 705
Cash on hand	217 114	142 733
	<b>1 732 303 817</b>	<b>1 631 154 063</b>

**2. Going concern – Fuel levy shortfall payment**

During the 2023/2024 Financial year, the Fund experienced shortfall payments in fuel levy income from Ministry of Mines and Energy. This impacted investment as some operational costs were paid from existing resources. The Fund engaged the Ministry of Mines and Energy to ensure that MVA levies are paid on time and in full every month. Timely and full payment of MVA levies will ensure the MVA Fund meets operational obligations.

**3. Events after the reporting period**

The Directors are not aware of any other material events which occurred after the reporting date and up to the date of this report.

**4. Directors of the Motor Vehicle Accident Fund**

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

<b>Directors</b>	<b>Nationality</b>
Dr. S. Herman	Namibian
J. Daun	Namibian
M. Nangombe	Namibian
D. Mabengano	Namibian
T. Iindji	Namibian
N. Shejavali	Namibian
E. Kharuchas	Namibian

**5. Executive Management of the Motor Vehicle Accident Fund**

<b>Name</b>	<b>Title</b>
R. Martins-Hausiku	Chief Executive Officer
P. Nghifitikeko	Chief Operations Officer
J. Kurz	Chief Legal Advisor
L. Ndjamba	Chief Financial Officer
J. Haikali	Chief Human Capital & Strategy



**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA  
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

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**6. Auditor**

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

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH**

	Note	2024 N\$	2023 N\$
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>202 203 394</b>	<b>176 031 974</b>
Investment property	4	49 130 000	48 550 000
Property, plant and equipment	5	153 073 394	127 481 974
<b>Current Assets</b>		<b>1 845 802 154</b>	<b>1 722 828 903</b>
Investments	6	1 694 734 489	1 591 657 843
Trade and other receivables	7	113 498 337	91 674 840
Cash and cash equivalents	8	37 569 328	39 496 220
<b>Total Assets</b>		<b>2 048 005 548</b>	<b>1 898 860 877</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>		<b>1 122 928 374</b>	<b>1 013 035 45</b>
Accumulated surplus		1 062 498 327	963 488 826
Total reserves	9	60 430 047	49 546 628
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>		<b>882 045 000</b>	<b>843 793 000</b>
Retirement benefit obligation	10	12 350 000	11 054 000
Claims, provisions and reserves	11	869 695 000	832 739 000
<b>Current Liabilities</b>		<b>43 032 174</b>	<b>42 032 423</b>
Trade and other payables	12	43 032 174	42 032 423
<b>Total Liabilities</b>		<b>925 077 174</b>	<b>885 825 423</b>
<b>Total Equity and Liabilities</b>		<b>2 048 005 548</b>	<b>1 898 860 877</b>

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH**

	Note	2024 N\$	2023 N\$
Revenue	13	704 599 276	575 902 575
Claims paid	14	(356 933 540)	(268 979 997)
<b>Gross surplus</b>		<b>347 665 736</b>	<b>306 922 578</b>
Other income	15	706 995	1 727 304
Operating expenses		(249 359 672)	(213 298 285)
<b>Operating profit</b>	16	<b>99 013 059</b>	<b>95 351 597</b>
Finance costs		(3 558)	-
<b>Surplus for the year</b>		<b>99 009 501</b>	<b>95 351 597</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gains on Property revaluation		4 775 441	2 854 088
Gains on valuation of equity and bonds at fair value through other comprehensive income		6 107 978	-
<b>Other comprehensive surplus for the year</b>		<b>10 883 419</b>	<b>2 854 088</b>
<b>Total comprehensive surplus for the year</b>		<b>109 892 920</b>	<b>98 205 685</b>

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

	Note	2024 N\$	2023 N\$
<b>Cash flows from operating activities</b>			
Cash generated from operations	17	124 553 916	53 252 630
Finance costs		(3 558)	
<b>Net cash from operating activities</b>		<b>124 550 358</b>	<b>53 252 630</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(30 042 489)	(5 726 754)
Proceeds from sale of property, plant and equipment	5	533 907	963 791
Movement in investment	6	(96 968 668)	(44 431 365)
<b>Net cash to investing activities</b>		<b>(126 477 250)</b>	<b>(49 194 328)</b>
<b>Total cash movement for the year</b>		<b>(1 926 893)</b>	<b>4 058 302</b>
Cash and cash equivalents at the beginning of the year		39 496 220	35 437 918
<b>Cash and cash equivalents at the end of the year</b>	8	<b>37 569 328</b>	<b>39 496 220</b>

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

	<b>Revaluation reserve</b>	<b>Other reserves</b>	<b>Total reserves</b>	<b>Accumulated surplus</b>	<b>Total equity</b>
	N\$	N\$	N\$	N\$	N\$
<b>Balance at 01 April 2022</b>	<b>46 692 540</b>	<b>-</b>	<b>46 692 540</b>	<b>868 137 229</b>	<b>914 829 769</b>
Surplus for the year	-	-	-	95 351 597	95 351 597
Other comprehensive surplus	2 854 088	-	2 854 088	-	2 854 088
<b>Balance at 01 April 2023</b>	<b>49 546 628</b>	<b>-</b>	<b>49 546 628</b>	<b>963 488 826</b>	<b>1 013 035 454</b>
Surplus for the year	-	-	-	99 009 501	99 009 501
Other comprehensive surplus	4 775 441	6 107 978	10 883 419	-	10 883 419
<b>Total comprehensive surplus for the year</b>	<b>4 775 441</b>	<b>6 107 978</b>	<b>10 883 419</b>	<b>99 009 501</b>	<b>109 892 920</b>
<b>Balance at 31 March 2024</b>	<b>54 322 069</b>	<b>6 107 978</b>	<b>60 430 047</b>	<b>1 062 498 327</b>	<b>1 122 928 374</b>

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

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**1. Material accounting policies**

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

**1.1 Presentation of Annual Financial Statements**

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with the IFRS® Accounting Standards and International Financial Reporting Standards Interpretations Committee ("IFRS IC"), interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of Namibia.

