ANNUAL FINANCIAL STATEMENTS 2024

NAMIBIA POST LIMITED AND ITS SUBSIDIARY

(Registration number 92/284)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Namibia Post Limited Group is engaged in the supply of postal services, courier services, savings bank services and micro-lending, and operates principally in Namibia.
Registered office	Post Office Building Corner Independence Avenue and Daniel Munamava Street Windhoek
Business address	Post Office Building Corner Independence Avenue and Daniel Munamava Street Windhoek
Postal address	P O Box 287 Windhoek Namibia
Holding company	Namibia Post and Telecom Holdings Limited Incorporated in Namibia
Bankers	Bank Windhoek Standard Bank Namibia First National Bank Namibia
Auditors	PricewaterhouseCoopers Chartered Accountants (Namibia) Registered Accountants and Auditor
Secretary	Eldorette C Harmse
Legal advisors	Shikongo Law Chambers and ENSafrica/Namibia
Company registration number	92/284

Contents

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 28 of 2004 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS Acounting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal controls aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year to 30 September 2025 and, in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group's annual financial statements. The annual financial statements have been examined by the Group's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 75, which have been prepared on the going concern basis, were approved and authorized for issue by the board of directors and were signed on their behalf by:

Signed on behalf of the Board of Directors By:

Board Chairperson
Dr. Simeon Amunkete

Board Audit and Risk Committee Chairperson
Ms. Martha Shingenge

Windhoek

Date: 28/1/2025

Independent auditor's report

To the Members of Namibia Post Limited

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Namibia Post Limited (the Company) and its subsidiaries (together the Group) as at 30 September 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia.

What we have audited

Namibia Post Limited's consolidated and separate financial statements set out on pages 7 to 75 comprise:

- the directors' report for the year ended 30 September 2024;
- the consolidated and separate statements of financial position as at 30 September 2024;
- the consolidated and separate statements of profit or loss and comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Revised July 2016)*, parts 1 and 3 of the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

PricewaterhouseCoopers, Registered Auditors
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Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Namibia Post Limited and its subsidiary Annual Financial Statements for the year ended 30 September 2024 “The other information does not include the consolidated or the separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In terms of sections 26(3)(b) of the Public Accountants' and Auditors' Act, we have reported a material irregularity to the Public Accountants' and Auditors' Board ('PAAB') relating to non-compliance with Government Notice No. 6572 issued on 16 April 2018 under section 4(1)(d)(iii) of the Public Enterprises Governance Act, 2006 (Act No. 2 of 2006), and with specific reference to salaries and benefits of Chief Executive Officers, Senior Management Staff and Board Members. This matter has not been resolved as we have not been satisfied that no such irregularity has taken place which has caused and is likely to cause, if it remains unresolved, financial loss to the undertaking, its members or creditors. We have not been satisfied that no such irregularity is taking place or that adequate steps have been taken to remedy the irregularity which resulted in us furnishing the Public Accountants' and Auditors' Board with copies of the material irregularity letter issued to the directors.

PricewaterhouseCoopers

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N Ndahangwapo
Partner

Windhoek, Namibia
Date: 28 January 2025

Directors' Report

The directors have, the pleasure in submitting their report on the annual financial statements of Namibia Post Limited and its Subsidiary Limited, consolidated and separate for the year ended 30 September 2024.

1. Nature of business

Namibia Post Limited and its subsidiary are engaged in the supply of postal services, courier services, savings bank services and micro - lending, and operates principally in Namibia.

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

2. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Group are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

A dividend of N$ 5 million which was declared after the 2023 financial year end, was accounted for and paid during the year under review. A dividend of N$ 5 million was declared after the 2024 year end and will be accounted for in the new financial year.

5. Directorate

The directors in office as at the date of this report are all Namibians and their details are as follows:

Directors	Office	Designation	Appointment Date
James A Cumming	Member	Non-executive Independent	1 October 2016
Leezhel Sartorius von Bach	Deputy Chairperson	Non-executive Independent	1 May 2021
Martha Shingenge	Member	Non-executive Independent	1 May 2021
Ndangi Katoma	Member	Non-executive Independent	1 May 2021
Simeon Amunkete	Chairperson	Non-executive Independent	1 May 2021

Directors' Report

6. Interest in subsidiaries and joint venture

Name of subsidiary / joint venture	Country of incorporation	% Holding
NamPost Financial Brokers (Pty) Ltd (Subsidiary)	Namibia	100
*SmartSwitch Namibia (Pty) Ltd - SSN (Joint venture)	Namibia	50
		-

	2024 N$ '000	2023 N$ '000
Subsidiaries		
Total profits after income tax	35,172	27,021
Joint arrangements		
Total profits after income tax	-	-
	35,172	**27,021**

There were no significant acquisitions or divestitures during the year ended 30 September 2024.

*SmartSwitch Namibia (Pty) Ltd was discontinued and derecognised in 2021. The process of being legally wound down is on-going.

7. Holding company

The Group's holding company is Namibia Post and Telecom Holdings Limited (NPTH) incorporated in Namibia. NPTH is currently being wound down.

8. Events after the reporting period

Details are disclosed under note 40.

9. Terms of appointment of the auditors

PricewaterhouseCoopers continued in office as auditors for the company and it's subsidiary for the 2024 financial year in accordance with section 278(2) of the Companies Act of Namibia.

10. Secretary

The company secretary is Mrs. E C Harmse.

Postal address:	P O Box 287 Windhoek
Business address:	Post Office Building Corner Independence Avenue and Daniel Munamava Street Windhoek

11. Acknowledgements

Thanks and appreciation are extended to our shareholder, and to all our staff, suppliers, customers and clients for their continued support of the Group.

Directors' Report

12. Going concern

The directors have reviewed the Group's 2025 forecasts and considered the Group's ability to continue as a going concern in light of current and anticipated economic conditions. On the basis of this review, the directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future and the going concern basis has been adopted in the preparation of the annual financial statements.

Statements of Financial Position as at 30 September 2024

		Group		Company	
	Note(s)	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000
Assets					
Non-Current Assets					
Property, plant and equipment	4	36,571	16,966	35,382	16,160
Right-of-use assets	5	28,009	33,496	28,009	33,496
Intangible assets - Internally generated	6	43,712	49,873	43,367	49,490
Investments in subsidiaries	7	-	-	15,001	15,001
Loans to group companies	9	-	-	746,098	416,206
Other financial assets	10	3,203,242	3,222,171	2,857,279	2,892,248
Deferred tax	22	10,000	59,618	3,925	54,206
		3,321,534	**3,382,124**	**3,729,061**	**3,476,807**
Current Assets					
Inventories	12	17,004	13,523	17,004	13,523
Loans to group companies	9	-	-	99,285	91,234
Trade and other receivables	13	66,035	70,438	64,508	69,998
Other financial assets	10	4,383,275	3,618,765	4,082,943	3,340,961
Current tax receivable	23	7,969	6,934	7,969	7,969
Cash and cash equivalents	14	78,976	73,702	73,099	72,505
		4,553,259	**3,783,362**	**4,344,808**	**3,596,190**
Total Assets		**7,874,793**	**7,165,486**	**8,073,869**	**7,072,997**
Equity and Liabilities					
Equity					
Share capital	15	5,075	5,075	5,075	5,075
Fair value adjustments on FVOCI financial assets		55,362	(46,206)	55,362	(46,206)
Retained income		469,272	436,540	322,138	319,577
		529,709	**395,409**	**382,575**	**278,446**
Liabilities					
Non-Current Liabilities					
Other financial liabilities	16	789,694	465,126	789,694	465,126
Retirement benefit obligation	17	12,357	12,360	12,357	12,360
Savings bank Investors	18	404,151	412,976	404,151	412,976
Lease liabilities	19	10,451	19,165	10,451	19,165
		1,216,653	**909,627**	**1,216,653**	**909,627**
Current Liabilities					
Trade and other payables	20	195,155	193,886	171,726	175,410
Other financial liabilities	16	101,658	88,857	101,658	88,857
Savings bank Investors	18	5,807,935	5,559,894	6,180,021	5,602,844
Lease liabilities	19	21,236	17,813	21,236	17,813
Current tax payable	23	2,447	-	-	-
		6,128,431	**5,860,450**	**6,474,641**	**5,884,924**
Total Liabilities		**7,345,084**	**6,770,077**	**7,691,294**	**6,794,551**
Total Equity and Liabilities		**7,874,793**	**7,165,486**	**8,073,869**	**7,072,997**

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
	Note(s)	2024 N$ '000	2023 Restated* N$ '000	2024 N$ '000	2023 Restated* N$ '000
Revenue from contracts with customers	24	415,241	401,637	415,241	401,637
Interest and similar income from financial investments	24	563,778	545,097	563,778	545,097
Revenue from lending activities	24	142,682	126,083	-	-
Total Revenue		**1,121,701**	**1,072,817**	**979,019**	**946,734**
Cost of sales	25	(502,914)	(484,670)	(527,238)	(489,404)
Gross profit		**618,787**	**588,147**	**451,781**	**457,330**
Other operating income	26	35,939	29,872	31,270	25,527
Movement in credit loss allowances	28	(12,839)	(16,661)	1,063	(1,719)
Other operating expenses	29	(542,038)	(514,198)	(496,264)	(473,333)
Operating profit (loss)	29	**99,849**	**87,160**	**(12,150)**	**7,805**
Investment income	27	22,424	19,434	87,412	62,052
Finance costs	31	(64,076)	(43,523)	(64,076)	(43,523)
Profit before taxation		**58,197**	**63,071**	**11,186**	**26,334**
Taxation	32	(21,172)	(5,562)	(4,332)	7,154
Profit for the year		**37,025**	**57,509**	**6,854**	**33,488**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability/asset		1,025	1,167	1,025	1,167
Income tax relating to items that will not be reclassified	33	(318)	(373)	(318)	(373)
Total items that will not be reclassified to profit or loss		**707**	**794**	**707**	**794**
Items that may be reclassified to profit or loss:					
Gains on fair value adjustments on FVOCI financial assets		147,198	44,715	147,198	44,715
Income tax relating to items that may be reclassified	33	(45,631)	(14,309)	(45,631)	(14,309)
Total items that may be reclassified to profit or loss		**101,567**	**30,406**	**101,567**	**30,406**
Other comprehensive income for the year net of taxation	38	**102,274**	**31,200**	**102,274**	**31,200**
Total comprehensive income for the year		**139,299**	**88,709**	**109,128**	**64,688**

* To align to IAS 1 requirements, revenue from financial assets measured at FVOCI and at amortised cost, and movement in credit losses for the similar financial assets has been presented separately. The two line items in the OCI have also been presented separately. In addition, disclosure of fair value adjustments on FVOCI has been revised to align with IFRS 7 requirements. Refer to note 39.

Statements of Changes in Equity

	Share capital	Fair value adjustments on FVOCI financial assets	Retained income	Total equity
	N$ '000	N$ '000	N$ '000	N$ '000
Group				
Balance at 1 October 2022	**5,075**	**(76,612)**	**378,237**	**306,700**
Profit for the year	-	-	57,509	57,509
Other comprehensive income	-	30,406	794	31,200
Total comprehensive income for the year	**-**	**30,406**	**58,303**	**88,709**
Balance at 1 October 2023	**5,075**	**(46,206)**	**436,540**	**395,409**
Profit for the year	-	-	37,025	37,025
Other comprehensive income	-	101,567	707	102,274
Total comprehensive income for the year	**-**	**101,567**	**37,732**	**139,299**
Dividends	-	-	(5,000)	(5,000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(5,000)**	**(5,000)**
Balance at 30 September 2024	**5,075**	**55,362**	**469,272**	**529,709**
Company				
Balance at 1 October 2022	**5,075**	**(76,612)**	**285,295**	**213,758**
Profit for the year	-	-	33,488	33,488
Other comprehensive income	-	30,406	794	31,200
Total comprehensive income for the year	**-**	**30,406**	**34,282**	**64,688**
Balance at 1 October 2023	**5,075**	**(46,206)**	**319,577**	**278,446**
Profit for the year	-	-	6,854	6,854
Other comprehensive income	-	101,567	707	102,274
Total comprehensive income for the year	**-**	**101,567**	**7,561**	**109,128**
Dividends	-	-	(5,000)	(5,000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(5,000)**	**(5,000)**
Balance at 30 September 2024	**5,075**	**55,362**	**322,138**	**382,575**
Note	15	38	38	

Statements of Cash Flows

		Group		Company	
	Note(s)	2024 N$ '000	2023 Restated* N$ '000	2024 N$ '000	2023 Restated* N$ '000
Cash flows from operating activities					
Cash generated from/(used in) operations	35	135,846	137,217	19,438	50,583
Net movement in financial assets	10	(598,383)	483,944	(559,815)	492,781
Net movement in Savings Bank Investors' deposits	18	239,216	(605,233)	568,352	(669,227)
Interest received		3,630	2,553	50,819	48,390
Dividends received	27	18,794	16,881	23,794	19,881
Finance costs		(51,434)	(44,685)	(51,434)	(44,685)
Tax (paid) / received	34	(16,091)	(7,419)	-	6,346
Net cash from operating activities		**(268,422)**	**(16,742)**	**51,154**	**(95,931)**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(26,329)	(10,770)	(25,426)	(10,334)
Proceeds from sale of property, plant and equipment	4	6	461	5	12
Purchases of intangible assets	6	(2,739)	(4,314)	(2,596)	(4,315)
Proceeds from sale of intangible assets	6	-	150	-	150
Cash receipts on repayments of Group loans	9	-	-	81,499	83,743
Loan advanced to Group company	9	-	-	(406,800)	-
Net cash (utilised in)/from investing activities		**(29,062)**	**(14,473)**	**(353,318)**	**69,256**
Cash flows from financing activities					
Cash inflow from other financial liabilities	16	406,800	-	406,800	-
Repayments of other financial liabilities	16	(79,788)	(78,721)	(79,788)	(78,721)
Movement in agency / third party funds		996	(4,983)	996	(4,983)
Lease payments (principal)	19	(20,250)	(19,145)	(20,250)	(19,145)
Dividends paid	36	(5,000)	(8,000)	(5,000)	(8,000)
Net cash from/(utilised in) financing activities		**302,758**	**(110,849)**	**302,758**	**(110,849)**
Total cash movement for the year		**5,274**	**(142,064)**	**594**	**(137,524)**
Cash and cash equivalents at the beginning of the year		73,702	215,766	72,505	210,029
Cash and cash equivalents at the end of the year	14	**78,976**	**73,702**	**73,099**	**72,505**

*To align to IAS 7, movements in financial assets and savings bank investors' deposits have been reclassified to operating activities. Refer to note 39.

