



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NAMIBIAN BROADCASTING CORPORATION

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 Namibia Broadcasting Corporation 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 of Information, Communication and Technology in terms of Section 25(1) of the Namibia Broadcasting Act, 1991 (Act No. 9 of 1991) to be laid upon the Table of the National Assembly.

WINDHOEK, December 2025

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

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS
OF THE NAMIBIAN BROADCASTING CORPORATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Namibian Broadcasting Corporation (NBC) for the financial year ended 31 March 2024. These financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flow, notes to the financial statements for the year then ended and a summary of significant accounting policies.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Audit Opinion paragraph, the financial statements do not give a true and fair view of the financial position of the Namibian Broadcasting Corporation as at 31 March 2024, and its financial performance and cash flow for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and the requirements of the Namibian Broadcasting Corporation Act, 1991 (Act No. 9 of 1991).

2. BASIS FOR ADVERSE AUDIT OPINION

I conducted the audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the audit report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to the audit of the financial statements, and 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. An adverse audit opinion is being expressed due to the following:

2.1 COMPARATIVE FIGURES AND OPENING BALANCES*

The following matters (*) that gave rise to the modified audit opinion in the prior years (2020, 2021 2022 and 2023) annual financial statements remain unresolved:

- ***Accounting for legal obligation****

The auditors observed that the Corporation disclosed in both the NBC Integrated Business Plan_FY2020/2021 -FY2024/2025 and NBC letter to Minister of Information and Communication Technology dated 11 May 2021 that, *“To complete the overall Digital Terrestrial Television (DTT) roll out, the NBC will require N\$ 499 Million excluding decoders, to increase the network coverage from 74.5 percent to 92.6 percent. This comprises of N\$ 183.9 Million outstanding Huawei invoices, N\$ 168 Million for Civil Works, and Transmitter equipment to be ordered and the exchange loss of N\$ 95 Million as per the Huawei agreement”,* and *“Currently the DTT Television coverage is standing at 74.5 percent and NBC owes Huawei an amount of N\$ 184 million for equipment that*

were ordered and manufactured as per the DTT Migration Project of the NBC”, There is no recognition and disclosure of the outstanding amount of N\$ 184 million in the annual financial statements in accordance with the requirements of IAS 37 and no sufficient appropriate evidence was provided regarding the outstanding invoices or how the outstanding amount was ascertained.

Consequently, the auditors could therefore not confirm the completeness and valuation of trade and other payables or provisions, and related financial statements areas.

- ***Impairment Testing Of Non-Financial Assets****

An impairment test is required to be carried out for non-financial assets when there is objective evidence of impairment indicator(s) at reporting date in terms of IAS 36 - Impairment of Assets. The Corporation has budgeted for future operating losses and future net operating cash outflows, but did not perform impairment assessment of the non-financial assets with a carrying amount of N\$ 231 537 526 (2023: N\$ 245 368 275) of impairment of non-financial assets.

Consequently, the auditors were unable to obtain sufficient appropriate audit evidence about the recoverable amount of the NBC’s non-financial assets with a carrying amount of N\$ 231 537 526 (2023: N\$ 245 368 275) in terms of IAS 36.

- ***Government Operational Subsidy****

The Corporation received operational subsidies of N\$ 310 310 000 (2023: N\$ 372 549 000) from the Ministry of Information and Communication Technology that were accounted for as government grant in the statement of comprehensive income instead of equity in the statement of changes in equity as per the requirements of IAS 20. The subsidies were made by government whilst acting in their capacity as shareholders of the entity. Consequently, the auditors could not obtain sufficient appropriate audit evidence with regards to the presentation and disclosure of shareholder funding and related financial statement areas in the annual financial statements.

- ***Provision For Clean-Up Account****

The Corporation was unable to provide the vouchers substantiating the expenditure amounting to N\$ 64 465 650, that was posted in the statement of comprehensive income on creation of the provision for clean-up account which was created in 2009, nor the proof of condonation of the lack of vouchers by the Treasury in terms of the State Finance Act, (Act No. 31 of 1991).

2.2 PROVISION FOR LEAVE*

The auditors observed that the Corporation’s human resources policy states that the staff leave days can be carried forward to the next leave cycle to the maximum of 90 days. However, the Corporation only provided for leave days up to 45 days based on the Corporation application that is pending legal declaration by the Labour Commissioner at the year end, and yet the the Corporation has not changed the policy for settling the leave days of up to maximum of 90 days on termination of employment or retirement as at reporting date. There was no legal opinion provided to the auditors to substantiate the significant judgements made by the corporation about the measurement of the leave pay in

accordance with requirements of IAS 37 par 36 to 38 (*as stated below*). Consequently, the auditors could therefore not confirm the completeness and valuation of trade and other payables or provisions, and related financial statements areas.

2.3 MANAGEMENT REMUNERATION

The auditors noted that some members of management were remunerated N\$ 1 480 090 (2023:N\$ 750 698) above the remuneration bands as per Section 4 of the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019), which directs that the remuneration and other service benefits of the Chief Executive Officer and other management staff of a public enterprise must be determined by the Board of the Public Enterprise with the concurrence of the relevant Minister, with due regard to any directives laid down by the Minister under Section 4. The Corporation has not obtained the Minister's concurrence as required by the Act.

2.4 REMUNERATION

The auditors noted that the Corporation remuneration does not comply with the government gazette dated 16 April 2018.

KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the audit opinion thereon, and I do not provide a separate audit opinion on these matters.

3. EMPHASIS OF MATTER ON GOING CONCERN

Attention is drawn to the statement of financial position, which indicates that the Corporation has net current liabilities of N\$ 191 438 397 (2023: N\$ 168 569 429) and, note 29 of the annual financial statements that indicate that the ability of the Corporation to continue trading as a going concern into foreseeable future is dependant on the Corporation having adequate resources if Government guarantees adequate subsidy to continue in business for the foreseeable future. The audit opinion is not qualified in respect of this matter.

4. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Namibian Broadcasting Corporation Act, 1991 (Act No. 9 of 1991), and for such internal control as management determines 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, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity's financial reporting process.

5. 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 a 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 the International Standards for Supreme Audit Institutions (ISSAIs), 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 the International Standards for Supreme Audit Institutions, I exercise 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 controls;
- 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 audit opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's 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 entity'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 Entity 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;

- Communicate with those charged with governance 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; and
- 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.

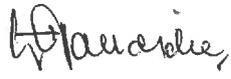
6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- The annual financial statements were submitted by the Accounting Officer to the Auditor-General on 10 May 2025 not in compliance with Section 22 of the Public Enterprise Governance Act 2019, (Act No. 1 of 2019);
- **The financial statements for the financial year ended 31 March 2025 were submitted on 10 October 2025;**
- **Provision For Leave** - NBC's human resources policy states that the staff leave days can be carried forward to the next leave cycle to the maximum of 90 days. However, NBC only provided for leave days up to 45 days based on the corporation application that is pending legal declaration by the Labour Commissioner at the year end, and yet the corporation has not changed the policy for settling the leave days of up to maximum of 90 days on termination of employment or retirement as at reporting date. *(Please refer to finding 2.3)*; and
- **Non-compliance with the State Finance Act** – the Corporation has incurred unauthorized expenditure in violation of the State Finance Act, (Act No. 31 of 1991) Section 1 “*unauthorised expenditure*” paragraph (e), resulting in the noncompliance with Sections 16 and 23.

7. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Namibian Broadcasting Corporation during the audit is appreciated.