The annual financial statements have been prepared on the historic cost convention except for some investments that are held at fair value and unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Namibia Dollars, which is the MVA Fund's functional currency.

These accounting policies are consistent with the prior financial year.

**1.2 Significant judgements and sources of estimation uncertainty**

The preparation of annual financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**Critical judgements in applying accounting policies**

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the financial statements, are outlined as follows:

**Key sources of estimation uncertainty**

**Impairment testing**

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.

**Impairment of trade receivables and held to maturity investments**

The Fund assesses its trade receivables and held to maturity investments 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 MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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The impairment for trade receivables and held to maturity investments 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.

### **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 - Claims provisions and reserves.

### **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 10 Retirement benefit.

### **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

### **1.3 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.

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

Subsequent to initial measurement, investment property is measured at fair value, with changes in fair value recognized in profit or loss in the period in which it arises. Gains or losses arising from a change in fair value, as well as gains or losses on disposal of investment property are included in profit or loss for the period in which they arise.

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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#### **1.4 Property, plant and equipment**

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

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

Depreciation of an asset commences when the asset is available for use as intended by management.

subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalized if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day-to-day servicing costs are included in profit or loss in the year in which they are incurred.

Major spare parts and standby equipment which are expected to be used for more than one year are included in property, plant and equipment.

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 subsequently measured at cost less accumulated depreciation and impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Amounts recognized in the revaluation reserve are not distributable to members.

Gains and losses on revaluation are recognized in other comprehensive income and accumulated in the revaluation reserve in equity. However, losses are recognized in profit or loss to the extent that they exceed amounts previously accumulated from gains in equity. Subsequent gains are recognized in profit or loss to the extent that they reverse revaluation decreases of the same asset previously recognized in profit or loss. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the

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

<b>Item</b>	<b>Average useful life</b>
Buildings	50 years
Motor vehicles	5 years
Office equipment and furniture	7-10 years
IT equipment	3-5 years



**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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**1.4 Property, plant and equipment (continued)**

Work-in-progress includes property, plant and equipment in the course of construction and is carried at cost less any recognized impairment charge. These assets are reclassified to the appropriate category of property, plant and equipment and depreciation of these assets commences when they are completed and ready for their intended use.

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

The depreciation charge for each period is 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.

**1.5 Financial instruments**

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income

Financial assets which are debt instruments:

- Amortized cost; or
- Fair value through other comprehensive income; or
- Mandatorily at fair value through profit or loss; or
- Designated at fair value through profit or loss.

Financial liabilities:

- Amortized cost; or
- Mandatorily at fair value through profit or loss; or
- Designated at fair value through profit or loss.

Note 3 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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**1.5 Financial instruments (continued)**

**Initial recognition and measurement**

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

The MVA 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 recognized in profit or loss.

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

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

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

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

**De-recognition**

**Financial assets**

The company derecognizes a financial asset only when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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**1.5 Financial instruments (continued)**

**Financial liabilities**

The company derecognizes financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

**Offsetting financial assets and financial liabilities**

Financial assets and liabilities are offset, and the net amount reported in the balance sheet where the company currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The company has also entered into arrangements that do not meet the criteria for offsetting, but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

**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.

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 recognized 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 recognized 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 recognized.

Reversals of impairment losses are recognized 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 amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized 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 MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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**Trade and other receivables (continued)**

The allowance recognized 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 recognized 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 payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition, or within the repayment terms as stipulated within the supplier agreements. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest 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 amortized cost.

**Held to maturity**

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

At subsequent reporting dates these are measured at amortized cost using the effective interest rate method less any impairment loss recognized to reflect irrecoverable amounts. An impairment loss is recognized 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 recognized subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortized cost would have been had the impairment not been recognized.

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

**1.6 Tax**

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

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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### **1.7 Leases**

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

#### **Operating leases – lessee**

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

#### **Operating leases – lessor**

Operating lease income is recognized 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 recognized 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.

### **1.8 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.

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 amortization is recognized immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The Fund assesses at each reporting date whether there is any indication that an impairment loss recognized 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 recognized for the asset in prior periods.

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

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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### **1.9 Provisions and contingencies**

Provisions are recognized 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.

Provisions are not recognized for future operating deficits. If an entity has a contract that is onerous the present obligation under the contract shall be recognized 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:

1. the business or part of a business concerned;
2. the principal locations affected;
3. the location function and approximate number of employees who will be compensated for terminating their services;
4. the expenditures that will be undertaken;
5. when the plan will be implemented; and
6. 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 recognized.

### **1.10 Employee benefits**

#### **Short-term employee benefits**

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

The expected cost of compensated absences is recognized 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 recognized 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

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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**Defined benefit plans (continued)**

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 recognized immediately to the extent that the benefits are already vested and are otherwise amortized 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 unrecognized 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 recognized in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognized.

