



Namibia Medical Care
(Registration number "005")
Consolidated and Separate Annual Financial Statements
for the year ended 31 December 2024

Namibia Medical Care

(Registration number "005")

Consolidated And Separate Annual Financial Statements for the year ended 31 December 2024

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Statement of Responsibility and Approval by the Board of Trustees

The Board of Trustees is responsible for the preparation, integrity and fair presentation of the consolidated and separate annual financial statements of Namibia Medical Care. These financial statements presented on pages 15 - 69 have been prepared in accordance with International Financial Reporting Standards ('IFRS') and the Medical Aid Fund Act of Namibia and include amounts based on judgments and estimates made by management.

The Board of Trustees considers that in preparing the consolidated and separate annual financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates.

The Board of Trustees is satisfied that the information contained in the consolidated and separate annual financial statements, fairly present the results of the operations for the financial year and the financial position of the group and fund at year end.

The Board of Trustees is responsible for ensuring that accounting records are kept. The accounting records disclose with reasonable accuracy the financial position of the group and fund which enables the Board of Trustees to ensure that the consolidated and separate annual financial statements comply with relevant legislation.

The going concern basis has been adopted in preparing the consolidated and separate annual financial statements. The Board of Trustees has no reason to believe that the group and fund will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These consolidated and separate annual financial statements support the viability of the group and fund.

The group's external auditor, Ernst & Young Namibia, is responsible for auditing the consolidated and separate annual financial statements in terms of the International Standards on Auditing and their report is presented on pages 4 to 5. Ernst & Young Namibia has unrestricted access to all the financial records and related data, including minutes of all meetings of members, the Board of Trustees and all committees of the Board. The Board of Trustees believes that all representation made to the independent auditor during the audit were accurate and appropriate.

Chairman

Trustee

Trustee

20 June 2025

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Statement of Corporate Governance by the Board of Trustees

Namibia Medical Care is committed to the principles and practices of fairness, openness, integrity and accountability in all dealings with its stakeholders. The trustees are proposed and elected by the members of the fund in terms of the rules of the fund.

1. Board of Trustees

The Board of Trustees meets regularly and monitors the performance of the group and fund, administrators and other service providers. It addresses a range of key issues and ensures that discussion on items of policy, strategy and performance is critical, informed and constructive.

All board members have access to the advice and services of the principal officer and, where appropriate, may seek independent professional advice at the expense of the group and fund.

2. Risk management and internal controls

The Board of Trustees is accountable for risk management and internal controls. Risks are identified, regularly reviewed and appropriate resultant strategies implemented.

The administrators of the group and fund maintain internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the consolidated and separate annual financial statements and to safeguard, verify and maintain accountability for its assets adequately. Such controls are based on the rules of the group and fund and established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties.

No event has come to the attention of the Board of Trustees that indicates any material breakdown in the functioning of the key internal controls and systems during the year under review.

Chairman

Trustee

Trustee

20 June 2025



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Report of the Board of Trustees

The Board of Trustees hereby presents its annual report for the year ended 31 December 2024.

1. DESCRIPTION OF THE MEDICAL FUND

1.1 Terms of registration

The Namibia Medical Care ("NMC") fund is a "not for profit" open medical aid fund registered in Namibia in terms of the Medical Aid Funds Act 23 of 1995. In terms of the registration, a guarantee has been issued for N\$ 750,000 by First National Bank of Namibia Limited in favour of Namibia Medical Care and lodged with Namibia Financial Institutions Supervisory Authority ("NAMFISA") (refer to note 28).

1.2 Benefit options within Namibia Medical Care

The medical aid fund offers eleven benefit options to employer groups and members of the public. These are:

Traditional options:	Opal Jade Ruby Sapphire Diamond
New Generation options:	Emerald Emerald Plus Amber Amber Plus
Low Cost options:	Topaz Topaz Plus

1.3 International travel arrangement

International travel arrangements are entered into with Hollard Insurance Company. Refer to note 16 for more information.

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Report of the Board of Trustees

2. MANAGEMENT

2.1 Board of Trustees in office during the year under review

Directors	Company	Changes
Mr P Mutota	Electricity Control Board	Term ended 21 June 2024
Ms B Seibes-Bock	UNAM	Term ended 21 June 2024
Mr E Mansfeld	Medical Doctor	Term ended 21 June 2024
Ms I Hamulungu	UNAM	Not re-appointed on 21 June 2024
Ms C Kavezuva	First Capital	Not re-appointed on 21 June 2024
Mr C Bazuin	Namibian Stock Exchange	Not re-appointed on 21 June 2024
Ms B Auala	BB Boois Attorneys	Not re-appointed on 21 June 2024
Ms Z Nambahu	Nampower	Not re-appointed on 21 June 2024
Mr M Späth (Chairman)	IJG	Re-appointed 21 June 2024
Ms A Emvula	Development Bank of Namibia	Re-appointed 21 June 2024
Ms C Katjiukua	Ministry of Health and Social Services (CDC)	Appointed 21 June 2024
Ms K Nghishitende	Erongo Red	Appointed 21 June 2024
Ms A van Wyk	Namibia Oncology Center	Appointed 21 June 2024

There was an election of new trustees during the current year under review and the changes are listed above.

2.2 Principal Officer

Mrs J Crossman, was the Principal officer for the year under review.

Business address:

8 Newton Street
Windhoek
Namibia

Postal address:

P.O. Box 24792
Windhoek
Namibia

2.3 Registered office address and postal address

Business address:

8 Newton Street
Windhoek
Namibia

Postal address:

P.O. Box 24792
Windhoek
Namibia

2.4 Medical scheme administrators during the year

Methealth Namibia Administrators (Pty) Ltd

Business address:

Methealth Office Park
Maerua Park
Windhoek
Namibia

Postal address:

P.O. Box 6559
Windhoek
Namibia

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2.5 Investment managers during the year

Business address:

Namibia Asset Management Ltd

1st Floor, Millennium House
C/o Robert Mugabe Avenue and Dr AB May Street
Windhoek
Namibia

Contact number:

Tel: +264 (0)61 275 500

Sanlam Investment Management Namibia

49 Rehobother Road
Ausspannplatz
Windhoek
Namibia

Tel: +264 (0)61 294 7500

Old Mutual Corporate

9th Floor, Mutual Tower
223 Independence Avenue
Windhoek
Namibia

Tel: +264 (0)61 299 3634

M&G Investments Unit Trusts (Namibia) Ltd

Maerua Mall, Office Tower 2nd Floor
C/o Robert Mugabe Avenue and Jan Jonker Road
Windhoek
Namibia

Tel: +264 (0)61 256 166

Capricorn Asset Management

3rd Floor, Capricorn Corner
c/o Nelson Mandela and Hofmeyer Street
Klein Windhoek
Windhoek
Namibia

Tel: +264 (0)61 299 1950

2.6 Actuaries and Investment Advisors during the year

i3 Actuaries & Consultants

Business address:

Unit 7, The Village
Liliencron street
Windhoek
Namibia

Postal address:

P.O. Box 80560
Windhoek
Namibia

2.7 Auditors during the year

Ernst & Young Namibia

Business address:

C/o Otto Nitzsche and Maritz Streets
Windhoek
Namibia

Postal address:

P.O. Box 1857
Windhoek
Namibia

3. INVESTMENT STRATEGY OF THE MEDICAL FUND

The fund's investment objectives are to maximise the return on its investments on a long-term basis at acceptable risk. The investment strategy takes into consideration any constraints imposed by legislation or the Board of Trustees.

The Board of Trustees reviews the investment performance on a regular basis at Trustee, Advisory and Investment committee meetings with the assistance of i3 Actuaries and Consultants.

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4. MANAGEMENT OF INSURANCE RISK

The primary insurance activity carried out by the fund assumes the risk of loss from members and their dependants that are directly subject to risk. The risk relates to the health of fund members. As such the fund is exposed to the uncertainty surrounding the timing and severity of claims under the contract.

The fund manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service provider profiling, centralised management of risk transfer arrangements and the monitoring of emerging issues.

The fund uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analysis, scenarios analysis and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims are greater than expected.

Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated with established statistical techniques. There are no changes to assumptions used to measure insurance assets and liabilities that have a material effect on the financial statements and there are no terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of the fund's cash flow. Refer to note 29 of these financial statements for more information on insurance risk management.

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5. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

5.1 Operational statistics per benefit option

	NMC Jade	NMC Opal	NMC Amber	NMC Amber Plus	NMC Ruby	NMC Sapphire	NMC Diamond	NMC Emerald	NMC Emerald Plus	NMC Topaz	NMC Topaz plus	Total
	2024											
Average number of principal members during the period	4,134	847	1,133	182	11,356	10,760	201	919	521	842	2,766	33,660
Number of principal members at 31 Dec	4,300	851	1,142	190	11,373	10,787	195	940	558	869	2,983	34,188
Average number of beneficiaries during the period	7,479	1,475	2,580	415	25,665	27,278	449	1,847	1,019	1,166	4,284	73,656
Total number of beneficiaries at 31 Dec	3,452	608	1,439	248	14,343	16,510	239	942	529	352	1,650	40,312
Dependent ratio at 31 Dec	1:0.8	1:0.71	1:1.26	1:1.31	1:1.26	1:1.53	1:1.23	1:1	1:0.95	1:0.41	1:0.55	1:1.18
Insurance revenue per average beneficiary per month	2,140	1,517	1,841	3,286	2,330	3,160	7,436	1,799	1,701	614	779	2,482
Insurance expenditure per average beneficiary per month	-25,678	-18,209	-22,094	-39,432	-27,963	-37,918	-89,229	-21,592	-20,412	-7,368	-9,348	-29,782
Other expenses per average beneficiary per month	-271	-281	-215	-214	-217	-193	-221	-244	-251	-354	-311	-224
Other expenses as a percentage of net contribution	-13%	-19%	-13%	-7%	-9%	-6%	-3%	-14%	-15%	-59%	-40%	-9%
Average age	35.98	46.40	54.02	48.85	42.67	46.67	59.59	46.34	40.61	37.96	31.12	43.44
Pensioner ratio at 31 Dec	1:0.02	1:0.06	1:0.24	1:0.11	1:0.05	1:0.1	1:0.37	1:0.14	1:0.06	1:0.01	1:0.02	1:0.07
Average future member liability per principal member at year-end	21,989	21,989	21,989	21,989	21,989	21,989	21,989	21,989	21,989	21,989	21,989	21,989

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5. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