WINDHOEK, December 2025


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

NAMIBIAN BROADCASTING CORPORATION
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	2024 N\$	2023 N\$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	514 824 221	532 704 690
Right-of-use assets	4	13 023 666	17 104 715
Investment property	5	38 500 680	37 947 850
Intangible assets	6	574 087	3 646 045
Investment in Joint Venture	7	5 658 106	2 525 920
CURRENT ASSETS			
Inventories	8	1 165	1 165
Trade and other receivables	9	24 668 003	24 623 292
Cash and cash equivalents	10	12 541 737	59 227 005
TOTAL ASSETS		609 791 665	677 780 682
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves		(80 224 166)	6 133 751
Reserves	11, 12 & 13	1 163 281 058	1 127 640 973
Accumulated losses		330 094 560	328 449 294
		(1 573 599 784)	(1 449 956 516)
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	4	8 426 477	9 022 989
Provisions	14	452 347 000	405 520 000
Other liability		593 052	-
CURRENT LIABILITIES			
Trade and other payables	15	159 013 623	189 110 745
Lease liabilities	4	4 204 883	4 886 874
Deferred income	16	3 547 797	3 736 264
Provisions	14	61 814 829	59 364 528
Bank overdraft	10	68 170	5 531
TOTAL LIABILITIES		690 015 831	671 646 931
TOTAL EQUITY AND LIABILITIES		609 791 665	677 780 682

ANNEXURE B

NAMIBIAN BROADCASTING CORPORATION
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH

	Note	2024 N\$	2023 N\$
Revenue	17	81 276 480	85 965 564
Cost of sales	18	(38 630 283)	(27 712 093)
Gross profit		42 646 197	58 253 471
Government grants	20	310 361 899	372 702 411
Other operating gains (losses)	15	2 332 644	20 946 160
Operating expenses	21	(423 457 771)	(380 191 700)
Operating profit (loss)		(68 117 031)	71 710 342
Finance income	22	1 802 087	2 248 008
Finance costs	23	(57 881 154)	**(50 902 648)
Fair value adjustments	5	552 830	3 939 750
Profit (Loss) for the year		(123 643 268)	26 995 452
Items that will not be reclassified to profit			
Re-measurements on net defined benefit liability/asset		-	40 992 000

***There is a difference noted between the figure on the statement and the corresponding note of N\$ 238 018*

NAMIBIAN BROADCASTING CORPORATION
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	Capital and Subsidiaries	Statutory Reserve Fund	Revaluation Reserve	Other Reserve Fund	Total Reserves	Accumulated Loss	Total Equity
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Balance at 01 April 2022	1 100 640 973	3 369 269	306 735 958	18 344 067	328 449 294	(1 517 943 966)	(88 853 699)
Profit for the year	-	-	-	-	-	26 995 452	26 995 452
Other comprehensive income	-	-	-	-	-	40 991 998	40 991 998
Total comprehensive income for the year	-	-	-	-	-	67 987 450	67 987 450
Capital Contribution: Fixed Assets	27 000 000	-	-	-	-	-	27 000 000
Total contributions by and distributions to owners of company recognised directly in equity	27 000 000	-	-	-	-	-	27 000 000
Balance at 1 April 2023	1 127 640 973	3 369 269	306 735 958	18 344 067	328 449 294	(1 449 956 516)	6 133 751
Loss for the year	-	-	-	-	-	(123 643 268)	(123 643 268)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(123 643 268)	(123 643 268)
Capital Contribution: Fixed Assets	35 640 085	-	-	-	-	-	35 640 085
Revaluation reserve	-	-	1 645 266	-	1 645 266	-	1 645 266
Total contributions by and distributions to owners of company recognised directly in equity	35 640 085	-	1 645 266	-	1 645 266	-	37 285 351
Balance at 31 March 2024	1 163 281 058	3 369 269	308 381 224	18 344 067	330 094 560	(1 573 599 784)	(80 224 166)

NAMIBIAN BROADCASTING CORPORATION
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

	Note	2024 N\$	2023 N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) Profit before taxation		(123 643 268)	26 995 452
Adjustments for non-cash items:			
Depreciation charges for property, plant and equipment	3	26 400 471	23 025 087
Amortisation charges for intangible assets	6	3 171 948	8 034 069
Depreciation charges for right-of-use assets	4	8 266 249	6 985 290
Accrued expenses		2 977 500	-
Fair value adjustment on investment properties	5	(522 830)	(3 939 750)
Finance lease – interest	23	1 501 328	1 104 764
Movement in provision for Penalties		(2 332 644)	(20 946 161)
Movement in provision for doubtful debts	14	1 204 950	(4 293 868)
Movement in leave pay provision	14	2 301 352	(11 434 076)
Movement in audit fee provision	14	-	-
Movement in bonus provision	14	622 950	(664 903)
Movement in provision for royalties	14	-	129 140
Movement in severance pay provision	14	789 000	720 000
Movement in Post-Retirement Medical Aid provision	14	45 537 000	43 898 000
Other non cash item – Loss on VAT Reversal		(448 731)	
Changes in working capital:			
Trade and other receivables	9	(825 737)	(6 498 146)
Trade and other payables	15	(30 097 121)	(38 616 416)
Deferred income	16	(188 468)	(417 056)
Net cash flow to operating activities		(65 316 051)	24 081 426
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(6 874 736)	(35 931 611)
Purchase of intangible assets	6	(99 990)	(11 157 800)
Investment in Joint Ventures- Loc8	7	(2 563 313)	-
Investment in Joint Ventures- ODTV	7	(568 873)	-
Net cash flow to investing activities		(10 106 912)	(47 089 411)

ANNEXURE D

NAMIBIAN BROADCASTING CORPORATION
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH (Continued)

	Note	<u>2024</u> N\$	<u>2023</u> N\$
CASH FLOWS FROM FINANCING ACTIVITIES			
Fixed asset adjustment via capital subsidy		35 640 085	27 000 000
Lease payment	4	<u>(6 965 029)</u>	<u>(6 340 351)</u>
Net cash from financing activities		<u>28 675 056</u>	<u>20 659 649</u>
TOTAL CASH MOVEMENT FOR THE YEAR			
Cash at the beginning of the year		<u>59 221 474</u>	<u>61 569 810</u>
TOTAL CASH AT END OF THE YEAR	10	<u>12 473 567</u>	<u>59 221 474</u>

**NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH**

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Basis of preparation

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

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

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

Significant judgements and estimates include:

Going Concern

Management prepared these annual financial statements on a going concern basis based on the assumptions disclosed in note 29 of the annual financial statements.

Post-retirement Medical aid (PRMA) provision

The company provides post-retirement medical benefits for pensioners and current employees. The unfunded liability for post-retirement medical aid benefits is determined by actuary each year. The actuarial gains and losses from changes in PRMA provision will be recognised in other comprehensive statement, if any. See note 1.11 for further details.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

Significant judgements and sources of estimation uncertainty (continued)

Revaluation of land and building

Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Impairment testing of non-financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory Items. The write down is included in the other operating expenses.

Fair value estimation for investment property

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

**NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)**

Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation for investment property (continued)

- Level 3: Inputs that are unobservable (not based on observable market data). This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The company recognises transfers between levels of the fair value at the end of the reporting period during which the change has occurred.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The company recognises transfers between levels of the fair value at the end of the reporting period during which the change has occurred.

Fair value estimation for investment property

An external, independent valuator, having appropriate recognized professional qualification and recent experience in the location and category of property, is involved in determining the fair value of the properties for disclosure purposes. The values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Valuations reflect, where appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit worthiness; the allocation of maintenance and insurance responsibilities between the lessor and lessee; and the remaining economic life of the property. Valuations are performed with sufficient regularity to ensure that the carrying amount of investment property does not differ materially from the fair value of the property. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

Significant judgements and sources of estimation uncertainty (continued)

Impairment testing of non-financial assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the key assumption may change

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

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

Revenue from contracts with customers

The NBC believes the probability assessment used as a basis for estimating the license fee revenue to be recognised is a significant judgement. It requires management to make professional judgements and assumptions about the probability of receiving licence fees from TV license holders on renewal date. The probability of receiving license fee revenue from license holders is based on assessed ability to pay the TV license fees and the assessed willingness of the license holder to pay the statutory annual TV license fee. Where such a probability assessment cannot be reliably made, as in the case with the first anniversary renewal for new TV license holders, the revenue is only recognised when the uncertainty is removed on receipt.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit losses, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent selling and historical collection rates.

**NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)**

Significant judgements and sources of estimation uncertainty (continued)**Leases****Determining the lease term of contracts with renewal and termination options – NBC as lessee**

The NBC determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The NBC has several lease contracts that include extension and termination options. The NBC applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the NBC reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The NBC included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The NBC typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the NBC typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Transmitter lease classification – NBC as lessor

The NBC has entered into transmitter leases on its various Transmitters. The NBC has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the asset, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Legal matters

The NBC is involved in legal disputes through its normal course of business. The outcome of these legal claims may have a material impact on the NBC's financial position and results of operations, management estimates the potential outcome of these legal claim based on the most objective evidence on hand from internal and external legal advisors until such time that ultimate legal resolution has been finalised. Due to the uncertain nature of these issues, any changes in these estimates based on additional information as it becomes available could result in material changes to the financial statements in subsequent periods. Please see note 26.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

Significant judgements and sources of estimation uncertainty (continued)

Government Subsidy

The Institute of Chartered Accountants Namibia (ICAN) has released circular 2013/07 titled "Treatment of Contributions from Government in the Financial Statements of Government-Owned Entities." The circular states that the conceptual framework should be used to classify government subsidies directly under equity. However, NBC has exercised its judgment and, considering that it is a non-commercial entity, has chosen to continue showing government subsidies in the statement of profit and loss.

