

**Namibian Stock Exchange Group
Annual Financial Statements
for the year ended 31 December 2023**

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Stock exchange operations, transfer agent services, property ownership management, an investor protection guarantee fund, and central depository services tailored for the Namibian market.
Directors	AP Ithindi B Hansen C Bazuin DE Smit GD Marais (Chairman) HB Gerdes M Smith M Späth S De Bruin
Business address	4 Robert Mugabe Avenue Windhoek Namibia
Postal address	P O Box 2401 Windhoek Namibia
Holding company	Namibian Stock Exchange incorporated in Namibia
Bankers	First National Bank of Namibia
Auditors	Deloitte & Touche
Secretary	N Shejavali-Lungu
Legal advisors	Engling, Stritter & Partners

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 28 of 2004, as amended 2007 and the Stock Exchange Control Act (Act 1 of 1985) 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 period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting 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 control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control 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 31 December 2024 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 auditors are 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 5.

The annual financial statements set out on page 4 to 44, which have been prepared on the going concern basis, were approved by the board of directors on 29 April 2024 and were signed on their behalf by:

Approval of financial statements



GD Marais (Chairman)



DE Smit

INDEPENDENT AUDITOR'S REPORT
To the Members of Namibian Stock Exchange
For the year ended 31 December 2023

Opinion

We have audited the consolidated and separate financial statements of Namibian Stock Exchange ("NSX") and its subsidiaries (the "Group") set out on pages 6 to 42 which comprise the consolidated and separate statements of financial position as at 31 December 2023, consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements, including material accounting policy information and the directors report.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the NSX as at 31 December 2023 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' responsibility and approval of the annual financial statements on page 3 and the detailed income statement as set out on page 43 to 44 which we obtained prior to the date of this audit report. The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this audit report, 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.



INDEPENDENT AUDITOR'S REPORT

To the Members of Namibian Stock Exchange (continued)

Responsibilities of Directors for the Consolidated and Separate Annual 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 as issued by the International Accounting Standards Board and for such internal control as the directors determines is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the NSX and Group'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 intends to liquidate the NSX or the Group to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual 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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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 annual financial statements.

As part of an audit in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, we exercise professional judgment 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 NSX and Group'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 NSX or Group'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 annual financial statements or, if such disclosures are inadequate, to modify our opinion. However, future events or conditions may cause the NSX or Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual 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 annual 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 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.

Deloitte & Touche

Deloitte & Touche

Registered Accountants and Auditors

Chartered Accountants (Namibia)

Per: Piquet Parry

Partner

Windhoek

30 April 2024

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the Namibian Stock Exchange Group for the year ended 31 December 2023.

1. Nature of business

Namibian Stock Exchange Group was incorporated in Namibia. The activities of the group are undertaken through the company and its principal subsidiaries. The group operates in Namibia.

The Namibian Stock Exchange is a not-for-profit association. Furthermore, the Guarantee Fund, was established by the Namibian Stock Exchange for the protection of investors as mandated by section 30 of the Stock Exchanges Control Act (Act 1 of 1985). Additionally, it is highlighted that both the Namibian Stock Exchange and the Guarantee Fund are exempt from normal taxation under section 16(1)(d) of the Income Tax Act, No. 24 of 1981. Conversely, the operating subsidiaries are subject to regular taxation in accordance with the provisions of the Income Tax Act, No. 24 of 1981.

The group's business encompasses stock exchange operations, transfer agent services, property ownership management, an investor protection guarantee fund, and central depository services tailored for the Namibian market.

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 International Financial Reporting Standards and the requirements of the Companies Act 28 of 2004, as amended 2007 and the Stock Exchange Control Act (Act 1 of 1985). The accounting policies have been applied consistently compared to the prior year.

The full details of the financial position, results of operations and cash flows of the group is set out in these annual financial statements. The net profit for the year of the group is, respectively, N\$ 13,961,649 (2022: N\$ 5,802,344) and the net assets as at 31 December 2023 is, respectively, N\$ 134,723,709 (2022: N\$ 120,537,060).

3. Dividends

The board of directors do not recommend the declaration of a dividend for the year (2022: Nil).

4. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
AP Ithindi		Non-executive Independent	Appointed 26 April 2023
B Hansen		Non-executive	
C Bazuin	Chief Executive Officer	Executive	
D Nuyoma		Non-executive Independent	Resigned 26 April 2023
DE Smit		Non-executive Independent	Appointed 26 April 2023
GD Marais	Chairman	Non-executive Independent	
HB Gerdes		Non-executive Independent	
M Smith		Non-executive	Appointed 26 April 2023
M Späth		Non-executive	
O Capelao		Non-executive Independent	Resigned 26 April 2023
S De Bruin		Non-executive Independent	Appointed 26 April 2023

Namibian Stock Exchange Group

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Directors' Report

5. Events after the reporting period

Subsequent to the reporting period, on March 11, 2024, the Central Securities Depository Limited was granted its Central Securities Depository (CSD) license by NAMFISA. This event is disclosed to provide users of the financial statements with relevant information regarding subsequent events that may affect the group's future financial position and performance.

The Central Securities Depository Limited is currently undergoing the process of obtaining its license from the National Payment System department within the Bank of Namibia.

6. Going concern

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

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

7. Secretary

The company secretary is Mrs N Shejvali-Lungu.

Postal address: PO Box 2401
Windhoek
Namibia

Business address: 4 Robert Mugabe Avenue
Windhoek
Namibia

8. Transition to CaseWare for financial statement preparation and disclosure adjustments

We wish to inform stakeholders that the preparation of our financial statements has transitioned from a manual system to CaseWare. This change necessitated adjustments to the layout of disclosures. However, it is important to note that the comparative figures from the prior year remain fundamentally unchanged.

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Statement of Financial Position as at 31 December 2023

Figures in Namibia Dollar	Note(s)	Group		Company	
		2023	2022	2023	2022
Assets					
Non-Current Assets					
Equipment and intangibles	3	1,508,076	351,280	984,024	125,282
Fixed property	4	7,760,000	7,535,000	-	-
Investments in subsidiaries	5	-	-	1,335,140	1,335,140
Loans to group companies	6	-	-	3,819,068	4,009,919
Investments at fair value	8	74,753,487	64,684,687	57,992,259	50,332,355
		84,021,563	72,570,967	64,130,491	55,802,696
Current Assets					
Loans to group companies	6	-	-	212,969	81,790
Trade and other receivables	7	2,426,460	2,060,632	1,526,778	1,563,331
Current tax receivable	11	56,223	8,541	-	-
Other investments (at amortised cost)	10	36,572,868	46,375,755	31,728,505	44,529,266
Cash and cash equivalents	12	25,305,337	11,112,406	21,938,437	5,857,813
		64,360,888	59,557,334	55,406,689	52,032,200
Total Assets		148,382,451	132,128,301	119,537,180	107,834,896
Equity and Liabilities					
Equity					
Members' contribution	13	2,320,500	2,320,500	2,320,500	2,320,500
Total Reserves		1,439,700	1,214,700	500,000	500,000
Retained income		135,122,228	120,477,560	107,777,271	96,765,984
		138,882,428	124,012,760	110,597,771	99,586,484
Non-controlling interest		(4,158,719)	(3,475,700)	-	-
		134,723,709	120,537,060	110,597,771	99,586,484
Liabilities					
Non-Current Liabilities					
Loans from group companies	14	-	-	4,000	4,000
Deferred income	16	5,000,951	4,451,515	5,000,951	4,451,515
Deferred tax	9	461,324	355,674	-	-
Provision for severance pay	17	391,000	363,000	371,000	317,000
		5,853,275	5,170,189	5,375,951	4,772,515
Current Liabilities					
Trade and other payables	18	3,262,441	2,618,754	2,559,609	2,174,229
Loans from group companies	14	-	-	308,555	644,596
Loans from shareholders	15	3,847,732	3,145,226	-	-
Deferred income	16	695,294	657,072	695,294	657,072
		7,805,467	6,421,052	3,563,458	3,475,897
Total Liabilities		13,658,742	11,591,241	8,939,409	8,248,412
Total Equity and Liabilities		148,382,451	132,128,301	119,537,180	107,834,896