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with IFRS Accounting Standards, and the Companies Act of Namibia. The annual financial statements have been prepared on the historical cost basis with the exception of financial assets carried at fair value, and incorporate the principal accounting policies set out below. They are presented in Namibian Dollars. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These accounting policies are consistent with the previous year.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all entities, which are controlled or jointly controlled by the company.

The company consolidates entities over which the company has control, as defined in IFRS10 and entities over which the company has joint arrangements, as defined by IFRS 11 .

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. Inter-company transactions, balances and unrealised gains / (losses) are eliminated on consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non- controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

Accounting Policies

1.1 Consolidation (continued)

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Jointly controlled entities

An interest in a jointly controlled entity is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 - Non-current assets held-for-sale and discontinued operations. Under the equity method, interests in jointly controlled entities are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the Group's share of net assets of the jointly controlled entity, less any impairment losses. Profits or losses on transactions between the Group and a joint venture are eliminated to the extent of the Group's interest therein.

1.2 Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act of Namibia.

1.3 Significant judgements and sources of estimation uncertainty

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

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for these financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivabled and the carrying value of payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Impairment testing

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

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each CGU. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors.

Accounting Policies

Impairment of financial assets measured at amortised costs, fair value through profit and loss (FVTPL) and fair value through other comprehensive income (FVOCI)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost, FVTPL and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers and counterparties defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring expected credit loss (ECL), is further detailed under Risk Management in Note 3. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product / market and the associated ECL.

Provision for post retirement medical aid benefits

Post retirement medical aid benefit provision is based on actuarial valuation by independent actuaries. The discount rate used is based on the current long term bond yield, gross of tax. A valuation was done for the current year. All actuarial gains and losses are recognised in full in the other comprehensive income.

Deferred tax asset

The Group recognises the net future tax benefit that relates to deferred income tax assets to the extent that it is probable that the deductible tax temporary difference will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differs significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

Deferred Income

Income from the postal business and courier are recognised when the services are rendered. Management has applied the principle of deferred revenue in respect of Post box rentals which is recognised as the services are rendered, and is deferred when payments are made in advance.

Discount Rates

Discount rates used to calculate discounted cash flows are based on prevailing market related interest rates.

Residual values and useful lives

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

Accounting Policies

1.4 Property, plant and equipment

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

The Group applies the cost model on measurement of the property, plant and equipment. The assets are carried at cost less accumulated depreciation and impairment losses.

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	4 - 10 years
Motor vehicles	Straight line	5 years
IT equipment	Straight line	3 years
Leasehold improvements	Straight line	10 years
Other equipment	Straight line	4 - 10 years

The depreciation method, useful life and residual value of each asset are reviewed, and adjusted if appropriate, at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. Depreciation is charged as soon as the asset is available for use.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

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

1.5 Intangible assets - Internally generated

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

Intangible assets - Internally generated are initially recognised at cost.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale; and
- there is an intention to complete and use or sell it; and
- there is an ability to use or sell it; and
- it will generate probable future economic benefits; and
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

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

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

Accounting Policies

1.5 Intangible assets - Internally generated (continued)

The useful life and amortisation method are reviewed every year.

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets - internally generated.

Work in progress relates internal Intangible capital projects not yet in use. These items are carried at cost less accumulated impairment losses and are not depreciated as they are not available for use.

Amortisation is provided to write down the intangible assets - internally generated, on a straight line basis, to their residual values as follows:

Item	Amortisation method	Amortisation period
Computer software	Straight line	3 - 10 years

1.6 Investments in subsidiaries

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.7 Investments in joint ventures

An investment in a joint venture is carried at cost less any accumulated impairment.

In respect of its interests in jointly controlled operations, the company recognises in its annual financial statements:

- the assets that it controls and the liabilities that it incurs; and
- the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.

1.8 Financial instruments

Financial assets

The Group fully adopted IFRS 9 and classifies its financial assets in any of the following measurement categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit & loss

Debt investments:
Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Accounting Policies

1.8 Financial instruments (continued)

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent Sole Payments of Principal and Interest ('SPPI'), and that are not designated at Fair Value through Profit and Loss (FVPL), are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described under risk management. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

- **Fair value through other comprehensive income**: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'interest and similar income from financial investments' as per Note 24.

- **Fair value through profit or loss**: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- **Business model**: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Loans receivable at amortised cost

Recognition and measurement

Loans receivable 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.

The amortised cost is the amount recognised on the loan 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.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in revenue from lending activities (note 24.

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

1.8 Financial instruments (continued)

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 29).

Details of foreign currency risk exposure and the management thereof are provided in the specific notes.

Impairment

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime Expected Credit Losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value though profit or loss are expensed in the income statement. A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit or loss in the year in which they arise.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognised or impaired and through the amortisation process using the effective interest rate method.

Accounting Policies

1.8 Financial instruments (continued)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present unrealised and realised fair value gains and losses on equity investments in other comprehensive income, there is no subsequent recycling of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as long as they represent a return on investment.

The Group is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

Derecognition

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

Impairment of financial assets

Assets carried at amortised cost

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Write-off of financial assets

The Group writes off a loan or an investment in debt securities, partially or fully, and any related provision for impairment loss, when it is determined that there is no realistic prospect for recovery. This is generally the case when the Group determines that the borrower counter part does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables, and measured at amortised cost.

Trade and other receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the provision is the difference between the carrying amount and the recoverable amount, being the present value of the expected cash flows, discounted at the market rate of interest for similar borrowers.

Financial liabilities

Savings bank investors and long-term borrowings

The Group measures these financial instruments at amortised cost using effective interest rate (EIR).

Trade and other payables

Trade payables are carried at fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

Accounting Policies

1.8 Financial instruments (continued)

Cash and cash equivalents

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

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Bank overdrafts and borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

1.9 Income tax

Current tax and Deferred tax

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

Current tax liabilities (assets) for the current and prior years 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 year.

Management annually evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit / (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit / (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets 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 by the end of the reporting year. The Group uses the balance sheet method in calculating deferred tax.

Income tax expenses

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

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

1.9 Income tax (continued)

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 year, directly in equity.

1.10 Leases

The Group assesses at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (that is, the date the underlying asset is available for use). Right-of-use assets are measured at its carrying amount on the lease commencement date and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets as follows, with the estimated useful life and the lease term deemed to be the same.

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

Item	Amortisation method	Amortisation period
Property	Straight line	2 - 10 years
Motor vehicles	Straight line	3 - 5 years

The Group subsequently measures the right-of-use assets at cost less accumulated depreciation and accumulated impairment.

Lease liabilities

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

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Accounting Policies

1.10 Leases (continued)

Short-term leases and lease of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property (i.e. those leases that have a lease term of 12 months or less from the commencement date). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Discount factor

Under IFRS 16 'Leases', discount rates are used to determine the present value of the lease payments used to measure a lessee's lease liability. Discount rates are also used to determine lease classification for a lessor and to measure a lessor's net investment in a lease. For lessees, the lease payments are required to be discounted using:

- the interest rate implicit in the lease if readily determinable; or
- the lessee's incremental borrowing rate

Lessee's incremental borrowing rate

Where the lessee is unable to readily determine the interest rate implicit in the lease, the discount rate will be the lessee's incremental borrowing rate. The incremental borrowing rate is an interest rate specific to the lessee that reflects:

- The credit risk of the lessee
- The term of the lease
- The nature and quality of the security
- The amount 'borrowed' by the lessee and
- The economic environment (the country, the currency and the date that the lease is entered into) in which the transaction occurs.

The Group uses the incremental borrowing rate as the discount factor, as follows:

Leased assets identified by nature	Reference Rate	Incremental Borrowing Rates
Property	Prime Rate Minus 125 bps	10.25%
Vehicles	Prime Rate Minus 225 bps	9.25%

The Group's current external funding is from developmental financial institutions which invariably lend at relatively cheaper cost. Consequently, management by applying judgment determined the incremental borrowing rate on the basis of likely cost in the event that the source funds to finance similar underlying assets in the lease is from commercial financial institutions. Interest rates have increased during the year. However, NamPost's credit standing can enable it to access funding at below prime.

1.11 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Accounting Policies

1.11 Inventories (continued)

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

1.12 Impairment of assets

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

Irrespective of whether there is any indication of impairment, the Group also:

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

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

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

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

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

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

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

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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

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

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

1.13 Share capital and equity

Ordinary shares are classified as equity.

1.13 Share capital and equity (continued)

Ordinary shares are recognised at no par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.14 Employee benefits

Short-term employee benefits

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

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

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

Defined benefit plans

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

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

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

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

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

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

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

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

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

1.15 Provisions and contingencies

Provisions are recognised when:

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

1.15 Provisions and contingencies (continued)

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

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

Contingent assets and contingent liabilities are not recognised.

1.16 Revenue from contracts with customers

The Group derives its revenue from contracts with customers on the goods or services transferred and from interest on various financial assets measured at amortised cost and FVOCI. Revenue from contracts with customers comprises philately stamps revenue, postal mail revenue, courier services, savings bank fees and agency commission, and is recognised at a point in time. Below is the IFRS 15 five step model applied by the Group in recognising these revenue streams:

The five-step model framework applied by the Group

The core principle of the revenue standard (IFRS 15) is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Application of this guidance will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgment by the Group. This core principle is delivered in the following five-step model framework which Group applied on all of its revenue derived from contracts with customers:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Application of this guidance will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgment by the Group.

Step 1: Identify the contract with the customer.

The Group has assessed contracts with its customers on mail, philately, agency, logistics, and savings bank fees and has satisfactorily applied the following IFRS 15 criteria on all the revenue streams derived from contracts with customers to be able to identify existing contracts with the customers:
A contract with a customer will be within the scope of IFRS 15 if all the following conditions are met:

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.

Step 2: Identify the performance obligations in the contract

At the inception of the contract, the Group assesses the goods or services that have been promised to the customer, and identify as a performance obligation:

- a good or service (or bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Below is the summary of performance obligations for major revenue streams derived from contract with customers:

Accounting Policies

1.16 Revenue from contracts with customers (continued)

- **Philately stamps**- Group ensures that the customer receives the purchased stamps upon payment.
- **Mail revenue**- this includes physical mail, small parcels (both domestic and international), and hybrid mail among others. Group's obligation is to ensure that mail or parcels are delivered to the correct destination. PO boxes are rented annually and customers have to renew on an annual basis and it is the Group's obligation to ensure that customers who have renewed their PO Boxes have access to their physical PO Boxes at any point during that financial year. The annual PO Box renewal fee is fixed and is not apportionable for a part of the year irrespective of when the customer has paid for renewal.
- **Logistics services revenue**- Group's obligation is to ensure that the parcels shipped reach their destination and revenue is recognised when this service is rendered.
- **Agency commission**- the Group's obligation is to collect funds on behalf of third parties and also sell airtime on behalf of mobile and telecom companies for a commission or fee. Revenue is recognised based on the collections done and also based on airtime sold at a point in time.
- **Savings Bank fees**- the Group's obligation is to provide deposit, withdrawal services and other transactional services to its retail clients and also maintain the savings accounts for a fee. Revenue is recognised at a point in time when these services are rendered.
- **Other revenue** - comprises of sales from cellphones and other electronic gadgets. The Group's obligation is to ensure that these products are handed over to customers as they purchase them and revenue is recognised at the point in time.

A series of distinct goods or services is transferred to the customer in the same pattern if both of the following criteria are met:

- each distinct good or service in the series that the entity promises to transfer consecutively to the customer would be a performance obligation that is satisfied over time (see below); and
- a single method of measuring progress would be used to measure the entity’s progress towards complete satisfaction of the performance obligation to transfer each distinct good or service in the series to the customer.

A good or service is distinct if both of the following criteria are met:

- the customer can benefit from the good or services on its own or in conjunction with other readily available resources; and
- the entity’s promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

Factors for consideration as to whether a promise to transfer goods or services to the customer is not separately identifiable include, but are not limited to:

- the entity does provide a significant service of integrating the goods or services with other goods or services promised in the contract;
- the goods or services significantly modify or customise other goods or services promised in the contract;
- the goods or services are highly interrelated or highly interdependent.

Step 3: Determine the transaction price

The transaction price is the amount to which the Group expects to be entitled in exchange for the transfer of goods and services. The Group's prices or fees for its major revenue streams for Mail & Logistics are fixed and gazetted annually and are charged to customers as and when the service or product is delivered. Revenue from Agency services is derived from commission or percentage fee which is contractually agreed and the commission or fee charge is applied when the service is delivered a point in time.