Actuarial gains and losses are recognized 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 recognized 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 recognized 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 recognized for a reimbursement.

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

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

## **1.11 Revenue**

### **MVA Fund levies**

The main income received by the MVA Fund is fuel levies that is based on fuel sales known as the MVA levies. The MVA levy is a charge levied on fuel throughout the country and the quantum of the MVA levy per liter is determined by the Ministry of Mines and Energy.

The MVA Fund recognizes 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 MVA Fund.

The levy is remitted to the MVA Fund every month (45 days in arrears) by the Ministry of Mines and Energy as per the National Energy Fund Act.

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

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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**1.11 Revenue (continued)**

**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 recognized on a time- proportion basis using the effective interest rate method.

Interest and dividends are paid by Investment Managers and other financial institutions every month.

**Rental income**

The MVA 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. Tenants are billed every month for which invoices are due immediately.

**Xupifa Eemwenyo**

The Fund receives donations/sponsorships to carry out road safety strategies.

**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 MVA 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 MVA Fund covers the following claims:**

**1. Medical expenses**

- A person involved in a motor vehicle crash is eligible for an undertaking of up to N\$1.5 million, which provides for medical treatment, injury management, rehabilitation, and life enhancement.

**2. Funeral grants**

- The MVA Fund provides a funeral benefit of N\$7,000.00 to the family members of a deceased from a motor vehicle accident in Namibia.

**3. Loss of income**

- As per the MVA Fund Act, 10 of 2007, Loss of Income may be claimed by a survivor of a motor vehicle crash at an amount limited to N\$100,000.00 per annum, with certain limitations and exclusions.

**4. Loss of support**

- Loss of Support may be claimed by dependents (beneficiaries) of a person deceased from a motor vehicle crash, which is limited to N\$100,000.00 per annum with certain limitations and exclusions.

**5. Injury grant**

The MVA Fund provides an injury grant of up to N\$100,000.00. This cash grant compensates for injuries sustained during a motor vehicle accident.



**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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**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.

**1.12 Claims paid (continued)**

**Outstanding claims provision**

Provision is made at year end for the estimated cost of claims incurred but has 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.

**1.13 Translation of foreign currencies**

**Foreign currency situations**

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 recognized 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 2024**  
**(continued)**

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

#### **1.14 Related parties**

The MVA 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.

#### **1.15 Reserves**

The company has elected to recognize changes in the fair value of certain assets in equity securities in other comprehensive income. These changes are accumulated within the fair value through other comprehensive income reserves within equity.

## **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 its operations:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	The impact of the standards are not material.
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023	The impact of the standards are not material.
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	The impact of the standards are not material.
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	The impact of the standards are not material.
• IFRS 17 Insurance Contracts	01 January 2023	The impact of the standards are not material.

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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**2.2 Standards and interpretations not yet effective**

The Fund has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Fund's accounting periods beginning on or after 01 April 2024 or later periods:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• Lack of exchangeability - amendments to IAS 21	01 January 2025	Unlikely there will be a material impact
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	01 January 2024	Unlikely there will be a material impact
• Non-current liabilities with covenants - amendments to IAS 1	01 January 2024	Unlikely there will be a material impact
• Lease liability in a sale and leaseback	01 January 2024	Unlikely there will be a material impact

## THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024(continued)

## 3. Financial instruments and risk management

## Categories of financial instruments

## Categories of financial assets

## 2024

	Note	Fair value through other Comprehensive Income (equity instruments) N\$	Fair Value through Profit & Loss (Designated) N\$	Amortized cost N\$	Total N\$	Fair value N\$
Investments	6	1 011 508 713	683 225 776	-	1 694 734 489	1 694 734 489
Trade and other receivables	7	-	-	113 498 337	113 498 337	113 498 337
Cash and cash equivalents	8	-	-	37 569 328	37 569 328	37 569 32
		<b>1 011 508 713</b>	<b>683 225 776</b>	<b>151 067 665</b>	<b>1 845 802 154</b>	<b>1 845 802 154</b>

## 2023

		Held to maturity N\$	Fair value through profit or loss N\$	Amortized cost N\$	Total N\$	Fair value N\$
Investments	6	277 535 629	1 314 122 214	-	1 591 657 843	1 591 657 843
Trade and other receivables	7	-	-	91 674 840	91 674 840	91 674 840
Cash and cash equivalents	8	-	-	39 496 220	39 496 220	39 496 220
		<b>277 535 629</b>	<b>1 314 122 214</b>	<b>131 171 060</b>	<b>1 722 828 903</b>	<b>1 722 828 903</b>

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

Categories of financial liabilities

		<b>Amortized cost</b>	<b>Total</b>	<b>Fair value</b>
		<b>N\$</b>	<b>N\$</b>	<b>N\$</b>
<b>Trade and other payables-2024</b>	12	43 032 174	43 032 174	43 032 174
		<b>Amortized cost</b>	<b>Total</b>	<b>2023 Fair value</b>
		<b>N\$</b>	<b>N\$</b>	<b>N\$</b>
<b>Trade and other payables-2023</b>	12	42 032 423	42 032 423	42 032 423
			<b>2024</b>	<b>2023</b>
			<b>N\$</b>	<b>N\$</b>
<b>Capital risk management</b>				
Trade and other payable	12		43 032 174	42 032 423
Cash and cash equivalents	8			
			(37 569 328)	(39 496 220)
<b>Net borrowings</b>			<b>5 462 846</b>	<b>2 536 203</b>
Equity				
			1 122 928 374	1 013 035 454

**Financial risk management**

**Overview**

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 currency risk, liquidity risk, interest rate risk and insurance risk.