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Note(s)	Group		Company	
		2023	2022	2023	2022
Revenue	19	15,392,018	16,824,873	11,233,116	12,539,670
Other operating income	20	8,712	81,258	1,898,881	1,889,067
Other operating gains	21	82,811	2,279	72,353	2,279
Other operating expenses		(15,834,258)	(13,972,423)	(14,780,406)	(12,955,642)
Operating (loss) / profit	22	(350,717)	2,935,987	(1,576,056)	1,475,374
Investment income	23	7,030,241	4,661,432	6,631,393	4,574,060
Finance costs	24	(412,426)	(259,172)	-	-
Fair value gains / (losses) on investments at fair value	25	7,800,201	(1,350,302)	5,955,949	(540,969)
Profit before taxation		14,067,299	5,987,945	11,011,286	5,508,465
Taxation	26	(105,650)	(185,601)	-	-
Profit for the year		13,961,649	5,802,344	11,011,286	5,508,465
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains / (losses) on property revaluation		225,000	(65,000)	-	-
Other comprehensive income for the year net of taxation	27	225,000	(65,000)	-	-
Total comprehensive income for the year		14,186,649	5,737,344	11,011,286	5,508,465
Profit attributable to:					
Owners of the parent		14,644,668	6,327,835	11,011,286	5,508,465
Non-controlling interest		(683,019)	(525,491)	-	-
		13,961,649	5,802,344	11,011,286	5,508,465
Total comprehensive income attributable to:					
Owners of the parent		14,869,668	6,262,835	11,011,286	5,508,465
Non-controlling interest		(683,019)	(525,491)	-	-
		14,186,649	5,737,344	11,011,286	5,508,465

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Statement of Changes in Equity

	Share capital	Revaluation reserve	Insurance reserve	Total reserves	Retained income	Total attributable to equity holders of the group/company	Non-controlling interest	Total equity
Figures in Namibia Dollar								
Group								
Balance at 1 January 2022	2,320,500	779,700	500,000	1,279,700	114,149,724	117,749,924	(2,950,209)	114,799,715
Profit for the year	-	-	-	-	6,327,836	6,327,836	(525,491)	5,802,345
Other comprehensive income	-	(65,000)	-	(65,000)	-	(65,000)	-	(65,000)
Total comprehensive income for the year	-	(65,000)	-	(65,000)	6,327,836	6,262,836	(525,491)	5,737,345
Balance at 1 January 2023	2,320,500	714,700	500,000	1,214,700	120,477,560	124,012,760	(3,475,700)	120,537,060
Profit for the year	-	-	-	-	14,644,668	14,644,668	(683,019)	13,961,649
Other comprehensive income	-	225,000	-	225,000	-	225,000	-	225,000
Total comprehensive income for the year	-	225,000	-	225,000	14,644,668	14,869,668	(683,019)	14,186,649
Balance at 31 December 2023	2,320,500	939,700	500,000	1,439,700	135,122,228	138,882,428	(4,158,719)	134,723,709
Note(s)	13	27						
Company								
Balance at 1 January 2022	2,320,500	-	500,000	500,000	91,257,519	94,078,019	-	94,078,019
Profit for the year	-	-	-	-	5,508,465	5,508,465	-	5,508,465
Total comprehensive income for the year	-	-	-	-	5,508,465	5,508,465	-	5,508,465
Balance at 1 January 2023	2,320,500	-	500,000	500,000	96,765,985	99,586,485	-	99,586,485
Profit for the year	-	-	-	-	11,011,286	11,011,286	-	11,011,286
Total comprehensive income for the year	-	-	-	-	11,011,286	11,011,286	-	11,011,286
Balance at 31 December 2023	2,320,500	-	500,000	500,000	107,777,271	110,597,771	-	110,597,771
Note(s)	13							

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Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	Group		Company	
		2023	2022	2023	2022
Cash flows from operating activities					
Cash receipts from customers		15,694,913	17,385,935	13,828,561	14,400,179
Cash paid to suppliers and employees		(14,998,386)	(14,500,041)	(13,549,015)	(12,412,276)
Cash generated from operations	30	696,527	2,885,894	279,546	1,987,903
Interest income	23	7,030,241	3,311,132	6,631,393	4,033,092
Tax paid	31	(47,682)	(105,084)	-	-
Net cash from operating activities		7,679,086	6,091,942	6,910,939	6,020,995
Cash flows from investing activities					
Purchase of equipment and intangibles	3	(1,320,981)	(134,976)	(941,958)	(16,930)
Proceeds from sale of property, plant and equipment	3	10,458	4,997	-	4,997
Cash advances to group companies	6	-	-	(649,122)	-
Purchases of investments at fair value	8	(2,268,599)	(46,562,135)	(1,703,955)	(45,631,625)
Disposals of other investments (at amortised cost)	10	9,802,887	-	12,800,761	-
Net cash from investing activities		6,223,765	(46,692,114)	9,505,726	(45,643,558)
Cash flows from financing activities					
Repayments of loans from group companies	14	-	-	(336,041)	-
Cash advances received on loans from shareholders	15	290,080	-	-	-
Net cash from financing activities		290,080	-	(336,041)	-
Total cash movement for the year		14,192,931	(40,600,172)	16,080,624	(39,622,563)
Cash and cash equivalents at the beginning of the year		11,112,406	51,712,578	5,857,813	45,480,376
Cash and cash equivalents at the end of the year	12	25,305,337	11,112,406	21,938,437	5,857,813

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 28 of 2004, as amended 2007 and the Stock Exchange Control Act (Act 1 of 1985) as amended and the Constitution of the Namibian Stock Exchange as contained in the Namibian Stock Exchange Rules promulgated under Government Notice No. 151 of 12 September 1995, as amended from time to time..

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

These accounting policies are consistent with the previous year.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

The results of subsidiaries are included in the consolidated annual financial statements from the date of obtaining control until the date that control is lost.

The accounting policies of all subsidiaries are the same as those of the parent.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of 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.

Investments in subsidiaries in the separate financial statements

Investments in subsidiaries are carried at cost less any accumulated impairment losses in the separate financial statements.

1.3 Significant judgements and sources of estimation uncertainty

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

1.4 Equipment and intangibles

Equipment and intangibles are initially measured at cost.

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

Equipment and intangibles are subsequently stated at cost less accumulated depreciation and impairment losses.

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.4 Equipment and intangibles (continued)

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

There were no indicators of impairment for equipment and intangibles and no impairment tests were performed.

1.5 Financial instruments

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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the group are presented below:

Loans receivable at amortised cost

Management have assessed and classified loans to group companies, loans to shareholders, loans to directors, managers and employees, and loans receivable as financial assets at amortised cost.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

An exception to the above applies to loans which have become credit impaired. The effective interest rate on these loans is applied to the amortised cost rather than the gross carrying amount in the determination of interest. The interest calculation reverts to applying the effective interest rate to the gross carrying amount when the loan is no longer credit impaired.

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

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

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.5 Financial instruments (continued)

Impairment - Expected credit losses and write offs

A provision matrix is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The group writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in profit or loss.