Where a contract contains elements of variable consideration, the Group will estimate the amount of variable consideration to which it will be entitled under the contract. Variable consideration can arise, for example, as a result of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. Variable consideration is also present if the Group’s right to consideration is contingent on the occurrence of a future event.

1.16 Revenue from contracts with customers (continued)

Step 4: Allocate the transaction price to the performance obligations in the contracts

Where a contract has multiple performance obligations, the Group will allocate the transaction price to the performance obligations in the contract by reference to their relative standalone selling prices. If a standalone selling price is not directly observable, the Group will need to estimate it. IFRS 15 suggests various methods that might be used, including:

- Adjusted market assessment approach
- Expected cost plus a margin approach
- Residual approach (only permissible in limited circumstances).

None of the Group's current contracts with customers has multiple performance obligations to warrant allocation of transaction price or fee to each performance obligation.

Where consideration is paid in advance or in arrears, the Group considers whether the contract includes a significant financing arrangement and, if so, adjust for the time value of money. However, the Group applies a practical expedient if the period following receipt of payment and transfer of goods and services is one year or less.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised as control is passed, either over time or at a point in time. The Group assessed its revenue streams from contracts with customers in the context of contractual agreements in place and guided by IFRS 15 factors below, and concluded that revenue recognised in the current year depicts the consideration received or receivable after performance obligation was satisfied.

Control of an asset is defined as the ability to direct the use of and obtain substantially all of the remaining benefits from the asset. This includes the ability to prevent others from directing the use of and obtaining the benefits from the asset. The benefits related to the asset are the potential cash flows that may be obtained directly or indirectly. These include, but are not limited to:

- using the asset to produce goods or provide services;
- using the asset to enhance the value of other assets;
- using the asset to settle liabilities or to reduce expenses;
- selling or exchanging the asset;
- pledging the asset to secure a loan; and;
- holding the asset.

The Group recognises revenue over time if one of the following criteria is met:

- the customer simultaneously receives and consumes all of the benefits provided by the entity as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created; or
- the Group’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

All of the above-mentioned Group revenue streams from contracts with customers is recognised at a point in time, except for the P.O Boxes rental which when received in advance at the end of the financial year will be deferred and subsequently released into the new financial year income statement.

If the Group does not satisfy its performance obligation over time, it satisfies it at a point in time. Revenue will therefore be recognised when control is passed at a certain point in time. Factors that may indicate the point in time at which control passes include, but are not limited to:

- the Group has a present right to payment for the asset;
- the customer has legal title to the asset;
- the Group has transferred physical possession of the asset;
- the Group has the significant risks and rewards related to the ownership of the asset; and
- the customer has accepted the asset.

Accounting Policies

1.16 Revenue from contracts with customers (continued)

Principal/Agency relationship

The Group has assessed its revenue streams from contracts with customers and concluded that the above factors as guided by IFRS 15 which indicate the point in time are satisfied.

IFRS 15 gives emphasis on 'control' as opposed to the 'transfer of risks and rewards', and this has resulted in the Group changing its accounting policy on the sale of airtime. The Group now recognises revenue from airtime sales on a net basis rather the gross as with the previous standard (IAS 18).

The identification of a principal in a contract is not always clear, however the Group applied the IFRS 15 non-exhaustive list of indicators of agency relationships:

- Another party has primary responsibility for fulfilling the contract
- The entity has no inventory risk before or after the goods have been ordered, during shipping or on return,
- The entity does not have discretion to establish pricing for the other party's goods or services (i.e., the benefit the entity can receive from those goods or services is limited)
- The entity's consideration is in the form of a commission
- The entity is not exposed to credit risk for the amount receivable in exchange for the goods or services.

Interest revenue from financial investments and loan advances

The Group recognizes interest revenue as it accrues by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset. The gross carrying amount of a financial asset is the asset's amortised cost or fair value gross of any impairment allowance. However, when a financial asset is credit impaired interest revenue is calculated by applying EIR on the net amount, i.e. amortised cost or fair value less any impairment allowance.

1.17 Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

1.18 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting year:

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

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

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

Accounting Policies

1.18 Translation of foreign currencies (continued)

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

1.19 Financial Liabilities

Deposits from the public represent customer or the public's funds held by Savings Bank. These are disclosed as current liabilities unless if the term of the investment is for more than one year.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender and sustainability different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

1.20 Dividend distribution

Dividend distribution to the Group shareholders is recognised as a liability in the annual financial statements in the year in which the dividends are approved by the directors of the company.

1.21 Related parties

All the Group's related party transactions are strictly at arms length.

Notes to the Annual Financial Statements

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:
• IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements	1 January 2024	Unlikely there will be a material impact
• Lease liability in a sale and leaseback	1 January 2024	Unlikely there will be a material impact
• IAS 1 Presentation of Financial Statements	1 January 2024	Impact expected to be material
• IAS 7 Statement of Cash Flows	1 January 2024	Unlikely there will be a material impact

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations which are not yet effective:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to classification and measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7.	1 January 2026	Impact is currently being assessed
• IFRS 18 - Presentation and disclosure in financial statements	1 January 2027	Impact is currently being assessed
• IAS 21 - The effects of changes in foreign exchange rates	1 January 2025	Impact is currently being assessed
• IFRS 19 - Subsidiaries without Public Accountability: disclosure	1 January 2027	Impact is currently being assessed

3. Financial instruments and risk management

Capital risk management

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

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 9 &16, cash and cash equivalents disclosed in note 14, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

The Group manages its equity capital and its level of debt to ensure that it complies with existing debt covenants and that it maintains the adequate level of capital. As of 30 September 2024, the Group was in compliant with all the debt covenants. Although not statutorily regulated, the Group manages its capital adequacy and strives to keep the Capital Adequacy Ratio (CAR) at 8%. The CAR returns are voluntarily submitted to the central bank (regulator) on a monthly basis.

3. Financial instruments and risk management (continued)

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:
- Liquidity risk;
- Credit risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings.

'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, and this arises from the Group's investment in various financial assets; credit sales to customers and loans and advances to customers. Management is responsible for managing credit risk and reports to the Audit and Risk Committee and the Board and Investment Committee.

Credit risk exists on loans and advances due to the fact that advances granted to customers are unsecured. The risk is however mitigated by the collection of payments at source via smart card deductions, payroll agreements or government deduction codes.

Credit risk exists on financial assets investments measured at fair value through other comprehensive income (FVOCI) and on accounts receivables owing to a plethora of factors which may include negative credit ratings, general economic challenges, history of default, global factors etc. The changes in the credit risk is monitored and if necessary adjustments are made to the impairment provision in accordance with IFRS 9.

Financial instruments at fair value through other comprehensive income (FVOCI)

The significant component of the Group's FVOCI relates to sovereign bonds of which 94% of the sovereign bonds is with the Government of the Republic of Namibia and the 6% balance is with the South African Government. Corporate bonds are comprised of Bank Windhoek which was successfully redeemed during the year. Other instruments comprise unit trusts and money market instruments, which are short term in nature given that these instruments can be liquidated on short notice. The FVOCI instruments are periodically marked to market, with fair values available from the market. Internally, the Asset and Liability Committee (ALCO), evaluates the credit risk of the counterparties and the respective instruments to determine the credit quality and any possibility of default. In determining the level of credit risk, various factors are considered, which inter-alia include sovereign external credit ratings (if available); maturity date of the instrument (the long dated instruments likely to have higher risk of default); internal credit ratings (if available), historical information e.g. any history of default; forward looking economic and financial information that can be obtained without undue costs. The conclusion of the level of credit risk is not premised on one factor, hence there is reasonable judgement involved, taking into consideration both quantitative and qualitative factors.

3. Financial instruments and risk management (continued)

Despite the fact that Namibia's non-investment grade was affirmed in 2024, based on the available Bank of Namibia's economic outlook, coupled with a history of no default by the counterparties, the Group believes that there is no risk of default on sovereign debt. GC24 was succesfully redeemed on 15 October 2024. On other instruments, the underlying assets of these instruments are unit trusts and money market instruments. They are short term, which can be liquidated on short notice. Based on internal credit risk evaluation, due to the short term nature of these investments , the quality of the underlying assets and also the available credit history of the counterparties, there is immaterial risk of default anticipated and the impairment amounts were deemed immaterial.

Expected credit loss (ECL) measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- The underlying principle in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3)

  The diagram below summarises the three stage impairment model under IFRS 9 which the Group has adopted.

Stage 1	**Stage 2**	**Stage 3**
(Initial Recognition) 12 month expected credit loss (ECL)	(Significant increase in credit risk since initial recognition) Lifetime expected credit losses	(Credit-impaired assets) Lifetime expected credit losses

Significant increase in credit risk (SICR)

The Group uses qualitative and quantitative factors in assessing any significant increase in credit risk. Quantitative factors may include but not limited to actual default, extension of the credit period etc. Qualitative factors include but not limited to the general economic environment; adverse changes in the counterparty's external credit ratings, and any other publicly available information that can give a forward looking picture.

Measuring ECL – inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-months or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit loss is a product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows

- The PD represents the likelihood of a counterparty or a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

3. Financial instruments and risk management (continued)

- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12 months EAD) or over the remaining lifetime (Lifetime EAD) which for example, for debt investment, is the market value as at year end.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

Financial assets exposed to credit risk at year end were as follows:

Group		**2024 N$ '000**			**2023 N$ '000**		
	Notes	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Government Bonds	10	2,760,150	-	2,760,150	3,121,120	-	3,121,120
Corporate Bonds	10	428,580	-	428,580	-	-	-
Unit trusts	10	393,180	-	393,180	289,471	-	289,471
Trade and other receivables (Excluding prepayments and VAT)	13	96,755	(30,720)	66,035	102,078	(32,080)	69,998
Fixed term deposits, treasury bills, call accounts and money market instruments	10	3,358,312	-	3,358,312	2,822,619	-	2,822,619
Loans and advances	10	670,897	(24,602)	646,295	628,594	(20,867)	607,727
Cash and cash equivalents	14	78,976	-	78,976	73,702	-	73,702
		7,786,850	**(55,322)**	**7,731,528**	**7,037,584**	**(52,947)**	**6,984,637**

Notes to the Annual Financial Statements

3. Financial instruments and risk management (continued)

Company		2024 N$ '000			2023 N$ '000		
	Notes	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	9	845,383	-	845,383	507,440	-	507,440
Government Bonds	10	2,760,150	-	2,760,150	3,121,120	-	3,121,120
Corporate Bonds		428,580	-	428,580	-	-	-
Unit trusts	10	393,180	-	393,180	289,471	-	289,471
Trade and other receivables	13	95,228	(30,720)	64,508	102,078	(32,080)	69,998
Fixed term deposits, treasury bills, call accounts and money market instruments	10	3,358,312	-	3,358,312	2,822,619	-	2,822,619
Cash and cash equivalents	14	73,099	-	73,099	72,505	-	72,505
		7,953,932	**(30,720)**	**7,923,212**	**6,915,233**	**(32,080)**	**6,883,153**

Loans to Group Companies

For loans that have been advanced to Group Companies, the Group evaluates credit risk on each Group Company using historical payment pattern and financial performance.

Trade receivables

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit insurance is purchased when deemed appropriate on loans and advances.

The provision matrix was determined based on available forward looking information on the probability of default per each category. This forward looking information includes, but not limited to overall economic growth, inflation, industry trends etc. Furthermore, the actual history of default was used in determining the level of provision in the matrix. The provision matrix is reviewed on an annual basis to determine if there are possible changes to credit risk that might warrant an increase or decrease in the provision matrix rates.

Details of accounts receivable credit loss (provision matrix) is presented below at Group level:

Notes to the Annual Financial Statements

3. Financial instruments and risk management (continued)

2024 (N$ '000')

Expected credit loss rate:	Corporate trade debtors	Individual Cash clients	Government trade debtors	Loss allowance (Lifetime expected credit loss)
Not past due: 0.2% (2023: 0.2%)	9,638	-	-	19
30 - 59 days past due: 1% (2023: 1%)	3,778	-	-	38
60 - 89 days past due: 2% (2023: 2%)	1,021	-	-	20
90 - 179 days past due: 5% (2023: 5%)	340	-	-	17
180 - 365 days past due: 50% (2023: 50%)	155	-	10	83
More than 365 days past due: 100% (2023: 100%)	473	6,742	762	7,977

2023 (N$ '000')

Expected credit loss rate:	Corporate trade debtors	Individual Cash clients	Government trade debtors	Loss allowance (Lifetime expected credit loss)
Not past due: 0.2% (2022: 0.2%)	8,737	-	-	17
30 - 59 days past due: 1% (2022: 2%)	2,507	-	-	25
60 - 89 days past due: 2% (2022: 2%)	457	-	-	5
90 - 179 days past due: 5% (2022: 5%)	235	-	-	12
180 - 365 days past due: 50% (2022: 50%)	20	-	25	28
More than 365 days past due: 100% (2022: 100%)	648	7,094	1,927	9,669

*All the unpaid cash outstanding from the Individual cash clients are fully provided for, regardless of the ageing.

Other components of accounts receivables:
- Insurance debt - provision is made on the forward looking information of the expected repudiations.
- Staff debt - a full provision is made for employees with outstanding balances who have left employment whilst the company takes legal actions to recover.
- Shortages - any shortages that can not be matched to existing surplus are provided for in full in the year they would have occurred.
- International dues - these are imbalances between countries and has zero probability of default, and settlement is done on a net basis. There is no history of defaults in this category, however, any default is governed by the presciptions of the Universal Postal Union.