1.3 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 recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the 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

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for freehold land and buildings which are subsequently carried at fair value, based on periodic valuations by a independent professionally qualified valuer.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.3 Property, plant and equipment(continued)

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income to the extent it reverses previously recognised gains and what remains goes through profit and loss. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset, net of deferred tax.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Plant and machinery	Straight line	5-20 years
Motor vehicles	Straight line	5 years
Computer equipment	Straight line	3-5 years
Furniture and fixtures	Straight line	1-10 years

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

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

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

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

**NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)**

1.4 Leases

The NBC assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NBC as a lessee

The NBC applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The NBC recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

At the commencement date of the lease, the NBC recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the NBC and payments of penalties for terminating the lease, if the lease term reflects the NBC exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the NBC uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The NBC recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.4 Leases (continued)

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Average useful life
Plant and machinery	3-15 years
Motor vehicles and other equipment	3-5 years

If ownership of the leased asset transfers to the NBC at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section: Impairment of non-financial assets.

NBC as a lessor

Leases in which the NBC does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Short-term leases and leases of low-value assets

The NBC applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.5 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.5 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

An amortisation period of 3 years has been selected for the system as this is the period of the contract that the NBC have with the sole African supplier and administrator of this software.

Originated program, film and sports right

Originated program, film and sports rights, including work commissioned from independent producers, are intangible assets with finite useful lives and are stated at cost less accumulated amortisation and accumulated impairment losses. Cost comprises direct costs, including cost of materials, artist fees and production overheads. The amount initially recognised for originated asset is recognised from the date when the intangible asset first meets the recognition criteria listed below. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An originated asset arising from the development phase of an internal project is recognised if, and only if, all the following have been demonstrated:

1. the technical feasibility of completing the intangible asset so that it will be available for use or sale,
2. the intention to complete the intangible asset and use or sell it,
3. the ability to use or sell the intangible asset,
4. how the intangible asset will generate probable future economic benefits
5. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
6. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.5 Intangible assets (continued)

Acquired program, film and sports rights

Acquired program, film and sports rights are intangible assets with finite useful lives and are stated at cost less accumulated amortisation and accumulated impairment losses. Cost comprises actual acquisition cost plus language dubbing, where applicable. Acquired program, film and sports rights are generally recognised when the license period begins, the cost of the right is known or reasonably determinable, the material has been accepted by the company in accordance with conditions of the license agreement, and the material is available for its first transmission. If at the date of signing, a substantial degree of uncertainty exists about the availability of the material, particularly if a license agreement is signed for program material that does not yet exist, the asset is only recorded once the uncertainties are eliminated and the program is received and available for broadcast. Payments made to negotiate and secure the broadcasting of sports events are expensed as incurred. Where arrangements have been executed for the future purchase of program, film and sports rights, but the recognition criteria above have not been met or broadcasting commenced, the arrangements are disclosed as Contingencies and commitments (refer to note 26). Where payments have already been made, these are disclosed as prepayments. Program, film and sports rights are classified as current assets as they are expected to be realised in the company's normal operating cycle. Cost and accumulated amortisation of originated program, film and sports rights are derecognised after the estimated number of showings. Cost and accumulated amortisation of acquired program, film and sports rights are derecognised at the earlier of the expiry of the license period or allowed number of showings.

1.6 Investment property

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair values are determined based on a regular evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.6 Investment property (continued)

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

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

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

1.7 Joint ventures

An interest in a joint venture is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, interests in joint ventures are carried in the statement of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the joint venture, less any impairment losses.

The company's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in a joint venture in excess of the company's interest in that joint venture, including any other unsecured receivables, are recognised only to the extent that the company has incurred a legal or constructive obligation to make payments on behalf of the joint venture.

Any goodwill on acquisition of a joint venture is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the company.

When the company loses joint control, the company proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories are carried at the weighted average cost.

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

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

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

Inventories consist of decoders which are required for viewing digital TV.

The decoders are sold below cost price (two price bands to accommodate vulnerable groups to the general public), as agreed by Cabinet, and at agreed dealership values to 3rd party retailers. As the future sales within the price ranges are not known, the inventory has been written down to average selling price for the financial year as net realisable values.

1.9 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 at amortised cost;
- Financial liabilities at amortised cost; and
- Financial liabilities as leases.

Note 27 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.9 Financial instruments (continued)

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

Trade and other receivables**Classification**

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables denominated in foreign currencies

When Trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.9 Financial instruments (continued)

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 9.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in material operating items requiring separate disclosure in profit or loss as a movement in credit loss allowance (note 21).

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the Trade and other receivables (note 9) and the financial instruments and risk management (note 27).

Trade and other payables

Classification

Trade and other payables (note 15), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.9 Financial instruments (continued)

Trade and other payables (continued)

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 27 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

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.

In the Statements of financial positions, bank overdrafts are under current liabilities.

Cash and cash equivalents are stated at a carrying amount which is deemed to be amortised cost.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.9 Financial instruments (continued)

Trade and other payables (continued)

Derecognition

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows 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 recognises 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 recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Derecognition of financial liabilities

The company derecognises 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 derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.10 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the NBC's cash management.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.11 Employee benefits

Short-term employee benefits

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

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

Defined contribution plans

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

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are expensed as an employee benefit expense in profit or loss when the related employee services are rendered by employees.

The NBC operates a defined contribution pension plan, which requires contributions to be made to a separately administered fund (NBC Retirement Fund). The NBC Retirement Fund, in terms of Section 1 of the Income Tax Act, 24 of 1981, as amended, the Fund is classified as a provident fund. The Fund is a defined contribution fund and is administered in terms of its rules of the Fund and the Pension Funds Act.

The NBC also provides certain additional post employment healthcare benefits to employees in Namibia. These benefits are unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on planned assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the planned amendment or curtailment, and
- The date that the NBC recognises related restructuring costs.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.11 Employee benefits (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The NBC recognises the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling and distribution expenses' in the statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

1.12 Provisions and contingencies

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised and only disclosed in the notes of the financial statements.

Provision for royalties

The NBC is required to pay royalties to the Namibian Society of Composer and Authors of Music (NASCAM) annually for the use of music in Namibia at varying percentages of different revenue streams.

Provision for audit fee

As a registered company in Namibia, annual statutory audit is conducted annually prior to the submission of annual financial statements to the Office of Auditor General.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.12 Provisions and contingencies (continued)

Severance pay provision

The actuarial gains and losses from changes in severance pay provision will be recognised in profit or loss.

Post-retirement medical aid (PRMA) provision

The obligation to pay medical aid contributions after retirement is no longer part of the conditions of employment for employees engaged after 1 January 2015. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employee remaining in service until retirement and completing a minimum service period of ten years. The NBC provides post-retirement medical benefits for pensioners and current employees. The unfunded liability for post-retirement medical aid benefits is determined actuarially each year. The actuarial gains and losses from changes in PRMA provision will be recognised in profit or loss if any.

Continuation members, for the purposes of this report, are former employees and the spouses of deceased employees who are currently receiving a monthly PRMA subsidy scheme payment.

The Employer pays a PRMA subsidy of 100% of the medical aid contribution in respect of continuation members who retired and their dependants. The PRMA subsidy continues to the dependants should the main member die. In the event of a qualifying employee dying, a PRMA subsidy of 66.67% applies in respect of the medical aid contributions payable by the dependants.

1.13 Impairment of non-financial assets

The company 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 company estimates the recoverable amount of the asset.

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

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

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

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

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.13 Impairment of non-financial assets (continued)

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill 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 other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss to extent of reversing impairment and any excess taken to other comprehensive income.

1.14 Equity and reserves

Capital and subsidies

The capital and subsidies consists of book value of assets taken over from the South West African Broadcasting Corporation plus the total Government subsidies received for capital projects since the inception of the NBC.

According to the Namibian Broadcasting Act 9 of 1991 par 20 the following reserves are required:

Aid Fund

Historically, this fund was established in the early 90's and was utilised by the employees through a repayable loan to acquire household items such as TV set, fridges etc. The fund is currently in disuse because up to last year when NBC introduced a moratorium, employees made use of staff advances to cover such needs.

Housing Fund

This Fund was also established to cater for the housing needs of the employees, however in view of the increase in housing prices over the year, the original idea around this Fund became impractical. NBC rather established a housing scheme through which employees can approach commercial banks for their housing needs and NBC caters for a housing subsidy as support.

HR recommendations

The funding is readily available with commercial entities, our HR advice is that NBC should rather leave such assistance to such commercial entities, especially in view of the financial risk involved with such funds.