Investments in equity instruments

Dividends received on equity investments are recognised in profit or loss when the group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Investments in debt instruments at fair value through profit or loss

The group holds investments in government and corporate bonds which are measured at fair value through profit or loss. Although they are debt instruments, management have concluded that they do not qualify to be measured at amortised cost or fair value through other comprehensive income.

Borrowings and loans from related parties

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

Interest expense on borrowings is calculated on the effective interest method, and is included in profit or loss.

Trade and other payables

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

Financial liabilities at fair value through profit or loss

Fair value gains or losses on these liabilities are recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Namibian Stock Exchange Group

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Accounting Policies

1.5 Financial instruments (continued)

Derecognition

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The group derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.6 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

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 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 they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

1.7 Leases

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

No contracts were identified that required specific judgement as to whether they contained leases.

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.7 Leases (continued)

Group as lessee

At the inception of each contract, the Company evaluates whether it constitutes or includes a lease. For lease arrangements where the Company is the lessee, a right-of-use asset and a corresponding lease liability are recognized, except for leases classified as short-term (lease term of 12 months or less) or involving low-value assets. In such cases, lease payments are expensed on a straight-line basis over the lease term, unless an alternative systematic basis better reflects the consumption of economic benefits derived from the leased assets.

1.8 Impairment of assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised for an asset if the recoverable amount of the asset or cash generating unit is less than the carrying amount. The impairment loss is determined as the difference between the two amounts.

Impairment losses are recognised immediately in profit or loss.

1.9 Members contributions, share capital and equity

Members contributions, equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

1.10 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of social security, severance pay, paid annual leave and sick leave, bonuses, and medical care, are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

The group makes contributions to the Momentum FundsAtWork Namibia Umbrella Pension Fund, which is an umbrella defined contribution fund designed for the retirement benefits of current employees. The associated costs are recognized as expenses when employees have provided services entitling them to the contributions. This umbrella fund consists of three separate components: retirement benefits, insurance benefits, and business benefits.

Payments are charged as an expense as they fall due.

1.11 Provisions and contingencies

The group recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the group will be required to settle the obligation.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32.

1.12 Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Initial documentation, capital raising and listing fees;
- Annual listing fees;
- Data subscription fees;
- Stockbroker and sponsors: annual members' and entrance fees;
- Commission received: transaction levies;
- Commission received: quoting fees;
- Stockbrokers: Guarantee fund contributions;

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.12 Revenue from contracts with customers (continued)

- Annual agency fees;
- Quarterly registry maintenance fees; and
- Service fees: corporate actions.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Initial documentation, capital raising and listing fees

The Group concluded that the revenue for the initial listing and documentation fees is to be recognised over an expected period that reflects the average listing period of issuers. This is based on an average historical minimum life expectancy of a listed company. The company has the obligation to provide the platform to the issuer over the term for which it receives the revenue.

For a new applicant issuer, a documentation fee is levied prior to the initial listing of securities. Subsequently, upon a successful listing, a capital raising fee is imposed.

Annual listing fees

An annual listings fee is charged each year for the duration of time that the securities remain listed.

Data subscription fees

Revenue is recognized from data subscriptions.

Stockbroker and sponsors: annual members' and entrance fees

Sponsors, with the exception of registered stockbrokers, are required to remit an initial, non-refundable application fee for sponsorship privileges. Additionally, sponsors are obligated to pay a non-refundable annual fee, except in the year of the initial annual fee payment.

Commission received: transaction levies

A transaction levy for listed securities that are traded is levied on the brokerage of each transaction.

Commission received: quoting fees

The commission rate earned is a levy on the total trade value (excluding Stamp Duties) for over-the-counter securities (OTCMN) traded. Additionally, a monthly quoting fee is charged for the duration of each quote on the OTCMN.

Stockbrokers: Guarantee fund contributions

Stockbroking members and / or broking firms contribute a 10% levy of the transaction levy to the fund.

Annual agency fees

The revenue stream consists of dual-listed securities lacking shareholder registers in Namibia. As per listing regulations, these securities are mandated to establish a receiving office in Namibia. The issuer designates Transfer Secretaries (Proprietary) Limited as its receiving office in the Republic of Namibia ('Namibia') to facilitate assistance for its shareholders domiciled in Namibia.

Quarterly registry maintenance fees

The revenue stream includes dual-listed securities with a shareholder register in Namibia, as well as primary listed securities. Transfer Secretaries (Proprietary) Limited oversees the maintenance of the register and operates a registration and transfer office in Namibia, providing designated registry services.

Service fees

The service fee revenue stream comprises services provided by Transfer Secretaries (Proprietary) Limited related to the execution of corporate actions. The services rendered include, but are not limited to, the establishment of the register for a security; the issuance of certificates or certified deeds to holders of the Principal's securities; and Preparation and distribution of dividend and/or interest payments.

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.13 Borrowing costs

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

1.14 Translation of foreign currencies

Foreign currency transactions

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

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

1.15 Fixed property

Fixed properties held for use in the production or supply of goods or services, or for administrative purposes, are recognized in the consolidated statement of financial position at their revalued amounts, which represent the fair value at the date of revaluation, reduced by any subsequent accumulated depreciation and impairment losses. Revaluations are conducted at regular intervals to ensure that the carrying amounts remain materially in line with fair values as of each reporting period's end.

Any increase in fair value resulting from the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it offsets a previously recognized revaluation decrease for the same asset, which was previously recognized in profit or loss. In such cases, the increase is recognized in profit or loss to the extent of the prior decrease. Conversely, a decrease in the carrying amount due to revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds any balance held in the properties revaluation reserve relating to a prior revaluation of that asset.

Namibian Stock Exchange Group

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

Standard/ Interpretation:	Effective date:	Expected impact Years beginning on or after
Amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023	The impact of the amendments is not material.
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies	1 January 2023	The impact of the amendments is not material.
Amendments to IAS 8 Accounting Policies, changes in Accounting Estimates and Errors: Definition of accounting estimates	1 January 2023	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2024 or later periods:

Standard/ Interpretation:	Effective date:	Expected impact: Years beginning on or after
Amendments to IFRS 10 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined	Unlikely there will be a material impact.
Amendments to IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined	Unlikely there will be a material impact.
Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback	1 January 2024	Unlikely there will be a material impact.
Amendments to IFRS 7 Financial Instruments: Disclosures of Supplier Finance Arrangements	1 January 2024	Unlikely there will be a material impact.
Amendment to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2024	Unlikely there will be a material impact.
Amendments to IAS 7 Statement of Cash Flows: Supplier Finance Arrangement	1 January 2024	Unlikely there will be a material impact.
Amendment to IAS 1 Presentation of Financial Statements: Non-current liabilities with covenants	1 January 2024	Unlikely there will be a material impact.
IAS 21 The Effects of Changes in Foreign Exchange Rates Lack of Exchangeability	1 January 2025	Unlikely there will be a material impact.