Loans and advances (measured at amortised cost)

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:
- Internal credit rating.
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

3. Financial instruments and risk management (continued)

- Group's loans are unsecured.
- Significant changes in the level of indebtedness of existing borrowers.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. In view of the current Namibian CPI and the limited salary increase received by the employees. Thus there seem to be a slow growth in real in income.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. However, this assumption is rebuttable in accordance with IFRS 9.

A default on the loan is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Loans and advances are written off when there is no reasonable expectation of recovery, such as a borrower failing to engage in a repayment plan with the Group. The Group categorises a loan for write off when a borrower fails to make contractual payments more than 365 days past due. Where loans have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group uses five categories for loans which reflect their credit risk and how the loan impairment provision is determined for each of those categories. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	**Group definition of category**	**Basis for recognition of expected credit loss provision**
Loans Current	Loans whose credit risk is in line with original expectations	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1)
Loans 30 days and 60 days	Loans for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected losses (stage 2)
Loans 60 days > < 6 months	Loans for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected losses (stage 2)
Loans 6 months > < 9 months	Interest and/or principal repayments are more than 6 months past due or it becomes probable a customer will enter bankruptcy	Lifetime expected losses (stage 3)
Loans >12 months	Interest and/or principal repayments are 12 months past due and there is no reasonable expectation of recovery	Loan is written off (stage 3)

Notes to the Annual Financial Statements

3. Financial instruments and risk management (continued)

Interest-bearing loans are provided to employed individuals and recipients of social grants. The Group does not require the borrowers to pledge collateral as security against the loan.

Over the term of the loans, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data. The Group provides for credit losses against loans to customers as follows:

Group 2024

Group internal Credit rating	Expected credit loss rate*	Gross carrying amount (stage 1 (N$ 000)	Gross carrying amount (stage 2) (N$ 000)	Gross carrying amount (stage 3)
High-AAA	1 %	623,448	-	-
High-A	4 %	-	23,698	-
Moderate	3 %	-	12,044	-
Credit impaired	66 %	-	-	10,696
Fully impaired	100 %	-	-	1,011
	-	**623,448**	**35,742**	**11,707**

Group 2023

Group internal Credit rating	Expected credit loss rate*	Gross carrying amount (stage 1 (N$ 000)	Gross carrying amount (stage 2) (N$ 000)	Gross carrying amount (stage 3)
High-AAA	1 %	609,745	-	-
High-A	4 %	-	4,620	-
Moderate	3 %	-	3,215	-
Credit impaired	66 %	-	-	4,571
Fully impaired	100 %	-	-	6,442
	-	**609,745**	**7,835**	**11,013**

Internal rating categories:

High-AAA : Clients in this rating category have no previous records of default as independently verified by the Credit Bureau in Namibia and are currently repaying on time.

High-A : Clients in this rating category have arrears but have made payment plans or re-negotiated new payment terms and are in compliance with new terms or new payment plan.

Moderate : Clients are in arrears on their loans with the Group, but they still have a steady monthly income and are making partial payments to reduce the outstanding balances.

Credit impaired : Clients in this category have been handed over for legal action by the Group's attorneys for the recovery of the outstanding balances.

3. Financial instruments and risk management (continued)

Fully impaired : Legal action has been taken against clients in this category and the process is still ongoing. However according to internal credit risk management procedures, the total gross amount in this category is fully impaired.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the company and aggregated by company finance. Company finance monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

The company has the following facilities available at the commercial banks: overdraft of N$ 14m, master card of N$ 0.3m, fleet management of N$ 0.8m, vehicle asset finance of N$ 6.6m, guarantees of N$ 2.82m and forward exchange of N$ 2.39m.

The table below presents a maturity analysis of the Group's financial assets and liabilities. The sum of the balances depicted in the maturity analysis do not reconcile with the carrying amount of the assets/liabilities as disclosed in the consolidated statement of financial position. This is because the maturity analysis incorporates, on an undiscounted basis, all cash flows relating to principal and interest payments (except for Unit Trust funds, cash and bank, call accounts, trade & other receivables (excluding VAT), trade & other payables (excluding VAT)), which are short term in nature (less than 3 months), which makes the effect of discounting immaterial and these instruments are included in the 'Less than 1 year ' time bucket at their carrying amounts. The maturity mismatch of financial assets and financial liabilities is not a determinant factor of the level of liquidity risk of the Group due to the fact this is just a worst case scenario in the event of 100% cash outflows upon maturity, which is high unlikely. The Group through its Asset and Liability Committee (ALCO), comfortably manages its liquidity risk guided by its investment strategy and invariably, any negative gaps do fall within the internally determined threshold. From time to time, the Group also stress tests its liquidity strength and thus far, the Group's liquidity position has proven to be healthy.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

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.

Group - 2024 (N$ '000')

		1 year or less	More than 1 year	Total	Carrying amount
Non-current liabilities					
Lease liabilities	19	-	13,260	13,260	10,451
Savings Bank Investors	18	-	432,176	432,176	404,151
Other financial liabilities	16	-	1,047,817	1,047,817	789,694
Retirement benefit obligation	17	-	12,357	12,357	12,357
		-	**1,505,610**	**1,505,610**	**1,216,653**

Notes to the Annual Financial Statements

3. Financial instruments and risk management (continued)

Current liabilities					
Trade and other payables - Excluding VAT	20	191,652	-	191,652	191,652
Lease liabilities	19	22,651	-	22,651	21,236
Savings Bank Investors	18	5,796,338	-	5,796,338	5,807,935
Other financial liabilities	16	125,604	-	125,604	101,658
		6,136,245	**1,505,610**	**7,641,855**	**7,354,077**
Non-current assets					
Other financial assets	10	-	4,060,672	4,060,672	3,203,242
Loans and advances	10	-	553,064	553,064	345,963
		-	**4,613,736**	**4,613,736**	**3,549,205**
Current assets					
Trade and other receivables	13	66,035	-	66,035	66,035
Other financial assets	10	4,358,997	-	4,358,997	4,082,943
Cash and cash equivalents	14	78,976	-	78,976	78,976
Loans and advances	10	367,882	-	367,882	300,332
		4,871,890	**-**	**4,871,890**	**4,528,286**

Group - 2023 (N$ '000')

		1 year or less	More than 1 year	Total	Carrying amount
Non-current liabilities					
Lease liabilities	19	-	19,199	19,199	19,165
Savings Bank Investors	18	-	441,803	441,803	412,976
Other financial liabilities	16	-	565,003	565,003	465,126
Retirement benefit obligation	17	-	12,360	12,360	12,360
Current liabilities					
Trade and other payables - excluding VAT	20	189,845	-	189,845	189,845
Lease liabilities	19	19,894	-	19,894	17,813
Savings Bank Investors	18	5,552,978	-	5,552,978	5,559,894
Other financial liabilities	16	115,634	-	115,634	88,857
		5,878,351	**1,038,365**	**6,916,716**	**6,780,979**
Non-current assets					
Other financial assets	10	-	2,939,369	2,939,369	3,222,171
Loans and advances	9	-	458,983	458,983	329,923

Notes to the Annual Financial Statements

3. Financial instruments and risk management (continued)

Current assets					
Trade and other receivables - excluding VAT	13	70,438	-	70,438	70,438
Other financial assets	10	4,263,285	-	4,263,285	3,618,765
Cash and cash equivalents	14	73,702	-	73,702	73,702
Loans and advances	10	320,387	-	320,387	277,804
		4,727,812	**3,398,352**	**8,126,164**	**7,592,803**

Company - 2024 (N$ '000')

		1 year or less	More than 1 year	Total	Carrying amount
Non-current liabilities					
Lease liabilities		-	13,260	13,260	10,451
Savings Bank Investors	18	-	432,176	432,176	404,151
Other financial liabilities	16	-	1,047,817	1,047,817	789,694
Retirement benefit obligation	17	-	12,357	12,357	12,357
		-	**1,505,610**	**1,505,610**	**1,216,653**
Current liabilities					
Trade and other payables - excluding VAT	20	168,652	-	168,652	168,652
Lease liabilities	19	22,651	-	22,651	21,236
Savings Bank Investors	18	6,192,518	-	6,192,518	6,180,021
Other financial liabilities	16	125,604	-	125,604	101,658
		6,509,425	**1,505,610**	**8,015,035**	**7,688,220**
Non-current assets					
Other financial assets	10	-	4,060,672	4,060,672	2,857,279
Loans to Group Companies	9	-	993,105	993,105	746,098
Current assets					
Trade and other receivables - excluding VAT	13	64,508	-	64,508	64,508
Other financial assets	10	4,358,997	-	4,358,997	4,082,943
Cash and cash equivalents	14	73,099	-	73,099	73,099
Loans to Group Companies	9	122,936	-	122,936	99,285
		4,619,540	**5,053,777**	**9,673,317**	**7,923,212**

Notes to the Annual Financial Statements

3. Financial instruments and risk management (continued)

Company - 2023 (N$ '000')

		1 year or less	More than 1 year	Total	Carrying amount
Non-current liabilities					
Lease liabilities	19	-	19,199	19,199	19,165
Savings Bank Investors	18	-	441,803	441,803	412,976
Other financial liabilities	16	-	565,003	565,003	465,126
Retirement benefit obligation	17	-	12,360	12,360	12,360
		-	**1,038,365**	**1,038,365**	**909,627**
Current liabilities					
Trade and other payables - excluding VAT	20	168,651	-	168,651	168,651
Lease liabilities	19	19,894	-	19,894	17,813
Savings Bank Investors	18	5,598,495	-	5,598,495	5,602,844
Other financial liabilities	16	115,634	-	115,634	88,857
		5,902,674	**1,038,365**	**6,941,039**	**6,787,792**
Non-current assets					
Other financial assets	10	-	2,939,369	2,939,369	2,892,248
Loans to Group Companies	9	-	492,879	492,879	416,206
Current assets					
Trade and other receivables - excluding VAT	13	69,998	-	69,998	69,998
Other financial assets	10	4,263,285	-	4,263,285	3,340,961
Cash and cash equivalents	14	72,505	-	72,505	72,505
Loans and advance		117,229	-	117,229	91,234
		4,523,017	**3,432,248**	**7,955,265**	**6,883,152**

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollars, Euros, SDR (Special Drawing Right) and the British pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

Foreign currency exposure arises from the rendering of international postal services and products and loans denominated in foreign currency. The Group has a policy not to take out cover on outstanding foreign currency transactions.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

3. Financial instruments and risk management (continued)

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

		Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
Euro exposure:					
Non-current liabilities:					
Other financial liabilities		2,775	2,925	2,775	2,925
SDR exposure:					
Current assets:					
Trade and other receivables	13	571	431	571	431
Current liabilities:					
Trade and other receivables		281	111	281	111
SDR* exposure		**852**	**542**	**852**	**542**

*Special drawing rights (XDR - aka: SDR) are supplementary foreign exchange reserve assets defined and maintained by the International Monetary Fund (IMF). The SDR is not a currency per se. It instead represents a claim to currency held by IMF member countries for which they may be exchanged.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. This poses a risk as the company borrows and places funds in financial instruments at both fixed and floating interest rates.

At 30 September 2024, if interest rates on Namibia Dollar-denominated Group borrowings had been 1% (100bps) higher/lower with all other variables held constant, post-tax profit for the year would have been N$ 70 million (2023: N$ 65 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

If interest rates on Namibia Dollar-denominated Group financial assets had been 1% (100bps) higher/lower with all other variables held constant, post-tax profit for the year would have been N$ 76 million (2023: N$ 68 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings; other components of equity would have been N$ 28 million (2023: N$ 27 million) lower/higher mainly as a result of a decrease/increase in the fair value of fixed rate financial assets at fair value through profit and loss.

The risk is managed by maintaining an approximate mix between fixed and floating interest rates, and by matching the underlying profiles of borrowings and investments based on asset and liability principles.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. 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.

2024 N$ '000
2023 N$ '000

3. Financial instruments and risk management (continued)

Group	2024	2024	2023	2023
100bps Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Cash and cash equivalents	790	(790)	737	(737)
Other financial assets	75,865	(75,865)	68,409	(68,409)
Other financial liabilities	(8,914)	8,914	(5,540)	5,540
Savings Bank Investors	(62,121)	62,121	(59,729)	59,729
	5,620	**(5,620)**	**3,877**	**(3,877)**

Company	2024	2024	2023	2023
100bps Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Cash and cash equivalents	731	(731)	725	(725)
Other financial assets	69,402	(69,402)	62,332	(62,332)
Other financial liabilities	(8,914)	8,914	(5,540)	5,540
Loans to Group Companies	8,454	(8,454)	5,074	(5,074)
Savings Bank Investors	(65,842)	65,842	(60,158)	60,158
	3,831	**(3,831)**	**2,433**	**(2,433)**

Price risk

The Group is exposed to price risk because of its investments in debt and equity instruments which are measured at fair value. The exposure to price risk, is managed through a diversified portfolio. Diversification of the portfolio is done in accordance with the limits set by ALCO. The Group did not have equity investments in the current financial year.

The Group is not exposed to commodity price risk.

There have been no significant changes in the price risk management policies and processes since the prior reporting year.

Fair value estimation

In assessing the fair value of financial instruments the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long - term debt.

The face value, less any estimated credit adjustments for financial assets and liabilities with maturity of less than one year, are assumed to approximate fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rates available to the Group for similar financial instruments.

