



Namaf

ANNUAL REPORT

2024



*Collaboration in healthcare funding is the silent force
that makes equity, efficiency and trust possible.*



ANNUAL REPORT

1 January - 31 December 2024

YEAR 2024 AT A GLANCE



Zero % Namaf benchmark increase for 2024 and establish the Healthcare Provider Forum



Education drives on Understanding of the health funding industry.



Enhancement of two-way communication channels, Namaf establishes social media platforms.



The Minister of Finance agrees to champion legislative reforms for effective regulation of Medical Aid Funds with the aim of ensuring sustainable healthcare funding Industry.

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ACRONYMS

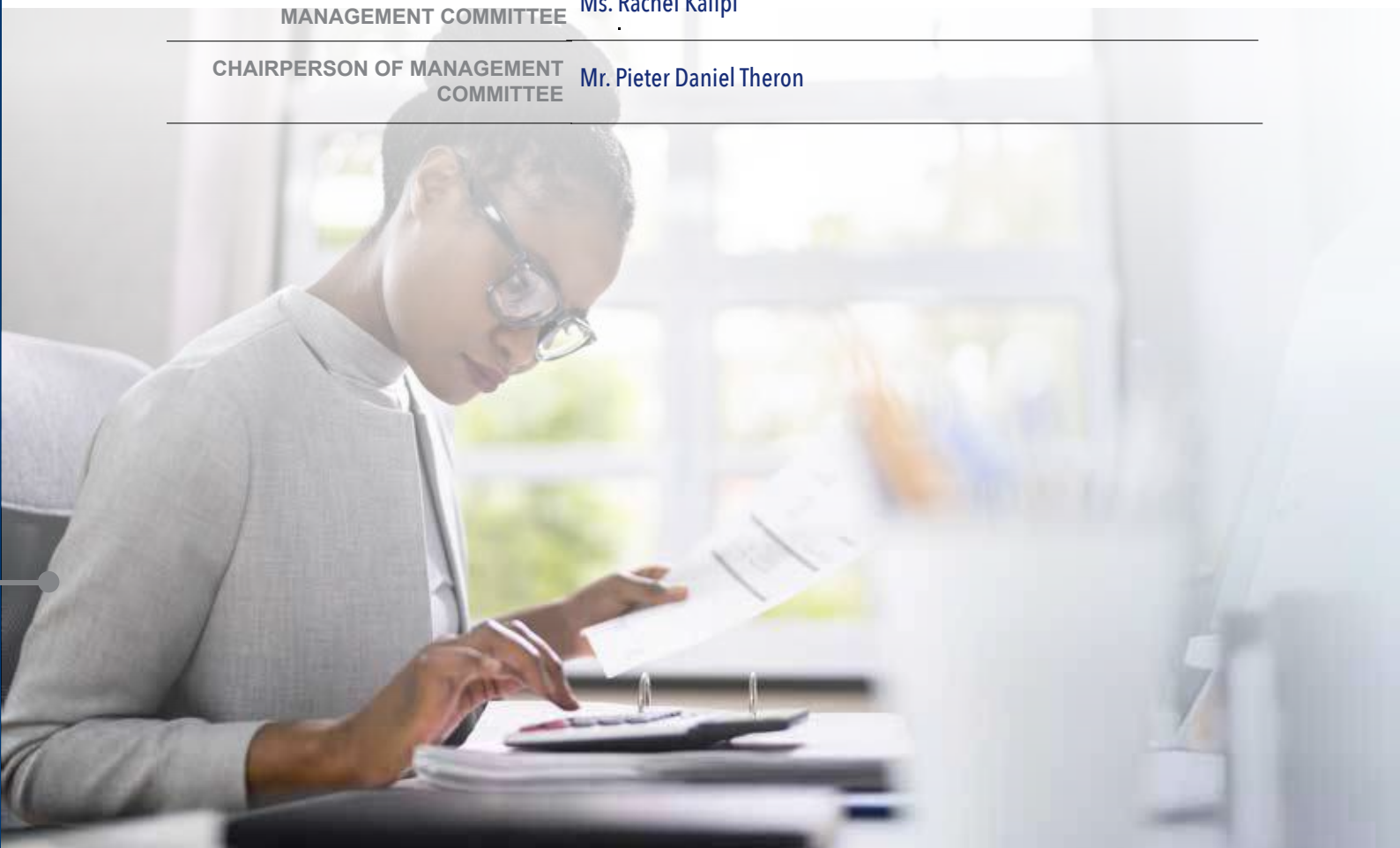
AffCom	Affordability Committee
BoT	Board of Trustees
COVID-19	Novel Coronavirus
FWA	Fraud, waste, and abuse
FIMA	Financial Institutions and Markets Act
HCPs	Healthcare providers
HPCNA	Health Professions Council of Namibia
MAFs	Medical Aid Funds
MC	Management Committee
MoHSS	Ministry of Health and Social Services
MoF	Ministry of Finance
MoU	Memorandum of Understanding
Namaf	Namibian Association of Medical Aid Funds
NAMFISA	Namibia Financial Institutions Supervisory Authority
NAMFISA Act	Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001)
NMRC	Namibian Medicines Regulatory Council
PO's	Principal Officers
PN	Practice number
PPN	Preferred Provider Network
PCNS	Practice numbering system
SME	Small Medium Enterprise
ToR	Terms of Reference