Namibian Stock Exchange Group

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Notes to the Annual Financial Statements

3. Equipment and intangibles

Group	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	515,880	(340,194)	175,686	484,385	(268,027)	216,358
IT equipment	1,096,002	(656,498)	439,504	740,485	(605,568)	134,917
Computer software	2,084,880	(1,191,994)	892,886	1,161,210	(1,161,205)	5
Total	3,696,762	(2,188,686)	1,508,076	2,386,080	(2,034,800)	351,280

Company	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	253,062	(179,176)	73,886	237,408	(147,327)	90,081
IT equipment	418,685	(401,433)	17,252	416,053	(380,857)	35,196
Computer software	1,415,839	(522,953)	892,886	492,169	(492,164)	5
Total	2,087,586	(1,103,562)	984,024	1,145,630	(1,020,348)	125,282

Reconciliation of equipment and intangibles - Group - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	216,358	31,495	(72,167)	175,686
IT equipment	134,917	365,816	(61,229)	439,504
Computer software	5	923,670	(30,789)	892,886
	351,280	1,320,981	(164,185)	1,508,076

Namibian Stock Exchange Group

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Notes to the Annual Financial Statements

3. Equipment and intangibles (continued)

Reconciliation of equipment and intangibles - Group - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	253,101	31,055	-	(67,798)	216,358
IT equipment	74,160	103,921	(4,857)	(38,307)	134,917
Computer software	5	-	-	-	5
	327,266	134,976	(4,857)	(106,105)	351,280

Reconciliation of equipment and intangibles - Company - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	90,081	15,655	(31,850)	73,886
IT equipment	35,196	2,633	(20,577)	17,252
Computer software	5	923,670	(30,789)	892,886
	125,282	941,958	(83,216)	984,024

Reconciliation of equipment and intangibles - Company - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	115,076	5,180	-	(30,175)	90,081
IT equipment	50,706	11,750	(4,857)	(22,403)	35,196
Computer software	5	-	-	-	5
	165,787	16,930	(4,857)	(52,578)	125,282

The group has identified evidence of impairment concerning the Securities and Trading Technology (STT) asset in Central Security Depository Limited (N\$ 669,041 (capitalised cost) - N\$ 669,041 (accumulated impairment)). This impairment arises because the asset has not been utilized due to the company lacking the necessary license for operation, as the legislative framework governing the asset's implementation has not yet been enacted, with no definitive implementation date established. Nonetheless, the Ministry of Finance has granted approval to issue the license under the existing Stock Exchange Control Act (Act 1 of 1985). During the fourth quarter of the 2023 financial year, management submitted a license application to the Namibian Financial Institutions Supervisory Authority (NAMFISA). Subsequent to the reporting period, on March 11, 2024, the Central Securities Depository Limited was granted its Central Securities Depository (CSD) license by NAMFISA. Given the absence of an active market in which to sell the asset, its recoverable amount has been assessed as nil. The directors plan to reassess this situation annually.

Namibian Stock Exchange Group

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Notes to the Annual Financial Statements

4. Fixed property

Group	2023			2022		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Fixed property	7,760,000	-	7,760,000	7,535,000	-	7,535,000

Reconciliation of fixed property - Group - 2023

	Opening balance	Fair value adjustments	Total
Fixed property	7,535,000	225,000	7,760,000

Reconciliation of fixed property - Group - 2022

	Opening balance	Fair value adjustments	Total
Fixed property	7,600,000	(65,000)	7,535,000

Details of property

Fixed property consists of Section 9 (measuring 255 m2 with a participation quota of 18.8%) and Section 2 (measuring 91 m2 with a participation quota of 6.7%) in the Sectional Title Scheme Maerua Heights No 65 / 2012 and an undivided share of Erf 1970 Windhoek, measuring 1264 m2. The property is un-encumbered. The property was acquired in 2013 at the cost of N\$ 6,820,300.

The major portion (70%) of the fixed property is let to the Namibian Stock Exchange and the remainder to Transfer Secretaries (Proprietary) Limited.

Details of valuation

The effective date of the revaluations was 9 January 2024. Revaluations were performed by an independent valuer, Mr Scholtz, a Professional / Sworn Appraiser holding a National Diploma: Property Valuation (Technicon SA), of Property Valuation Namibia.

The valuation was based on the income capitalisation method. The most significant judgement relates to the price earnings index where a rate of 10.81% (2022: 10.53%) was used.

The information below demonstrates the sensitivity to a possible change in the price earnings index, with all other variables held constant, of fair value of the property.

Group - 2023 financial year

	Increase of 100bps	Decrease of 100bps
Increase or decrease of a 100 basis points in the price earnings index	8,480,000	7,040,000

Namibian Stock Exchange Group

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Notes to the Annual Financial Statements

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

5. Interests in subsidiaries including consolidated structured entities

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

Company

Name of company	% holding 2023	% holding 2022	Carrying amount 2023	Carrying amount 2022
Namibian Stock Exchange Trustees (Proprietary) Limited	100.00 %	100.00 %	4,000	4,000
Transfer Secretaries (Proprietary) Limited	100.00 %	100.00 %	4,000	4,000
Maerua Investments Number Nine (Proprietary) Limited	100.00 %	100.00 %	1,325,100	1,325,100
Central Securities Depository (Proprietary) Limited	51.00 %	51.00 %	2,040	2,040
			1,335,140	1,335,140

6. Loans to group companies

Subsidiaries

Maerua Investments Number Nine (Proprietary) Limited	-	-	212,969	81,790
Maerua Investments Number Nine (Proprietary) Limited	-	-	3,530,000	3,700,000
Central Securities Depository (Proprietary) Limited	-	-	289,068	309,919
	-	-	4,032,037	4,091,709

Maerua Investments Number Nine (Proprietary) Limited:

The nature of Maerua Investments Number Nine (Proprietary) Limited is property investment, to enhance diversification of the NSX's investment portfolio, with the prospect of capital appreciation.

The long-term loan of N\$ 3,530,000 (2022: N\$ 3,700,000) provided to the subsidiary, Maerua Investments Number Nine (Proprietary) Limited, does not have a fixed term of repayment, incurs monthly interest payments at an annual rate of 8.5% (2022: 8.5%). The Namibian Stock Exchange has committed to refrain from calling this loan within the next 12 months, thus classifying it as non-current.

Central Securities Depository (Proprietary) Limited

The Namibian Stock Exchange and Bank of Namibia have provided ongoing financial support to Central Securities Depository (Proprietary) Limited.

Interest on the loan is charged at Namibian prime and is capitalised monthly, with no capital repayment terms specified.

As a formal agreement is in place between the Namibian Stock Exchange, Bank of Namibia and Central Securities Depository (Proprietary) Limited the loans will not be called in the next twelve months. The Namibian Stock Exchange signed their subordination agreement before or on 31 December 2023 therefore the loan has been classified as non-current. The Bank of Namibia signed their subordination agreement after year end, 31 December 2023, therefore the loan has been classified as current.

Reconciliation of Central Securities Depository (Proprietary) Limited loan:

Opening balance	-	-	3,940,290	3,130,082
Increase in loan	-	-	687,943	810,208
Accumulated impairment	-	-	(3,630,371)	(3,067,638)
Impairment charge for the year	-	-	(708,794)	(562,733)
	-	-	289,068	309,919

Namibian Stock Exchange Group

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Notes to the Annual Financial Statements

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

6. Loans to group companies (continued)

Split between non-current and current portions

Non-current assets	-	-	3,819,068	4,009,919
Current assets	-	-	212,969	81,790
	-	-	4,032,037	4,091,709

7. Trade and other receivables

Financial instruments:

Trade receivables	2,222,821	1,897,958	1,395,773	1,431,587
Deposits	3,400	3,400	-	-
Loans to employees	70,041	81,387	70,041	68,887

Non-financial instruments:

VAT	58,231	-	-	-
Prepayments	71,967	77,887	60,964	62,857

Total trade and other receivables	2,426,460	2,060,632	1,526,778	1,563,331
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Exposure to credit risk

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

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

The average credit period on trade receivables is 60 days.

No provision for impairment loss has been recognized as the directors have deemed the expected credit loss associated with receivables to be immaterial.