A general fund into which shall be paid all moneys appropriated by law for the benefit of the corporation and all other moneys received by the corporation, and from which all payments by the corporation for which no provision is made by means of the depreciation fund or the redemption fund shall be made;

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.14 Equity and reserves (continued)

Depreciation Fund

A depreciation fund into which an amount determined by the board shall be paid from the general fund at the end of each financial year of the Corporation and which shall be utilised for the defragment of costs in respect of the replacement of any obsolete plant or equipment and of exceptional repairs to, or the improvement of, any plant or equipment used by the Corporation, but which shall not be utilised to defray the costs of the ordinary maintenance of any such plant or equipment.

Redemption Fund

A redemption fund into which shall be paid all interest derived from the investment of moneys in terms of subsection (2) in equal annual payments determined by the board which shall be a sum not less than a sum as will, with accumulations in the way of compound interest at the rate of 10 per cent per annum, be sufficient to redeem any loan raised under section 19(1)(b) within the period of such a loan, and from which shall be paid all amounts necessary in respect of the redemption of any such loan.

General Reserve Fund

A general fund into which shall be paid all moneys appropriated by law for the benefit of the Corporation and all other moneys received by the Corporation, and from which all payments by the Corporation for which no provision is made by means of the depreciation fund or the redemption fund shall be made.

1.15 Revenue

Revenue from Contacts with Customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The NBC recognises revenue when it satisfies its performance obligations and transfers control over services to a customer.

Nature of Services

Advertising Revenue

Advertising revenue is recognised at the time the related advertisement or commercial is broadcast on our television and/or radio platforms to the public. The amount recognised is net of value-added tax and trade discounts.

Licence Fee Revenue

TV license fees revenue arises when television license fees are due in accordance with legislation at each renewal date. As at the renewal date the NBC has an obligation to provide customers with broadcasting services for a 12 month period. The revenue related to the licensing fees is to be recognised over the 12 month period pertaining to the license issue. Where it is assessed that the collection of television license fees will not be probable based on predefined criteria, such television license fees are not recognised

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.15 Revenue (continued)

Channel Distribution Fee

The NBC provides distribution channels carried on other platforms. The revenue is recognised monthly over the contract period as the performance obligation is satisfied.

Dubbing

Dubbing revenue is recognised when control of the goods or services are transferred to the customer. Revenue would be recognized when the performance obligations under the contract for dubbing services are satisfied, which typically occurs when the dubbed content is delivered to the client or made available to the audience.

Production and Business Development

Revenue arising from rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Sponsorship Revenue

Sponsorship revenue is recognised at the time sponsored programs are aired, net of value-added tax and trade discounts. The consideration in sponsorship agreements containing more than one identifiable component, such as promotional advertising time and sponsorships, is allocated to underlying components based on their stand-alone prices and accounted for in accordance with the substance of the underlying component.

Program rights exploitation and channel carriage fees

The company's obligation in terms of the contract is to provide a broadcasting licence on agreed conditions for the customer to access the content material in its current state. Revenue from commercial licences for specific rights associated with television programs and licences is recognised when there has been technical acceptance of the content material by the customer and collection of the receivable is probable, and the revenue associated with delivered and undelivered elements can be reliably measured. Channel carriage fees licence presents a performance obligation that is satisfied over time within the contracted licence period.

Barter Contracts and Trade Exchange (non-monetary exchanges)

When broadcasting airtime is exchanged for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the estimated stand-alone selling price of the services subject to the specific customer contract.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.16 Cost of sales

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

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

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy.

1.17 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, unless the capitalisation criteria are met then they are capitalised.

1.18 Employee benefits

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attached to them; and
- the grants will be received.

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

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

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

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.18 Government grants (continued)

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

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

1.19 Legal matters

The NBC is involved in legal disputes through its normal course of business. The outcome of these legal claims may have a material impact on the financial position and results of operations. Management estimates the potential outcome of these legal claims based on the most objective evidence on hand from internal and external legal advisors until such time that ultimate legal resolution has been finalised. Due to the uncertain nature of these issues, any changes in these estimates based on additional information as it becomes available could result in material changes to the financial statements in subsequent periods.

1.20 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

1.20 Translation of foreign currencies (continued)

Foreign currency transactions

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

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

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

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Initial application of IFRS9:- Comparative information	1 January 2023	The impact of the amendments is not material
• Ammendments to IAS 1 Presentation of financial statements	1 January 2023	The impact of the amendments is not material
• Ammendments to IAS 12 Income Taxes	1 January 2023	The impact of the amendments is not material
• Definition of accounting estimates: Amendments to IAS 8	1 January 2023	The impact of the amendments is not material
• Amendments to IFRS 16 Leases	1 January 2024	Unlikely there will be a material impact additional disclosure

NAMIBIAN BROADCASTING CORPORATION
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (Continued)

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact
Non-current liabilities with covenants (Amendment to IAS 1)	01 January 2024	Unlikely there will be a material impact
Supplier finance arrangements (Amendment to IAS 7 and IFRS 7)	01 January 2024	Unlikely there will be a material impact
Lack of exchangability (Ammendments to IAS 21)	01 January 2025	Unlikely there will be a material impact
Classification and Measurement of Financial Instruments (Ammendments to IFRS 9 and IFRS 7)	01 January 2026	Unlikely there will be a material impact
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Unlikely there will be a material impact
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	Unlikely there will be a material impact

**NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**

3. PROPERTY, PLANT AND EQUIPMENT

	2024		2023			
	Cost / revaluation N\$	Accumulated depreciation N\$	Carrying value N\$	Cost or Revaluation N\$	Accumulated depreciation N\$	Carrying value N\$
Land and buildings	334 558 044	(51 271 349)	283 286 695	331 960 849	(44 624 434)	287 336 415
Plant and machinery	703 571 706	(498 732 350)	204 839 356	685 921 880	(480 619 624)	205 302 256
Motor vehicles	4 793 710	(3 107 177)	1 686 533	4 793 710	(2 691 676)	2 102 034
Plant & machinery WIP	12 984 672	-	12 984 672	26 200 484	-	26 200 484
Computer & office equipment	36 623 408	(28 023 008)	8 600 400	35 134 615	(26 797 679)	8 336 936
Buildings WIP	3 426 565	-	3 426 565	3 426 565	-	3 426 565
Total	1 095 958 105	(581 133 884)	514 824 221	1 087 438 103	(554 733 413)	532 704 690

Reconciliation of property, plant and equipment - 2024

	Opening balance N\$	Additions N\$	Revaluation N\$	Transfers N\$	Depreciation N\$	Total N\$
Land and buildings	287 336 415	951 928	1 645 267	-	(6 646 915)	283 286 695
Plant and machinery	205 302 256	1 588 272	-	16 061 554	(18 112 726)	204 839 356
Motor vehicles	2 102 034	-	-	-	(415 501)	1 686 533
Plant & machinery WIP	26 200 484	2 845 743	-	(16 061 554)	-	12 984 672
Computer & office equipment	8 336 936	1 488 793	-	-	(1 225 329)	8 600 400
Buildings WIP	3 426 565	-	-	-	-	3 426 565
Total	532 704 690	6 874 736	1 645 267	-	(26 400 471)	514 824 221

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
	N\$	N\$	N\$	N\$
Land and buildings	292 882 917	1 103 781	(6 650 283)	287 336 415
Plant and machinery	206 399 335	14 060 905	(15 157 984)	205 302 256
Motor vehicles	2 517 535	-	(415 501)	2 102 034
Plant & machinery WIP	8 542 169	17 658 315	-	26 200 484
Computer & office equipment	6 029 645	3 108 610	(801 319)	8 336 936
Buildings WIP	3 426 565	-	-	3 426 565
Total	519 798 166	35 931 611	(23 025 087)	532 704 690

Details of properties

The property, plant and equipment is revalued every third year and the fair value of the properties was determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property.

As at the date of revaluation on August 2023, the properties' fair values are based on valuations performed by an accredited independent valuer; Metrics Real estate consultancy.