4. Property, plant and equipment

Group (N$ '000)	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	10,393	(7,593)	2,800	9,630	(6,892)	2,738
Motor vehicles	3,657	(2,354)	1,303	3,641	(1,958)	1,683
IT equipment	76,485	(58,464)	18,021	61,597	(54,859)	6,738
Leasehold improvements	5,880	(3,426)	2,454	5,450	(2,957)	2,493
Other equipment	50,181	(46,241)	3,940	48,219	(44,905)	3,314
Work in progress (WIP)	8,053	-	8,053	-	-	-
Total	**154,649**	**(118,078)**	**36,571**	**128,537**	**(111,571)**	**16,966**

Company (N$ '000)	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	9,135	(6,723)	2,412	8,735	(6,217)	2,518
Motor vehicles	3,338	(2,125)	1,213	3,322	(1,729)	1,593
IT equipment	73,545	(56,234)	17,311	59,196	(52,950)	6,246
Leasehold improvements	5,880	(3,426)	2,454	5,450	(2,957)	2,493
Other equipment	50,156	(46,217)	3,939	48,194	(44,884)	3,310
Work in progress (WIP)	8,053	-	8,053	-	-	-
Total	**150,107**	**(114,725)**	**35,382**	**124,897**	**(108,737)**	**16,160**

As of 30 September 2024, no items of PPE were pledged as security to the long-term borrowings.

Reconciliation of property, plant and equipment - Group - 2024- (N$ '000)

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	2,738	832	(4)	-	(766)	2,800
Motor vehicles	1,683	16	-	-	(396)	1,303
IT equipment	6,738	1,891	(1)	13,130	(3,737)	18,021
Leasehold improvements	2,493	430	-	-	(469)	2,454
Other equipment	3,314	1,977	(1)	-	(1,350)	3,940
Work in progress (WIP)	-	21,183	-	(13,130)	-	8,053
	16,966	**26,329**	**(6)**	**-**	**(6,718)**	**36,571**

Reconciliation of property, plant and equipment - Group - 2023 - (N$ '000)

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	2,332	1,063	(12)	(645)	2,738
Motor vehicles	677	1,794	(449)	(339)	1,683
IT equipment	3,989	5,791	-	(3,042)	6,738
Leasehold improvements	1,552	1,340	-	(399)	2,493
Other equipment	3,812	782	-	(1,280)	3,314
	12,362	**10,770**	**(461)**	**(5,705)**	**16,966**

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2024 - (N$ '000)

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	2,518	468	(4)	-	(570)	2,412
Motor vehicles	1,593	16	-	-	(396)	1,213
IT equipment	6,246	1,352	-	13,130	(3,417)	17,311
Leasehold improvements	2,493	430	-	-	(469)	2,454
Other equipment	3,310	1,977	(1)	-	(1,347)	3,939
Work in progress (WIP)	-	21,183	-	(13,130)	-	8,053
	16,160	**25,426**	**(5)**	**-**	**(6,199)**	**35,382**

Reconciliation of property, plant and equipment - Company - 2023 - (N$ '000)

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	2,166	908	(12)	(544)	2,518
Motor vehicles	77	1,794	-	(278)	1,593
IT equipment	3,496	5,511	-	(2,760)	6,246
Leasehold improvements	1,552	1,340	-	(399)	2,493
Other property, plant and equipment	3,803	782	-	(1,275)	3,310
	11,094	**10,335**	**(12)**	**(5,256)**	**16,160**

5. Right-of-use assets

Group (N$ '000)	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Property	25,127	(21,324)	3,803	24,385	(17,445)	6,940
Motor vehicles	104,422	(80,216)	24,206	90,054	(63,498)	26,556
Total	**129,549**	**(101,540)**	**28,009**	**114,439**	**(80,943)**	**33,496**

Company (N$ '000)	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Property	25,127	(21,324)	3,803	24,385	(17,445)	6,940
Motor vehicles	104,422	(80,216)	24,206	90,054	(63,498)	26,556
Total	**129,549**	**(101,540)**	**28,009**	**114,439**	**(80,943)**	**33,496**

Reconciliation of right-of-use assets - Group - 2024 - (N$ '000)

	Opening balance	Additions	Modifications	Depreciation	Total
Property	6,940	742	-	(3,879)	3,803
Motor vehicles	26,556	14,436	(68)	(16,718)	24,206
	33,496	**15,178**	**(68)**	**(20,597)**	**28,009**

5. Right-of-use assets (continued)

Reconciliation of right-of-use assets - Group - 2023 - (N$ '000)

	Opening balance	Additions	Modifications	Depreciation	Total
Property	7,518	3,568	-	(4,146)	6,940
Motor vehicles	8,977	34,209	(576)	(16,054)	26,556
	16,495	**37,777**	**(576)**	**(20,200)**	**33,496**

Reconciliation of right-of-use assets - Company - 2024 - (N$ '000)

	Opening balance	Additions	Modifications	Depreciation	Total
Property	6,940	742	-	(3,879)	3,803
Motor vehicles	26,556	14,436	(68)	(16,718)	24,206
	33,496	**15,178**	**(68)**	**(20,597)**	**28,009**

Reconciliation of right-of-use assets - Company - 2023 - (N$ '000)

	Opening balance	Additions	Modifications	Depreciation	Total
Property	7,518	3,568	-	(4,146)	6,940
Motor vehicles	8,977	34,209	(576)	(16,054)	26,556
	16,495	**37,777**	**(576)**	**(20,200)**	**33,496**

6. Intangible assets - Internally generated

Group (N$ '000)	**2024**			**2023**		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	133,159	(98,552)	34,607	132,703	(89,653)	43,050
Work in progress (WIP)	9,105	-	9,105	6,823	-	6,823
Total	**142,264**	**(98,552)**	**43,712**	**139,526**	**(89,653)**	**49,873**

Company (N$ '000)	**2024**			**2023**		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	131,344	(97,082)	34,262	131,031	(88,364)	42,667
Work in progress (WIP)	9,105	-	9,105	6,823	-	6,823
Total	**140,449**	**(97,082)**	**43,367**	**137,854**	**(88,364)**	**49,490**

Reconciliation of intangible assets - Group - 2024 - (N$ '000)

	Opening balance	Additions	Amortisation	Total
Computer software	43,050	457	(8,900)	34,607
Work in progress (WIP)	6,823	2,282	-	9,105
	49,873	**2,739**	**(8,900)**	**43,712**

6. Intangible assets - Internally generated (continued)

Reconciliation of intangible assets - Group - 2023 - (N$ '000)

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	47,784	4,314	-	(9,048)	43,050
Work in progress (WIP)	6,973	-	(150)	-	6,823
	54,757	**4,314**	**(150)**	**(9,048)**	**49,873**

Reconciliation of intangible assets - Company - 2024 - (N$ '000)

	Opening balance	Additions	Amortisation	Total
Computer software	42,667	314	(8,719)	34,262
Work in progress (WIP)	6,823	2,282	-	9,105
	49,490	**2,596**	**(8,719)**	**43,367**

Reconciliation of intangible assets - Company - 2023 - (N$ '000)

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	47,228	4,315	-	(8,876)	42,667
Work in progress (WIP)	6,973	-	(150)	-	6,823
	54,201	**4,315**	**(150)**	**(8,876)**	**49,490**

7. Investments in Subsidiary

The following table lists the entities which are controlled by the Group.

Subsidiary

	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
NamPost Financial Brokers (Pty) Ltd	100 %	100 %	15,001	15,001

NamPost Financial Brokers (Pty) Ltd is engaged in micro-lending business activities and carries on the business of financial services broker.

Directors valuation:

The directors have valued the subsidiary at its net asset value of N$ 162 million (2023: N$ 132 million).

8. Investment in Joint Ventures

NamPost entered into a joint venture with Hollard Life Namibia Ltd in 2016 on the credit life and funeral cover products and is entitled to dividend distributions as declared by Hollard directors. NamPost invested N$1 in the joint venture and this has been accounted for at cost.

Joint Venture - SmartSwitch Namibia (Pty) Ltd

SmartSwitch Namibia (Pty) Ltd was discontinued and derecognised in 2021. The process of being legally wound down is on-going.

Notes to the Annual Financial Statements

	Group		Company	
	2024 N$ '000	**2023 N$ '000**	**2024 N$ '000**	**2023 N$ '000**
9. Loans to Group companies				
Subsidiaries				
NamPost Financial Brokers (Pty) Ltd This loan has fixed repayment terms, has a term of 10 years and interest payable on capital only every 6 months. The loan attracts interest at an effective rate of prime less 3% with a grace period of two years. Capital to be paid in December annually and was fully repaid in the current year.	-	-	-	6,187
NamPost Financial Brokers (Pty) Ltd Prior to 1 October 2016, loan interest was charged at 5% with no repayment terms. Effective 1 October 2016, N$ 149 million of the total loan balance has a five year repayment period, carries an interest rate of Prime less 1% payable annually on 30 September, and a bullet payment of the capital payable in the 5th year. Total interest outstanding as at 30 September 2017 is repayable in 4 equal instalments commencing year 2020. The remaining N$ 10 million of the loan balance is a subordinated loan and attracts interest at 5% per annum with no fixed repayment terms.	-	-	11,058	9,749
NamPost Financial Brokers (Pty) Ltd The loan amount of N$ 325 million bears interest at 7.3% and is repayable over 10 years, with 3 years grace period. The loan was advanced in December 2019.	-	-	244,926	289,458
NamPost Financial Brokers (Pty) Ltd The loan is charged interest at 7.46% and is repayable over a period of 10 years, with the first 3 years being grace period. The loan was advanced in March 2020.	-	-	168,372	202,046
NamPost Financial Brokers (Pty) Ltd The loan amount of N$ 406.8 million bears interest at 9.25% and is repayable over 10 years, with 3 years grace period. The loan was advanced in January 2024.	-	-	421,027	-
	-	**-**	**845,383**	**507,440**

Split between non-current and current portions

	Group 2024	Group 2023	Company 2024	Company 2023
Non-current assets	-	-	746,098	416,206
Current assets	-	-	99,285	91,234
	-	**-**	**845,383**	**507,440**

Notes to the Annual Financial Statements

	Group		Company	
	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000
10. Other financial assets				
At fair value through other comprehensive income				
Unit trusts and Bonds*	3,581,910	3,410,590	3,581,910	3,410,590
	3,581,910	**3,410,590**	**3,581,910**	**3,410,590**
At fair value through profit and loss				
Fixed term deposits, call accounts and money market instruments	3,358,312	2,822,619	3,358,312	2,822,619
	3,358,312	**2,822,619**	**3,358,312**	**2,822,619**
At amortised cost				
Other financial assets	646,295	607,727	-	-
	7,586,517	**6,840,936**	**6,940,222**	**6,233,209**

* Limited surety in the form of Internal Registered Stock GC027 to the nominal value of N$235 million (2023: N$235 million) issued by the Republic of Namibia has been provided on the Agence Française de Développement (AFD) loan.

Non-current assets				
At fair value through other comprehensive income	2,765,730	2,800,699	2,765,730	2,800,699
At fair value through profit or loss	91,549	91,549	91,549	91,549
Other financial assets - at amortised cost	345,963	329,923	-	-
	3,203,242	**3,222,171**	**2,857,279**	**2,892,248**
Current assets				
At fair value through other comprehensive income	816,180	609,893	816,180	609,893
At fair value through profit or loss	3,266,763	2,731,068	3,266,763	2,731,068
Other financial assets - at amortised cost	300,332	277,804	-	-
	4,383,275	**3,618,765**	**4,082,943**	**3,340,961**
	7,586,517	**6,840,936**	**6,940,222**	**6,233,209**

Financial assets fair values determination

The fair values of investments under level 1 (listed or quoted investments) are based on the quoted market price.

The fair values on investments on level 2 are estimated using observable market data and the fair values of investments on level 3 is estimated using amortised cost, with the carrying amount deemed to be estimating the fair value.

Fair values are determined annually at the statement of financial position date.

Fair value hierarchy of financial assets at fair value through other comprehensive income.

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets, currently there is none (2023: Nil).

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

10. Other financial assets (continued)

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

	Note	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
Level 2					
Unit trusts and Bonds		3,581,910	3,410,590	3,581,910	3,410,590
Fixed term deposits, call accounts and money market instruments		3,358,312	2,822,619	3,358,312	2,822,619
		6,940,222	**6,233,209**	**6,940,222**	**6,233,209**
Level 3					
Other instruments		646,295	607,727	-	-
		7,586,517	**6,840,936**	**6,940,222**	**6,233,209**
***Financial assets**					
Opening balance		6,840,936	7,280,165	6,233,209	6,681,275
Additions		24,458,768	18,248,429	24,420,200	18,239,592
Disposals		(23,971,182)	(18,779,124)	(23,971,182)	(18,779,124)
Interest accrual and other adjustments		127,288	53,343	127,288	53,343
Fair value adjustments	38	130,707	38,123	130,707	38,123
		7,586,517	**6,840,936**	**6,940,222**	**6,233,209**

*This section has been revised following a new disclosure on note 38.

The fair value adjustments relates to IFRS 9 revaluations of financial assets at year end.

Credit quality of other financial assets - At fair value through other comprehensive income and fair value through profit or loss.