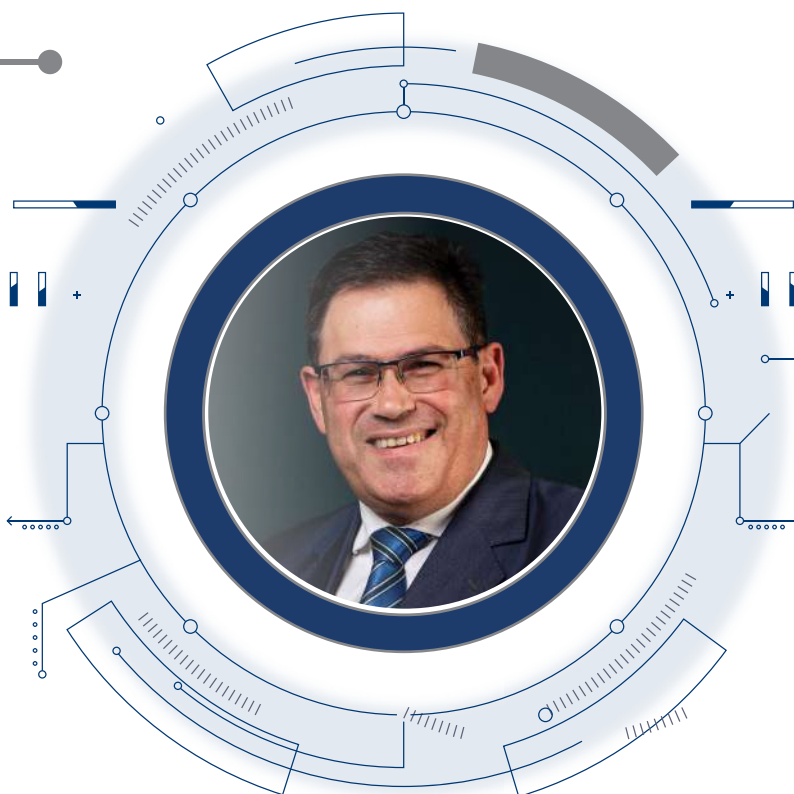


GENERAL INFORMATION

I. GENERAL INFORMATION

NAME	Namibian Association of Medical Aid Funds (Namaf)
PHYSICAL ADDRESS	Office No 1 South Port Building, Ground Floor Hosea Kutako Drive Southern Industrial Area Windhoek
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FAX NUMBER	+264 61 257 213
EMAIL ADDRESS	info@namaf.org.na
WEBSITE ADDRESS	www.namaf.com
EXTERNAL AUDITORS	PFK-FCS Auditors
BANKERS	Nedbank First National Bank
CHIEF EXECUTIVE OFFICER	Mr. Stephen Tjiuro
DEPUTY CHAIRPERSON OF MANAGEMENT COMMITTEE	Ms. Rachel Kalipi
CHAIRPERSON OF MANAGEMENT COMMITTEE	Mr. Pieter Daniel Theron





REPORT BY THE

CHAIRPERSON

Mr. Pieter Daniel Theron
Chairperson

I present the Chairperson's Report for the 2024 financial year with great pride and a sense of purpose. This has been a year of progress, strategic realignment, and proactive stakeholder engagement as Namaf continued to champion the sustainability of Namibia's healthcare industry. The full 4th quarter claims data of 2023 confirmed that the sustainability of medical aid funds was under immense threat as claims continued to surpass contributions.

This led to MC resolving to pass a zero percent increase for the Namaf benchmark tariff in 2024. The decision was taken to safeguard the sustainability of the health funding industry for the benefit of all.

To ensure a sustainable healthcare industry, the Management Committee steered the development and approved the 2024/2025/2026 Strategy. The Strategy was consultative and premised on the industry's points of pain. The Strategy is a key tool to achieve Namaf's statutory objects as set out in section 10 of the MAFs Act, 1995 (Act No. 10 of 2010).