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH (Continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

The land and buildings during 2023 comprise of:

Owned

- Windhoek TVHQ Erf 6922 (Size 41586m²)
- Windhoek radio building and houses Erf 6866 (47085m²)
- Otjiwarongo Studios Erf 33 (Size 2149m²)
- Oshakati Transmitter Building Erf R/992
- Keetmanshoop Studios Erf 243 (Size 1209m²)
- Katima Mulilo office block Erf 501 (Size 6990m²)
- Kamanjab (New Site)
- Hoffnung Transmitter Portion 4 Farm Hoffnung Div K (299997m²)
- Kamanjab Transmitter Site Sec 20 of farm no 190
- Gobabis Transmitter Site Sec 52 Erf 114 (160000m²)
- Keetmanshoop UR Transmitter Site
- Signalberg Transmitter Site Farm Gauss 46 B
- Security Guard House
- Oshakati Office Building Erf 939

Permission To Occupy (PTO)/ Leasehold

- Eenhana (Container)
- Tsandi and Okahao (Container)
- Tsumkwe Office Block Erf 52 (Size 5497m²)
- Rundu Incl Guesthouse
- Aminus Transmitter Site
- Andara Transmitter Site
- Arendsnes Transmitter Site
- Bethanie Transmitter Site
- Ekuli Transmitter Site
- Epukiro Transmitter Site
- Gam Transmitter Site
- Gross Hertzog Transmitter Site
- Katima Mulilo Transmitter Site
- Klein Waterberg Transmitter Site
- Klein Windhoek Transmitter Site
- Mariental Transmitter Site
- Nkurenkuru Transmitter Site
- Okongo Transmitter Site
- Opuwo Transmitter Site
- Rietfontein Transmitter Site
- Rossing Transmitter Site

**NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH (Continued)**

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Permission To Occupy (PTO)/ Leasehold (continued)

- Shamvura Transmitter Site
- Stampriet Transmitter Site
- Uis Transmitter Site

Permission To Occupy (PTO) refers to buildings which are being utilised by the NBC which have been revalued. Land is not included in the valuation as it is not owned by the NBC.

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)

4. RIGHT-OF-USE ASSETS

Reconciliation of right-of-use assets – 2024

2024	Vehicles	Buildings	Farm Space	4K HD fly away kit	Satellites	Total
	N\$	N\$	N\$	N\$	N\$	N\$
As at 1 April 2023	7 504 007	110 125	1 589 489	3 125 000	4 776 097	17 104 715
Additions	3 773 619	497 489	-	-	-	4 271 108
Depreciation expense	(4 134 086)	(301 466)	(295 178)	(2 500 000)	(1 035 519)	(8 226 249)
Lease modification	(85 908)	-	-	-	-	(85 908)
As at 31 March 2024	7 057 632	306 148	1 294 308	625 000	3 740 578	13 023 666

Reconciliation of right-of-use assets – 2023

2023	Vehicles	Buildings	Farm Space	4K HD fly away kit	Satellites	Total
	N\$	N\$	N\$	N\$	N\$	N\$
As at 1 April 2022	7 198 120	330 373	1 866 063	5 625 000	-	15 019 556
Additions	3 975 139	-	-	-	5 263 889	9 239 028
Depreciation expense	(3 500 673)	(220 248)	(276 577)	(2 500 000)	(487 792)	(6 985 290)
Lease modification	(168 579)	-	-	-	-	(168 579)
As at 31 March 2023	7 504 007	110 125	1 589 486	3 125 000	4 776 097	17 104 715

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH (Continued)

4. RIGHT-OF-USE ASSETS (continued)

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2024	2023
	N\$	N\$
Balance as at 1 April	13 909 862	10 075 000
Additions	4 271 107	9 239 028
Accretion of interest	1 501 328	1 104 764
Payments	(6 965 029)	(6 340 351)
Lease modification	(85 908)	(168 579)
As at 31 March	12 631 360	13 909 862
Non-current liabilities	8 426 477	9 022 988
Current liabilities	4 204 883	4 886 874
	12 631 360	13 909 862

**NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

4. RIGHT-OF-USE ASSETS (continued)

Maturity analysis of lease liabilities - 2024	Due within 1 year	Due between 1 and 5 years	Beyond 5 years	Total
	N\$	N\$	N\$	N\$
Minimum lease payments at 31 March 2024	4 965 466	9 122 817	303 200	14 391 483
Less: Future finance charges	(760 584)	(997 168)	(2 371)	(1 760 123)
Present value per AFS	4 204 882	8 125 649	300 829	12 631 360
Maturity analysis of lease liabilities – 2023				
Minimum lease payments at 31 March 2023	5 843 629	10 419 842	565 272	16 828 743
Less: Future finance charges	(1 130 161)	(1 752 593)	(36 128)	(2 918 881)
Present value per AFS	4 713 468	8 667 249	529 144	13 909 862

The maturity analysis of lease liabilities is disclosed in note 25.

2024	2023
N\$	N\$

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	(8 605 249)	(13 734 755)
Expenses on short term leases (included in cost of sales)	(8 266 249)	(6 984 790)
Expense relating to zero-value lease (included in cost of sales)	(339 000)	(866 748)
	-	(5 883 217)

The incremental borrowing rate used in 2024: 10.75% (2023: 10.25%).

The IBR rate has been provided as prime minus 1. The prime rate being defined as the publicly quoted basic rate of interest (percent, per annum, compounded monthly in arrears and calculated on a 365-day year) from time to time published by FNB as being its prime rate.

**NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

5. INVESTMENT PROPERTY

	2024		2023			
	Cost N\$	Accumulated Depreciation N\$	Carrying value N\$	Cost N\$	Accumulated Depreciation N\$	Carrying value N\$
Investment Property	38 500 680	-	38 500 680	37 947 850	-	37 947 850
Reconciliation of investment property - 2024						
Investment Property					Fair value adjustments	Total
				37 947 850	552 830	38 500 680
Reconciliation of investment property - 2023						
Investment Property					Fair value adjustments	Total
				34 008 100	3 939 750	37 947 850

As at the date of revaluation on 17th February 23, the properties' fair values are based on valuations performed by an accredited independent valuer; Metrics Real estate consultancy.

The fair value of investment property based on valuations by independent valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

- Maytime flats Erf 1114, measuring 2 710m², situated Windhoek, Namibia.
- Katima Mulilo dwellings, Erf 503, measuring 600m², situated Katima Mulilo, Namibia.
- Houses at NBC Radio, Erf 6866, measuring 1790m², situated Windhoek, Namibia.
- Rundu guesthouse, Erf 1160, measuring 70m², situated Rundu, Namibia.

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)

Rental income received from investment properties are N\$ 2 786 958 during the year (2023: N\$ 3 084 749). Repairs and maintenance expenditure incurred for the investment properties are N\$ 2 797 721 during the year (2023: N\$ 3 113 198).

Investment properties

- Katima Mulilo office block Erf 390 (Size 600m2)
- Windhoek Maytime Flats Erf 1114 (Size 2710m2)
- Katima Dwelling Erf 503 (Size 600m2)
- Windhoek Radio Houses Erf 6866
- Oshakati Flats Erf 1033
- Oshakati Guesthouse Erf 1032
- Katima Mulilo Erf 390 (600m2)

6. INTANGIBLE ASSETS

	2024		2023	
	Cost	Accumulated amortisation	Carrying value	Cost
	N\$	N\$	N\$	N\$
Licenses (Acquired Content)	9 982 800	(9 982 800)	-	9 982 800
Computer software	3 840 044	(3 365 947)	574 087	3 840 044
Total	13 922 834	(13 348 747)	574 087	13 822 844
				Accumulated amortisation
				Carrying value
				value
				N\$
				2 977 500
				668 545
				3 646 045

**NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

	Opening balance	Additions	Amortisation	Total
	N\$	N\$	N\$	N\$
Reconciliation of intangible assets – 2024				
Licenses and franchises	2 977 500	-	(2 977 500)	-
Computer software	668 545	99 990	(194 448)	574 087
	3 646 045	99 990	(3 171 948)	574 087
Reconciliation of intangible assets – 2023				
Licenses and franchises	-	9 982 800	(7 005 300)	2 977 500
Computer software	522 314	1 175 000	(1 028 769)	668 545
	522 314	11 157 800	(8 034 069)	3 646 045

**7. INVESTMENT IN JOINT VENTURE: ODTV
JOINT VENTURE**

The following table lists all of the joint ventures in the company

Name of company	%ownership interest	% ownership interest	Carrying amount	Carrying amount
	2024	2023	2024	2023
ODTV	50%	50%	3 094 793	2 525 920
Loc8	50%	0%	2 563 313	-

The NBC entered into a JV agreement with ODTV on 18 November 2016 to jointly provide broadcasting services, whereas the parties into to enter into a joint control together (50% ownership each), in accordance with the existing Memorandum of Understanding signed on 11 February 2015. This is envisaged to create inter alia a Hybrid Pay television platform as well as additional related television and radio services in and out of the country of Namibia based on the parties' current respective capability, expertise and contribution. During the year, NBC has increased its investment in joint venture by N\$ 568 873

The NBC entered into a 50/50 joint venture with Loc8Mobile in the current financial year and successfully acquired a 5G spectrum license for a total cost of N\$ 5 126 625, with NBC's share amounting to N\$ 2 563 313. This strategic move will provide NBC with unrestricted access to unlimited bandwidth, significantly enhancing the viewing, listening and online experiences for its audience. The acquisition of the 5G spectrum license is expected to position the NBC at the forefront of technological advancements in the media industry, enabling the delivery of high quality, uninterrupted content to its viewers, listeners, and online users. This development underscores the NBC's commitment to innovation and its strategic focus on expanding its digital capabilities to meet the evolving demands of its audience.