The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's financial performance. The Fund focuses on a well-diversified investment portfolio (composed of various financial instruments as informed by the Asset-Liability Model) to mitigate certain risk exposures.

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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.

**Credit risk**

The MVA 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 with regards to motor vehicle finance scheme loans
- Amounts due from fuel levy debtor (income receivable)
- Amounts due from lease property debtors

Management manages the credit risk as follows:

The debtors of the Fund's motor vehicle scheme are at management level. The vehicles are not registered under the Fund and are comprehensively insured by the respective owners. 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. Monies collected by the Ministry on behalf of the Fund are only remitted to the Fund 45 days after the respective month of fuel consumption.

The leased properties' debtors honor their monthly rental obligation on presentation of an invoice. The Fund engages debtors when payment becomes due.

The maximum exposure to credit risk is presented in the table below:

		<b>2024</b>		<b>2023</b>	
		<b>Gross carrying amount</b>	<b>Amortized cost / fair value</b>	<b>Gross carrying amount</b>	<b>Amortized Cost / fair value</b>
		<b>N\$</b>	<b>N\$</b>	<b>N\$</b>	<b>N\$</b>
Investments	6	683 225 776	683 225 776	1 314 122 214	1 314 122 21
Trade and other receivables	7	113 498 337	113 498 337	91 674 840	91 674 840
Cash and cash equivalents	8	37 569 328	37 569 328	39 496 220	39 496 220
		<b>834 293 441</b>	<b>834 293 441</b>	<b>1 445 293 27</b>	<b>1 445 293 27</b>

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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### **Liquidity risk**

The MVA 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 MVA 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 MVA Fund invests surplus funds in appropriate financial instruments.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

		<u>Less than 1 year</u>	<u>Total</u>	<u>Carrying amount</u>
		N\$	N\$	N\$
<b>Current liabilities</b>				
<b>2024</b>				
Trade and other payables	12	43 032 174	43 032 174	43 032 174
<b>2023</b>				
Trade and other payables	12	42 032 423	42 032 423	42 032 423

### **Foreign currency risk**

Foreign currency risk is defined as the risk that the fair value of future cash flows will fluctuate to unpredictable gains or losses due to changes in the foreign currency. The MVA Fund is exposed to foreign currency risk arising from the Belgium doctor's claims and offshore investments which are denominated in Euro and US\$ currency, respectively. The responsibility for the foreign exchange risk management rests within the Directors, which has built an appropriate risk management framework.

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

### **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 the 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.

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

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**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 MVA Fund has interest-bearing assets at market interest rates.

**Insurance risk**

The MVA 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 MVA Fund accepts insurance risk as it is mandated by the 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.



## ANNEXURE F

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

**4. Investment property**

	2024			2023		
	Fair value	Accumulated	Carrying	Fair value	Accumulated	Carrying value
	depreciation	value		depreciation		
	N\$	N\$	N\$	N\$	N\$	N\$
Investment property	49 130 000		- 49 130 000	48 550 000	-	48 550 000

**Reconciliation of investment property - 2024**

	Opening balance	Fair value adjustments	Total
	N\$	N\$	N\$
Investment property	48 550 000	580 000	49 130 000

**Reconciliation of investment property - 2023**

	Opening balance	Fair value adjustments	Total
	N\$	N\$	N\$
Investment property	47 785 000	765 000	48 550 000

**Details of property**

**Erf 6436 measuring 960 square meters situated in the Municipality of Windhoek**

	2024	2023
	N\$	N\$
<b>Erf 6436 measuring 960 square meters situated in the Municipality of Windhoek</b>	<b>7 400 000</b>	<b>7 180 000</b>
- Purchase price: 11 May 2011	4 000 000	4 000 000
- Additions since purchase or valuation	10 000	10 000
- Fair value adjustments	3 390 000	3 170 000

**Erf 6441 measuring 1340 square meters situated in the Municipality of Windhoek**

	2024	2023
	N\$	N\$
<b>Erf 6441 measuring 1340 square meters situated in the Municipality of Windhoek</b>	<b>5 800 000</b>	<b>5 760 000</b>
- Purchase price: 23 September 2008	1 500 000	1 500 000
- Additions since purchase or valuation	643 663	643 663
- Fair value adjustments	3 656 337	3 616 337

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

	2024	2023
	N\$	N\$
<b>Erf 6326 Service Centre Ongwediva (transferred from property, plant and equipment)</b>	<b>17 450 000</b>	<b>17 280 000</b>
- Purchase price: 16 November 2007	228 858	228 858
- Additions since purchase or valuation	16 169 085	16 169 085
- Fair value adjustment	1 052 057	882 057
<b>ERF 2542 measuring 2 887 square meters situated in the Municipality of Rundu</b>	<b>18 480 000</b>	<b>18 330 000</b>
- Transfer in from property, plant and equipment	13 717 705	13 717 705
- Additions since purchase or valuation	616 849	616 849
- Fair value adjustment	4 145 446	3 995 446

**Details of valuation**

**Erf 6436, Windhoek**

Fair value of the property was determined using the Income Capitalization Method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the date of valuation on 21 February 2024, the property fair value is based on a valuation performed by RockSolid Property Valuations, an accredited independent valuer who has valuation experience for similar properties in Namibia. The directors estimate the fair value in the current period to be in line with the previous valuation performed.