Despite the complex and challenging environment, central to Namaf's vision is its commitment to ensure a collaborative and sustainable healthcare industry. The Strategy revealed the further need for legislative reform. The impending absence of a champion for reform was overcome by the Minister of Finance agreeing in principle to the need to fast-track amendments to the MAFs Act, 1995 (Act No. 10 of 2010) as low-hanging fruit (short-term) and pursue comprehensive reform of the clinical component leg of medical aid funds together with the Minister of Health and Social Services. We also operationalised aligned Terms of Reference for the Clinical and Coding

Committee and the Affordability Committee, creating formal platforms to guide technical decision-making and foster evidence-based as the revision of the Terms of Reference (ToR) focused on skills, experience, and knowledge to serve the industry better.

Performance Lowlights and Forward Focus

Despite our successes, 2024 was not without its challenges. The delay in implementing the Namibia NAPPI Product and Price File and ICD-10 Phase 2.2 highlighted the complexity of system-level reforms and the importance of

industry readiness. The hospital contracting project, though strategically important, had to be deferred pending the resolution of foundational components such as the minor theatre list.

Commitment to Sustainable Healthcare

Looking ahead, Namaf remains committed to fostering a sustainable, transparent, and collaborative health funding industry. This vision can only be realised through continuous and meaningful collaboration. Our stakeholders—government, medical aid funds, healthcare providers, and members of medical aid funds—are vital partners in achieving long-term viability and equitable access to care.

We are confident that the groundwork laid in 2024

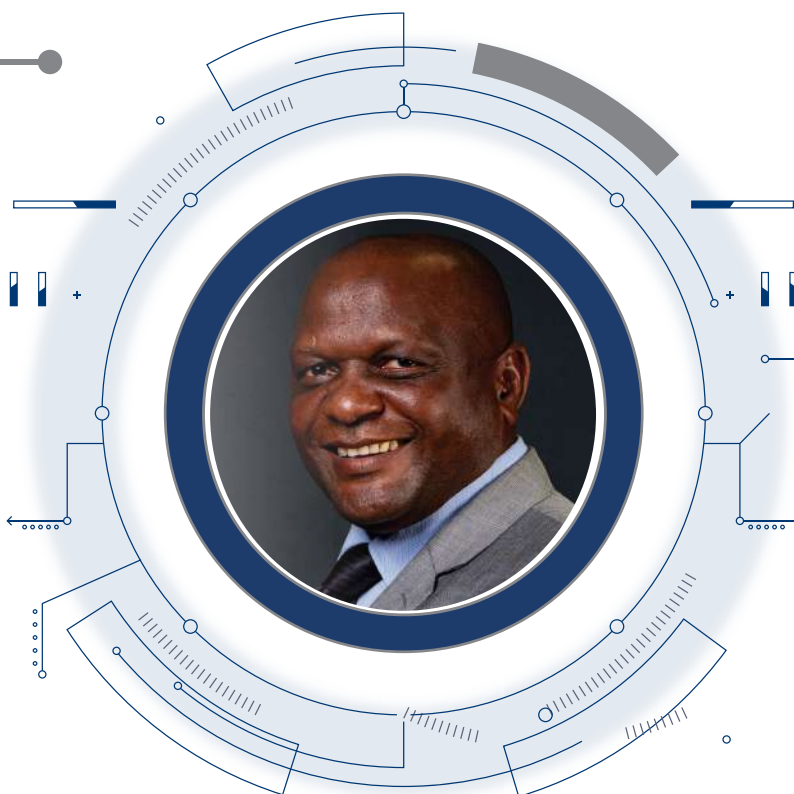
will yield transformative results in the years ahead. Allow me to extend my sincere gratitude to our line Minister of Finance, Honourable Ipumbu Shiimi, and his entire team. I want to thank my fellow MC members, BoT of medical aid funds and their POs, and all other stakeholders for their support, engagement, and shared commitment to building a healthcare system that serves all Namibians.

In conclusion, Namaf stands at a strategic inflection point. With collaboration at the heart of our work and sustainability as our compass, we move forward with conviction and purpose.



Mr. Pieter Daniel Theron
Chairperson





REPORT BY THE

CHIEF EXECUTIVE OFFICER

Mr. Stephen Tjiuoro
Chief Executive Officer

I am privileged to present the Chief Executive Officer's report for the 2024 financial year. This past year has been one of operational resilience, strategic alignment, and a deepened focus on stakeholder collaboration—all essential elements in ensuring the sustainability and effectiveness of Namibia's healthcare funding landscape.

Strengthening Operational Performance

Namaf entered 2024 with a renewed strategic direction anchored on five strategic themes. Our operations throughout the year have been guided by these pillars, strongly emphasising regulatory reform, healthcare sustainability, and stakeholder engagement.

Operationally, we are pleased to report an institutional performance that has surpassed the 70% benchmark as per our Performance Management Policy. This score is a testament to the effort and commitment of our team and affirms Namaf's alignment with its strategic goals.