5.1 Operational statistics per benefit option

	NMC Jade	NMC Opal	NMC Amber	NMC Amber Plus	NMC Ruby	NMC Sapphire	NMC Diamond	NMC Emerald	NMC Emerald Plus	NMC Topaz	NMC Topaz plus	Total
	2023											
Average number of principal members during the period	3,751	1,043	1,118	157	11,321	10,384	223	873	419	762	2,165	32,216
Number of principal members at 31 Dec	3,834	1,032	1,121	169	11,491	10,742	218	883	459	779	2,350	33,078
Average number of beneficiaries during the period	6,723	1,895	2,602	354	25,660	26,624	509	1,805	828	1,052	3,555	71,607
Total number of beneficiaries at 31 Dec	6,923	1,877	2,595	381	26,116	27,540	494	1,805	913	1,087	3,817	73,548
Dependent ratio at 31 Dec	1:0.79	1:0.82	1:1.33	1:1.25	1:1.27	1:1.56	1:1.28	1:1.07	1:0.98	1:0.38	1:0.64	1:1.22
Insurance revenue per average beneficiary per month	2,201	1,116	1,817	2,235	1,979	3,218	5,497	1,436	1,789	272	532	2,351
Insurance expenditure per average beneficiary per month	-23,096	-14,115	-22,689	-22,726	-23,632	-36,632	-69,816	-17,628	-17,674	-3,105	-5,034	-256,147
Other expenses per average beneficiary per month	-232	-271	-207	-175	-208	-173	-216	-233	-197	-321	-222	-202
Other expenses as a percentage of net contribution	-11%	-24%	-12%	-8%	-11%	-5%	-4%	-16%	-11%	-119%	-42%	-9%
Average age	35.55	44.32	53.70	47.66	42.23	46.34	58.15	46.00	40.85	37.45	35.88	42.84
Pensioner ratio at 31 Dec	1:0.02	1:0.05	1:0.23	1:0.08	1:0.05	1:0.09	1:0.36	1:0.1	1:0.05	1:0.006	1:0.01	1:0.06
Average future member liability per principal member at year-end	13,795	13,795	13,795	13,795	13,795	13,795	13,795	13,795	13,795	13,795	13,795	13,795

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5.2 Operational statistics for the fund

GROUP & FUND	2024	2023
Average member fund liability (mutual fund) per member (N\$'000)	21.99	13.80
Breakdown of total amount paid to administrator:		
- Administration fees (N\$'000)	134,770	129,861
- Managed care: management services (N\$'000)	7,046	9,123
Investment income as percentage of investments at year-end	7.02%	7.82%
Realised gains / (losses) as percentage of investments at year-end	0.56%	2.30%
Unrealised gains/(losses) as percentage of investments at year-end	1.88%	1.25%

5.3 Results of operations

The results of the medical fund and its subsidiary are set out in the consolidated and separate annual financial statements, and the trustees believe that no further clarification is required.

5.4 Reserve levels

GROUP	2024	2023
Member fund liability - Mutual fund (N\$'000)	741,649	446,370
Net contribution per statement of surplus or deficit and other comprehensive income (N\$'000)	2,130,157	1,884,872
Group statutory reserve level (based on the funds members)	34.8%	23.7%
FUND	2024	2023
Member fund liability - Mutual fund (N\$'000)	740,161	445,370
Net contribution per statement of surplus or deficit and other comprehensive income (N\$'000)	2,130,157	1,884,872
Fund statutory reserve level (based on the funds members)	34.7%	23.6%
GROUP	2024	2023
Total assets (N\$'000)	948,378	629,235
Total liabilities (N\$'000)	948,378	629,235
	1	1
FUND	2024	2023
Total assets (N\$'000)	946,024	627,109
Total liabilities (N\$'000)	946,024	627,109
	1	1

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5.5 FUNDS DUE TO MEMBERS

Change in accounting policies as a result of the adoption of IFRS 17 in the prior year have been applied using the full retrospective approach. Based on the requirements of IFRS 17, the scheme was identified as a mutual entity which is different to the accounting under IFRS 4. It is expected that the remaining assets of the scheme will be used to defray medical costs for current and future policyholders. This liability will only be distributed for costs allowed as per the Medical Aid Fund act of Namibia and in terms of the fund rules of the fund. As the scheme is in a surplus position, it recognised a liability in its statement of financial position to provide coverage to members in terms of the Medical Aid Fund Act as well as the fund rules approved by the Regulator.

Funds due to members are set out in the statement of financial position. Funds due to members increased during the current year with 66% compared to the prior year.

5.6 LIABILITY FOR INCURRED CLAIMS

The basis of calculation of the liability for incurred claims is discussed in the accounting policies paragraph 1.7 and note 12 and this is consistent the requirements of IFRS17. Movements on the liability for incurred claims are set out in note 12 to the consolidated and separate annual financial statements. There have been no unusual movements that the trustees believe should be brought to the attention of the members of the medical aid fund.

6. ACTUARIAL SERVICES

The fund's actuaries were consulted in 2023 in the determination of the contribution and benefit levels for the 2024 year-end. The actuaries are also appointed to assist with the calculations of the estimates relating to the insurance liabilities calculations for the IFRS 17 risk adjustments.

7. GUARANTEES RECEIVED BY THE FUND FROM A THIRD PARTY

In terms of section 4 of the Medical Aid Fund Act, First National Bank of Namibia Limited has provided a guarantee of N\$750,000 (2023: N\$750,000) to the fund.

8. INDUSTRY UPDATE

Since the onset of COVID-19 in 2020, the medical aid industry has faced a volatile claims environment, placing significant pressure on premium adjustments. The period from 2021 to 2023 saw exceptionally high claims across the industry, including for NMC, which severely impacted reserve levels. In response, the trustees implemented various cost-saving measures and approved a higher premium increase for 2024. As a result, the fund stabilized, and reserve levels recovered to a healthy 34.7%.

The claims experience for the first four months of the 2025 financial year aligns with 2024 trends, giving the fund confidence that reserves will remain stable throughout the next financial year. Namibia Medical Care is expected to maintain a solid reserve position by the end of 2025, staying in line with both the minimum regulatory reserve requirement of 25% and the fund's long-term strategic objectives.

To mitigate market risks, the fund utilizes multiple investment managers, and its investments performed exceptionally well during the 2024 financial year. This contributed to the recovery of reserve levels and the increase in liabilities to members, ensuring sufficient funds for future medical claims, as prescribed by the Medical Aid Fund Act of Namibia.

Looking ahead, NMC remains financially sustainable for 2025, and the trustees are actively refining benefits and fee structures to ensure the fund's long-term stability.

9. EVENTS AFTER REPORTING DATE

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

10. INVESTMENTS IN AND LOANS TO PARTICIPATING EMPLOYERS OF MEMBERS OF THE MEDICAL FUND

The medical fund does not hold investments in or provide loans to participating employers of medical fund members.

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Report of the Board of Trustees

11. RELATED PARTY TRANSACTIONS

Refer to related party disclosure in note 27 to the consolidated and separate annual financial statements.

12. INVESTMENT IN SUBSIDIARY COMPANIES

The fund owns 100% of the share capital in NMC House (Pty) Ltd since 17 November 2015 as part of their investment strategy.

The fund also acquired 100% of the shares in a company in South Africa (Namibia Medical Care (Pty) Ltd) which will be responsible for the administration of foreign payments in South Africa only. This company was dormant up till year-end.

13. BOARD OF TRUSTEES AND SUB-COMMITTEE MEETING ATTENDANCE

The following schedule sets out Board of Trustees and sub-committee meeting attendance.

The trustees remuneration is disclosed in note 27 to the consolidated and separate annual financial statements.

Trustee / Board and Sub-committee member	Board meetings		Audit committee		Other meetings	
	A	B	A	B	A	B
P Mutota (Board Chairman)	4	3	2	1	3	2
B Seibes-Bock	4	4	0	0	2	2
E Mansfeld	4	3	0	0	2	1
M Späth	7	5	3	3	6	4
A Emvula	7	4	2	1	3	2
C Kavezuva	4	4	0	0	1	0
I Hamulungu	4	4	2	1	1	0
C Bazuin	4	3	2	1	2	1
B Auala	4	3	0	0	1	0
Z Nambahu	4	4	0	0	2	1
K Nghishitende	3	2	0	0	2	2
C Katjiukua	3	3	0	0	2	1
A van Wyk	3	2	0	0	2	2

A - Total possible number of meetings could have attended.

B - Actual number of meetings attended.

Other meetings include: Investment, remuneration and benefit design sub-committee meetings as well as the annual general meeting.

14. AUDIT COMMITTEE

An audit committee was established in accordance with the guidelines on good corporate governance. The committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The committee consists of 2 members (2023: 4 members), all of which are members of the Board of Trustees. All the members, including the chairperson, are not officers of the medical fund or its third party administrator. The committee met on three occasions during the course of the year.

The primary responsibility of the committee is to assist the Board of Trustees in carrying out its duties relating to the medical fund's accounting policies, internal control systems and financial reporting practices. The external auditor formally reports to the committee on critical findings arising from audit activities.

The committee in office for the year under review:

Trustee	Position	Company	
Mr M Späth	Chairman	IJG	
Mr P Mutota		Electricity Control Board	(Term ended 21 June 2024)
Mr C Bazuin		Namibia Stock Exchange	(Not re-appointed 21 June 2024)
Ms I Hamulungu		UNAM	(Not re-appointed 21 June 2024)
Ms A Emvula		Development Bank of Namibia	(Appointed 21 June 2024)

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Consolidated And Separate Annual Financial Statements for the year ended 31 December 2024

Statement of Financial Position as at 31 December 2024

		Group		Fund	
	Note(s)	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000
Assets					
Non-Current Assets					
Property, plant and equipment	4	3,455	3,451	3,455	3,451
Investment property	5	6,755	6,620	-	-
Investments in subsidiaries	6	-	-	7,450	7,450
		10,210	10,071	10,905	10,901
Current Assets					
Trade and other receivables	7	296	272	288	298
Investments at fair value through surplus / deficit	8	845,008	558,756	845,008	558,756
Current tax receivable	25	121	17	-	-
Cash and cash equivalents	9	92,744	60,120	89,824	57,155
		938,169	619,165	935,120	616,209
Total Assets		948,379	629,236	946,025	627,110
Equity and Liabilities					
Liabilities					
Non-Current Liabilities					
Deferred tax	10	348	216	-	-
Current Liabilities					
Trade and other payables	11	5,419	4,219	4,901	3,309
Insurance contract liability	12	200,963	178,430	200,963	178,430
Liability for members - Mutual fund	13&32	741,649	446,371	740,161	445,371
		948,031	629,020	946,025	627,110
Total Liabilities		948,379	629,236	946,025	627,110

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Statement of Surplus and Deficit and Other Comprehensive Income

	Note(s)	Group		Fund	
		2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000
Insurance revenue *	14	2,130,157	1,884,872	2,130,157	1,884,872
Insurance service expense	15	(2,194,087)	(1,934,684)	(2,193,599)	(1,933,905)
Insurance service result		(63,930)	(49,812)	(63,442)	(49,033)
Other income / (expenses)					
Expenses on other insured benefits *	16	(2,205)	(1,914)	(2,205)	(1,914)
Other operating expenses*	17	(11,023)	(9,285)	(10,830)	(9,050)
Investment income	18	59,296	43,674	59,290	43,661
Rental income	19	672	624	-	-
Asset management fee	20	(3,448)	(3,479)	(3,448)	(3,479)
Fair value adjustment - Investment property	5	135	505	-	-
Net realised gain on financial assets	21	4,767	12,843	4,767	12,843
Unrealised gains on financial assets	22	15,868	6,972	15,868	6,972
Surplus before taxation		132	128	-	-
Taxation	23	(132)	(128)	-	-
Total comprehensive surplus / (deficit)		-	-	-	-

* The Back-up benefit roll over income was reclassified to insurance revenue from other operating income for better classification and the claims paid on international travel was reallocated from other operating expenses to expenses insured benefits for improved reporting.

Refer to note 32 for the surplus/ deficit of the fund for the year in accordance with the requirements of Section 33(4)(b) of the Medical Aid Funds Act (No 23 of 1995).