Receivables past due but not impaired	1,003,123	162,506	816,997	85,575
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8. Investments at fair value

Investments held by the group which are measured at fair value, are as follows:

Investments at fair value through profit or loss	74,753,487	64,684,687	57,992,259	50,332,355
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Designated at fair value through profit or loss:

Allan Gray - South Africa Balanced Fund	23,180,478	20,523,666	23,180,478	20,523,666
Old Mutual Unit Trust - Namibia Managed Fund	26,141,925	22,513,000	17,645,799	15,196,275
Stanlib - Namibia Managed Fund	25,431,084	21,648,021	17,165,982	14,612,414
	74,753,487	64,684,687	57,992,259	50,332,355

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Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022
9. Deferred tax				
Deferred tax liability				
Capital allowances	(503,304)	(435,023)	-	-
Prepayments	(177)	(169)	-	-
Provision for doubtful debts	-	29,161	-	-
Provision for severance pay	6,400	14,720	-	-
Assessed tax losses	35,757	35,637	-	-
Total deferred tax liability	(461,324)	(355,674)	-	-

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	(461,324)	(355,674)	-	-
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Reconciliation of deferred tax asset / (liability)

At beginning of year	(355,674)	(257,777)	-	-
Charge to profit and loss	(105,650)	(97,897)	-	-
	(461,324)	(355,674)	-	-

10. Other investments

At amortised cost

Treasury bills - held-to-maturity	36,572,868	46,375,755	31,728,505	44,529,266
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11. Current tax receivable

Normal tax	56,223	8,541	-	-
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12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	7,000	7,000	4,000	4,000
Bank balances	536,790	616,223	403,263	546,621
Money market call accounts	24,761,547	10,489,183	21,531,174	5,307,192
	25,305,337	11,112,406	21,938,437	5,857,813

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Notes to the Annual Financial Statements

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

13. Members' contribution

Issued

Founding members' contribution	430,000	430,000	430,000	430,000
Stockbroking members' contribution	1,890,500	1,890,500	1,890,500	1,890,500
	2,320,500	2,320,500	2,320,500	2,320,500

Valuation of rights held by members

The valuation of a new right by the Board shall be determined as the total of the entity's capital and reserves at the year-end, divided by the quantity of rights currently in circulation in accordance with Rule 2.4.6. Such valuation shall be solely intended for the computation of the prospective cost attributed to a newly issued right, if such issuance were to occur.

Founding members' rights	43	43	43	43
Stockbroking members' contribution	35	35	35	35
	78	78	78	78

Valuation	1,745,000	1,545,000	1,434,000	1,276,000
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14. Loans from group companies

Subsidiaries

Namibian Stock Exchange Trustees (Proprietary) Limited	-	-	4,000	4,000
Transfer Secretaries (Proprietary) Limited	-	-	284,441	530,473
Namibian Stock Exchange Guarantee Fund	-	-	24,114	114,123
	-	-	312,555	648,596

The loans are unsecured, bear no interest and has no fixed terms of repayment.

Split between non-current and current portions

Non-current liabilities	-	-	4,000	4,000
Current liabilities	-	-	308,555	644,596
	-	-	312,555	648,596

15. Loans from shareholders

Loan from Bank of Namibia to Central Securities Depository (Proprietary) Limited	3,847,732	3,145,226	-	-
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The loan, unsecured with no fixed terms of repayment, accrues interest monthly at the Namibian prime interest rate. A formal subordination agreement, signed on 22 February 2024, exists between Bank of Namibia and Central Securities Depository (Proprietary) Limited, ensuring that the loan will not be called up within the subsequent twelve months.

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Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

16. Deferred income

The key judgment made in determining the deferred revenue balance pertains to the period of amortization, presently estimated at 15 years (2022: 15 years).

Opening balance	5,108,587	5,308,311	5,108,587	5,308,311
Deferred income realised during the year	(682,619)	(643,382)	(682,619)	(643,382)
Deferred income - listing and documentation fees generated during the year	1,270,277	443,658	1,270,277	443,658
	5,696,245	5,108,587	5,696,245	5,108,587

Split between non-current and current portions

Non-current liabilities	5,000,951	4,451,515	5,000,951	4,451,515
Current liabilities	695,294	657,072	695,294	657,072
	5,696,245	5,108,587	5,696,245	5,108,587

17. Provision for severance pay

Reconciliation of provision for severance pay - Group - 2023

	Opening balance	Additions	Total
Provision for severance pay	363,000	28,000	391,000

Reconciliation of provision for severance pay - Group - 2022

	Opening balance	Reversed during the year	Total
Provision for severance pay	614,476	(251,476)	363,000

Reconciliation of provision for severance pay - Company - 2023

	Opening balance	Additions	Total
Provision for severance pay	317,000	54,000	371,000

Reconciliation of provision for severance pay - Company - 2022

	Opening balance	Reversed during the year	Total
Provision for severance pay	530,151	(213,151)	317,000

The provision for severance pay benefits has been determined in accordance with the Labour Act of 2007 (Act 11 of 2007).

The Group made use of an independent actuary to determine the liability as at year end.

Key assumptions used are:

- discount rate of 14.07% (2022: 12.99%);
- consumer price index of 8.65% (2022: 8.04%); and
- salary inflation of 9.65% (2022: 9.04%).

The severance pay liability is unfunded and is valued using the projected unit credit method prescribed by IAS 19 Employee Benefits.

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17. Provision for severance pay (continued)

The sensitivity analysis:

The value of the liability is largely dependent on the assumptions used to calculate the liability and the liability is highly sensitive to slight changes in the assumptions used due to the small number of active employees. The tables below show the impact of changes to the most significant assumptions used.

Group

The impact of a 20% increase or decrease in the withdrawal rate is as follows:

	20% Increase	20% Decrease
Total accrued liability	372,100	411,800
Service cost - year following	22,500	27,000
Interest cost - year following	38,700	43,600
	433,300	482,400

The impact of a 1% change in the discount rate is as follows:

	1% Increase	1% Decrease
Total accrued liability	341,100	450,500
Service cost - year following	20,400	29,600
Interest cost - year following	35,800	47,300
	397,300	527,400

The impact of a 1% change in the salary inflation rate is as follows:

	1% Increase	1% Decrease
Total accrued liability	452,500	338,800
Service cost - year following	29,800	20,300
Interest cost - year following	47,500	35,500
	529,800	394,600

Company

The impact of a 20% increase or decrease in the withdrawal rate is as follows:

	20% Increase	20% Decrease
Total accrued liability	353,500	390,400
Service cost - year following	20,300	24,000
Interest cost - year following	33,800	37,700
	407,600	452,100

The impact of a 1% change in the discount rate is as follows:

	1% Increase	1% Decrease
Total accrued liability	323,900	427,200
Service cost - year following	18,400	26,400
Interest cost - year following	18,400	26,400
	360,700	480,000

The impact of a 1% change in the salary inflation rate is as follows:

	1% Increase	1% Decrease
Total accrued liability	429,100	321,700
Service cost - year following	26,600	18,300
Interest cost - year following	41,300	30,900
	497,000	370,900