**Erf 6441, Windhoek**

Fair value of the property was determined using the Income Capitalization Method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the date of valuation on 21 February 2024, the property fair value is based on a valuation performed by RockSolid Property Valuations, an accredited independent valuer who has valuation experience for similar properties in Namibia. The directors estimate the fair value in the current period to be in line with the previous valuation performed.

**Erf 6326, Ongwediva**

Fair value of the property was determined using the Income Capitalization Method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the date of valuation on 13 March 2024, the property fair value is based on a valuation performed by RockSolid Property Valuations, an accredited independent valuer who has valuation experience for similar properties in Namibia. The directors estimate the fair value in the current period to be in line with the previous valuation performed.

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

**Erf 2542, Rundu**

Fair value of the property was determined using the Income Capitalization Method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the date of valuation on 05 March 2024, the property fair value is based on a valuation performed by RockSolid Property Valuations, an accredited independent valuer who has valuation experience for similar properties in Namibia. The directors estimate the fair value in the current period to be in line with the previous valuation performed.

**5. Property, plant and equipment**

	2024			2023		
	Cost / fair value	Accumulated depreciation	Carrying value	Cost/ fair value	Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Land and buildings	129 994 525	(19 825 791)	110 168 734	124 700 009	(17 954 931)	106 745 078
Motor vehicles	31 627 945	(18 170 910)	13 457 035	23 989 092	(14 910 758)	9 078 334
Office equipment and furniture	19 362 112	(15 337 231)	4 024 881	18 100 687	(14 405 575)	3 695 112
IT equipment	51 750 556	(45 620 313)	6 130 243	47 330 386	(43 882 797)	3 447 589
Work in progress - Computer equipment	8 028 117	-	8 028 117	-	-	-
Work in progress- Buildings	11 264 384	-	11 264 384	4 515 861	-	4 515 861
<b>Total</b>	<b>252 027 639</b>	<b>(98 954 245)</b>	<b>153 073 394</b>	<b>218 636 035</b>	<b>(91 154 061)</b>	<b>127 481 974</b>

**Reconciliation of property, plant and equipment-2024**

	Opening balance	Additions	Transfers In (Out)/Disposal	Revaluations	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$	N\$
Land and buildings	106 745 078	519 075	-	4 775 441	(1 870 860)	110 168 734
Motor vehicles	9 078 334	8 575 068	(386 850)	-	(3 809 517)	13 457 035
Office equipment and furniture	3 695 112	1 587 723	(7 274)	-	(1 250 680)	4 024 881
IT equipment	3 447 589	4 583 983	(12 787)	-	(1 888 542)	6 130 243
Work in progress - Computer equipment	-	8 028 117	-	-	-	8 028 117
Work in progress- Buildings	4 515 861	6 748 523	-	-	-	11 264 384
<b>Total</b>	<b>127 481 974</b>	<b>30 042 489</b>	<b>(406 911)</b>	<b>4 775 441</b>	<b>(8 819 599)</b>	<b>153 073 394</b>

## THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(continued)

**Erf 2542, Rundu**

Fair value of the property was determined using the Income Capitalization Method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the date of valuation on 05 March 2024, the property fair value is based on a valuation performed by RockSolid Property Valuations, an accredited independent valuer who has valuation experience for similar properties in Namibia. The directors estimate the fair value in the current period to be in line with the previous valuation performed.

**5. Property, plant and equipment**

	2024			2023		
	Cost / fair value	Accumulated depreciation	Carrying value	Cost/ fair value	Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Land and buildings	129 994 525	(19 825 791)	110 168 734	124 700 009	(17 954 931)	106 745 078
Motor vehicles	31 627 945	(18 170 910)	13 457 035	23 989 092	(14 910 758)	9 078 334
Office equipment and furniture	19 362 112	(15 337 231)	4 024 881	18 100 687	(14 405 575)	3 695 112
IT equipment	51 750 556	(45 620 313)	6 130 243	47 330 386	(43 882 797)	3 447 589
Work in progress - Computer equipment	8 028 117	-	8 028 117	-	-	-
Work in progress- Buildings	11 264 384	-	11 264 384	4 515 861	-	4 515 861
<b>Total</b>	<b>252 027 639</b>	<b>(98 954 245)</b>	<b>153 073 394</b>	<b>218 636 035</b>	<b>(91 154 061)</b>	<b>127 481 974</b>

**Reconciliation of property, plant and equipment-2024**

	Opening balance	Additions	Transfers In (Out)/Disposal	Revaluations	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$	N\$
Land and buildings	106 745 078	519 075	-	4 775 441	(1 870 860)	110 168 734
Motor vehicles	9 078 334	8 575 068	(386 850)	-	(3 809 517)	13 457 035
Office equipment and furniture	3 695 112	1 587 723	(7 274)	-	(1 250 680)	4 024 881
IT equipment	3 447 589	4 583 983	(12 787)	-	(1 888 542)	6 130 243
Work in progress - Computer equipment	-	8 028 117	-	-	-	8 028 117
Work in progress- Buildings	4 515 861	6 748 523	-	-	-	11 264 384
<b>Total</b>	<b>127 481 974</b>	<b>30 042 489</b>	<b>(406 911)</b>	<b>4 775 441</b>	<b>(8 819 599)</b>	<b>153 073 394</b>