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Notes to the Annual Financial Statements

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

10. Other financial assets (continued)

Credit rating				
Capricorn Group AA+ (National credit rating)	581,284	312,254	581,284	312,254
Standard Bank Namibia Limited BB- (Fitch, Group credit rating)	359,150	773,242	359,150	773,242
Namibian Government B1 (Moody's credit rating)	3,504,810	3,629,881	3,504,810	3,629,881
South African Government Ba2 (Moody's credit rating)	988,532	382,568	988,532	382,568
Entities with no external credit rating*	1,225,665	616,830	1,225,665	616,830
Nedbank Namibia Limited F1+ (National credit rating)	9,909	109,168	9,909	109,168
Sanlam Namibia AA (National credit rating)	-	19,237	-	19,237
First National Bank B1 (Moody's credit rating)	270,872	390,029	270,872	390,029
	6,940,222	**6,233,209**	**6,940,222**	**6,233,209**

* The counterparties without credit ratings comprise Pointbreak, IJG, Momentum and also Ninety One. The risk of defaulting is minimal due to internal credit risk control measures.

Credit quality of other financial assets - at amortised cost

Loans and advances are issued to individuals with no external credit ratings. Credit record checks are done on the TransUnion Credit Bureau, on each applicant before the loan is issued.

The credit quality of loans and advances can be assessed by reference to historical information about counterparty default rates.

Loans and advances				
Gross	670,897	628,594	-	-
Less expected credit loss	(24,602)	(20,867)	-	-
	646,295	**607,727**	**-**	**-**

Expected credit loss allowance on loans and advances				
Opening balance	20,867	18,979	-	-
Additional provision raised during the current year	8,469	4,486	-	-
Interest in suspense	(4,734)	(2,598)	-	-
	24,602	**20,867**	**-**	**-**

Refer to note 3 detailed information on credit risk management, credit quality, assumptions and estimates.

The Group performed a detailed assessment of impairment allowance during the year. Actual historic write-off losses and wider credit risk associated with lending to pensioners, corporate employees and other smart-card holders were considered and impairment allowance was adjusted accordingly.

Notes to the Annual Financial Statements

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

11. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

At amortised cost				
Loans to Group companies	-	-	845,388	507,440
Other instruments	646,295	607,727	-	-
Trade and other receivables (excluding VAT and prepayments)	66,035	39,846	64,508	39,769
	712,330	**647,573**	**909,896**	**547,209**
At fair value through other comprehensive income				
Unit trusts and Bonds	3,581,910	3,410,590	3,581,910	3,410,590
At fair value through profit and loss				
Fixed term deposits, call accounts and money market instruments	3,358,312	2,822,619	3,358,312	2,822,619
	6,940,222	**6,233,209**	**6,940,222**	**6,233,209**
At amortised cost				
Loans and advances	646,295	607,727	-	-
Cash and cash equivalents	78,976	73,702	73,099	72,505
	725,271	**681,429**	**73,099**	**72,505**

12. Inventories

Goods for resale	2,921	1,512	2,921	1,512
Stamps	4,582	4,056	4,582	4,056
Stationery	6,371	6,467	6,371	6,467
Other inventories (Smartcards, philately new range)	3,130	1,488	3,130	1,488
	17,004	**13,523**	**17,004**	**13,523**

13. Trade and other receivables

Financial instruments:				
Trade receivables	26,463	26,871	26,463	26,871
Other receivables (Agency fees etc)	6,916	10,954	5,953	10,877
Non-financial instruments:				
Employee loans	1,344	2,021	1,344	2,021
Prepayments (mobile products, licences and insurance fees)	31,312	30,592	30,748	30,229
Total trade and other receivables	**66,035**	**70,438**	**64,508**	**69,998**

Split between non-current and current portions

Non-current assets	-	-	-	-
Current assets	66,035	70,438	64,508	69,998
	66,035	**70,438**	**64,508**	**69,998**

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

13. Trade and other receivables (continued)

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

At amortised cost	33,379	37,825	32,416	37,748
Non-financial instruments	32,656	32,613	32,092	32,250
	66,035	**70,438**	**64,508**	**69,998**

The credit quality of trade and other receivables can be assessed by reference to external credit ratings (if available) and a combination of information of historical information about counterparty default rates and forward looking information available, as guided by IFRS 9.

Trade receivables

Counterparties in their respective categories				
State owned entities	3,322	3,102	3,322	3,102
Government of the Republic of Namibia	2,904	4,443	2,904	4,443
Corporate clients	12,173	10,306	12,173	10,306
Private individuals	6,766	7,093	6,766	7,093
	25,165	**24,944**	**25,165**	**24,944**

Trade and other receivables				
Gross	96,755	102,518	95,228	102,078
Less expected credit loss	(30,720)	(32,080)	(30,720)	(32,080)
	66,035	**70,438**	**64,508**	**69,998**

Expected credit loss allowance on trade and other receivables				
Opening balance	32,080	33,451	32,080	33,451
Impairment adjustment for the year	(1,360)	(1,371)	(1,360)	(1,371)
	30,720	**32,080**	**30,720**	**32,080**

Notes to the Annual Financial Statements

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

13. Trade and other receivables (continued)

Exposure to currency risk

Refer to note 3 for detailed information on credit risk management, credit quality, assumptions and estimates.

The carrying amount of trade and other receivables excluding VAT approximates their fair values because they are short term in nature.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
Cash on hand	16,876	15,391	16,869	15,385
Bank balances	62,100	58,311	56,230	57,120
	78,976	**73,702**	**73,099**	**72,505**

The company has undrawn bank overdraft facilities of N$15m (2023: N$15m) applicable to all current accounts. The overdraft facilities are unsecured. There are specific covenants attached to the facility with which Namibia Post Limited needs to comply with.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank, excluding cash on hand can be assessed by reference to external credit ratings (if available) and to a combination of historical information about counterparty default rates and forward looking information available:

Credit rating	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
Bank Windhoek Limited (AA) National credit rating	5,870	1,191	-	-
Standard Bank Namibia Limited AA+ (National, Group credit rating)	53,243	56,844	53,243	56,844
First National Bank AA+ (National credit rating)	2,987	276	2,987	276
	62,100	**58,311**	**56,230**	**57,120**

15. Share capital

	Group 2024 N$ '000	Group 2023 N$ '000	Company 2024 N$ '000	Company 2023 N$ '000
Authorised				
50,000,000 Ordinary shares	50,000	50,000	50,000	50,000
Issued				
Fully paid 5,075,000 Ordinary shares, issued at N$1 each	5,075	5,075	5,075	5,075

Notes to the Annual Financial Statements

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

16. Other financial liabilities

Held at amortised cost				
Kreditanstalt Fur Wiederaufbau loan (KfW)				
This comprises four loans, KfW 1,KfW 2, KfW 3 & KfW 4. In 2006, KfW 1 amounting to EUR883,767 Euros, was issued to Government of the Republic of Namibia (GRN) and on lent to Namibia Post Limited in local currency, payable over 30 year period commencing 30 June 2015. In 2014, KfW 2, amounting to EUR3 million was received from KfW, with a 30 year term, at an interest rate of 2% p.a, with capital repayments starting from June 2023 to December 2042. KfW 3 amounting to N$ 325 million was received in December 2020, bearing interest of 7.3% and is repayable bi-annually over 10 years ending in 2027, with a 3 year grace period for the capital portion. KfW 2 and KfW 3 are both guaranteed by the GRN. KfW 4 amounting to N$ 406.8 million was received in January 2024, bearing interest of 9.25% p.a, repayable bi-annually over 10 years, with a 3 years grace period for the capital portion.	722,980	351,937	722,980	351,937
Agence Française de Développement (AFD)				
The loan bears interest at 7.46% and is repayable bi-annually over a period of 10 years , with a 3 year grace period for the capital portion. The loan is secured with GC27 bonds. Commencement period was March 2020.	168,372	202,046	168,372	202,046
	891,352	**553,983**	**891,352**	**553,983**

Non-current liabilities				
At amortised cost	789,694	465,126	789,694	465,126
Current liabilities				
At amortised cost	101,658	88,857	101,658	88,857
	891,352	**553,983**	**891,352**	**553,983**

Kreditanstalt Fur Wiederaufbau loan (KfW)				
Opening balance	351,937	391,065	351,937	391,065
Interest expense	46,221	23,165	46,221	23,165
Foreign exchange (gain) / loss	(2,159)	7,001	(2,159)	7,001
New loan received	406,800	-	406,800	-
Payments	(79,819)	(69,294)	(79,819)	(69,294)
	722,980	**351,937**	**722,980**	**351,937**

Notes to the Annual Financial Statements

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

16. Other financial liabilities (continued)

Agence Française de Développement (AFD)

Opening balance	202,046	235,720	202,046	235,720
Interest expense	14,332	16,795	14,332	16,795
Payments	(48,006)	(50,469)	(48,006)	(50,469)
	168,372	**202,046**	**168,372**	**202,046**

17. Post employment benefits

Medical benefit - (defined benefit plan)

The company's current medical benefit scheme is a defined contribution plan. However, there is a proportion of employees (qualifying employees) under a defined benefit plan, on which the company continues to pay two thirds of total contributions towards the medical scheme when qualifying employees retire or become incapacitated.

The plan is a final post employment medical benefit plan.

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(12,357)	(12,360)	(12,357)	(12,360)

Movements for the year

Opening balance	(12,360)	(13,361)	(12,360)	(13,361)
Benefits paid	1,553	1,544	1,553	1,544
Actuarial gain / (loss)	1,025	1,167	1,025	1,167
Net expense recognised in profit or loss	(2,575)	(1,710)	(2,575)	(1,710)
	(12,357)	**(12,360)**	**(12,357)**	**(12,360)**

Net expense recognised in the statement of profit or loss and other comprehensive income

Current service cost	(54)	(81)	(54)	(81)
Past service cost	(915)	-	(915)	-
Interest cost	(1,606)	(1,629)	(1,606)	(1,629)
Actuarial gains	1,025	1,167	1,025	1,167
	(1,550)	**(543)**	**(1,550)**	**(543)**

The actuarial gain is comprised of:

- change in financial assumption of N$ 85 000, and
- experience variance of N$ 940 000.

Key assumptions used

Assumptions used on last valuation on 30 September 2024.

Actual return on plan assets	60	60	60	60
Discount rates used	10.80 %	13.60 %	10.80 %	13.60 %
Expected rate of return on assets	6.40 %	9.00 %	6.40 %	9.00 %

Notes to the Annual Financial Statements

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

17. Post employment benefits (continued)

Medical benefit - (defined benefit plan)

Sensitivity Analysis

The valuation above is only an estimate of the cost of providing post - employment medical aid benefits. The actual cost to the organisation will be dependent on actual future levels of assumed variables.

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

Demographics of heavier/ no withdrawals in the assumed level of mortality;

1 % increase/ decrease in the Medical Aid inflation

Mortality

Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the company. If the actual rates of mortality turns out higher than the rates assumed in the valuation basis, the cost to the company in the form of subsidies will reduce and vice versa.

We have illustrated the effect of higher and lower mortality rates on total accrued liability by applying demographics of heavier mortality or no withdrawals. The effect is as follows:

Balance of liability with change in assumption:				
Pre-retirement withdrawals are ignored	12,389	12,396	12,389	12,396
Valuation assumption	12,357	12,360	12,357	12,360
Heavier mortality	11,589	11,728	11,589	11,728

For mortality for continuation members, PA(90) life table less a one year age adjustment was used, making an allowance for improvements in mortality of 0.5% per annum from 2007 onwards, which is consistent with pensioner mortality assumption used in retirement funds valuation in Namibia.

Medical Aid inflation

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees. The assumed medical inflation rate is 6.4% per annum.

We have tested the effect of a 1% p.a change in the medical aid inflation assumption. The effect is as follows:

Balance of liability with change in assumption:				
1% decrease in medical aid inflation	13,382	13,372	13,382	13,372
Valuation assumption	12,357	12,360	12,357	12,360
1% increase in valuation assumption	11,468	11,479	11,468	11,479

Projected Company liability as at 30 September 2024

The expected past service liability as at 30 September 2025 amounts to N$ 12.4 million, with estimated interest cost of N$ 1.3 million, service cost of N$ 57 thousand and benefits which will be paid within one year of approximately N$1.2 million.

Notes to the Annual Financial Statements

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

17. Post employment benefits (continued)

Pension Fund - (defined contribution)

At the financial year end, all the permanent employees of the company were members of the Napotel Pension Fund, a defined contribution plan, governed by the Pension Fund Act no 24 of 1956. Employees' contributions amount to 7% of basic salary and the company's contributions amounts to 16% of basic salary.

The Napotel Pension Fund converted from a defined benefit plan to defined contribution plan with effect from 1 October 1997. A statutory actuarial valuation was carried out as at 30 September 2024, which indicate that the fund was in a sound financial position.