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Statement of Changes in Funds and Reserves

Group

	Retained income	Total equity
Opening balance as previously reported	-	-
Balance at 1 January 2023	-	-
Total comprehensive surplus	-	-
Balance at 1 January 2024	-	-
Total comprehensive surplus	-	-
Balance at 31 December 2024	-	-

Fund

	Retained income	Total equity
Opening balance as previously reported	-	-
Balance at 1 January 2023	-	-
Total comprehensive surplus	-	-
Balance at 1 January 2024	-	-
Total comprehensive surplus	-	-
Balance at 31 December 2024	-	-

All fund reserves are classified as a liability to members because the fund is classified as a mutual entity. This liability to members is the funds available for the future payment of medical cost for members as per the medical aids fund act of Namibia.

Because all fund reserves are now classified as a liability there are no reserves.

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Statement of Cash Flows

		Group		Fund	
	Note(s)	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000
Cash flows from operating activities					
Cash flows generated from/(used in) operations	24	242,594	(35,660)	242,541	(36,973)
Interest income received	18	5,920	4,224	5,914	4,211
Tax paid	25	(104)	(287)	-	-
Net cash flows generated from / (utilized in) operating activities:		248,410	(31,723)	248,455	(32,762)
Cash flows from investing activities					
Purchase of property, plant and equipment		(101)	(19)	(101)	(19)
Proceeds from sale of property, plant and equipment		5	10	5	10
Purchase from investments	8	(451,690)	(148,000)	(451,690)	(148,000)
Proceeds from sale of investments	8	236,000	204,500	236,000	204,500
Net cash (utilised in)/from investing activities		(215,786)	56,491	(215,786)	56,491
Total cash movement for the year		32,624	24,768	32,669	23,729
Cash and cash equivalents at the beginning of the year		60,120	35,352	57,155	33,426
Cash and cash equivalents at the end of the year	9	92,744	60,120	89,824	57,155

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Accounting Policies

1. Material accounting policies

1.1 Basis of preparation

The consolidated and separate 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 Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these consolidated and separate annual financial statements and the Medical Aid Fund Act of Namibia.

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

These accounting policies are consistent with the previous period, except for the changes set out in note 2, New standards and Interpretations.

1.2 Consolidation

Basis of consolidation

The group annual financial statements comprise the consolidated annual financial statements of the fund and its subsidiaries as at 31 December 2024.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date when such control ceases. The annual financial statements of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies. All intra group transactions are eliminated in full.

Control is achieved when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the investor controls an investee if and only if the investor has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect returns.

When necessary, adjustments are made when necessary to the consolidated and separate annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in surplus or deficit; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to surplus or deficit or retained earnings, as appropriate.

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Accounting Policies

1.3 Property, plant and equipment

Property, plant and equipment are reflected at historical cost less accumulated depreciation and accumulated impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance's are charged to surplus or deficit during the financial period in which they are incurred.

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

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, after taking into consideration the asset's residual value, over their estimated useful lives, as followed:

Item		Average useful life
Buildings	Straight line	50 years
Motor vehicles and office equipment	Straight line	3 - 8 years
Leasehold improvements	Straight line	5 years

The assets' residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated 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.

1.4 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.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of surplus or deficit and other comprehensive income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view of sale.

Fair value

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

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

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Accounting Policies

1.5 Financial instruments

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

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

Financial assets which are equity instruments:

- Mandatorily at fair value through surplus or deficit; or

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Financial liabilities:

- Amortised cost; or

Note 29 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

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

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

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Accounting Policies

1.5 Financial instruments (continued)

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 7).

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 group'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 group 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.

Impairment

The group 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 group 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.

Measurement and recognition of expected credit losses

The group 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 7.

An impairment gain or loss is recognised in surplus or deficit 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 surplus or deficit.

Write off policy

The group 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. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

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Accounting Policies

1.5 Financial instruments (continued)

Investments in equity instruments

Classification

Investments in equity instruments are classified as mandatorily at fair value through surplus or deficit. The Fund invests in liquid and short-term assets which can be withdrawn anytime and be fully terminated within 30 days, to manage its claims and expenses as part of its normal operating activities. The strategy is not to keep investments long-term and thus the investments meet the definition of 'as held for trading' and are classified as current assets.

Recognition and measurement

Investments in equity instruments are recognised when the group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. All other transaction costs are recognised in surplus or deficit.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in surplus or deficit. Details of the valuation policies and processes are presented in note 3.

Dividends received on equity investments are recognised in surplus or deficit when the group's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 18).

Investments denominated in foreign currencies

When an investment in an equity instrument is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the Namibian Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in surplus or deficit and other comprehensive income as part of the fair value adjustment for investments which are classified as at fair value through surplus or deficit.

Impairment

Investments in equity instruments are not subject to impairment provisions.

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Accounting Policies

1.5 Financial instruments (continued)

Investments in debt instruments at fair value through surplus or deficit

Classification

Certain investments in debt instruments are classified as mandatorily at fair value through surplus or deficit. These investments do not qualify for classification at amortised cost or at fair value through other comprehensive income because either the contractual terms of these instruments do not give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, or the objectives of the group business model are met by selling the instruments rather than holding them to collect the contractual cash flows.

The Fund invests in liquid and short-term assets which can be withdrawn anytime and be fully terminated within 30 days, to manage its claims and expenses as part of its normal operating activities. The strategy is not to keep investments long-term and thus the investments meet the definition of 'as held for trading' and are classified as current assets.

The group hold investments in debentures and corporate bonds which are mandatorily at fair value through surplus or deficit.

Recognition and measurement

Investments in debt instruments at fair value through surplus or deficit are recognised when the group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in surplus or deficit.

Interest received on debt instruments at fair value through surplus or deficit are included in investment income (note 18).

Investments denominated in foreign currencies

When an investment in a debt instrument at fair value through surplus or deficit is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the Namibian Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in surplus or deficit.

Impairment

Investments in debt instruments at fair value through surplus or deficit are not subject to impairment provisions.

Borrowings and loans from related parties

Classification

Loans from group companies and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

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.

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 29 for details of risk exposure and management thereof.

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Accounting Policies

1.5 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 11), 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 group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

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

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 29 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Cash and cash equivalents are subsequently measured at amortised cost using the effective interest method. Cash and cash equivalents are defined as cash, or instruments that can be converted into cash immediately. Refer to note 9 for the detail.

Derecognition

Financial assets

The group 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 group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group 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 surplus or deficit.

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Accounting Policies

1.5 Financial instruments (continued)

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated and separate statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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Accounting Policies

1.7 Insurance contracts

Assessment as to whether the Fund is a mutual entity

A Fund is not legally defined as mutual entity and the assessment as to whether the Fund is a mutual entity was done based on the principles set out in IFRS.

IFRS 3 defined a "mutual entity" as "An entity, other than an investor-owned entity, that provides dividends, lower costs or other economic benefits directly to its owners, members or participants. For example, a mutual insurance company, a credit union and a co-operative entity are all mutual entities".

IFRS 17 does not define a "mutual entity", however it provides a key characteristic of a mutual entity in the basis of conclusion to the standard. IFRS 17 paragraph BC265 explains that "a defining feature of an insurer that is a mutual entity is that the most residual interest of the entity is due to a policyholder and not a shareholder." The Act is not explicit that members (i.e. policy holders) hold a residual interest or are entitled to the residual interest upon the liquidation of the Fund. Section 64 of the Act requires the fund rules to be followed in the event of liquidation.

The rules of the Fund do not contain specific guidance on how assets of the Fund should be distributed on liquidation. The Act prohibits the disposal of assets of a medical aid fund, except in the limited listed circumstances, one of them being the liquidation of the Fund. Members can opt for voluntary liquidation and can distribute the Fund's remaining assets amongst themselves.

Although the rules do not specify how the assets should be distributed on liquidation, IFRS 17 states that: contracts can be written, oral or implied by an entity's customary business practices. Contractual terms include all terms in a contract, explicit or implied, but an entity shall disregard terms that have no commercial substance (i.e. no discernible effect of the economics of the contract). Implied terms in a contract include those imposed by law or regulation. Therefore based on on customary business practices, the remaining assets of the fund should be distributed to the members on liquidation if there are any and if the fund does not amalgamate with another Fund. Even if the assets are distributed by a regulator or by the policy holders to an independent third party e.g. another medical aid fund, an administrator or a charity, the important aspect is that the choice resides with the members or the regulator acting on behalf of the members, not with an equity holder.

The substance of the legal framework issued regarding insurance contracts and observed practice is that once a contribution is paid to the Fund, the contribution is used to provide benefits to members. The benefits are provided by the Fund (or amalgamated funds) through insurance coverage, reduced contributions, or payment to members on liquidation (based on the votes taken by members).

It is therefore expected that the remaining assets of the Fund will be used to pay current and future members. Based on the above the fund meets the definition of a mutual entity in IFRS.

As the scheme is in a surplus position, it recognised a liability in its statement of financial position to provide coverage to future members.

Identification of insurance contracts

The contracts issued by the fund indemnify covered members (the policyholder) and their covered dependants against the risk of loss arising from the occurrence of a health event (insured event). The timing, frequency and severity of the health event covered is uncertain. These contracts fall under the scope of IFRS 17.

Whilst the timing, frequency, severity and type of health events are uncertain, the ultimate insurance risk covered by the fund can be defined as a single risk – that of providing cover for a health event that the member may incur. The risk under the insurance contracts issued by the fund can be expressed as the probability that an insured event ("health event") occurs, multiplied by the expected amount of the resulting claim.

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Accounting Policies

1.7 Insurance contracts (continued)

Level of aggregation

The fund as a whole was identified as a portfolio. All contracts issued by the fund are subject to similar risks and managed together. As the fund rules required by the Act constrains the entity's practical ability to set a different price or level of benefits for members with different characteristics the fund as a whole was also identified as the group. The fund assesses if the group as whole is onerous or profitable.

If the group is onerous, no further liability is recognised as a liability to future members is recognised (as the scheme is regarded as a mutual entity for accounting purposes). Due to the above the fund determined that all the options will be seen as one single insurance contract and if the group is seen as onerous, it will all be aggregated as a single onerous contract.

Recognition and derecognition

Insurance contracts issued shall be recognised from the earliest of the following:

- (a) The beginning of the coverage period;
- (b) The date when the first payment from a policyholder becomes due; and
- (c) For onerous contracts, when the contracts become onerous.

An insurance contract is derecognised when it is extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled).

Premium allocation approach (PAA)

The contract boundary for the contracts issued does not exceed 12 months and consequently the fund elected to apply the PAA.

The classification of the fund as a mutual entity does not impact the extent of insurance cover / insurance contract services to be provided by the medical aid fund in terms of the member contracts and therefore the PAA is still applicable.

The fund measures the liability for incurred claims for as the fulfilment cash flows relating to incurred claims. The future cash flows are not adjusted for the time value of money and the effect of financial risk as these cash flows are expected to be paid in one year or less from the date the claims are incurred.

Liability for remaining coverage (LRC)

As the coverage period and the financial year for the fund is the same, there would be no liability for remaining coverage at the year-end reporting date, assuming that the actual cash collected for contributions equals the contributions recognised.

The liability for remaining coverage will therefore include all premiums received in advance less the amounts still outstanding at year-end and adding the portion of the loss component of any onerous contracts. The back-up benefit liability is also included in the LRC because it relates to funds paid by members for future coverage of claims, limited to the amount paid to the fund.

The group does not discount its liability for remaining coverage, since the effect of time value of money is not considered material, as the contracts are all limited to a maximum of twelve months.