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

**5. Property, plant and equipment -2023(continued)**

	<b>Opening balance</b>	<b>Additions</b>	<b>Transfers In (Out)/Disposal</b>	<b>Revaluations</b>	<b>Depreciation</b>	<b>Total</b>
	N\$	N\$	N\$	N\$	N\$	N\$
Land and buildings	105 189 845	510 204	-	2 854 088	(1 809 059)	106 745 078
Motor vehicles	11 202 558	1 243 978	-	-	(3 368 202)	9 078 334
Office equipment and furniture	2 235 157	2 223 957	(1 487)	-	(762 515)	3 695 112
IT equipment	3 672 333	1 724 619	-	-	(1 949 363)	3 447 589
Work in progress- Buildings	4 491 863	23 998	-	-	-	4 515 861
	<b>126 791 756</b>	<b>5 726 756</b>	<b>(1 487)</b>	<b>2 854 088</b>	<b>(7 889 139)</b>	<b>127 481 974</b>

	<b>2024</b>	<b>2023</b>
	N\$	N\$
<b>RF 6325 measuring 4 084 square meters situated in the Municipality of Ongwediva</b>	<b>23 970 000</b>	<b>22 680 000</b>
- Purchase price: 16 November 2007	142 818	142 818
- Additions since purchase or valuation	23 827 182	22 537 182
<b>ERF 8730 measuring 6 747 square meters situated in the Municipality of Windhoek</b>	<b>53 800 000</b>	<b>53 540 000</b>
- Purchase price: 30 November 2010	2 882 487	2 882 487
- Additions since purchase or valuation	50 917 513	50 657 513
<b>ERF 1771 (Portion of 1760) measuring 1 193 square meters situated in the Municipality of Otjiwarongo</b>	<b>6 560 000</b>	<b>5 720 000</b>
- Purchase price: 05 February 2013	1 000 000	1 000 000
- Additions since purchase or valuation	5 560 000	4 720 000
<b>ERF 1370 (Portion of ERF 1368) 1 514 measuring square meters situated in the Municipality of Keetmanshoop</b>	<b>5 570 000</b>	<b>5 370 000</b>
- Purchase price: 1 December 2005	400 000	400 000
- Additions since purchase or valuation	5 170 000	4 970 000
<b>ERF 879 measuring 1 250 square meters situated in the Municipality of Walvis Bay</b>	<b>14 180 000</b>	<b>12 480 000</b>
- Purchase price: 16 March 2012	4 200 000	4 200 000
- Additions since purchase or valuation	9 980 000	8 280 000

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

	<b>2024</b>	<b>2023</b>
	<b>N\$</b>	<b>N\$</b>
<b>ERF 78 measuring 1 980 square meters situated in the Municipality of Katima Mulilo</b>	<b>600 000</b>	<b>600 000</b>
- Purchase price: 20 November 2021	334 495	334 495
- Additions since purchase or valuation	265 505	265 505
<b>ERF 1257 measuring 1 000 square meters situated in the Municipality of Otavi</b>	<b>6 430 000</b>	<b>6 100 000</b>
- Purchase price: 25 November 2014	300 000	300 000
- Additions since purchase or valuation	6 130 000	5,800 000
<b>ERF 325 measuring 6 101 square meters situated in Divundu</b>	<b>259 292</b>	<b>259 292</b>
- Purchase price: 28 July 2022	259 292	259 292
- Additions since purchase or valuation		
<b>6. Investments</b>		
At fair value through profit or loss		
Funds held with Asset Managers	683 225 776	1 314 122 214
Funds held with professional managers are fair valued by professional managers at year end.		
<b>Held to maturity</b>		
Fixed term investments	-	277 535 629
Fixed term deposits are held with financial institutions.		
Equity investments at fair value through other comprehensive income:		
Investment in Equity and Bonds	1 011 508 713	-
	<b>1 694 734 489</b>	<b>1 591 657 843</b>
<b>Current assets</b>		
At fair value through profit or loss	683 225 776	1 314 122 214
Held to maturity	-	277 535 629
Equity investments at fair value through other comprehensive income	1 011 508 713	-
	<b>1 694 734 489</b>	<b>1 591 657 843</b>

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

**Fair value information**

Funds held with professional managers are fairly valued by asset managers as at year end. The fair value is 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.

	2024	2023
	N\$	N\$
<b>7. Trade and other receivables</b>	<b>113 498 337</b>	<b>91 674 840</b>
Fuel levies receivable	112 802 563	90 438 602
Deposits	41 068	41 068
Other receivables	654 706	1 195 170

**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 2024, N\$113,498,337 (2023: N\$91,674,840) were past due but not impaired.

**The ageing of amounts past due but not impaired is as follows:**

Less than 1 year past due	<b>113 498 337</b>	<b>91 674 840</b>
<b>8. Cash and cash equivalents</b>	<b>37 569 328</b>	<b>39 496 220</b>
Cash on hand	217 114	142 733
Bank balances	27 237 789	27 244 705
Short-term deposits	10 114 425	12 108 782
<b>9. Total reserves</b>	<b>60 430 047</b>	<b>49 546 628</b>
Revaluation reserve	54 322 069	49 546 628
Other reserves	6 107 978	-

**10. Retirement benefit obligation (severance pay benefits)**  
**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 wage for each completed year of service if the employee is dismissed, dies while employed; or resigns or retires on reaching the age of 65 years. The retirement benefit obligation has been determined through Actuarial valuation.