18. Savings bank Investors

Composition of savings bank investors				
Savings accounts	716,160	674,477	716,160	674,477
Save as you earn	73,920	57,103	73,920	57,103
Fixed term deposits	4,931,466	4,865,606	5,303,552	4,908,556
Call and notice accounts	481,983	367,271	481,983	367,271
Mychoice accounts	8,557	8,413	8,557	8,413
	6,212,086	**5,972,870**	**6,584,172**	**6,015,820**

The current and long term portions of the portfolio is split as follows:				
Non current portion	404,151	412,976	404,151	412,976
Current portion	5,807,935	5,559,894	6,180,021	5,602,844
	6,212,086	**5,972,870**	**6,584,172**	**6,015,820**

19. Lease Liabilities

Group - 2024

	Opening Balance	Current year Additions	Interest expense	Cash payments	Closing balance
Property	8,191	742	752	(4,831)	4,854
Motor vehicles	28,787	14,217	2,576	(18,747)	26,833
	36,978	**14,959**	**3,328**	**(23,578)**	**31,687**

Group - 2023

	Opening Balance	Current year Additions	Interest expense	Cash payments	Closing balance
Property	8,997	3,375	846	(5,027)	8,191
Motor vehicles	9,925	33,826	2,754	(17,718)	28,787
	18,922	**37,201**	**3,600**	**(22,745)**	**36,978**

Notes to the Annual Financial Statements

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

19. Lease Liabilities

Company 2024

	Opening Balance	Current year Additions	Interest expense	Cash payments	Closing balance
Property	8,191	742	752	(4,831)	4,854
Motor vehicles	28,787	14,217	2,576	(18,747)	26,833
	36,978	**14,959**	**3,328**	**(23,578)**	**31,687**

Company 2023

	Opening Balance	Current year Additions	Interest expense	Cash payments	Closing balance
Property	8,997	3,375	846	(5,027)	8,191
Motor vehicles	9,925	33,826	2,754	(17,718)	28,787
	18,922	**37,201**	**3,600**	**(22,745)**	**36,978**

Maturity analysis of lease liabilities

	Group 2024	Group 2023	Company 2024	Company 2023
Within 1 year	21,236	17,813	21,236	17,813
From 1 to 5 years	10,451	19,165	10,451	19,165
	31,687	**36,978**	**31,687**	**36,978**

Amounts recognised in the income statement relating to leases

The following are the amounts recognised in the profit or loss:

	Group 2024	Group 2023	Company 2024	Company 2023
Property	3,879	4,146	3,879	4,146
Motor vehicles	16,718	16,054	16,718	16,054
Total depreciation charge for the right-of-use assets	20,597	20,200	20,597	20,200
Interest expense on lease liabilities (included in finance cost)	3,328	3,600	3,328	3,600
Expense relating to short-term leases (included in cost of sales)	5,090	4,831	5,090	4,831
Expense relating to short-term leases (included in operating expenses)	34,890	34,779	34,176	34,779
	63,905	**63,410**	**63,191**	**63,410**

Notes to the Annual Financial Statements

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

20. Trade and other payables

Financial instruments:				
Trade payables	44,759	37,592	30,936	25,763
Amounts received in advance	2,252	6,651	1,756	6,155
Telecom- telephone payments	68	259	66	259
Provisions and Accruals	46,190	40,336	39,467	34,598
Third party funds payable	94,188	93,191	94,188	93,191
Other payables	4,195	11,816	2,239	11,629
Non-financial instruments:				
VAT	3,503	4,041	3,074	3,815
	195,155	**193,886**	**171,726**	**175,410**

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

At amortised cost	191,652	189,845	168,652	171,595
Non-financial instruments	3,503	4,041	3,074	3,815
	195,155	**193,886**	**171,726**	**175,410**

The carrying amount of trade and other payables excluding VAT and amounts received in advance approximates their fair values because they are short term in nature.

21. Financial liabilities

The accounting policies for financial instruments have been applied at amortised cost to the following line items:

Financial liabilities at amortised cost				
Other financial liabilities	891,352	553,983	891,352	553,983
Trade and other payables (excluding VAT payable)	187,810	190,071	162,156	171,595
Savings bank investors	6,212,086	5,972,870	6,584,172	6,015,820
Lease liabilities	31,244	36,978	31,244	36,978
	7,322,492	**6,753,902**	**7,668,924**	**6,778,376**

22. Deferred tax

Deferred tax asset (liability)				
Property plant and equipment	(21,774)	(25,455)	(21,574)	(25,023)
Fair value adjustments	(10,264)	43,744	(10,264)	43,744
Terminal dues	(2,287)	(2,529)	(2,287)	(2,529)
Stock - Consumables	(1,737)	(1,786)	(1,737)	(1,786)
Prepayments and other deferred tax liabilities	680	2,909	855	3,025
	(35,382)	**16,883**	**(35,007)**	**17,431**

Notes to the Annual Financial Statements

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

22. Deferred tax (continued)

Deferred tax asset				
Retirement benefit obligation	3,831	3,955	3,831	3,955
Provisions	25,342	24,281	18,892	18,590
Deferred tax balance from temporary differences other than unused tax losses	29,173	28,236	22,723	22,545
Income received in advance	199	1,509	199	1,509
	29,372	29,745	22,922	24,054
Other deferred tax	16,010	12,990	16,010	12,721
Total deferred tax asset, net of valuation allowance recognised	**45,382**	**42,735**	**38,932**	**36,775**

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	(35,382)	(29,770)	(35,007)	(29,338)
Deferred taxation liability to be recovered after more than 12 months	(35,382)	(29,770)	(35,007)	(29,338)
Deferred tax asset	45,382	89,388	38,932	83,544
Deferred taxation asset to be recovered after more than 12 months	45,382	89,388	38,932	83,544
Total net deferred tax asset	**10,000**	**59,618**	**3,925**	**54,206**

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	(35,396)	(29,770)	(35,007)	(29,338)
Deferred tax asset	45,396	89,388	38,932	83,544
Total net deferred tax asset	**10,000**	**59,618**	**3,925**	**54,206**

Notes to the Annual Financial Statements

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

22. Deferred tax (continued)

Reconciliation of deferred tax asset / (liability)

At the beginning of year	59,618	66,555	54,206	61,735
Temporary differences on terminal dues and parcel credits	163	(2,529)	163	(2,529)
Temporary differences on income received in advance	(1,263)	1,509	(1,263)	1,509
Originating temporary differences on tangible fixed assets	7,584	(25,455)	7,352	(25,023)
Originating / (Reversing) temporary differences on Post retirement obligation	(930)	3,955	(930)	3,955
Temporary differences on fair value adjustments	(45,949)	43,744	(45,949)	43,744
Originating temporary differences on provisions	1,641	24,281	882	18,590
Originating temporary differences on stock - consumables	(6)	(1,786)	(6)	(1,786)
Other deferred tax (unrealised forex, prepayments, KFW Loan 2 etc.)	882	(2,635)	882	(2,519)
Other (lease liabilities, assessed tax loss etc)	(10,457)	(48,021)	(9,933)	(43,470)
Reduction due to rate change	(1,283)	-	(1,479)	-
	10,000	**59,618**	**3,925**	**54,206**

23. Current tax receivable

Current tax receivable	5,522	6,934	7,969	7,969

Net current tax receivable (payable)

Current assets	7,969	7,969	7,969	7,969
Current liabilities	(2,447)	(1,035)	-	-
	5,522	**6,934**	**7,969**	**7,969**

Reconciliation for current tax receivable / (payable):

Opening balance	6,934	12,822	7,969	14,315
Current tax for the year	(17,503)	(25,896)	-	(14,315)
Provisional tax payment - 2024	16,091	20,008	-	7,969
	5,522	**6,934**	**7,969**	**7,969**

Balance of provision for taxation consists of:

2021	-	(13,045)	-	-
2023	(10,569)	19,979	7,969	7,969
2024	16,091	-	-	-
	5,522	**6,934**	**7,969**	**7,969**

Notes to the Annual Financial Statements

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

24. Revenue

Revenue from contracts with customers				
Philately stamps revenue	2,770	994	2,770	994
Mail revenue	80,400	86,853	80,400	86,853
Agency commission	23,462	26,382	23,462	26,382
Logistics services	144,655	134,593	144,655	134,593
Savings bank fees	160,094	149,319	160,094	149,319
Other	3,860	3,496	3,860	3,496
	415,241	**401,637**	**415,241**	**401,637**
Revenue other than from contracts with customers				
Interest and similar income from financial investments	563,778	545,097	563,778	545,097
Revenue from lending activities	142,682	126,083	-	-
	706,460	**671,180**	**563,778**	**545,097**
	1,121,701	**1,072,817**	**979,019**	**946,734**

25. Cost of sales

Cost of sales on goods and services	71,919	69,741	71,919	69,741
Interest expense	430,995	414,929	455,319	419,663
	502,914	**484,670**	**527,238**	**489,404**

Cost of sales has been split between interest expense and cost relating to the sale of goods and services.

26. Other operating income

Gain on asset disposal	920	29	24	18
Recoveries	3,784	4,318	-	-
Other income (domant smart card accounts, money orders & other ancillary)*	30,674	31,633	30,685	31,617
Forex gains / (losses)	561	(6,108)	561	(6,108)
	35,939	**29,872**	**31,270**	**25,527**

*Dormant smart card accounts amounting to N$ 16 387 925 were written off in the current year.

27. Investment income

Dividend income				
Dividends received	18,794	16,881	23,794	19,881
Interest income				
Interest received on corporate current accounts	3,630	2,553	63,618	42,171
Total investment income	**22,424**	**19,434**	**87,412**	**62,052**

Notes to the Annual Financial Statements

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

28. Movement in credit loss allowances

Net Expected Credit Loss				
Trade and other receivables	1,063	(1,719)	1,063	(1,719)
Loans and advances	(13,902)	(14,942)	-	-
	(12,839)	**(16,661)**	**1,063**	**(1,719)**

29. Operating profit

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

Auditor's remuneration - external				
Audit fees	3,206	3,398	2,372	2,703
Remuneration, other than to employees				
Consulting and professional services	19,418	15,385	14,175	9,722
Employee costs				
Salaries, wages, bonuses and other benefits	316,835	299,926	291,413	276,278
Leases				
Short-term leases	35,575	36,170	34,176	34,727
Total lease expenses	**35,575**	**36,170**	**34,176**	**34,727**
Depreciation and amortisation				
Depreciation of property, plant and equipment	6,718	5,704	6,199	5,256
Depreciation of right-of-use assets	20,597	20,200	20,597	20,200
Amortisation of intangible assets	8,900	9,049	8,719	8,876
Total depreciation and amortisation	**36,215**	**34,953**	**35,515**	**34,332**

Notes to the Annual Financial Statements

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

29. Operating profit (continued)

Expenses by nature

Employee costs	316,835	299,926	291,413	276,278
Short-term lease charges	35,575	36,170	34,176	34,727
Depreciation, amortisation and impairment	36,215	34,953	35,515	34,332
Advertising	8,851	9,182	7,181	8,152
Subscriptions	19,743	17,709	19,743	17,709
IT expenses	20,099	17,099	20,099	17,099
Security	9,715	9,582	9,715	9,582
Municipal expenses	3,957	3,379	2,656	2,400
Consulting and professional fees	18,670	15,385	14,175	9,722
Telephone and fax	12,443	12,629	12,254	12,468
Commission paid	11,191	9,175	8,245	7,096
Insurance	6,179	5,875	6,217	5,812
Printing and stationery	4,010	3,278	3,494	3,054
Repairs and maintenance	2,751	2,679	2,751	2,679
Other expenses	35,804	37,177	28,630	32,223
	542,038	**514,198**	**496,264**	**473,333**

Fair value gains / (losses)

Net gains on fair value adjustments	16,491	-	16,491	-

30. Depreciation, amortisation and impairment losses

Depreciation

Property, plant and equipment	6,718	5,704	6,199	5,256
Right-of-use assets	20,597	20,200	20,597	20,200
	27,315	**25,904**	**26,796**	**25,456**

Amortisation

Intangible assets	8,900	9,049	8,719	8,876

Total depreciation, amortisation and impairment

Depreciation	27,315	25,904	26,796	25,456
Amortisation	8,900	9,049	8,719	8,876
	36,215	**34,953**	**35,515**	**34,332**

31. Finance costs

Other financial liabilities	60,748	39,939	60,748	39,939
Interest on lease liabilities	3,328	3,584	3,328	3,584
Total finance costs	**64,076**	**43,523**	**64,076**	**43,523**

Notes to the Annual Financial Statements

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

32. Income tax expense

Major components of the tax expense

Current				
Local income tax - current period	17,503	13,307	-	-
Deferred				
Current year	(3,197)	1,251	(2,534)	13,707
Arising from prior period adjustments	6,866	(8,996)	6,866	(683)
	3,669	**(7,745)**	**4,332**	**13,024**
	21,172	**5,562**	**4,332**	**13,024**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	58,197	63,071	11,186	26,334
Tax at the applicable tax rate of 32% (2023: 32%)	18,623	20,183	3,579	8,427
Tax effect of adjustments on taxable income				
Net Permanent differences	(6,122)	(5,625)	(7,722)	(6,585)
Prior year adjustments	6,866	(8,996)	6,866	(8,996)
Effect of rate change	1,805	-	1,609	-
	21,172	**5,562**	**4,332**	**(7,154)**

33. Income tax expense (other comprehensive income)

Major components of the income tax expense

Current tax relating to other comprehensive income				
Local income tax - current year	-	-	-	-
Deferred tax relating to other comprehensive income / (loss)				
Current year	45,949	14,682	45,949	14,682

Reconciliation of the income tax expense				
Reconciliation between other comprehensive income and tax expense Other comprehensive income / (loss)	148,223	45,882	148,223	45,882
Tax at the applicable tax rate of 31% (2023: 32%)	45,949	14,682	45,949	14,682
	45,949	**14,682**	**45,949**	**14,682**

Notes to the Annual Financial Statements

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

34. Tax paid

Balance at the beginning of the year	6,934	12,822	7,969	14,315
Current tax recognised in profit or loss	(17,503)	(13,307)	-	-
Balance at the end of the year	(5,522)	(6,934)	(7,969)	(7,969)
	(16,091)	**(7,419)**	**-**	**6,346**

35. Cash generated from operations

Profit before taxation (includes actuarial gain /(loss))	59,222	64,238	12,211	27,501
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	36,215	34,953	35,515	34,332
(Gains) losses on exchange differences	(325)	6,196	(325)	6,196
Movement in retirement benefit assets and liabilities	(3)	(1,001)	(3)	(1,001)
Adjust for items which are presented separately:				
Interest income	(3,630)	(2,553)	(63,618)	(42,171)
Dividends received	(18,794)	(16,881)	(23,794)	(19,881)
Finance costs	64,076	43,523	64,076	43,523
Changes in working capital:				
(Increase) decrease in inventories	(3,481)	34	(3,481)	34
Decrease in trade and other receivables	2,443	1,672	3,530	1,617
(Decrease) increase (decrease) in trade and other payables	123	7,036	(4,673)	433
	135,846	**137,217**	**19,438**	**50,583**

36. Dividends paid

Dividends	(5,000)	(8,000)	(5,000)	(8,000)

Dividends are from capital profits.