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Accounting Policies

1.7 Insurance contracts (continued)

Liability for incurred claims (LIC)

Claims outstanding at year end comprise provisions for the group's and fund's estimated cost of settling all claims incurred but not yet reported or reported but not yet processed at the reporting date. Claims outstanding are determined as accurately as possible based on the actual claims relating to the financial year received in the first month after year end plus an estimation for expected claims relating to the financial year that will be paid out during the following three month period. This estimate was calculated using the basic chain-ladder approach and it is based on the historical claims payment patterns. (The chain ladder method calculates incurred but not reported claim estimates, using run-off triangles which is populated with historical paid claims and incurred claims. The chain ladder method operates under the assumption that patterns in claims activities in the past will continue to be seen in the future. In order for this assumption to hold, data from past loss experiences must be accurate.) Claim handling expenses have been added to the liability based on the estimated cost of making these payments. The estimate was determined by considering the proportion of the total administration fee that is allocated towards the payment of claims, and then by allocating these costs to the value of outstanding claims compared to the value of claims paid during the financial year. The allowance for the expenses amounts to 0.77% (2023: 0.82%) of the total outstanding claims provision, including the risk adjustment.

In addition, a non financial risk adjustment is added to the estimated part of the claims to allow for the risk that the estimated claims would be less than the eventual paid claims. The risk adjustment is equal to 13.5% (2023: 19.50%) of the estimated outstanding claims, which excludes the actual claims already paid in the first month after the reporting date. The estimated portion of the outstanding claims amounts to 18.6% (2023: 24%) of the total provision. The 1% (2023: 10.3%) margin was calculated to correspond to a 60% confidence level.

Estimated co-payments and payments from the backup benefit are deducted in calculating the liability for incurred claims. The group does not discount its liability for incurred claims, since the effect of time value of money is not considered material, as claims must be settled within four months of the medical event.

The main non-financial risk of the fund is the morbidity risk. Morbidity risk refers to the statistical chance that an individual will develop a condition or disease given certain factors such as age and gender. The fund will use the margin of adverse deviations method to value the non-financial risk. Therefore the risk adjustment is equal to the difference between the value of the projected cashflows on the best assumptions and the projected cashflows after the margin had been added. A margin of 1% was added to the claims projection to determine the risk adjustment. The 1% (2023:10.3%) margin was calculated to correspond to a 60% confidence level.

The confidence level is calculated as follow:

- The average variance between the projected outstanding claims and the actual outstanding claims was determined over a period of 10 years from 2015 to 2024.
- It was assumed that the deviation is normally distributed, and a normal curve was fitted using the average and the standard deviation of this variance.
- A risk adjustment of 13.5% (2023: 10.3%) of the estimated outstanding claims at the reporting date was determined to correspond to a cumulative probability of 60% using the distribution determined above.

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Accounting Policies

1.7 Insurance contracts (continued)

Onerous contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognised insurance acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow.

Due to the fact that the fund is evaluated as fund and not on option level (as determined in the level of aggregation), an assessment is done with the benefit review of the following year to determine whether the contracts will be onerous or not. This assessment is reviewed on a quarterly basis by the actuaries to determine whether the contracts became onerous or not during the financial year.

As per the requirements of IFRS17, onerous contracts are recognized when the contract becomes onerous. For contributions received in December which are due in January, this would result in such cash flows relating to the following financial year /coverage period, being required to be recognised in the current reporting period as a liability for remaining coverage and the loss component of the onerous contract will then also be recognized in the current year for the following year losses that is expected to be incurred.

No additional liability for onerous contracts is recognized because the fund as a whole is aggregated as a single insurance contract. The onerous loss component was recognized as part of the LRC. Refer to note 12 for the detail of the movement in the liability.

1.8 Expense on other insured benefits

Expenses on other insured benefits are recognised as an expense when incurred. These benefits includes the premium waiver benefit and international travel benefit.

Expenses on other insured benefits are recognized in the statement of surplus or deficit and other comprehensive income.

Any claims exceeding the excess amount is directly paid by the travel insurer to the member and no amount is receivable from or payable to the travel insurer.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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Accounting Policies

1.9 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is provided, for all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred income tax asset and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of surplus or deficit and other comprehensive income.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.10 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

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Accounting Policies

1.10 Leases (continued)

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

The group is using part of the building for own use and the rest of the property is rented out. The leases are managed with fixed lease agreements determining all the terms and conditions relating to rental payments and all other risks that arise with the rental of the building.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits from the use of the underlying asset are diminished. Operating lease income is included in rental income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

Rental income

Rental income received under operating leases is charged to the surplus or deficit on a straight-line basis over the lease period of the lease. Lease incentives received are recognised in the surplus or deficit as an integral part of total lease expense.

1.11 Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. In determining the fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions are identified, an appropriate valuation model is used.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffer an impairment are reviewed for possible reversals of impairment, each reporting date.

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Accounting Policies

1.12 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In the process of applying the group's accounting policies, management has made the following estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities:

a) *Impairment of financial assets*

The group follows the guidance of IFRS 9 to determine when a financial asset is impaired. This determination requires judgment in determining the credit risk of the financial asset. (Refer to note 7.)

b) *Fair value of financial assets*

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group and fund uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. (Refer to note 8.)

c) *Fair value of investment property*

The fair value of the investment property is determined by using the observable market data as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 5.

d) *Insurance liabilities*

For the Liability for Incurred Claims, the incurred claims were estimated using the basic chain ladder method. The chain ladder method use historical claims data and claims trends to forecast what the total liability for incurred claims should be.

The Liability for Remaining Coverage - loss component for the onerous contracts was calculated by projecting the premiums, claims and attributable expenses for a period of 12 months for the fund as a whole. These cashflows were not discounted due to the short projection period. If the expected net result of the projected cashflows is negative, then a loss component is calculated as the net result of these cashflows. If the net result of these cashflows is positive, then no liability is created.

Refer to note 12.

e) *Mutual entity consideration*

The fund will be classified as a mutual entity because it is expected that the remaining assets of the scheme will be used to pay current and future policyholders. Once the members sign the membership application the fund has a contractual commitment to adhere to it.

The fund is considered to be a mutual entity because it is obliged to:

- provide coverage to every member;
- pay incurred claims of every member; or
- provide coverage to all future members.

Refer to note 13.

1.13 Insurance revenue

Insurance revenue for the period is the amount of expected premium receipts allocated to the period adjusted for the premiums outstanding that is expected not to be recovered. Net insurance income represent gross contributions after deduction of the backup benefit. The scheme allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.

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Accounting Policies

1.14 Insurance service expenses

The scheme presents insurance service expense in surplus or deficit comprising of incurred claims (excluding repayments of investment components) and other incurred insurance service expenses.

Insurance service expenses includes all costs relating to delivery of the insurance product such as claims, managed care cost, administration fees, actuarial fees and all other fees directly attributable to insurance revenue.

Net Claims incurred

Gross claims incurred comprise of the total estimated cost of all claims arising from healthcare events that have occurred in the year and for which the group and fund is responsible, whether or not reported at year end. Net claims incurred represents claims incurred net of discounts received, recoveries from members for co-payments and the backup benefit account after taking into account recoveries from third parties.

Net claims incurred comprise of:

- Movement in the provision for outstanding claims;
- Claims settled;
- Ex-gratia claims.

Managed care: management services cost.

These expenses represent the cost of managing healthcare expenditure and the amounts paid or payable to third party administrators, related parties and other third parties for managing the utilisation, cost and quality of healthcare services to the group.

Attributable expenses

Attributable expenses are all the expenses incurred in the delivering the insurance service to the members such as administration fees, actuarial fees etc.

(Deficit)/ Surplus component on onerous contracts

This relate to the expected loss or reversal of such a loss that is expected to be incurred on the onerous contracts in the fund.

Surplus / (Deficit) attributable to future members

This is the funds that are allocated to the members for the payment of future expenses as allowed in terms of the medical aids funds act of Namibia. (Previously always reported as the surplus or deficit of the fund.)

1.15 Investment income

Investment income mainly comprise of dividends, interest and rent income.

Dividend income:

Dividend income is recognised when the right to receive payment is established.

Interest income:

Interest income is recognised using the effective interest rate method. When a loan or receivable is impaired, the group and fund reduces the carrying amount to its receivable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues to unwind the discount as interest income. Interest income from impaired loans and receivables is recognised using the effective interest rate.

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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group 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:
<ul style="list-style-type: none">Amendments to IAS 1 - Classification of Liabilities as Current or Non Current.	1 January 2024	The impact of the amendments is not material.
<ul style="list-style-type: none">Amendments to IAS 1 - Non-current liabilities with Covenants	1 January 2024	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	Unlikely there will be a material impact
<ul style="list-style-type: none">IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	Impact is currently being assessed
<ul style="list-style-type: none">Amendments to IFRS 7 Financial Instruments: Disclosures	1 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none">Amendments to IFRS 9 Financial Instruments	1 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none">Amendments to IFRS 10 Consolidated Financial Statements	1 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none">Amendments to IAS 10 Statement of Cash flows	1 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none">Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	1 January 2026	Unlikely there will be a material impact

There are some other standards that are issued which are not yet effective but they are not relevant to the fund or group and therefore the detail of those standards are not disclosed.

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3. Fair value information

Valuation techniques and assumptions are applied for the purpose of measuring fair value measurements recognised in the statement of financial position (fair value hierarchy).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The carrying amount less impairment provision for trade receivables and the carrying amount of trade payables is assumed to approximate the fair value due to short-term nature. The same applies to the outstanding claims provision, as claims should be settled within four months after year end according to the terms of the fund. Cash and cash equivalents have by definition a maturity of less than three months and therefore their value is also approximated by the carrying amount.

As at 31 December 2024, the group recognised financial instruments based on the following fair value hierarchy:

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 group 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 1

Recurring fair value measurements

		Group 2024 N\$'000	Group 2023 N\$'000	Fund 2024 N\$'000	Fund 2023 N\$'000
Assets	Note(s)				
Equity investments at fair value through other comprehensive income	8				
Investments at fair value (listed equity, property, smoothed bonus funds and other securities)		350,553	202,223	350,553	202,223
Total		350,553	202,223	350,553	202,223

The significant inputs for the items in level 1 is quoted market prices in active markets.

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	Group		Company	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

3. Fair value information (continued)

Level 2

Recurring fair value measurements

Assets	Note(s)				
Equity investments at fair value through other comprehensive income	8				
Investments at fair value (debt instruments and cash and deposits and other investments)		494,455	356,533	494,455	356,533
Total		494,455	356,533	494,455	356,533

The valuation technique for the items in level 2 is based on discounted future estimated cashflows. Investments in money market funds are valued according to the price per unit quoted by the money market funds based on underlying investments. Bonds are valued at discounted future estimated cashflows based on the quoted interest rate. Cash and deposits' fair value is equal to the carrying value thereof.

Level 3

Recurring fair value measurements

Assets	Note(s)				
Investment property	5				
Investment property		6,755	6,620	-	-
Total		6,755	6,620	-	-

Refer to note 5 for the detail of the valuation technique and inputs applied.

There were no transfers between level 1 and level 2 fair value measurements during the period, and no transfers into or out of level 3 fair value measurements for the financial years ended 31 December 2024 or 2023.