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Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022
18. Trade and other payables				
Financial instruments:				
Trade payables	488,771	108,891	155,054	25,589
Accrued leave pay	488,519	380,334	416,189	325,929
Accrued bonus	1,310,080	1,346,618	1,217,128	1,244,163
Accrued salary related expenses	70,519	94,935	70,519	94,935
Accrued audit fee	613,900	396,753	442,299	236,378
Non-financial instruments:				
Amounts received in advance	258,420	247,235	258,420	247,235
VAT	32,232	43,988	-	-
	3,262,441	2,618,754	2,559,609	2,174,229
19. Revenue				
Revenue from contracts with customers				
Rendering of services	15,392,018	16,824,873	11,233,116	12,539,670
Namibian Stock Exchange				
Initial documentation, capital raising and listing fees	794,170	720,639	794,170	720,639
Annual listing fees	4,980,357	4,563,687	4,980,357	4,563,687
Data subscription fees	1,161,096	1,104,002	1,161,096	1,104,002
Stockbrokers and sponsors: annual members' and entrance fees	345,280	322,350	345,280	322,350
Commission received: transaction levies	3,916,382	5,797,660	3,916,382	5,797,660
Commission received: quoting fees	35,831	31,332	35,831	31,332
Namibian Stock Exchange Guarantee Fund				
Stockbrokers: Guarantee fund contributions	388,968	579,766	-	-
Transfer Secretaries (Proprietary) Limited				
Annual agency fees	206,400	200,750	-	-
Quarterly registry maintenance fees	1,322,091	1,112,013	-	-
Service fees: corporate actions	2,241,443	2,392,674	-	-
	15,392,018	16,824,873	11,233,116	12,539,670

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Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022
19. Revenue (continued)				
Disaggregation of revenue from contracts with customers				
Total revenue from contracts with customers	15,392,018	16,824,873	11,233,116	12,539,670
Timing of revenue recognition				
At a point in time				
Annual listing fees	4,980,357	4,563,687	4,980,357	4,563,687
Data subscription fees	1,161,096	1,104,002	1,161,096	1,104,002
Stockbrokers and sponsors: annual members' and entrance fees	345,280	322,350	345,280	322,350
Commission received: transaction levies	3,916,382	5,797,660	3,916,382	5,797,660
Commission received: quoting fees	35,831	31,332	35,831	31,332
Stockbrokers: Guarantee fund contributions	388,968	579,766	-	-
Annual agency fees	206,400	200,750	-	-
Quarterly registry maintenance fees	1,322,091	1,112,013	-	-
Service fees: corporate actions	2,241,443	2,392,674	-	-
	14,597,848	16,104,234	10,438,946	11,819,031
Over time				
Initial documentation, capital raising and listing fees	794,170	720,639	794,170	720,639
Total revenue from contracts with customers	15,392,018	16,824,873	11,233,116	12,539,670
The key judgement made in determining the deferred revenue balance is the period of amortisation, this is currently estimated at 15 years (2022: 15 years).				
Revenue deferral application				
Initial documentation, capital raising and listing fees earned during the year	1,381,828	520,915	1,381,828	520,915
Revenue earned during the year to be deferred	(1,270,277)	(443,658)	(1,270,277)	(443,658)
Deferred revenue from prior years realised during the current year	682,619	643,382	682,619	643,382
	794,170	720,639	794,170	720,639
20. Other operating income				
Administration and management fees received	-	-	1,890,169	1,807,809
Other income	8,712	81,258	8,712	81,258
	8,712	81,258	1,898,881	1,889,067
21. Other operating gains				
Gains on disposals, scrapings and settlements				
Property, plant and equipment	3	10,458	139	-
				139
Foreign exchange gains				
Net foreign exchange gains		72,353	2,140	72,353
				2,140
Total other operating gains		82,811	2,279	72,353
				2,279

Namibian Stock Exchange Group

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Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022
22. Operating profit				
Operating profit for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Audit fees	613,900	573,737	442,299	413,363
Remuneration, other than to employees				
Consulting and professional services	92,176	100,301	54,104	96,635
Secretarial services	11,840	3,865	610	290
	104,016	104,166	54,714	96,925
Employee costs				
As at 31 December 2023 the group had 13 permanent employees (2022: 10). The total cost of employment of all employees, including executive directors, was as follows:				
Salaries, wages, bonuses and other benefits	8,089,233	7,396,794	7,122,755	6,385,430
Severance expense	28,000	(251,476)	54,000	(213,151)
Board and committee fees	804,313	725,213	630,228	561,184
Retirement benefit plans: defined contribution expense	1,575,736	1,504,890	1,380,777	1,300,282
Total employee costs	10,497,282	9,375,421	9,187,760	8,033,745
Rent paid				
Short-term leases	134,170	124,232	1,028,639	952,443
Total lease expenses	134,170	124,232	1,028,639	952,443
Depreciation and amortisation				
Depreciation of property, plant and equipment	164,185	106,105	83,216	52,578
23. Investment income				
Interest income				
Loans to subsidiaries	-	-	760,183	629,706
Investments in financial assets:				
Money market call accounts	931,305	1,933,041	931,305	1,933,041
Treasury bills	3,235,950	843,194	3,235,950	843,194
Investments at fair value through profit or loss	2,862,986	1,885,197	1,703,955	1,168,119
Total interest income	7,030,241	4,661,432	6,631,393	4,574,060
24. Finance costs				
Interest expense: Bank of Namibia	412,426	259,172	-	-
25. Other non-operating gains / (losses)				
Fair value gains / (losses)				
Financial assets designated as at fair value through profit or loss	7,800,201	(1,350,302)	5,955,949	(540,969)

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Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

26. Taxation

Major components of the tax expense / (income)

Current

Local income tax - current period	-	87,704	-	-
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Deferred

Deferred tax	105,650	97,897	-	-
	105,650	185,601	-	-

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	32.00 %	32.00 %	- %	- %
Exempt income	(34.42)%	(34.69)%	- %	- %
Current years losses in subsidiaries	3.17 %	5.79 %	- %	- %
Effective tax rate	0.75 %	3.10 %	- %	- %

Unutilised tax losses from Central Securities Depository Limited, that is available for set off against future taxable income:

At the beginning of the year	(7,111,418)	(6,038,988)	-	-
Increase during year	(1,393,916)	(1,072,430)	-	-
	(8,505,334)	(7,111,418)	-	-

27. Other comprehensive income

Components of other comprehensive income - Group - 2023

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Movements on revaluation			
Gains / (losses) on property revaluation	225,000	-	225,000

Components of other comprehensive income - Group - 2022

	Gross	Tax	Net
Items that will not be reclassified to profit / (loss)			
Movements on revaluation			
Gains / (losses) on property revaluation	(65,000)	-	(65,000)

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Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022
28. Employee costs				
Employee costs				
Basic	5,810,834	5,584,606	5,131,780	4,818,120
Bonus	1,439,538	1,499,202	1,279,832	1,310,258
Medical aid - company contributions	620,891	578,793	525,369	508,886
Social security contributions	9,593	9,720	6,920	6,804
VET levies	95,099	86,566	83,501	78,220
Leave pay provision charge	113,278	(362,093)	95,353	(336,858)
Severance pay	28,000	(251,476)	54,000	(213,151)
Directors and committee fees	804,313	725,213	630,228	561,184
Retirement benefit plans	1,575,736	1,504,890	1,380,777	1,300,282
	10,497,282	9,375,421	9,187,760	8,033,745
29. Depreciation, amortisation and impairment losses				
Depreciation				
Property, plant and equipment	164,185	106,105	83,216	52,578
Impairment losses				
Investments in subsidiaries, joint arrangements and associates	-	-	708,794	562,733
Total depreciation, amortisation and impairment				
Depreciation	164,185	106,105	83,216	52,578
Impairment losses	-	-	708,794	562,733
	164,185	106,105	792,010	615,311
30. Cash generated from operations				
Profit before taxation	14,067,299	5,987,945	11,011,286	5,508,465
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	164,185	106,105	792,010	615,333
Gains on sale of assets and liabilities	(10,458)	(139)	-	(139)
Fair value / (gains) losses	(7,800,201)	1,350,302	(5,955,949)	540,969
Movement in severance provision	28,000	(251,475)	54,000	(213,151)
Movement in loans from shareholder (minority interest)	412,426	259,172	-	-
Adjust for items which are presented separately:				
Interest income	(7,030,241)	(4,661,434)	(6,631,393)	(4,574,060)
Changes in working capital:				
(Increase) / decrease in trade and other receivables	(365,828)	665,146	36,553	(28,696)
Increase / (decrease) in trade and other payables	643,687	(370,004)	385,381	338,906
Increase / (decrease) in deferred income	587,658	(199,724)	587,658	(199,724)
	696,527	2,885,894	279,546	1,987,903
31. Tax paid				
Balance at beginning of the year	8,541	(96,543)	-	-
Receivable balance at end of the year	(56,223)	(8,541)	-	-
	(47,682)	(105,084)	-	-
32. Contingencies				
Transfer Secretaries (Proprietary) Limited acknowledges the occurrence of a data leak which may lead to a potential liability.				