37. Commitments

Authorised capital expenditure

Already contracted for but not provided for				
• Commitments in respect of contracts placed	4,092	1,570	4,092	1,570
• Not yet contracted for and authorised by directors	12,296	19,633	12,296	19,633

Guarantees				
Ministry of Finance	20	20	20	20
Avon and Justine	800	800	800	800
Puma Energy	2,000	2,000	2,000	2,000

Notes to the Annual Financial Statements

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

38. Other comprehensive income

Components of other comprehensive income - Group - 2024

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/as	1,025	(318)	707
Items that may be reclassified to profit (loss)			
Gains on FVOCI			
Gains on assets market value	130,707	(40,519)	90,188
Reclassification adjustments to profit or (loss)	16,491	(5,112)	11,379
	147,198	**(45,631)**	**101,567**
Total	**148,223**	**(45,949)**	**102,274**

Components of other comprehensive income - Group - 2023

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/as	1,167	(373)	794
Items that may be reclassified to profit (loss)			
Gains on FVOCI			
Gains on assets market value	38,122	(12,199)	25,923
Reclassification adjustments to profit or (loss)	6,593	(2,110)	4,483
	44,715	**(14,309)**	**30,406**
Total	**45,882**	**(14,682)**	**31,200**

Notes to the Annual Financial Statements

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

38. Other comprehensive income (continued)

Components of other comprehensive income - Company - 2024

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/as	1,025	(318)	707
Items that may be reclassified to profit (loss)			
Gains on FVOCI			
Gains on assets market value	130,707	(40,519)	90,188
Reclassification adjustments to profit or (loss)	16,491	(5,112)	11,379
	147,198	**(45,631)**	**101,567**
Total	**148,223**	**(45,949)**	**102,274**

Components of other comprehensive income - Company - 2023

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/as	1,167	(373)	794
Items that may be reclassified to profit (loss)			
Gains on FVOCI			
Gains on assets market value	38,122	(12,199)	25,923
Reclassification adjustments to profit or (loss)	6,593	(2,110)	4,483
	44,715	**(14,309)**	**30,406**
Total	**45,882**	**(14,682)**	**31,200**

39. Prior period errors

To align to IAS 1 requirements, revenue from financial assets measured at FVOCI and at amortised cost, and movement in credit losses for the similar financial assets has been presented separately. There is no impact on prior year total revenue and retained earnings.

Fair value adjustments - IFRS7 requires separate disclosure of recycled fair value gains / (losses) on derecognition of FVOCI instruments. The disclosure has been aligned in the current year. There is no impact on the statement of financial position and statement of profit or (loss).

To align to IAS 7,net movements in financial assets and net movements in savings bank investors' deposits have been reclassified to operating activities on the statements of cash flows.

NamPost Financial Brokers (PostFin) investments at Savings Bank have been added to the related party discloure. This was an omission on prior year disclosure. Refer to note 41.

Notes to the Annual Financial Statements

	Group		Company	
	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000
39. Prior period errors (continued)				
Impact on Statement of Profit or Loss and Other Comprehensive Income				
Revenue				
Previously stated	-	1,072,817	-	946,734
Reclassified to interest income	-	(671,180)	-	(545,097)
	-	**401,637**	**-**	**401,637**
Interest revenue / Income				
Previously stated	-	-	-	-
Reclassified from other revenue	-	671,180	-	545,097
	-	**671,180**	**-**	**545,097**
Other operating expenses				
Previously stated	-	530,859	-	475,052
Reclassified to movement in credit loss allowances	-	(16,661)	-	(1,719)
	-	**514,198**	**-**	**473,333**
Movement in credit loss allowances				
Previously stated	-	-	-	-
Reclassified from other operating expenses	-	16,661	-	1,719
	-	**16,661**	**-**	**1,719**
Items that will not be reclassified to profit or loss				
Previously stated	-	31,200	-	31,200
Reclassified from items that may not be reclassified to profit or loss	-	(30,406)	-	(30,406)
	-	**794**	**-**	**794**
Items that may be reclassified to profit or loss				
Previously stated	-	-	-	-
Reclassified to items that may be reclassified to profit or loss	-	30,406	-	30,406
	-	**30,406**	**-**	**30,406**
Impact on Statements of Cash Flows				
Cash flows from investing activities				
Previously stated	-	469,471	-	562,037
Reclassification to operating activities	-	(483,944)	-	(492,781)
	-	**(14,473)**	**-**	**69,256**

Notes to the Annual Financial Statements

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

39. Prior period errors (continued)

Cash flows from financing activities				
Previously stated	-	(716,082)	-	(780,076)
Reclassification to operating activities	-	605,233	-	669,227
	-	**(110,849)**	**-**	**(110,849)**
Cash flows from operating activities				
Previously stated	-	104,547	-	80,515
Reclassification from investing and financing activities	-	(121,289)	-	(176,446)
	-	**(16,742)**	**-**	**(95,931)**

40. Events after the reporting period

On 19 August 2024, the Minister of Information and Communication Technology published a notice in the Government Gazette, which gave effect to the dismantling of NPTH (current shareholder), as per the Post and Telecommunications Companies Establishment Amendment Act, 2020 (The Act). The dismantling of NPTH will subsequently result in the change in NamPost’s immediate shareholder to Ministry of Finance and Public Enterprises and the transfer of some of NPTH’s immovable properties into the ownership of NamPost as promulgated in The Act. The transfer of immovable properties commenced after year-end and the process is still on-going.

Notes to the Annual Financial Statements

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

41. Related parties

Relationships	
Ultimate Shareholder	Government of the Republic of Namibia
Holding company	Namibia Post and Telecom Holdings Limited
Subsidiaries	NamPost Financial Brokers (Pty) Ltd Refer to note 7
Joint arrangements	SmartSwitch Namibia (Pty)Ltd, Refer to note 8
NamPost directors	Refer to directors' report on page 7
Directors (NamPost Financial Brokers (Pty) Ltd)	Festus F Hangula James A Cumming Erastus Hoveka Sonia Bergh
Fellow Subsidiaries	Telecom Namibia Limited Mobile Telecommunications Limited
Members of key management (Executive Committee)	Festus Hangula (Chief Executive Officer: Namibia Post Limited) Robert Eiman (Chief Executive Officer: NamPost Financial Brokers (Pty) Ltd) - appointed 1 November 2023. Willem Mouton (Chief Operating Officer) Batsirai Pfigirai (Executive: Finance) Jorn Schnoor (Executive: Information Technology) Ekonia Mudjanima (Executive: Human Resources) Mbo Luvindao (Executive: Financial Services) Berlindi van Eck (Executive: Marketing) Eldorette Harmse (Executive: Legal, Compliance and Governance) Bennie Jakobs (Executive: Retail Channels) Deon Claasen (Executive: Enterprise Risk Management) Michael Feldmann (Executive: Mail and Logistics) Komao Mbuende (Head: Internal Audit)

Notes to the Annual Financial Statements

	Group		Company	
	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000
41. Related parties (continued)				
Related party balances				
Receivable from related parties				
Mobile Telecommunications Limited	4,827	6,650	4,827	6,650
Telecom Namibia Limited	1,302	533	1,302	533
NamPost Financial Brokers (Pty) Ltd	-	-	40	31
Payable to related parties				
Mobile Telecommunications Limited	9,310	8,971	9,310	8,971
Telecom Namibia Limited	2,184	-	2,184	-
Hollard Life Namibia Limited	1,904	1,764	1,904	1,764
NamPost Financial Brokers (Pty) Ltd	-	-	226	130
Loans to related parties				
NamPost Financial Brokers (Pty) Ltd	-	-	845,388	507,470
Loan repayments from related parties				
NamPost Financial Brokers (Pty) Ltd	-	-	81,499	83,743
Savings Bank Investors' liabilities				
*NamPost Financial Brokers (Pty) Ltd	-	-	373,335	42,951
Related party transactions				
Sales of goods / services				
Telecom Namibia Limited	7,906	6,680	7,906	6,680
Namibia Post and Telecom Holdings Limited	4	4	4	4
Mobile Telecommunications Limited	4,340	3,749	4,340	3,749
NamPost Financial Brokers (Pty) Ltd	-	-	65,395	42,920
Hollard Life Namibia Ltd	25,909	24,185	25,909	24,185
Purchases from (sales to) related parties				
Namibia Post and Telecom Holdings Limited	30,821	32,969	30,821	32,969
Mobile Telecommunications Limited	163,675	283,057	163,675	283,057
Telecom Namibia Limited	7,520	7,069	7,520	7,069
NamPost Financial Brokers (Pty) Ltd	-	-	24,324	4,734
Directors' emoluments				
James A Cumming	316	304	194	175
Simeon Amunkete	214	192	214	192
Leezhel Sartorius von Bach	178	175	178	175
Martha Shingenge	191	168	191	168
Ndangi Katoma	173	139	173	139
Festus F Hangula	91	97	-	-
Erastus Hoveka	82	97	-	-
Sonia Bergh	88	97	-	-
Compensation: Key management (Executive Committee)				
Short -term employee benefits	32,451	31,211	25,111	24,047

*Disclosure has been added in the current year and prior year has been restated. Refer to note 39.

Detailed Income Statement

		Group		Subsidiary	
	Note(s)	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000
Revenue					
Philately stamps revenue		2,770	994	2,770	994
Mail revenue		80,400	86,853	80,400	86,853
Agency commission		23,462	26,382	23,462	26,382
Courier services		144,655	134,593	144,655	134,593
Savings bank fees		160,094	149,319	160,094	149,319
Other revenue		3,860	3,496	3,860	3,496
Interest and similar income from financial investments		563,778	545,097	563,778	545,097
Revenue from lending activities		142,682	126,083	-	-
	24	**1,121,701**	**1,072,817**	**979,019**	**946,734**
Cost of sales					
Opening stock		(13,523)	(13,523)	(13,523)	(13,557)
Purchases on goods and services		(75,400)	(69,741)	(75,400)	(909,033)
Closing stock		17,004	13,523	17,004	13,523
Interest expense		(430,995)	(414,929)	(455,319)	419,663
	25	**(502,914)**	**(484,670)**	**(527,238)**	**(489,404)**
Gross profit (loss)		**618,787**	**588,147**	**451,781**	**457,330**
Other operating income					
Bad debts recovered		3,784	4,318	-	-
Other income		30,674	31,633	30,685	31,617
Sundry (loss) / income		561	(6,108)	561	(6,108)
Gain on asset disposal		920	29	24	18
	26	**35,939**	**29,872**	**31,270**	**25,527**
Expenses (Refer to page 77).		**(554,877)**	**(530,859)**	**(495,201)**	**(475,052)**
Operating profit (loss)	29	**99,849**	**87,160**	**(12,150)**	**7,805**
Investment income	27	22,424	19,434	87,412	62,052
Finance costs	31	(64,076)	(43,523)	(64,076)	(43,523)
Profit before taxation		**58,197**	**63,071**	**11,186**	**26,334**
Taxation	32	(21,172)	(5,562)	(4,332)	7,154
Profit for the year		**37,025**	**57,509**	**6,854**	**33,488**

Detailed Income Statement

		Group		Subsidiary	
	Note(s)	2024 N$ '000	2023 N$ '000	2024 N$ '000	2023 N$ '000
Other operating expenses					
Advertising		(8,851)	(9,182)	(7,181)	(8,152)
Amortisation		(8,900)	(9,049)	(8,719)	(8,876)
Auditor's remuneration - external audit	29	(3,206)	(3,398)	(2,372)	(2,703)
Bad debts		(12,839)	(16,661)	1,063	(1,719)
Bank charges		(4,133)	(3,822)	(4,024)	(3,788)
Cleaning		(201)	(108)	(110)	(49)
Commission paid		(11,191)	(9,175)	(8,245)	(7,096)
Consulting and professional fees		(19,418)	(15,385)	(14,175)	(9,722)
Depreciation		(27,315)	(25,904)	(26,796)	(25,456)
Employee costs		(316,835)	(299,926)	(291,413)	(276,278)
Municipal expenses		(3,957)	(3,379)	(2,656)	(2,400)
Insurance		(6,179)	(5,875)	(6,217)	(5,812)
IT expenses		(23,247)	(20,244)	(19,961)	(17,099)
Short-term leases		(35,575)	(36,170)	(34,176)	(34,727)
Motor vehicle expenses		(132)	(77)	-	-
Other expenses		(22,628)	(25,768)	(21,993)	(25,495)
Postage		(806)	(662)	(269)	(188)
Printing and stationery		(4,010)	(3,278)	(3,494)	(3,054)
Repairs and maintenance		(2,751)	(2,679)	(2,751)	(2,679)
Security		(9,715)	(9,582)	(9,715)	(9,582)
Subscriptions		(19,743)	(17,709)	(19,743)	(17,709)
Telephone and fax		(12,443)	(12,629)	(12,254)	(12,468)
Training		(292)	(116)	-	-
Travel - local		(510)	(81)	-	-
		(554,877)	**(530,859)**	**(495,201)**	**(475,052)**

nampost®

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