4. Property, plant and equipment

Group and fund	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	1,680	-	1,680	1,680	-	1,680
Buildings	2,434	(791)	1,643	2,434	(742)	1,692
Motor vehicles	169	(169)	-	169	(169)	-
Office equipment	486	(363)	123	500	(434)	66
Leasehold improvements	20	(11)	9	20	(7)	13
Total	4,789	(1,334)	3,455	4,803	(1,352)	3,451

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group and Fund - 2024

	Opening balance N\$'000	Additions N\$'000	Disposals N\$'000	Depreciation N\$'000	Total N\$'000
Land	1,680	-	-	-	1,680
Buildings	1,692	-	-	(49)	1,643
Office equipment	66	101	(3)	(41)	123
Leasehold improvements	13	-	-	(4)	9
	3,451	101	(3)	(94)	3,455

Reconciliation of property, plant and equipment - Group & Fund - 2023

	Opening balance N\$'000	Additions N\$'000	Disposals N\$'000	Depreciation N\$'000	Total N\$'000
Land	1,680	-	-	-	1,680
Buildings	1,739	-	-	(47)	1,692
Office equipment	84	19	(4)	(33)	66
Leasehold improvements	16	-	-	(3)	13
	3,519	19	(4)	(83)	3,451

5. Investment property

Group	2024		2023	
	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Investment property	6,755	6,755	6,620	6,620

Reconciliation of investment property - Group - 2024

	Opening balance N\$'000	Fair value adjustments N\$'000	Total N\$'000
Investment property	6,620	135	6,755

Reconciliation of investment property - Group - 2023

	Opening balance N\$'000	Fair value adjustments N\$'000	Total N\$'000
Investment property	6,115	505	6,620

Details of property

Erf 1791, 8 Newton Street, Windhoek, Sectional
Title No. 39/2007(1).

	Group 2024 N\$'000	Group 2023 N\$'000	Fund 2024 N\$'000	Fund 2023 N\$'000
- Cost price: 2007	1,847	1,847	-	-
- Valuations since acquisition	4,829	4,694	-	-
- Building improvements (existing building)	79	79	-	-
	6,755	6,620	-	-

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	Group		Fund	
	2024	2023	2024	2023
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

5. Investment property (continued)

Details of valuation

The valuation was performed by Pierewiet Wilders Valuations on 2 December 2024. He is an independent valuator who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The next valuation is due to be performed for the year ended 31 December 2025.

The valuator assessed the current property market and considered if there were any indicators that will impact the value of the property significantly since the last valuation was performed earlier during the financial year. No indicators were identified and the valuator and trustees consider the fair value of the property to be accurate.

The valuation was performed using the income capitalisation method.

Significant unobservable valuation input:

Price per square metre office	N\$ 185
Price per unit parking	N\$ 475
Expenses	N\$10,032
Net income	N\$48,978
Vacancy rate	2 %
Capitalisation rate	8.70 %
Lettable area (This area is fixed and cannot change)	301m ²

A 10% change in the following would have the following effect on the fair value:

	Increase N\$'000	Decrease N\$'000
Price per square metre office and parking	1,381	(1,381)
Net income	1,243	(1,243)
Capitalisation	1,313	(1,313)
Expenses	12	(12)
Vacancy rate	1	(1)

Amounts recognised in surplus and deficit for the year

	Group 2024 N\$'000	Group 2023 N\$'000	Fund 2024 N\$'000	Fund 2023 N\$'000
Rental income from investment property	672		624	-
Direct operating expenses from rental generating property	(144)		(207)	-
	528		417	-

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

6. Investments in subsidiaries

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Name of company	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
NMC House (Pty) Ltd	100.00 %	100.00 %	7,450	7,450
Namibia Medical Care (Pty) Ltd	100.00 %	- %	-	-
			7,450	7,450

Restrictions relating to subsidiaries

There are no significant restrictions in place that relates to the subsidiary.

7. Trade and other receivables

Financial instruments - Other receivable	283	256	275	282
Non-financial instruments:				
Prepayments	13	16	13	16
Total trade and other receivables	296	272	288	298

Split between non-current and current portions

Current assets	296	272	288	298
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Other receivables consist of sundry debtors and the operating lease asset.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Group	2024	2024	2023	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)
Expected credit loss rate:				
Current	-	282	-	255

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

7. Trade and other receivables (continued)

Fund	2024	2024	2023	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)
Expected credit loss rate:				
Current	-	274	-	281

The fund will consider a debtor to default once the payment is 120 days and older and no payment was received. None of the debtors are older than 30 days and therefore no credit impairment had to be calculated.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

8. Investments at fair value through surplus / deficit

Reconciliation of the investments

Fair value at the beginning of the year	558,756	559,470	558,756	559,470
Additional investments	451,690	148,000	451,690	148,000
Disinvestments	(236,000)	(204,500)	(236,000)	(204,500)
Dividends received	2,808	4,994	2,808	4,994
Interest received	50,568	34,456	50,568	34,456
Realised gains	4,767	12,843	4,767	12,843
Unrealised gains	15,868	6,972	15,868	6,972
Asset management fees	(3,448)	(3,479)	(3,448)	(3,479)
	845,008	558,756	845,008	558,756

All dividends and interest received are immediately reinvested and never forms part of the cash flow of the fund.

Distribution of investments

GROUP AND FUND 2024

	Foreign N\$'000	Local N\$'000	Total N\$'000
Cash and deposits	59,451	98,291	157,742
Listed equity	89,304	19,554	108,858
Debt instruments	162,341	174,372	336,713
Property	6,536	3,140	9,676
Smoothed bonus fund and other investments	81,207	150,812	232,019
	398,839	446,169	845,008

GROUP AND FUND 2023

	Foreign N\$'000	Local N\$'000	Total N\$'000
Cash and deposits	58,338	111,977	170,315
Listed equity	60,611	12,933	73,544
Debt instruments	72,273	113,945	186,218
Property	966	2,330	3,296
Smoothed bonus fund and other investments	81,499	43,884	125,383
	273,687	285,069	558,756

Mandatorily at fair value through profit or loss:

	Group 2024 N\$'000	Group 2023 N\$'000	Fund 2024 N\$'000	Fund 2023 N\$'000
Financial instruments	845,008	558,756	845,008	558,756

Split between non-current and current portions

Current assets	845,008	558,756	845,008	558,756
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Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

8. Investments at fair value through surplus / deficit (continued)

Fair value information

The fund complies with Regulation 9 of the Medical Aid Fund act Regulations, which requires that a minimum of 45% of the total asset value of the fund is invested in Namibia.

For financial assets traded in active markets (listed equity, property, smoothed balanced funds and commodities), the fair value is based on their current bid prices in an active market. The fair values of listed or quoted investments are based on the quoted market price. The fair values on investments not listed or quoted are estimated using the market price for instruments with similar characteristics or based on cash flows discounted using a rate based on the market interest rate and the risk premium specific to the investment.

A bonus fund is a vehicle whereby an investment reserve is maintained to smooth out returns over the longer term and as a result negate market volatility. This particular vehicle the Fund is invested in are further overlaid by a 80% capital protection guarantee underwritten by Old Mutual Corporate which is a division of Old Mutual Life Assurance Company (Namibia) Ltd.

Changes in fair value of financial assets are recorded, depending on whether they are realised or unrealised, in net realised gains on financial assets or net unrealised gains / (losses) on financial assets in the statement of surplus or deficit and other comprehensive income, respectively.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2	-	2	-
Short-term deposits	92,742	60,120	89,822	57,155
	92,744	60,120	89,824	57,155

The current, 48 hours and call account are available at request. The effective interest rate on the 48 hours account is dependent on the amount held in the bank (not fixed) and therefore changes regularly. The carrying amounts of cash and cash equivalents approximate fair values due to the short-term maturities of these assets. Also refer to contingent liabilities as per note 29.

The fund has the following facilities at the bank:

- Settlement facility of N\$301,100,000;
- Wesbank revolving facility of N\$500,000;
- Fleet card facility of N\$2,000; and
- First card facility of N\$20,000.

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Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

10. Deferred tax

Deferred tax liability

Investment property	(506)	(509)	-	-
Operating lease asset	(9)	(9)	-	-
Total deferred tax liability	(515)	(518)	-	-

Deferred tax asset

Income received in advance	153	302	-	-
Tax losses available for set off against future tax	14	-	-	-
Deferred tax balance from temporary differences other than unused tax losses	167	302	-	-

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(515)	(518)	-	-
Deferred tax asset	167	302	-	-
Total net deferred tax liability	(348)	(216)	-	-

Reconciliation of deferred tax asset / (liability)

At beginning of year	(216)	(477)	-	-
Reduction due to rate change	(18)	-	-	-
Timing differences	(114)	261	-	-
	(348)	(216)	-	-

The taxation expense relates to the subsidiary, NMC House (Pty) Ltd.

The medical aid fund is exempted to pay any income tax in terms of Section 16 (1)(i)(bb) of the Income tax Act of Namibia.

On 16 September 2024, the Office of the Prime Minister published Government Gazette No. 8442, announcing a reduction in tax rates. For financial years beginning on or after 1 January 2024, the tax rate has been lowered from 32% to 31%. Additionally, for years commencing on or after 1 January 2025, the rate will be further reduced to 30%.

11. Trade and other payables

Financial instruments:

Trade payables	498	318	437	268
Payroll accruals	85	80	85	80
Accruals	4,379	2,961	4,379	2,961
Other payables	-	(32)	-	-

Non-financial instruments:

Amounts received in advance	456	892	-	-
VAT	1	-	-	-
	5,419	4,219	4,901	3,309

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

11. Trade and other payables (continued)

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	4,962	3,327	4,901	3,309
Non-financial instruments	457	892	-	-
	5,419	4,219	4,901	3,309

Exposure to liquidity risk

Trade payables are normally settled on 30 day terms. Other payables consist of sundry creditors and rental deposits.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

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Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

12. Insurance contract liabilities

Summary of contract liabilities

Liability for remaining coverage (LRC)	47,820	34,900	47,820	34,900
Liability for incurred claims (LIC)	153,143	143,530	153,143	143,530
	200,963	178,430	200,963	178,430

Reconciliation of the insurance contract liabilities - 2024 (Group and Fund)

	LRC - Excluding loss component N\$'000	LRC - Loss component N\$'000	LIC - Estimate of future cash flows N\$'000	LIC - Risk adjustment N\$'000	Total N\$'000
Insurance contract liabilities as at 1 Jan 2024	34,900	-	140,135	3,395	178,430
Insurance revenue	(2,130,158)	-	-	-	(2,130,158)
Incurred claims and other expenses	-	-	1,888,729	-	1,888,729
Changes to the liability for incurred claims	-	-	9,692	-	9,692
Risk adjustment - LIC	-	-	-	256	256
LIC - Expense allowance	-	-	51	-	51
Cash flows: Contributions received	2,143,078	-	-	-	2,143,078
Cash flows: Claims paid	-	-	(1,889,115)	-	(1,889,115)
Net insurance contract liabilities as at 31 Dec 2024	47,820	-	149,492	3,651	200,963

Reconciliation of the insurance contract liabilities - 2023 (Group and Fund)

	LRC - Excluding loss component N\$'000	LRC - Loss component N\$'000	LIC - Estimate of future cash flows N\$'000	LIC - Risk adjustment N\$'000	Total N\$'000
Insurance contract liabilities as at 1 Jan 2023	27,722	61,668	118,171	3,209	210,770
Insurance revenue	(1,884,215)	-	-	-	(1,884,215)
Incurred claims and other expenses	-	-	1,917,468	-	1,917,468
Changes to the liability for incurred claims	-	-	21,930	-	21,930
Loss component - Onerous contracts	-	(61,668)	-	-	(61,668)
Risk adjustment - LIC	-	-	-	186	186
LIC - Expense allowance	-	-	1,102	-	1,102
Cash flows: Contributions received	1,891,393	-	-	-	1,891,393
Cash flows: Claims paid	-	-	(1,918,536)	-	(1,918,536)
Net insurance contract liabilities as at 31 Dec 2023	34,900	-	140,135	3,395	178,430

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13. Liability for members - Mutual fund

Reconciliation of liability for members - mutual fund - Group - 2024

	Opening balance N\$'000	Additions N\$'000	Total N\$'000
Liability for members - Mutual fund	446,371	295,278	741,649

Reconciliation of liability for members - mutual fund - Group - 2023

	Opening balance N\$'000	Additions N\$'000	Total N\$'000
Liability for members - Mutual fund	390,705	55,666	446,371

This liability is the funds available for all members (current and future) for the payment of benefits and management of the fund in terms of the medical aid fund act of Namibia..