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

	<b>2024</b>	<b>2023</b>
	N\$	N\$
<b>10. Retirement benefit obligation (continued)</b>		
<b>Carrying value</b>		
Present value of the defined benefit obligation wholly unfunded	(11 054 000)	(10 129 000)
Net actuarial loss recognized	(1 296 000)	(925 000)
	<b>(12 350 000)</b>	<b>(11 054 000)</b>
<b>Movements for the year</b>		
Opening balance	(11 054 000)	(10 129 000)
Benefits paid	214 450	730 000
Net expense recognized in profit or loss	(1 510 450)	(1 655 000)
	<b>(12 350 000)</b>	<b>(11 054 000)</b>
Current service cost	(881 000)	(847 000)
Interest cos	(1 443 000)	(1 210 000)
Benefits Paid	214 450	730 000
Amortization	813 550	402 000
	<b>(1 296 000)</b>	<b>(925 000)</b>

Assumptions used on last valuation on 31 March 2024.

Total annual salaries (N\$)	96 305 000	88 358 000
Average service (in years)	41.9	41.1
Salary weighted average age (in years)	11.6	10.9
Discount rates used	13.60%	12.20%
Inflation rate	7.50%	6.70%
Expected increase in salaries	9.50%	8.70%

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 at the MVA Fund is 60 years.



**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**(continued)**

**11. Claims, provisions and reserves**

**Reconciliation of claims, provisions and reserves - 2024**

	<b>Opening balance</b>	<b>Increase in claims, provisions and reserves</b>	<b>Total</b>
	<b>N\$</b>	<b>N\$</b>	<b>N\$</b>
Provisions	832 739 000	36 956 000	869 695 000

**Reconciliation of claims, provisions and reserves – 2023**

	<b>Opening balance</b>	<b>(Decrease) in claims, provisions and reserves</b>	<b>Total</b>
	<b>N\$</b>	<b>N\$</b>	<b>N\$</b>
Provisions	882 684 000	(49 945 000)	832 739 000

**Provisions include:**

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

	<b>2024</b>	<b>2023</b>
	<b>N\$</b>	<b>N\$</b>
	<b>869 695 000</b>	<b>832 739 000</b>
Claims incurred but not reported - Funeral and Injury grants	12 200 000	21 904 000
Claims incurred but not reported - Loss of Income and Loss of Support	17 645 000	15 994 000
Claims incurred but not reported - Medical Undertakings	59 647 000	50 952 000
Claims undertakings - Loss of Income	67 055 000	61 871 000
Claims undertakings - Loss of Support	426 015 000	416 570 000
Claims undertakings - Medical Undertakings	79 403 000	67 827 000
Belgian doctors' claims	122 495 000	115 608 000
Claims handling expenses	23 534 000	22 522 000
Data & Systems reserves	21 301 000	20 829 000
Contingency reserves	40 400 000	38 662 000

**Claims incurred but not reported – Funeral and Injury Grant**

Development patterns as summarized 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\$14,795 (N\$ 15,751 : 2023), (N\$15,769 :2022), (N\$16,928 :2021) and (N\$16,914 :2020) 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

## Medical Undertakings

## Belgian Doctors

Calculations were only made in respect of Ms. Carol Clara Cornelis' claim, which is the only outstanding claim.

The liability in respect of claims in litigation has been fully extinguished as all cases have been settled.

### Claims handling expenses

The actuaries have allowed for claim handling expenses at 3% 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%        | (2023: 8%)        |
| • Valuation discount rate                     | 7.5%      | (2023: 7.5%)      |
| • Annual future inflation                     | 6.5%      | (2023: 6.5%)      |
| • Expected future exchange rate (Euro vs N\$) | N\$ 20.36 | (2023: N\$ 19.47) |

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

**(continued)**

	<b>2024</b>	<b>2023</b>
	<b>N\$</b>	<b>N\$</b>
<b>12. Trade and other payables</b>	<b>43 032 174</b>	<b>42 032 423</b>
Trade payables	986 082	2 966 177
Other payables	8 493 480	10 573 947
Accrued bonus	26 964 037	23 140 804
Accrued leave pay	5 524 278	4 820 516
Other accrued expenses	593 584	515 287
Amounts received in advance	465 003	-
Namibian Revenue Agency - Value Added Taxation	5 710	15 692
<b>13. Revenue</b>	<b>704 599 276</b>	<b>575 902 575</b>
Fuel levy income	565 591 006	471 565 053
Xupifa Eemwenyo	318 000	604 500
Miscellaneous other revenue	2 356 992	1 421 355
Rental income	2 381 365	2 199 115
Investment income	133 951 913	100 112 552
<b>14. Claims paid</b>	<b>356 933 540</b>	<b>268 979 997</b>
Claims paid	264 828 598	260 497 247
Movement in actuarial liability	92 104 942	8 482 750
<b>15. Other income</b>	<b>706 995</b>	<b>1 727 304</b>
Gains on sales of property, plant and equipment	5 126 995	962 304
Fair values gains on investment property	4 580 000	765 000

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

**16. Operating surplus**

Operating surplus for the year is stated after charging the following, amongst others

**Auditor's remuneration - external**

Audit fees	1 136 201	1 899 656
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**Remuneration, other than to employees**