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Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022
33. Related parties				
Relationships				
Holding company	Namibian Stock Exchange			
Subsidiaries	Refer to note 5			
Related party balances				
Loan accounts - Owing / (to) by related parties				
Namibian Stock Exchange Trustees (Proprietary) Limited	-	-	(4,000)	(4,000)
Central Securities Depository (Proprietary) Limited	-	-	289,068	309,919
Maerua Investments Number Nine (Proprietary) Limited	-	-	3,530,000	3,700,000
Amounts included in Trade receivable / (Trade Payable) regarding related parties				
Namibian Stock Exchange Guarantee Fund	-	-	(24,114)	(114,123)
Maerua Investments Number Nine (Proprietary) Limited	-	-	212,969	81,790
Transfer Secretaries (Proprietary) Limited	-	-	(284,441)	(530,473)
Related party transactions				
Interest received from related parties				
Maerua Investments Number Nine (Proprietary) Limited	-	-	(307,160)	(326,498)
Central Securities Depository (Proprietary) Limited	-	-	(453,023)	(303,208)
Rent paid to related parties				
Maerua Investments Number Nine (Proprietary) Limited	-	-	894,468	828,212
Management and Administration fees received from related parties				
Maerua Investments Number Nine (Proprietary) Limited	-	-	(12,969)	(11,790)
Central Securities Depository (Proprietary) Limited	-	-	(480,000)	(480,000)
Transfer Secretaries (Proprietary) Limited	-	-	(1,397,200)	(1,316,019)
Compensation to directors and other key management				
Board and committee fees	804,313	725,213	630,228	561,184

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34. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2023

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Investments at fair value	8	74,753,487	-	74,753,487	74,753,487
Trade and other receivables	7	-	2,426,460	2,426,460	2,426,460
Cash and cash equivalents	12	-	25,305,337	25,305,337	25,305,337
		74,753,487	27,731,797	102,485,284	102,485,284

Group - 2022

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Investments at fair value	8	64,684,687	-	64,684,687	64,684,687
Trade and other receivables	7	-	2,060,632	2,060,632	2,060,632
Cash and cash equivalents	12	-	11,112,406	11,112,406	11,112,406
		64,684,687	13,173,038	77,857,725	77,857,725

Company - 2023

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Loans to group companies	6	-	4,032,037	4,032,037	4,032,037
Investments at fair value	8	57,992,259	-	57,992,259	57,992,259
Trade and other receivables	7	-	1,526,778	1,526,778	1,526,778
Cash and cash equivalents	12	-	21,938,437	21,938,437	21,938,437
		57,992,259	27,497,252	85,489,511	85,489,511

Company - 2022

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Loans to group companies	6	-	4,091,709	4,091,709	4,091,709
Investments at fair value	8	50,332,355	-	50,332,355	50,332,355
Trade and other receivables	7	-	1,563,331	1,563,331	1,563,331
Cash and cash equivalents	12	-	5,857,813	5,857,813	5,857,813
		50,332,355	11,512,853	61,845,208	61,845,208

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34. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	2,971,789	2,971,789	2,971,789
Loans from shareholders	15	3,847,732	3,847,732	3,847,732
		6,819,521	6,819,521	6,819,521

Group - 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	2,327,531	2,327,531	2,327,531
Loans from shareholders	15	3,145,226	3,145,226	3,145,226
		5,472,757	5,472,757	5,472,757

Company - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	2,301,189	2,301,189	2,301,189
Loans from group companies	14	308,555	308,555	308,555
		2,609,744	2,609,744	2,609,744

Company - 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	1,926,994	1,926,994	1,926,994
Loans from group companies	14	644,596	644,596	644,596
		2,571,590	2,571,590	2,571,590

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Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

34. Financial instruments and risk management (continued)

Capital risk management

The capital structure and gearing ratio of the group at the reporting date was as follows:

Loans from group companies	14	-	-	312,555	648,596
Loans from shareholders	15	3,847,732	3,145,226	-	-
Trade and other payables	18	3,262,441	2,618,756	2,559,607	2,174,226
Total borrowings		7,110,173	5,763,982	2,872,162	2,822,822
Cash and cash equivalents	12	(25,305,337)	(11,112,406)	(21,938,437)	(5,857,813)
Net borrowings		(18,195,164)	(5,348,424)	(19,066,275)	(3,034,991)
Equity		134,723,710	120,537,057	110,597,771	99,586,485
Gearing ratio		(14)%	(4)%	(17)%	(3)%

Financial risk management

Overview

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

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

Credit risk

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

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

Group		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Investments at fair value through profit or loss	8	74,753,487	-	74,753,487	64,684,687	-	64,684,687
Trade and other receivables	7	2,426,460	-	2,426,460	2,060,632	-	2,060,632
Cash and cash equivalents	12	25,305,337	-	25,305,337	11,117,969	-	11,117,969
		102,485,284	-	102,485,284	77,863,288	-	77,863,288

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Notes to the Annual Financial Statements

34. Financial instruments and risk management (continued)

Company	2023			2022			
	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	
Loans to group companies	6	4,032,037	-	4,032,037	4,091,709	-	4,091,709
Investments at fair value through profit or loss	8	57,992,259	-	57,992,259	50,332,355	-	50,332,355
Trade and other receivables	7	1,526,778	-	1,526,778	1,563,331	-	1,563,331
Cash and cash equivalents	12	21,938,437	-	21,938,437	5,863,376	-	5,863,376
		85,489,511	-	85,489,511	61,850,771	-	61,850,771

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows.

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 - 2023

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	18	2,971,789	2,971,789	2,971,789
Loans from shareholders	15	3,847,732	3,847,732	3,847,732
		6,819,521	6,819,521	6,819,521

Group - 2022

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	18	2,327,531	2,327,531	2,327,531
Loans from shareholders	15	3,145,226	3,145,226	3,145,226
		5,472,757	5,472,757	5,472,757

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34. Financial instruments and risk management (continued)

Company - 2023

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	18	2,301,189	2,301,189	2,301,189
Loans from group companies	15	308,555	308,555	308,555
		2,609,744	2,609,744	2,609,744

Company - 2022

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	18	1,926,994	1,926,994	1,926,994
Loans from group companies	15	644,596	644,596	644,596
		2,571,590	2,571,590	2,571,590

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies.

The group engages in transactions denominated in foreign currencies, leading to exposures to fluctuations in exchange rates. A considerable portion of these foreign currency transactions are in South African Rand. Namibia operates within the Southern African Common Monetary Area, with the Namibian Dollar pegged to the South African Rand on a one-to-one basis. Nearly all transactions on the Stock Exchange occur within this common monetary area. Foreign data distribution vendors are invoiced in foreign currency, and these amounts remain unhedged.

As of the year-end, the group does not hold assets or liabilities denominated in foreign currency.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the group is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rates on all borrowings compare favourably with those rates available in the market.