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH (Continued)

	2024	2023
	N\$	N\$
8. INVENTORIES		
Decoders	1 165	1 165

The decoders required for viewing digital TV are sold below cost price (two price bands to accommodate vulnerable groups), as agreed by the Cabinet. As the future sales within each of the two price bands are not known, the inventory has been written down to net realisable value of the financial year.

9. TRADE AND OTHER RECEIVABLES	24 910 410	25 573 338
Financial instruments:		
Trade receivables	19 885 060	18 550 769
Provision for impairment of receivables	(6 448 864)	(4 293 868)
Trade receivables at amortised cost	13 436 196	14 256 901
Staff debtors	2 663 663	241 310
Non-financial instruments:		
Receiver of Revenue: VAT	8 348 270	11 075 127
Staff Debtors	462 281	-

Exposure to credit risk

Trade receivables are non-interest bearing and are generally on terms of 30 days.

No trade receivables have been pledged as collateral for liabilities or contingent liabilities.

As at 31 March 2024, trade receivables with an initial carrying value of N\$ 6 448 864 (2023: N\$ 4 293 868) were impaired and fully provided for. See below for the movements in the provision for impairment of receivables.

	2024	2023
	N\$	N\$
	6 448 864	4 293 868
Opening balance	5 243 914	9 537 782
Bad debt provision movement	1 204 950	(5 243 914)

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

9. TRADE AND OTHER RECEIVABLES (continued)

The ageing of receivables are as follows:

	2024		2023	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
	N\$	N\$	N\$	N\$
Neither past due nor impaired	7 788 354	-	2 759 555	-
Less than 30 days	(248 842)	181 434	5 157 673	23 185
31 - 90 days	774 091	33 454	1 540 696	89 194
over 90 days	5 122 594	6 233 976	4 440 887	4 181 489
Total	13 436 197	6 448 864	13 898 811	4 293 868

	2024	2023
	N\$	N\$
10. CASH AND CASH EQUIVALENTS	12 473 567	59 221 474
Cash and cash equivalents consist of:		
Cash on hand	84 351	41 340
Bank balances	12 457 386	59 185 665
Bank overdraft	(68 170)	(5 531)
	12 473 567	59 221 474
Current assets	12 541 737	59 227 005
Current liabilities	(68 170)	(5 531)

The cash at banks earn interest at floating rates based on the daily bank deposit rates.

11. STATUTORY RESERVE FUND	3 369 269	3 369 269
Depreciation fund	2 952 085	2 952 085
Redemption Fund	417 184	417 184

12. REVALUATION RESERVE	308 381 224	306 735 958
Opening balance	306 735 958	306 735 958
Movement during the year	1 645 266	-

Accumulated Gains/losses arising on the revaluation of the corporation's property (other than investment property)

ANNEXURE E

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH (Continued)

	2024	2023
	N\$	N\$
13. OTHER RESERVE FUND	18 344 067	18 344 067
General reserve fund	25 945 625	25 945 625
Profit and loss reserve fund	(9 591 240)	(9 591 240)
Housing fund	1 419 554	1 419 554
Aid fund	552 264	552 264
Motor insurance investment	10 827	10 827
Internal insurance fund	7 037	7 037

14. PROVISIONS

Non-Current Liabilities	452 347 000	405 520 000
Provision for post - retirement medical aid	447 155 000	405 205 000
Severance pay provision	5 192 000	315 000
Current Liabilities	61 814 829	59 364 528
Provision for post - retirement medical aid	25 064 000	21 477 000
Severance pay provision	344 000	4 405 000
Provision for royalties	1 375 638	1 375 638
Provision for audit fees	576 464	576 464
Provision for bonus	2 534 694	2 534 694
Employee leave provision	28 995 732	28 995 732

	Opening balance	Additions	Total
	N\$	N\$	N\$
Reconciliation of provisions – 2024			
Employee leave provision	28 995 732	2 301 351	31 297 083
Severance pay provision	4 720 000	816 000	5 536 000
Provision for post - retirement medical aid	426 682 000	45 537 000	472 219 000
Provision for royalties	1 375 638	-	1 375 638
Provision for audit fee	576 464	-	576 464
Provision for bonus	2 534 694	622 950	3 157 644
	464 884 528	49 277 301	514 161 829

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

14. PROVISIONS (continued)

	Opening balance	Additions	Utilised during the year	Total
	N\$	N\$	N\$	N\$
Reconciliation of provisions – 2023				
Employee leave provision	40 429 808	-	(11 434 076)	28 995 732
Severance pay provision	5 439 000	-	719 000	4 720 000
Provision for post - retirement medical aid	422 337 000	4 345 000	-	426 682 000
Provision for royalties	1 246 498	129 140	-	1 375 638
Provision for audit fee	576 464	-	-	576 464
Provision for bonus	3 199 597	-	(664 903)	2 534 694
	473 228 367	4 474 140	(12 817 979)	464 884 528

Employee leave provision

The provision is based on all accumulated leave up to 90 days for all employees who joined prior to 1 July 2016. No leave in excess of 90 days has been recognized for these employees, as the NBC limits the pay-out of leave to 90 days when these employee departs. This came into effect during 2012/13. For employees who joined from 1 July 2016, the limit was changed from 90 days to 45 days and the NBC limits the pay- out of leave to 45 days when these employees departs.

Severance pay provision

Amounts recognised in the statement of financial position:

	2024	2023
	N\$	N\$
Net liability at end of year	5 536 000	4 720 000
Net liability at beginning of year	4 720 000	5 439 000
Actuarial (gain)/loss:	-	(1 439 000)
Net expense recognised in income statement	816 000	720 000
Amounts recognised in profit or loss:	789 000	720 000
Current service costs	501 000	567 000
Interest costs	603 000	374 000
Benefit payments	(315 000)	(221 000)

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

14. PROVISIONS (continued)

	2024	2023
	%	%
The principal actuarial assumptions applied are:		
Discount rate	13.34	13.34
Salary inflation rate	9.21	9.21
	N\$	N\$
Sensitivity analysis:		
On discount and salary inflation rate	-	-
1% increase in trend rate - decrease in the interest costs	40 239	36 720
1% increase in trend rate - decrease in the obligation	273 249	234 112
1% increase in trend rate - decrease in the interest costs	45 762	41 760
1% decrease in trend rate - increase in the obligation	286 468	245 440
Provision for post - retirement medical aid		
Amounts recognised in the statement of financial position:	472 219 000	426 682 000
Net liability at beginning of year	426 682 000	422 337 000
Actuarial loss/(gain)		
From changes in financial assumptions	-	(39 553 000)
Employer contributions	45 537 000	43 898 000
Amounts recognised in profit or loss:	45 537 000	4 345 000
Current service costs	11 293 000	14 147 000
Interest costs	55 721 000	49 420 000
Benefit payments	(21 477 000)	(19 669 000)
Recognised in OCI - actuarial gain	-	(39 553 000)
Sensitivity analysis:		
On discount rate	-	-
1% increase in trend rate - decrease in the interest costs	9 013 383	8 549 762
1% increase in trend rate - decrease in the obligation	57 988 493	52 396 550
1% increase in trend rate - decrease in the interest costs	11 305 262	10 723 753
1% decrease in trend rate - increase in the obligation	71 918 954	64 983 669

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

14. PROVISIONS (continued)	2024	2023
	%	%
The principal actuarial assumptions applied are:		
Assumed discount rate	13.34	13.34
Medical aid contribution inflation	8.21	8.21
Net discount rate	3.31	3.31

Mortality rate assumptions

The NBC have used the following mortality tables to estimate the mortality experience by the employees of the fund:

- The NBC assumed that 90% of the employees would be married at retirement with females being 4 years younger than males.
- The NBC have assumed that all employees will continue to be a member of the same medical aid option that they were on just prior to retirement and therefore all qualifying employees will become pensioners.
- The NBC have not made any explicit allowance for ill-health retirements or late / early retirements

Mortality Rate

The change in the liability for a 5% increase and decrease in the mortality is as follows:

Discount & Medical Aid Inflation Rates

The change in the liability for a 5% (2023: 1%) decrease in the discount rate and a 5% (2023:1%) increase medical aid inflation rate is as follows:

2024	5% decrease in mortality rate	Valuation assumption	5% increase in mortality rate
Mortality Rate	N\$	N\$	N\$
Total Accrued Liability	434 212 000	426 682 000	419 522 000
Current Service Cost	11 490 000	11 293 000	11 106 000
Interest Cost	56 708 000	55 721 000	54 783 000
	502 410 000	493 696 000	485 411 000

The change in liability for a 1% change:

Discount & Medical Aid Inflation Rates	1% decrease in discount rate	Valuation assumption	1% increase in discount rate
Total Accrued Liability	482 396 000	426 682 000	380 648 000
Current Service Cost	13 460 000	11 293 000	9 560 000
Interest Cost	58 312 000	55 721 000	53 401 000
	554 168 000	493 696 000	443 609 000

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

14. PROVISIONS (continued)

2023	5% decrease in mortality rate	Valuation assumption	5% increase in mortality rate
Mortality Rate	N\$	N\$	N\$
Total Accrued Liability	434 212 000	426 682 000	419 522 000
Current Service Cost	11 490 000	11 293 000	11 106 000
Interest Cost	56 708 000	55 721 000	54 783 000
	502 410 000	493 696 000	443 609 000
Discount & Medical Aid Inflation Rates	1% decrease in discount rate	Valuation assumption	1% increase in discount rate
Total Accrued Liability	482 396 000	426 682 000	380 648 000
Current Service Cost	13 460 000	11 293 000	9 560 000
Interest Cost	58 312 000	55 721 000	53 401 000
	554 168 000	493 696 000	443 609 000

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

14. PROVISIONS (continued)

The PRMA valuation was performed by 13 Actuaries and Consultants, in accordance with the stands of Actuarial Practice 201, issued by the Actuarial Society of South Africa.
The latest valuation was performed on 13 September 2024 for FY23 and FY24.

	2024	2023
	N\$	N\$
15. TRADE AND OTHER PAYABLES	159 013 623	189 110 745
Financial instruments:		
Trade payables	17 356 945	20 048 436
Accrued expense	4 739 617	2 977 500
Other payables	232 598	202 932
Non-financial instruments:		
Penalties on import VAT	-	36 904
Pension pay-outs for deceased staff	2 241 245	148 070
Payroll related payables	6 968 750	5 526 678
PAYE-Capital	51 711 181	81 923 911
Interest on PAYE	75 879 293	75 879 293
Import VAT – Capital	(116 006)	71 281
Interest on import VAT	-	2 295 740

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

15. TRADE AND OTHER PAYABLES (continued)

The NBC has entered into a payment plan to settle the taxes (VAT, import VAT and PAYE) owed to the receiver of revenue. At the end of March 2024, the outstanding PAYE Capital and Interest amounted to N\$ 51,7 million and N\$ 75,9 million respectively (2023: N\$ 81.9 million and N\$ 75.9 million respectively). Management is of the view that the full capital amount will be settled during the Tax amnesty period, ending October 2024 and that all penalties and interest will be waived as per the correspondence with NAMRA and the terms of the tax amnesty program.

16. DEFERRED INCOME

As at 31 March 2024, the NBC has refund liabilities of N\$ 3 547 797 (2023: N\$ 3 736 264).

2024	Carriage Fees	TV Licensing	Total
	N\$	N\$	N\$
Opening balance	-	3 736 264	3 736 264
Release to I/S	-	(786 199)	(786 199)
New refund liabilities arising during the year	-	597 732	597 732
	-	3 547 797	3 547 797
2023			
Opening balance	-	4 153 322	4 153 322
Release to I/S	-	(1 507 241)	(1 507 241)
New refund liabilities arising during the year	-	1 090 183	1 090 183
	-	3 736 264	3 736 264
		2024	2023
		N\$	N\$

17. REVENUE

Revenue from contracts with customers	81 276 480	85 965 564
Licenses	11 929 911	13 186 097
Advertising	47 703 563	42 205 251
Program sponsorship	-	204 888
Other income	4 540 540	10 529 568
Rental income	17 102 466	11 510 581

18. COST OF SALES

38 630 283	27 712 093
Purchases	18 118 506
Rentals	12 749 485
Others	7 762 292

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

19. TAXATION

According to the Namibian Broadcasting Act 9 of 1991 Paragraph 24(a) the income of the Corporation shall be exempt from income tax.

20. OTHER OPERATING INCOME

	2024	2023
	N\$	N\$
Other income	51 899	21 411
Government grants	310 310 000	372 681 000
	310 361 899	372 702 411

21. OPERATING LOSS

Operating loss for the year is stated after charging / (crediting) the following, amongst others:

Expenses by nature	423 457 771	380 191 699
Amortisation of intangible assets	3 171 947	8 034 069
Bad debts/ (Bad debts recovered)	(4)	347 370
Freelancer's /artist fees	26 560 280	20 978 767
Consumables	2 263 059	3 168 099
Depreciation on property, plant and equipment	26 400 471	23 025 892
Depreciation on right-of-use assets	8 266 249	6 984 790
Employee costs	249 623 038	230 327 306
Hire facilities	6 792 698	3 659 273
Insurance	1 623 026	1 627 506
Movement for expected credit loss	1 204 950	(4 293 868)
Printing stationery	1 842 227	1 490 642
Repairs and maintenance	27 724 882	24 853 494
Security	3 626 166	3 072 934
Software licenses	3 246 279	2 269 397
Subscriptions	1 408 356	860 171
Telephone and email	8 171 670	7 827 348
Subsistence and travel	16 587 170	10 351 475
Water and electricity	26 607 298	25 173 745
Other expenses	8 338 009	10 433 289

	2024	2023
	N\$	N\$
22. FINANCE INCOME		
Interest income		
Banks and investment accounts	1 802 087	2 248 008
23. FINANCE COST	57 881 154	50 664 630
Interest cost- Post-Retirement Medical Aid obligation (PRMA)	56 351 000	49 794 000
Interest paid	28 825	3 882
Interest paid - finance lease	1 501 329	866 748
24. STAFF AND RETIREMENT BENEFIT COSTS		
Number of employees	683	684
Permanent employees	502	503
Contract workers	16	6
Artist	165	175
EMPLOYMENT COST EXISTING EMPLOYEES	226 202 326	227 429 527
Salaries and wages	198 450 391	216 054 928
Provision for leave pay	4 686 358	(10 295 229)
Employer's contributions to retirement benefits of current permanent employees	35 065 577	21 669 828
Employment cost: retired staff		
Retired staff: medical aid costs	19 087 756	17 112 710
Remuneration to key management personnel		
Remuneration paid	8 423 744	6 651 116

The freelancers / artist fees for the year is N\$ 26 560 279 (2022: N\$ 20 978 767).

25. CONTINGENCIES AND COMMITMENTS

Contingencies relating to PAYE interests

The NBC has entered into a payment plan to settle the taxes (VAT, import VAT and PAYE) owed to the receiver of revenue. At the end of March 2024, the outstanding PAYE capital and interest amounted to N\$ 51.7 million and N\$ 75,9 million respectively (2023: N\$ 81.9 million and N\$ 75.9 million respectively). Management is of the view that the full capital amount will be settled during the Tax amnesty period, ending October 2024 and that all penalties and interest will be waived as per the correspondence with Namra and the terms of the tax amnesty program.

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

26. RELATED PARTIES

Relationships

Ultimate holding company

Ministry of Information and
Communication Technology

Related party balances

	2024	2023
	N\$	N\$
Amount included in Trade receivable (Trade Payables) regarding related parties	3 689 854	6 202 918
Ministry Of Information And Communication Technology	-	265 900
MTC - Barter	-	1 673 648
MTC/ NBC Barter Agreement	-	340 168
Nampost	399 970	27 243
New Era -Barter	-	138 723
Telecom Namibia	95 776	609 100
MTC Transmitters	3 194 108	3 148 136
Related Party Transactions - Purchases from (sales to) related parties	40 089 470	40 089 470
Mobile Telecommunication	119 403	299 493
Nampost Courier Service	369 088	50 383
New Era Publications	36 127	38 698
Telecom Namibia	12 018 460	852 965
Compensation to directors and other key management	994 098	987 054
Board sitting fees	717 447	753 911
Expenses and other allowances	276 651	233 143

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets	Note	N\$	N\$
2024		Amortised cost	Total
Trade and other receivables*	9	13 436 196	13 436 196
Cash and cash equivalents	10	12 541 737	12 541 737
		25 977 933	25 977 933
2023		Amortised cost	Total
Trade and other receivables*	9	13 306 855	13 306 855
Cash and cash equivalents	10	59 227 005	59 227 005
		72 533 860	72 533 860

*Trade and other receivables disclosed above is calculated after excluding value - added tax.