Reconciliation of liability for members - mutual fund - Fund - 2024

	Opening balance N\$'000	Additions N\$'000	Total N\$'000
Liability for members - Mutual fund	445,371	294,790	740,161

Reconciliation of liability for members - mutual fund - Fund - 2023

	Opening balance N\$'000	Additions N\$'000	Total N\$'000
Liability for members - Mutual fund	390,484	54,887	445,371

The fund is, as explained in accounting policy paragraph 1.7, a mutual entity and is therefore required in terms of IFRS 17: Insurance contracts, to disclose its accumulated surplus as a liability to current and future members. In terms of the fund rules, members have no right to these funds except in the event of liquidation or wind-up and accordingly the Insurance liability due to the members is treated as the Fund's reserves.

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

14. Insurance revenue

Insurance revenue	2,130,157	1,884,872	2,130,157	1,884,872
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ANALYSIS OF THE INSURANCE REVENUE:

	Group		Fund	
	2024	2023	2024	2023
Figures in Namibia Dollar thousand				
Gross contributions	2,134,804	1,892,905	2,134,804	1,892,505
Back-up benefit roll over income*	1,018	657	1,018	657
Less: Back-up Benefit contributions	(6,545)	(5,458)	(6,545)	(5,458)
Net Contributions	2,129,277	1,888,104	2,129,277	1,887,704
Less premiums not recoverable	202	(4,197)	202	(4,197)
Add recovery of premiums written off	678	965	678	965
	2,130,157	1,884,872	2,130,157	1,884,472

* The back-up benefit rollover income was previously reported under other operating income but relates to insurance revenue and therefore was reclassified for improved disclosure purposes.

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000
15. Insurance service expense				
Net claims incurred	1,742,508	1,788,754	1,742,508	1,788,754
Attributable expenses incurred	149,255	142,809	149,255	142,809
Managed care: management services	7,046	9,123	7,046	9,123
Surplus component on onerous contracts	-	(61,668)	-	(61,668)
Surplus / (Deficit) attributable to future members	295,278	55,666	294,790	54,887
	2,194,087	1,934,684	2,193,599	1,933,905

NET CLAIMS INCURRED CONSIST OF

	Group		Fund	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Current claims	1,738,132	1,783,020	1,738,132	1,783,020
Ex-gratia claims	4,069	4,446	4,069	4,446
LIC - Risk adjustment	256	186	256	186
LIC - expense allowance	51	1,102	51	1,102
	1,742,508	1,788,754	1,742,508	1,788,754

ATTRIBUTABLE EXPENSES CONSIST OF:

	Group		Fund	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Actuarial fees	1,476	1,476	1,476	1,476
Consulting fees - Oncology	560	336	560	336
Administration fees	134,770	129,861	134,770	129,861
Salaries and trustee fees	4,107	4,030	4,107	4,030
Subscription fees and levies	8,342	7,106	8,342	7,106
	149,255	142,809	149,255	142,809

MANAGED CARE COST

The managed care cost paid to the Administrator, Methealth Namibia Administrators (Pty) Ltd, covers all managed care aspects such as HIV / AIDS Disease Management, Lifestyle Management Program, Additional Hospital Benefit (AHB) Management, Ex-gratia Management, Hospital Benefit Management (Pre-authorisation, Clinical Audit, Case Management), Medical Management (Chronic Medication, Major Illness Medication Pharmaceutical Audit), Dental Management (Dental Audit, Dental Pre-authorisation), Practice Analysis/Profiling, Employer Group Claims Profiling and Individual Member Risk Rating.

	Group		Fund	
	2024	2023	2024	2023
Figures in Namibia Dollar thousand				
Managed care cost	7,046	9,123	7,046	9,123

SURPLUS / (DEFICIT) ATTRIBUTABLE TO MEMBERS

The surplus / (deficit) attributable to members is the surplus funds available to members for the current year. This surplus can only be utilized as per the terms of the Medical aid funds act of Namibia.

	Group		Fund	
	2024	2023	2024	2023
Figures in Namibia Dollar thousand				
Surplus / (Deficit) attributable to future members	295,278	55,666	294,790	54,887

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

16. Expense on other insured benefits

The group operated the following benefits for members during the year which does not directly relate to claims and the insured events as per the fund rules.

Premium waiver: In terms of this benefit the fund insure 3 months of premiums to the family of a principal member in the case of the death of that principal member until the membership could be transferred to a new principal member. This was self-insured for 2024 and 2023. This does not relate to claims but to premiums and is limited to a fixed amount and therefore does not relate to the insurance liability.

Travel outside the border of Namibia: In terms of this benefit, members travelling outside the borders of Namibia, are covered for medical expenses in excess of N\$ 20,000 (2023: N\$ 20,000) to a limit of N\$ 10,000,000 and for a maximum period of 90 days per trip by Hollard Insurance Company of Namibia Ltd. Any claims in excess of N\$20,000 (2023: N\$20,000) is handled directly by Hollard Insurance Company of Namibia Ltd and no amount is receivable by the Fund. Any claims less than N\$20,000 (2023: N\$20,000) will be paid by the Fund to the member. The group paid a fixed fee of N\$ 3.15 (2023: N\$ 3.15) per principal member per month for the year under review for this service to ensure that all members have access to this benefit whether they are utilizing it or not.

Figures in Namibia Dollar thousand

	Group		Fund	
	2024	2023	2024	2023
- Premium waiver claims	963	676	963	676
- Travel insurance	1,134	1,104	1,134	1,104
- International travel claims paid*	108	135	108	135
Total expenses on other insured benefits	2,205	1,915	(2,205)	(1,915)

* The International claims paid were previously reported under the other operating expenses - insurance - this was reclassified in the current year to expenses on other insured benefits for improved disclosure.

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000
17. Other operating expenses				
Expenses by nature				
Depreciation, amortisation and impairment	94	83	94	83
Annual general meeting expenses	192	85	192	85
Auditors remuneration - external auditors	2,394	1,281	2,346	1,254
Bank charges	1,154	1,229	1,152	1,227
Consulting and professional fees	390	890	390	890
Entertainment	30	45	30	45
Insurance *	157	144	137	124
Marketing	5,497	4,664	5,497	4,664
Membership cards	44	102	44	102
Municipal expenses	174	174	110	111
Office expenses	160	105	160	105
Printing and stationery	12	8	12	8
Property expenses	35	98	-	-
Repairs and maintenance	27	31	3	6
Telephone and fax	512	340	512	340
Training	89	-	89	-
Travel - local	60	6	60	6
Secretarial fees	2	-	2	-
	11,023	9,285	10,830	9,050
* The insurance claims for travel insurance was reclassified to Expenses on other insured benefits for improved disclosure.				
18. Investment income				
Dividend income				
Equity instruments at fair value through profit or loss:				
Dividend income	2,808	4,994	2,808	4,994
Interest income				
Interest on cash and cash equivalents	5,920	4,224	5,914	4,211
Interest from financial assets at fair value	50,568	34,456	50,568	34,456
Total interest income	56,488	38,680	56,482	38,667
Total investment income	59,296	43,674	59,290	43,661
19. Rental income				
Rental income	672	624	-	-
20. Asset management fees				
Asset management fees	3,448	3,479	3,448	3,479
21. Net realised gains on financial assets				
Net realised gains on financial assets	4,767	12,843	4,767	12,843

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

22. Unrealised gains on financial assets

Unrealised gains on financial assets	15,868	6,972	15,868	6,972
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23. Taxation

Major components of the tax expense

Current

Local income tax - current period	-	389	-	-
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Deferred

Originating and reversing temporary differences	132	(261)	-	-
	132	128	-	-

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

Accounting surplus	132	128	-	-
Tax at the applicable tax rate of 31% (2023: 32%)	41	41	-	-
Tax effect of adjustments on taxable income				
Non taxable income	151	249	-	-
Fair value adjustment	(42)	(162)	-	-
Tax rate change	(18)	-	-	-
	132	128	-	-

The taxation expense relates to the subsidiary, NMC House (Pty) Ltd.

The medical aid fund is exempted to pay any income tax in terms of Section 16 (1)(i)(bb) of the Income tax Act of Namibia. The fund is a mutual entity in terms of IFRS 17 and therefore do not have any surplus or deficit.

On 16 September 2024, the Office of the Prime Minister published Government Gazette No. 8442, announcing a reduction in tax rates. For financial years beginning on or after 1 January 2024, the tax rate has been lowered from 32% to 31%. Additionally, for years commencing on or after 1 January 2025, the rate will be further reduced to 30%.

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000
24. Cash generated / (used in) from operations				
Surplus before taxation	132	128	-	-
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	94	83	94	83
Asset management fees	3,448	3,479	3,448	3,479
Fair value adjustments on investment property	(135)	(505)	-	-
Realised gains on financial assets	(4,767)	(12,843)	(4,767)	(12,843)
Net unrealised (gains) / losses on financial assets	(15,868)	(6,972)	(15,868)	(6,972)
Insurance liability movement	22,533	(32,340)	22,533	(32,340)
Liability to future members movement	295,247	55,665	294,791	54,887
Adjust for items which are presented separately:				
Investment income	(59,296)	(43,674)	(59,290)	(43,661)
Changes in working capital:				
Decrease (increase) in trade and other receivables	7	(28)	9	(94)
Increase in trade and other payables	1,199	1,347	1,591	488
	242,594	(35,660)	242,541	(36,973)
25. Tax paid				
Balance at beginning of the year	17	119	-	-
Current tax recognised in profit or loss	-	(389)	-	-
Balance at end of the year	(121)	(17)	-	-
	(104)	(287)	-	-
26. Lease commitments				
Operating leases – as lessor (income)				
Minimum lease payments due				
- first year	696	667	-	-
- second year	160	840	-	-
	856	1,507	-	-

NMC has entered into an operating lease agreement whereby surplus office space (classified as investment property for financial statement purposes) is leased out to various third parties. All leases have a 24 month lease term. There are no restrictions placed on the group by entering into these leases.

No significant risks were identified by management with regards to the commitments due.

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27. Related parties

Relationships

Key management personnel and their close family members

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group. Key management personnel include the Board of Trustees and Principal Officer.

Close family members include close family members of the Board of Trustees and Principal Officer.

Transactions with related parties

Key management personnel:

Details of the trustees and sub-committee members remuneration (as disclosed in note 2 in the Report of the Board of Trustees) are provided in the table below. The Board of Trustees and sub-committee members are compensated on a fee basis. All remuneration paid to key management are short-term.