The group policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

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Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

34. Financial instruments and risk management (continued)

Interest rate profile

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

Group	Note	Average effective interest rate		Carrying amount	
		2023	2022	2023	2022
Variable rate instruments:					
Assets					
Trade and other receivables	7	- %	- %	2,296,262	1,982,745
Investments at fair value	8	- %	- %	74,753,487	64,684,687
Cash and cash equivalents	12	- %	- %	25,305,337	11,112,406
Other investments (at amortised cost)	10	- %	- %	36,572,868	46,375,755
				138,927,954	124,155,593
Liabilities					
Trade and other payables	18	- %	- %	2,971,789	2,327,531
Provision for severance pay	17	- %	- %	391,000	363,000
Loans from shareholders	15	11.50 %	10.50 %	3,847,732	3,145,226
				7,210,521	5,835,757
Net variable rate financial instruments				146,138,475	129,991,350
Variable rate financial assets as a percentage of total interest bearing financial assets				100.00 %	100.00 %
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				100.00 %	100.00 %

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Notes to the Annual Financial Statements

34. Financial instruments and risk management (continued)

Company	Note	Average effective interest rate		Carrying amount	
		2023	2022	2023	2022
Variable rate instruments:					
Assets					
Loans to group companies	6	11.50 %	10.50 %	289,068	309,919
Trade and other receivables	7	- %	- %	1,465,814	1,500,474
Investments at fair value	8	- %	- %	57,992,259	50,332,355
Cash and cash equivalents	12	- %	- %	21,938,437	5,857,813
Other investments (at amortised cost)	10	- %	- %	31,728,505	44,529,266
				113,414,083	102,529,827
Liabilities					
Trade and other payables	18	- %	- %	2,301,189	1,926,994
Provision for severance pay	17	- %	- %	371,000	317,000
				2,672,189	2,243,994
Net variable rate financial instruments				116,086,272	104,773,821
Fixed rate instruments:					
Assets					
Loans to group companies	6	- %	- %	212,969	81,790
Loans to group companies	6	8.50 %	8.50 %	3,530,000	3,700,000
				3,742,969	3,781,790
Liabilities					
Loans from group companies	14	- %	- %	4,000	4,000
Net fixed rate financial instruments				3,746,969	3,785,790
Variable rate financial assets as a percentage of total interest bearing financial assets				96.81 %	96.44 %
Fixed rate financial assets as a percentage of total interest bearing financial assets				3.19 %	3.56 %
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				99.85 %	99.82 %
Fixed rate financial liabilities as a percentage of total interest bearing financial liabilities				0.15 %	0.18 %

Price risk

The group is exposed to price risk because of its investments in equity instruments which are measured at fair value. The exposure to price risk on equity investments is managed through a diversified portfolio.

Refer to note 8 for details on exposure to price risk.

35. Fair value information

Fair value hierarchy

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

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

Level 2: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 3: Unobservable inputs for the asset or liability.

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Notes to the Annual Financial Statements

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

35. Fair value information (continued)

Levels of fair value measurements

Level 1

Recurring fair value measurements

Assets	Note(s)				
Financial assets designated at fair value through profit (loss)	8				
Investments at fair value		74,753,487	64,684,687	57,992,259	50,332,355
Total		74,753,487	64,684,687	57,992,259	50,332,355

Level 3

Recurring fair value measurements

Assets	Note(s)				
Fixed property	4				
Fixed property		7,760,000	7,535,000	-	-
Total		7,760,000	7,535,000	-	-

Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance	Gains / (losses) recognised in other comprehensive income	Closing balance
Group - 2023				
Assets				
Fixed property				
Fixed property		7,535,000	225,000	7,760,000
Total		-	225,000	-
Group - 2022				
Assets				
Fixed property	4			
Fixed property		7,600,000	(65,000)	7,535,000
Total		7,600,000	(65,000)	7,535,000

36. Approval of the annual financial statements

The annual financial statements were authorized for issuance on April 29, 2024.

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	Group		Company	
		2023	2022	2023	2022
Revenue					
Rendering of services		15,003,050	16,245,107	11,233,116	12,539,670
Other income		388,968	579,766	-	-
	19	15,392,018	16,824,873	11,233,116	12,539,670
Other operating income					
Administration and management fees received		-	-	1,890,169	1,807,809
Fees earned		8,712	81,258	8,712	81,258
	20	8,712	81,258	1,898,881	1,889,067
Other operating gains / (losses)					
Gains on disposal of assets		10,458	139	-	139
Foreign exchange gains		72,353	2,140	72,353	2,140
	21	82,811	2,279	72,353	2,279
Expenses (Refer to page 44)		(15,834,258)	(13,972,423)	(14,780,406)	(12,955,642)
Operating (loss) / profit		(350,717)	2,935,987	(1,576,056)	1,475,374
Investment income	23	7,030,241	4,661,432	6,631,393	4,574,060
Finance costs	24	(412,426)	(259,172)	-	-
Other non-operating gains / (losses)					
Fair value gains / (losses)		7,800,201	(1,350,302)	5,955,949	(540,969)
Profit before taxation		14,067,299	5,987,945	11,011,286	5,508,465
Taxation	26	(105,650)	(185,601)	-	-
Profit for the year		13,961,649	5,802,344	11,011,286	5,508,465

Namibian Stock Exchange Group

Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	Group		Company	
		2023	2022	2023	2022
Other operating expenses					
Auditor's remuneration - external audit	22	(613,900)	(573,737)	(442,299)	(413,363)
Bad debts		(8,066)	(185,480)	(8,066)	-
Bank charges		(36,093)	(35,415)	(32,310)	(29,516)
Body corporate levies		(90,388)	(86,573)	-	-
CFA re-imbursments		(109,425)	(71,816)	(109,425)	(71,816)
Casual wages		(79,541)	(38,976)	(59,651)	(26,190)
Consulting and professional fees		(92,176)	(100,301)	(54,104)	(96,635)
Consumables		(69,853)	(54,588)	(68,338)	(52,894)
Depreciation		(164,185)	(106,105)	(83,216)	(52,578)
Employee costs		(10,497,282)	(9,375,421)	(9,187,760)	(8,033,745)
Fines and penalties		(500)	(5,945)	(250)	(2,700)
IT expenses		(789,699)	(871,590)	(468,415)	(576,401)
Impairment on loan to related party		-	-	(708,794)	(562,733)
Insurance		(305,061)	(286,243)	(228,803)	(214,682)
License levies		(936,002)	(858,573)	(936,002)	(858,573)
Membership fees		(567,049)	(360,636)	(567,049)	(360,636)
Municipal expenses		(201,050)	(134,830)	-	-
Postage		(467)	(425)	(467)	(425)
Printing and stationery		(99,255)	(109,904)	(61,343)	(76,184)
Rent		(134,170)	(124,232)	(1,028,639)	(952,443)
Repairs and maintenance		(185,121)	(7,531)	(6,374)	(7,071)
STT: 25% revenue share on bond trading system		(6,850)	-	(6,850)	-
Secretarial fees		(11,840)	(3,865)	(610)	(290)
Security		(7,313)	(6,302)	(759)	-
Special events		(75,661)	(159,216)	(73,731)	(159,216)
Subscriptions		(31,764)	(31,876)	(31,764)	(31,876)
Telephone and fax		(64,107)	(75,824)	(58,540)	(71,815)
Training		(217,903)	(51,775)	(217,903)	(51,775)
Travel - local		(13,633)	(3,759)	(13,633)	(3,759)
Travel - overseas		(425,904)	(251,485)	(325,311)	(248,326)
		(15,834,258)	(13,972,423)	(14,780,406)	(12,955,642)