Categories of financial liabilities	Note	N\$	N\$	N\$
2024		Amortised cost	Leases	Total
Trade and other payables	15	159 013 625	-	159 013 625
Lease liabilities	4	-	12 631 360	12 631 360
Bank overdraft	10	68 170	-	68 170
		159 081 795	12 631 360	34 166 759
2023		Amortised cost	Leases	Total
Trade and other payables	15	189 110 746	-	189 110 746
Lease liabilities		-	13 909 863	13 909 863
Bank overdraft	10	5 531	-	5 531
		189 116 277	13 909 863	203 026 140

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH (Continued)

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Capital risk management

The NBC is 100% owned by the government. The NBC does not hold any other form of share capital. There are no changes expected in the NBC's approach to capital management during the year. The NBC is not subject to any externally imposed capital requirements.

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

The capital structure of the NBC consists of debt, which includes the borrowings disclosed in note 15, cash and cash equivalents disclosed in note 10, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the NBC monitors capital on the basis of the debt:equity ratio.

This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total equity is represented in the statement of financial position.

There are no externally imposed capital requirements.

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

	Note	<u>2024</u>	<u>2023</u>
		N\$	N\$
The debt equity ratio at 2024 and 2023 respectively were as follows:			
Lease liabilities		12 631 360	13 909 863
Trade and other payable	15	159 013 625	189 110 745
Total borrowings		<u>171 644 985</u>	<u>203 020 608</u>
Cash and cash equivalents	10	(12 473 568)	(59 227 005)
Net borrowings		<u>159 171 417</u>	<u>143 793 603</u>
Equity		(79 566 077)	(7 014 664)
Gearing ratio		(200)%	(2 050)%

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Financial risk management

Overview

The NBC's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the NBC's operations and to provide guarantees to support its operations. The NBC's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The NBC is exposed to market risk, credit risk and liquidity risk. The NBC's senior management oversees the management of these risks. It is the NBC's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, AFS financial assets and derivative financial instruments.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The NBC is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The NBC has the following financial assets subject to the Expected Credit Loss (ECL) model:

-Trade and Other Receivables

-Cash and Cash Equivalents

Application of the ECL model had an immaterial impact on all financial assets except for trade receivables.

**NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)**

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Credit risk (continued)

Provision Matrix - as the simplified approach is being applied, the amount of ECL to be recognised in the financial statements can be calculated using a provision matrix that is based on loss rates and accounts for contagion. These are to be adjusted based on expert judgement overrides as deemed necessary by the business. ECLs are calculated by applying a loss ratio to the aged balance of trade receivables at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historic/proxy write offs to the payment profile of the sales population. In instances where there was no evidence of historical write offs management used a proxy write off. Trade receivable balances have been grouped so that the ECL calculation is performed on groups of receivables with similar risk characteristics and ability to pay.

Similarly, the sales population selected to determine the ageing/payment profile of the sales is representative of the entire population and in line with future payment expectations. The historic loss ratio is then adjusted for forward-looking information to determine the ECL for the portfolio of trade receivables at the reporting period to the extent that there is a strong correlation between the forward-looking information and the ECL.

The NBC used three year data to determine the payment profile of the sales. Where NBC has information about actual historical write-offs, actual write-offs have been used to determine a historic loss ratio. Alternatively, management has used the proxy write-off based on management's best estimated. NBC has considered quantitative forward-looking information such as core inflation rate. Qualitative assessments have also been performed, of which the impact was found to be immaterial.

Simplified parameter-based approach – ECL is calculated using a formula incorporating the following parameters: Exposure at Default (EAD), Probability of Default (PD), Loss Given Default (LGD) discounted using the Effective Interest Rate (EIR) (i.e. $PD \times LGD \times EAD = ECL$). Exposures are mainly segmented by customer type i.e. corporate, consumer, ageing, and months in contract. This is done to allow for risk differentiation. The probability of a customer defaulting as well as the realised loss with defaulted accounts has been determined using historical data (twelve months and thirty six months respectively). The EIR represents a weighted average rate which is representative of the portfolio of customers and incorporates a risk-free rate plus a risk premium on initial recognition of the trade receivables. A qualitative assessment of the impact of forward-looking information has been performed and found to be immaterial.

Trade receivables are written off when there is no reasonable expectation of recovery. This is assessed individually by each operation and includes for example where the trade receivables have been handed over for collection and remain outstanding or the debtor has entered bankruptcy.

**NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Credit risk (Continued)

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the NBC's finance department in accordance with the NBC's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The maximum exposure to credit risk is presented in the table below:

		2024		2023	
	Note	Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount / amortised cost
		N\$	N\$	N\$	N\$
Trade and other receivables	9	19 885 060	(6 448 864)	13 436 196	18 550 769
Cash and cash equivalents	10	12 541 737	-	12 541 737	59 227 005
		32 426 797	(6 448 864)	25 977 933	77 777 774
					(5 243 914)
					72 533 860

Liquidity risk

Liquidity risk pertains to the likelihood of the NBC failing to meet its obligations when they fall due. Liquidity risk is managed by NBC's Management.

The NBC has short-term borrowing facilities with local financial institutions amounting to N\$ 68 170 (2022: N\$ 5 531).

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH (Continued)

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

2024	Less than 1 year N\$
Overdraft	68 169
Trade and other payables	21 683 196
	21 751 365
2023	Less than 1 year N\$
Overdraft	5 531
Trade and other payables	22 897 636
	22 903 167

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The entity's exposure to the risk of changes in foreign exchange rates relates primarily to some purchases of goods and services from outside Namibia. The NBC does not hedge against foreign exchange fluctuations.

Foreign currency sensitivity analysis

Interest rate risk

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and entails the changes to the profit or loss should there be any changes to the discount rate used in the computation of the preference share liability. For floating rate liabilities, the analysis is prepared on the assumption that the amount of the liability outstanding at the reporting date was outstanding for the whole of the financial year.

A 100 basis point (1%) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Interest rate risk management

If interest rates had been 100 basis points higher/lower (1% higher/lower) and all other variables were held constant, the effect on the NBC loss before tax would be as follows:

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH (Continued)

28. FAIR VALUE INFORMATION

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 2

Recurring fair value measurements

Assets

	2023	2022
	N\$	N\$
Investment properties	37 947 850	34 008 100

Liabilities

No changes have been made to the valuation technique.

29. GOING CONCERN

The annual financial statements of the NBC are prepared on a going concern basis. The board has performed a formal review of the NBC's results and its ability to continue trading as a going concern in the foreseeable future as a state owned corporation, it is implied that the government of Namibia will provide adequate resources to NBC to continue in business for the foreseeable future. It is the view of the directors that on-going government funding support will be provided to the National Broadcaster to fulfil its mandate ensuring that the Government achieves/meets the constitutional right of citizens, to be informed and educated.

NAMIBIAN BROADCASTING CORPORATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH (Continued)

30. GOVERNMENT FUNDING

The NBC received budget allocation of N\$ 310 310 000 (2022: N\$ 372 549 000) for operational expenditure in the current financial year.

31. EVENTS AFTER THE REPORTING PERIOD

The NBC has fully settled all outstanding PAYE capital amounts related to the payment plan mentioned in Note 15. By doing so, NBC has fully complied with the Amnesty Program, resulting in the complete write-off of penalties and interest on these tax arrears as of 30 September 2024. The settlement of the penalties and interest after the reporting period does not affect the amounts recognized in the financial statements as of 31 March 2024.

Subsequent to the financial year ended 31 March 2024, the term of office for the board of directors of the NBC expired in July 2024. As a result, there have been changes to the composition of the board of directors. The new board members were appointed effective 1 August 2024. The changes to the board of directors composition are as follows:

Lazarus Jacobs (Chairman)

Oaitse Sameeng Van Staden (Deputy Chairman)

Stanley B Similo (Director General)

Tim Ekandjo

Waldeline Kula Simson

Michael Jimmy

Cletius Simasiku

These changes are considered significant and have been disclosed to provide users of the financial statements with relevant information about the governance of the company. The financial statements as of 31 March 2024 reflect the board of directors in office as of that date.

In accordance with IAS 10, "Events after the Reporting Period," the Company has disclosed these subsequent events to provide users of the financial statements with relevant information. There are considered non-adjusting events that provide sufficient details to enable users to understand the nature and financial impact of the NBC's financial position as at the reporting date.