Trustee fees (Group & Fund)	Fees for meeting attendance 2024 N\$'000	Fees for holding of office 2024 N\$'000	Total consideration 2024 N\$'000	Fees for meeting attendance 2023 N\$'000	Fees for holding of office 2023 N\$'000	Total consideration 2023 N\$'000
P Mutota	22	10	32	56	20	76
E Mansfeld	15	10	25	35	20	55
B Seibes-Bock	18	10	28	29	20	49
M Späth	57	20	77	55	20	75
A Emvula	26	10	36	24	-	24
C Kavezuva	14	-	14	32	-	32
I Hamulungu	22	-	22	45	-	45
C Bazuin	21	-	21	41	-	41
B Auala	11	-	11	25	-	25
Z Nambahu	18	-	18	24	-	24
A van Wyk	10	10	20	-	-	-
C Katjiukua	14	-	14	-	-	-
K Nghishitende	14	-	14	-	-	-
	262	70	332	366	80	446

The salary paid to the Principal Officer, J Crossman, for the year is included in salaries and wages (Refer to note 15).

Claims paid to the following medical professionals who are also members of the board of trustees are as follows (Dr. Mansfeld was only a trustee up to 21 June 24):

Claims paid (Group & Fund)

	2024 N\$'000	2023 N\$'000
E Mansfeld	596	1,826

Material business partner to the group and the fund:
Methealth Namibia Administrators (Pty) Ltd

Statement of comprehensive income

	2024 N\$'000	2023 N\$'000
Administration fee	134,770	129,861
Managed care service fees	7,046	9,123
	141,816	138,984

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27. Related parties (continued)

Statement of financial position

No amounts are outstanding as at the end of the financial year.

The management and managed care agreement is in terms of the rules of the fund and in accordance with instructions given by the trustees of the fund. The agreement is for three years, after which the fund and the administrator has the right to terminate or renew the agreement. Outstanding balances bear no interest and are due within 30 days.

The investment management contracts are in accordance with instructions given by the trustee of the fund. The agreement is automatically renewed each year unless notification of termination is received. The fund has the right to terminate the agreement on 24 hour's notice. Any outstanding balances are payable within 30 days.

Investment in subsidiary	Quantity of shares	Shareholding Percentage	2024 N\$'000	2023 N\$'000
Investment in NMC House (Pty) Ltd	1	100%	7,450	7,450
Investment in Namibia Medical Care (Pty) Ltd	1,000	100%	-	-
	1,001		7,450	7,450

28. Contingencies

An amount of N\$ 750,000 (2023: N\$ 750,000) was placed as guarantee for Namibia Financial Institution Supervisory Authority ("NAMFISA") on the First National Bank of Namibia Limited current account. NAMFISA requires this as financial guarantee from all medical aid funds upon registration of the fund, to ensure the financial stability of the fund. These funds are considered to be restricted cash and is not available for use.

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29. Financial instruments and risk management

Risk management objectives and policies for mitigating insurance risk

The primary insurance activity carried out by the group assumes the risk of loss from members and their dependants that are directly subject to the risk. These risks relate to the health of the fund members. As such the group is exposed to the uncertainty surrounding the timing and severity of claims under the contract.

The board of trustees has developed and approved a policy for the acceptance and management of insurance risk to which the group is exposed. This policy is reviewed annually and the benefit options provided to members are structured accordingly.

The group manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service providing profiling, as well as the monitoring of emerging issues.

The group uses several methods to assess and monitor insurance risk exposure both for individual types of risks insured and overall risk. These methods include internal risk measurement models, sensitivity analysis, scenario analysis and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts.

The principal risk is that the frequency and severity of claims is greater than expected. Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

The following table summarises the concentration of insurance risk, with reference to the carrying amount of the insurance claims incurred and in relation to the type of risk covered / benefits provided. Namibia currently does not have prescribed minimum benefits (PMB).

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29. Financial instruments and risk management (continued)

Fund - 2024	In-hospital	Chronic	HIV Meds	Day-to-day	Total
Age Grouping (in years)	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
< 26	185,048	4,822	200	179,038	369,108
26 - 35	87,068	4,831	601	104,570	197,070
36 - 50	208,723	21,295	3,303	237,067	470,388
51 - 65	202,989	31,471	3,886	174,204	412,550
> 65	172,195	24,321	311	96,565	293,392
	856,023	86,740	8,301	791,444	1,742,508

Fund - 2023	In-hospital	Chronic	HIV Meds	Day-to-day	Total
Age Grouping (in years)	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
< 26	173,483	4,283	293	180,246	358,305
26 - 35	89,551	3,680	735	109,002	202,968
36 - 50	224,820	18,034	4,141	232,975	479,970
51 - 65	217,307	26,984	4,303	169,701	418,295
> 65	202,925	22,401	286	88,503	314,115
	908,086	75,382	9,758	780,427	1,773,653

- In-hospital benefits cover all costs incurred by members whilst they are in hospital to receive treatment for medical conditions.
- Chronic benefits cover the cost of certain prescribed medicines consumed by members for chronic conditions/diseases, such as high blood pressure, cholesterol and asthma.
- Day-to-day benefits cover the cost (up to 100% of the Namibian Association of Medical Aid Fund tariffs) of all out-of-hospital medical attention, such as visits to general practitioners and dentists as well as prescribed acute medicines.
- HIV medicine covers the cost of medicine provided to members who are infected with HIV.

The group's strategy seeks diversity to ensure a balanced portfolio and, as such, it is believed that the variability of the outcome is reduced. The strategy specifies the benefits to be provided by each option and the preferred target market.

For the impact on the surplus and deficit reported please refer to the table with the sensitivity analysis below for the following:

Claims increase / (decrease)	Change in variable	Change in LIC 2024 N\$'000	Change in LIC 2023 N\$'000
Group and Fund			
Increase in claims	1 %	1,504	1,437
Decrease in claims	(1)%	(1,504)	(1,437)
Confidence level increase or decrease (base is 65%)	Change in variable	Change in LIC 2024 N\$'000	Change in LIC 2023 N\$'000
Group and Fund			
Increase in confidence level to 75%	10 %	2,194	1,716
Decrease in confidence level to 55%	(10)%	(2,031)	(1,587)
Expense allowance (base is 0.77%)	Change in variable	Change in LIC 2024 N\$'000	Change in LIC 2023 N\$'000
Group and Fund			
Increase in expense allowance	1 %	125	125
Decrease in expense allowance	(1)%	(97)	(97)

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

29. Financial instruments and risk management (continued)

Categories of financial instruments

Categories of financial assets

Group - 2024

	Note(s)	Fair value through surplus or deficit - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	8	845,008	-	845,008	845,008
Trade and other receivables	7	-	283	283	283
Cash and cash equivalents	9	-	92,744	92,744	92,744
		845,008	93,027	938,035	938,035

Group - 2023

	Note(s)	Fair value through surplus or deficit - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	8	558,756	-	558,756	558,756
Trade and other receivables	7	-	256	256	256
Cash and cash equivalents	9	-	60,120	60,120	60,120
		558,756	60,376	619,132	619,132

Fund- 2024

	Note(s)	Fair value through surplus or deficit - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	8	845,008	-	845,008	845,008
Trade and other receivables	7	-	275	275	275
Cash and cash equivalents	9	-	89,824	89,824	89,824
		845,008	90,099	935,107	935,107

Fund - 2023

	Note(s)	Fair value through surplus or deficit - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	8	558,756	-	558,756	558,756
Trade and other receivables	7	-	282	282	282
Cash and cash equivalents	9	-	57,155	57,155	57,155
		558,756	57,437	616,193	616,193

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

29. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	4,962	4,962	4,962

Group - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	3,327	3,327	3,327

Fund - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	4,901	4,901	4,901

Fund - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	3,309	3,309	3,309

Capital risk management

The group's objectives when managing capital, are to safeguard the group's and fund's ability to continue as a going concern in order to provide benefits for its stakeholders.

Consistent with others in the industry, the group and fund monitors capital on the basis of the reserve level. The reserve level is calculated as Liability to members divided by net contributions. At year-end the group had a reserve level of 34.8% (2023: 23.7%) and the fund had a reserve level of 34.7% (2023: 23.6%).

		Group 2024 N\$'000	Group 2023 N\$'000	Fund 2024 N\$'000	Fund 2023 N\$'000
Trade and other payables	11	5,419	4,219	4,901	3,309
Insurance contract liability	12	200,963	178,430	200,963	178,430
Total borrowings		206,382	182,649	205,864	181,739
Cash and cash equivalents	9	(92,744)	(60,120)	(89,824)	(57,155)
Net borrowings		113,638	122,529	116,040	124,584
Liability for members	13	741,648	446,370	740,160	445,370
Gearing ratio		15 %	27 %	16 %	28 %

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

29. Financial instruments and risk management (continued)

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance and statutory solvency requirements.

The board of trustees has overall responsibility for the establishment and oversight of the group's risk management framework.

The group manages these risks through various risk management processes. These processes have been developed to ensure that the long term investment return on assets supporting the insurance liability is sufficient to fund members' reasonable benefit expectations.

The audit committee has been established by the board of trustees to assist in the implementation and monitoring of these risk management processes.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Trade and other receivables

Trade and other receivables comprise of other financial receivables. The main component of other receivables is:

- receivables from overpayments to health practitioners due to reversed claims.

The group manages credit risk by:

- deducting the outstanding amounts from claims due to the health practitioner from future claims submitted to the fund.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The group's management does not expect any losses from non-performance by these counter-parties.

Investments:

Counter-parties and cash transactions are limited to high credit quality financial institutions. The group has a policy of limiting the amount of credit exposure to any one financial institution. The carrying amount of financial assets represents the maximum credit exposure.

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

	Group		Fund	
	2024	2023	2024	2023
Investments at fair value	845,008	558,756	845,008	558,756
Cash and cash equivalents	92,744	60,120	89,824	57,155
Trade receivables	283	271	274	297
	938,035	619,147	935,106	616,208

Figures in Namibia Dollar (thousand)

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

29. Financial instruments and risk management (continued)

Cash and cash equivalents:

Cash and cash equivalents are neither past due nor impaired.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counter-party default rate. There have been no instances of counter-party default in the past, therefore the credit quality is assessed as good.

	Group		Fund	
	2024	2023	2024	2023
Figures in Namibia Dollar thousand				
First National Bank of Namibia Limited (A1+)	92,744	60,120	89,824	57,155

Financial assets measured at fair value through profit and loss is neither past due nor impaired.

The group limits its exposure to credit risk by investing in high quality credit worthy counter-parties. Given these credit ratings, the trustees do not expect any counter-party to fail to meet its obligations. The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to historical information about counter-party default rate. There have been no instances of counter-party default in the past, and therefore the credit quality is assessed as good.

Liquidity risk

Liquidity risk is the risk that the fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Trustees, which has built an appropriate liquidity risk management framework for the management of the fund's short, medium- and long-term funding and liquidity management requirements.

The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the group's reputation. Prudent liquidity management implies maintaining sufficient cash and marketable securities, reflected in the table below, the availability of funding through liquid holding cash positions with various financial institutions ensure that the group has the ability to finance its day to day operations.