Consulting and professional services	13 364 016	7 029 911
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**Indirect Employee costs**

Direct Employee costs	167 484 835	149 137 932
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Employee wellness	3 833 244	2 036 606
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Leave pays provision charge	1 455 961	755 286
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Post-employment benefits - Pension - Defined benefit plan	1 510 450	1 655 000
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Staff development and training	2 743 500	2 523 671
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<b>Total Indirect employee costs</b>	<b>177 027 990</b>	<b>156 108 495</b>
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**Depreciation**

Depreciation of property, plant and equipment	8 819 599	7 889 139
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**Expenses by nature**

**606 293 676 482 278 282**

Claims paid	356 933 540	268 979 997
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Employee costs	177 027 990	156 108 495
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Depreciation	8 819 599	7 889 139
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Other expenses	34 563 656	30 484 729
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Auditor's remuneration	1 136 201	1 899 656
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Consulting and professional services	13 364 016	7 029 911
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License fees	10 054 722	5 993 130
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Motor vehicle expenses	4 393 488	3 893 225
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**17. Cash generated from operations**

**124 553 916 53 252 630**

Surplus for the year	99 009 501	95 351 597
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**Adjustments for non-cash items:**

Depreciation	8 819 599	7 889 139
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Gains on sale of property plant and equipment	(126 995)	(962 304)
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Fair value adjustments	(580 000)	(765 000)
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Movements in provisions	36 956 000	(49 945 000)
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Net Movements in retirement benefit liabilities	1 296 000	925 000
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Finance Costs	3 558	-
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**Changes in working capital:**

Trade and other receivables	(21 823 497)	(1 715 203)
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Trade and other payables	999 750	2 474 401
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**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

**18. Directors' emoluments**  
**Non-executive**

	<b>Directors' fees</b>	<b>Total</b>
	N\$	N\$
<b>2024</b>		
Directors' fees	1 323 633	1 323 633
<b>2023</b>		
Directors' fees	1 335 095	1 335 095

**19. Taxation**

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

**20. Related parties**

The MVA Fund is created by statute with the Minister of Finance 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 MVA Fund the Directors its Executive Authority and their close family members.

	<b>2024</b>	<b>2023</b>
	N\$	N\$
<b>Revenue</b>		
Fuel levy revenue	565 591 006	471 565 053
Rental Income	2 381 365	2 199 115
Income from investments	133 951 913	100 112 552
Xupifa Eemwenyo	318 000	604 500
Miscellaneous other revenue	2 356 992	1 421 355
	<b>704 599 276</b>	<b>575 902 575</b>
<b>Cost of sales</b>		
Claims paid	(356 933 540)	(268 979 997)
<b>Gross surplus</b>	<b>347 665 736</b>	<b>306 922 578</b>
<b>Other income</b>		
Gains on disposal of assets	126 995	962 304
Fair value gains	580 000	765 000
	<b>706 995</b>	<b>1 727 304</b>
<b>Expenses</b>	<b>(249 359 672)</b>	<b>(213 298 285)</b>
<b>Operating profit</b>	<b>99 013 059</b>	<b>95 351 597</b>
Finance costs	(3 558)	-
<b>Surplus for the year</b>	<b>99 009 501</b>	<b>95 351 597</b>

**THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**(continued)**

	<b>2024</b>	<b>2023</b>
	<b>N\$</b>	<b>N\$</b>
<b>Other Operating Expenses</b>	<b>(249 359 672)</b>	<b>(213 298 285)</b>
Advertising	(863 417)	(1 195 287)
Auditor's remuneration	(1 136 201)	(1 899 656)
Bank charges	(287 088)	(338 277)
Cleaning	(2 236 899)	(2 168 613)
Branding	(1 097 601)	(920 700)
Computer expenses	(112 681)	(50 850)
Consulting and professional fees	(12 905 640)	(5 921 268)
Legal fees	(458 376)	(1 108 643)
Organization development	(799 127)	(183 540)
Depreciation	(8 819 599)	(7 889 139)
Employee costs	(177 027 990)	(156 108 495)
Entertainment	(50 838)	(99 085)
Awareness creation	(1 504 473)	(782 917)
Special projects	(174 034)	(856 143)
Pandemic costs	(81 312)	(183 746)
Bad Debts	(25 600)	-
Health and safety	(45 076)	(54 788)
Property management expenses	(2 493 319)	(2 409 857)
Relocation cost	(17 744)	(3 150)
Rentals	(1 104 552)	(860 645)
Corporate communications	(177 414)	(263 585)
Corporate social investment	(6 891 638)	(5 030 897)
Corporate gifts	(324 189)	(408 232)
Magazine books & periodicals	(129 349)	(136 882)
Insurance	(933 438)	(806 787)
Motor vehicle expenses	(4 393 488)	(3 893 225)
Municipal expenses	(3 140 000)	(2 791 539)
License fees	(10 054 722)	(5 993 130)
Leasing charges	(2 144 216)	(2 056 578)
Courier & postage	(346 608)	(392 757)
Printing and stationery	(266 042)	(292 818)
Newsletters	(76 737)	(378 805)
Repairs and maintenance	(111 744)	(247 492)
Security	(2 708 912)	(2 703 905)
Subscriptions	(228 662)	(359 538)
Telephone and fax	(929 296)	(674 792)
Promotional Items	(216 280)	(1 100)
Travel and Accommodation	(5 045 370)	(3 831 422)