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

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	Group		Fund	
	2024	2023	2024	2023
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

29. Financial instruments and risk management (continued)

Group - 2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	4,962	4,962	4,962
Insurance contract liability	12	200,963	200,963	200,963
Current assets				
Trade and other receivables	7	282	282	282
Investments at fair value	8	845,008	845,008	845,008
Cash and cash equivalents	9	92,744	92,744	92,744
		938,034	938,034	938,034
		1,143,959	1,143,959	1,143,959

Group - 2023

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	3,327	3,327	3,327
Insurance contract liability	12	178,430	178,430	178,430
Current assets				
Trade and other receivables	7	255	255	255
Investments at fair value	8	558,756	558,756	558,756
Cash and cash equivalents	9	60,120	60,120	60,120
		619,131	619,131	619,131
		800,888	800,888	800,888

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

29. Financial instruments and risk management (continued)

Fund - 2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	4,901	4,901	4,901
Insurance contract liability	12	200,963	200,963	200,963
Current assets				
Trade and other receivables	7	274	274	274
Investments at fair value	8	845,008	845,008	845,008
Cash and cash equivalents	9	89,824	89,824	89,824
		935,106	935,106	935,106
		1,140,970	1,140,970	1,140,970

Fund - 2023

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	3,309	3,309	3,309
Insurance cost liability	12	178,430	178,430	178,430
Current assets				
Trade and other receivables	7	281	281	281
Investments at fair value	8	558,756	558,756	558,756
Cash and cash equivalents	9	57,155	57,155	57,155
		616,192	616,192	616,192
		797,931	797,931	797,931

Foreign currency risk

The group operates in Namibia and therefore its cash flows are denominated in Namibian dollar (N\$). The exposure to foreign currency movement is not significant as less than 25% of investments are held in a currency other than Namibian Dollar or South African Rand. As the South African Rand and the Namibian Dollar currencies are pegged, investments held in South African Rand do not pose a currency risk.

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

29. Financial instruments and risk management (continued)

Interest rate risk

The group's investment policy is to hold a large portion of its investments in interest bearing instruments. The group's income and operating cash flows are therefore substantially influenced by the change in market interest rates. Investments in interest bearing instruments issued at variable rates expose the group to cash flows interest rate risk (i.e. loss of income if the rates decrease and increase in income if they increase). Investments in interest bearing instruments issued at fixed rate expose the scheme to fair value interest rate risk (i.e. movements in interest rates would have a direct effect on the fair value of instruments).

The group is exposed to interest rate risks as it places funds at fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate investments within the group's investment portfolio. The group's insurance and other liabilities are settled within one year and therefore the group does not discount its liabilities and consequently changes in market interest rates would not have a significant effect on the group's surplus or deficit. The same applies to trade and other receivables.

The table summarises the group's exposure to interest rate risk. Included in the table are the group's investments at carrying amounts, categorised by earlier of contractual reprising or maturity dates.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
		2024	2023	2024 N\$'000	2023 N\$'000
Group					
Assets					
Investments at fair value	8	5.89 %	5.00 %	494,455	356,533
Assets					
Cash and cash equivalents	9	5.98 %	5.72 %	92,744	60,120
	Note	Average effective interest rate		Carrying amount	
		2024	2023	2024 N\$'000	2023 N\$'000
Fund					
Assets					
Investments at fair value	8	5.89 %	5.00 %	494,455	356,533
Assets					
Cash and cash equivalents	9	5.98 %	5.72 %	89,824	57,155

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate of 1%, which is used when reporting on interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period but the calculation has been amended for both the current and prior year.

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	Group		Fund	
	2024 N\$ '000	2023 N\$ '000	2024 N\$ '000	2023 N\$ '000

29. Financial instruments and risk management (continued)

Group & Fund	2024	2024	2023	2023
	Increase	Decrease	Increase	Decrease
Increase or decrease in of 100 basis points in the rate				
Impact on surplus or deficit: (N\$'000):				
Cash and cash equivalents	898	(898)	572	(572)
Financial assets measured at fair value: cash	1,577	(1,577)	1,703	(1,703)
Financial assets measured at fair value: bonds	3,367	(3,367)	1,862	(1,862)
	5,842	(5,842)	4,137	(4,137)

The sensitivity analysis for the Fund is the same as the Group numbers presented above except for the cash and cash equivalents category. An increase/decrease of 100 basis points would have an impact on cash and cash equivalents for the group of N\$927,400 (2023: N\$601,210).

Price risk

The group is exposed to equity securities price risk because of financial assets held by the group and classified as financial assets at fair value through surplus or deficit. The group's exposure to commodity risk is not considered significant. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio.

Diversification of the portfolio is done by the asset managers in accordance with the mandate set by the group. The majority of the group's equity investments is publicly traded on the JSE (Johannesburg Stock Exchange) and NSX (Namibian Stock Exchange).

The effect of changes in the market on the equity portfolio at the reporting date is shown in the sensitivity analysis below, with all other variables held constant. Accumulated funds would be affected as all financial assets are classified as financial assets at fair value through surplus or deficit.

Price risk sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when price risk internally to key management personnel and represents management's assessment of the reasonably possible change in relevant prices. All other variables remain constant. The sensitivity analysis includes only investments held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group & Fund	2024	2024	2023	2023
	Increase	Decrease	Increase	Decrease
Increase or decrease of 10% in rate				
Impact on surplus and deficit:				
Equity portfolio (N\$'000)	10,886	(10,886)	7,354	(7,354)

Investment risk

Investment risk is the risk that investment returns on accumulated assets will not be sufficient to cover future liabilities. Continuous monitoring takes place to ensure that appropriate assets are held where the group's liabilities are dependent upon the performance of the investment portfolio and that a suitable match of assets exist for all liabilities.

The group's investment objective is to maximise the return on its investment on a long-term basis at minimal risk, subject to any constraints imposed by legislation or the board of trustees, therefore the portfolio of financial assets is managed and its performance evaluated on a fair value basis. The group continues to diversify its investment portfolio by investing in short term deposits, money market instruments, debt securities and equity.

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	Group		Fund	
	2024	2023	2024	2023
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

29. Financial instruments and risk management (continued)

Legal risk

Legal risk is the risk that the group will be exposed to contractual obligations which have not been provided for. At 31 December 2024, the group did not consider there to be any significant concentration of legal risk that had not been provided for in the current or prior year.

30. Going concern

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

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

31. Events after the reporting period

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

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	Group		Company	
	2024	2023	2024	2023
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

32. Legislative disclosure: Accumulated Surplus/ Deficit

Included within Insurance Contract Liabilities as presented on the face of the Statement of Financial Position, there is an amount of N\$741,649,000 (2023: N\$446,371,000) for the group and N\$740,161,000 (2023: N\$445,371,000) for the fund, relating to the accumulated surplus/ deficit within the fund.

The fund is, as explained in the accounting policy, paragraph 1.7, a mutual entity and is therefore required in terms of IFRS 17: Insurance contracts, to disclose its accumulated surplus as a liability to current and future members. In terms of the fund rules, members have no right to these funds except in the event of liquidation or wind-up and accordingly the Insurance liability due to the members is treated as the Fund's reserves.

This is in line with Sections 26, 30(1)(d) and 33(4)(b) of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995).

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	Group		Company	
	2024	2023	2024	2023
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

32. Legislative disclosure: Accumulated Surplus/ Deficit (continued)

Reconciliation of the surplus / deficit of the fund for the year ended		Group		Fund	
Figures in Namibia Dollar thousand	Note(s)	2024	2023	2024	2023
Insurance revenue	14	2,130,157	1,884,872	2,130,157	1,884,872
Insurance service expense - Net claims incurred	15	(1,742,508)	(1,788,754)	(1,742,508)	(1,788,754)
Insurance service expense - Attributable expenses incurred	15	(149,255)	(142,809)	(149,255)	(142,809)
Insurance service expense - Onerous contract adjustment	15	-	61,668	-	61,668
Insurance service expense - Managed healthcare services	15	(7,046)	(9,123)	(7,046)	(9,123)
Insurance service result		231,348	5,854	231,348	5,854
Other income - Investment income	18	59,296	43,674	59,290	43,661
Other income - Unrealised gains/ (losses) on financial assets	22	15,868	6,972	15,868	6,972
Other income - Realised gains/ (losses) on financial assets	21	4,767	12,843	4,767	12,843
Other income - Fair value adjustment investment property	5	135	505	-	-
Other income - rental income	19	672	624	-	-
Other expenses - Expenses on other insured benefits	16	(2,205)	(1,914)	(2,205)	(1,914)
Other expenses - Other operating expenses	17	(11,023)	(9,285)	(10,830)	(9,050)
Other expenses - Asset management fees	20	(3,448)	(3,479)	(3,448)	(3,479)
Taxation on subsidiaries	23	(132)	(128)	-	-
Net Surplus/ (Deficit) for the year in terms of section 33(4)(b) of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995)		295,278	55,666	294,790	54,887
IFRS 17 Adjustment:	15	(295,278)	(55,666)	(294,790)	(54,887)
-Amounts attributable to members					
Net Surplus/ (Deficit) for the year		-	-	-	-

Reconciliation of the accumulated surplus/ deficit within the fund:

Movement in the regulatory surplus in the fund and movement in liabilities to members	Group N\$'000	Fund N\$'000
Opening balance – 1 January 2023	390,705	390,484
Surplus/(Deficit) and movement in liability to members	55,666	54,887
Closing Balance – 31 December 2023	446,371	445,371
Surplus/(Deficit) for the year and movement in liability to members	295,278	294,790
Closing Balance - 31 December 2024	741,649	740,161

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	Suplus/(Deficit) per benefit option											
	NMC Jade	NMC Opal	NMC Amber	NMC Amber Plus	NMC Ruby	NMC Sapphire	NMC Diamond	NMC Emerald	NMC Emerald Plus	NMC Topaz	NMC Topaz plus	Total
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
2024												
Net insurance revenue	162,738	28,806	54,648	11,236	719,775	1,036,601	34,441	28,674	19,294	4,678	29,266	2,130,157
Insurance service expenses	-192,038	-26,851	-57,009	-16,364	-717,654	-1,034,348	-40,019	-39,888	-20,789	-8,591	-40,048	-2,193,599
Insurance services result	(29,300)	1,954	(2,361)	(5,128)	2,122	2,253	(5,578)	(11,214)	(1,496)	(3,912)	(10,782)	(63,442)
Other income	9,831	2,015	2,693	433	27,001	25,583	478	2,184	1,240	2,001	6,466	79,925
Other expenses	(2,027)	(415)	(555)	(89)	(5,569)	(5,276)	(99)	(450)	(256)	(413)	(1,334)	(16,483)
Net surplus / deficit	(21,496)	3,554	(223)	(4,784)	23,554	22,560	(5,199)	(9,480)	(512)	(2,324)	(5,650)	(0)

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	Suplus/(Deficit) per benefit option											
	NMC Jade	NMC Opal	NMC Amber	NMC Amber Plus	NMC Ruby	NMC Sapphire	NMC Diamond	NMC Emerald	NMC Emerald Plus	NMC Topaz	NMC Topaz plus	Total
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
2023												
Net insurance revenue	134,013	31,471	49,232	8,835	648,268	912,979	35,016	24,910	14,116	3,795	21,580	1,884,215
Insurance service expenses	-155,272	-26,745	-59,035	-8,045	-606,349	-975,321	-35,540	-31,816	-14,633	-3,264	-17,887	-1,933,905
Insurance services result	(21,259)	4,726	(9,803)	790	41,919	(62,342)	(523)	(6,906)	(517)	531	3,693	(49,691)
Other income	6,852	2,261	2,368	271	23,463	20,310	482	1,850	717	1,485	3,471	63,530
Other expenses	(1,493)	(492)	(516)	(59)	(5,112)	(4,423)	(105)	(403)	(156)	(324)	(756)	-13,839
Net surplus / deficit	(15,900)	6,495	(7,951)	1,002	60,270	(46,455)	(146)	(5,459)	44	1,692	6,408	0