Our ability to maintain an unqualified audit opinion, the timely submission of quarterly perfor-

mance, financial, and stakeholder engagement reports, and the successful execution of approved training programmes are all strong indicators of a stable and maturing institution.

Advancing Regulatory and Technical Capacity

The year saw the continued advancement of our legislative and regulatory reform efforts. While these initiatives often span multiple years and involve intricate stakeholder coordination, we made concrete progress.

In terms of technical capacity, the appointment of a Manager for Clinical Coding and Support significantly strengthened our ability to implement and support coding frameworks essential for healthcare costs that are fair and transparent.

Stakeholder Collaboration as a Strategic Enabler

Namaf's mission to ensure sustainable healthcare financing can only succeed through collective industry action. The rollout of our Stakeholder Engagement Strategy in 2024 was central to this approach. It facilitated structured and purposeful

interactions with key stakeholders, including private hospitals and service providers, through the newly established healthcare provider forum, administrators, and regulators. Namaf expanded its digital two-way communication by launching Facebook and Instagram pages, providing stakeholders with real-time information.

Examples of such collaboration include the consultation process around the minor theatre list, which is now underway, and the signed Service Level Agreement with MediKredit to establish the Namibia NAPPI Product and Price File—a project that, while delayed, reflects a bold, cooperative initiative with long-term impact.

We also approved a comprehensive training curriculum to ensure governance readiness across the industry. This initiative, targeting Trustees, Principal Officers, and Service Providers, reflects Namaf's commitment to capacity-building beyond its immediate operations.

Challenges and Adaptive Responses

Notwithstanding our achievements, several operational challenges emerged. The planned implementation of ICD-10 Phase 2.2 and the Namibia NAPPI File was delayed due to sector-wide readiness concerns. Similarly, the help desk initiative was put on hold due to dependencies on finalised billing

rules and guidelines. These challenges will be addressed in 2025 by establishing a Technical Working Group, ensuring expert oversight and improved execution in the future.

The late approval of the Risk Register is another area we are actively addressing. Risk mitigation remains a key priority in our 2025 agenda, supported by developing a detailed Risk Mitigation Implementation Plan.

Conclusion

Reflecting on 2024, it is evident that Namaf's operational success is inseparable from its collaborative ethos. The future of Namibia's healthcare industry hinges on our ability to bring stakeholders together around shared goals, sound governance, and effective delivery.

I thank the MC, Medical Aid Funds, Administrators, Healthcare Providers, and our team. NAMFISA Management's support has been immense as the two oversight regulators of the Medical Aid Fund Act, 1995 (23 of 1995) collaborated to navigate the industry through stormy waters.



Mr. Stephen Tjiuoro
Chief Executive Officer

1.4 STRATEGIC OVERVIEW

Vision

To be a recognised leader in the provision of a conducive environment for a sustainable private health-care funding industry.

Mission

To enable the optimum functionality of the Namibian private healthcare industry to maximise value* for beneficiaries of medical aid funds.

Values

Mission Values:

Accountability

Enhance the health economy, efficiency, effectiveness, and credibility of Namaf.

Integrity

Conduct professional, objective, fact-based, fair, and balanced work.

Reliable

Produce timely, accurate, useful, and clear information.

People Values:

Valued

Seek out and appreciate each person's perspective.

Respected

Treat everyone with dignity

Teamwork

People working in atmosphere of mutual support and trust and working together cohesively.

1.5 LEGISLATIVE AND OTHER MANDATES

1.5 Legislative

The Namibian Association of Medical Aid Funds (Namaf) is a statutory body, established in terms of section 10 of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995) (the MAF Act). In terms of section 10 (3) of the MAF Act, Namaf's statutory object is to control, promote, encourage, and coordinate the establishment, development, and functioning of funds in Namibia.

Namaf's core functions are:

(a) Promote: Training and education of internal and external stakeholders are central to promoting the establishment, development, and functioning of medical aid funds in Namibia.

Internal education and training of MAFs and health-care providers (HCPs) create an understanding of rules and regulations, policies and procedures, and the roles and responsibilities of the different industry players. This awareness enables compliance, good clinical and corporate governance, and optimal functioning in the claims management system and tariff benchmarking process. Engaging and communicating with medical aid members and the general public regarding the basic functioning of MAFs and Namaf's role in protecting consumer interests encourages the responsible use of medical aid funds' resources and reduces the risk of abuse and waste.

Therefore, internal, and external training creates stability and sustainability within the industry for the benefit of all stakeholders.

(b) Coordinate: Namaf acts as a stakeholder coordinator by connecting and facilitating communication between MAFs, HCPs, and other key industry stakeholders. This industrywide stakeholder engagement creates awareness and understanding of the industry's issues, allows stakeholders to interact, gives input into decision-making processes that inform policy, and

contributes to an effective system.

Through its role as a functional coordinator of the industry, Namaf ensures no overlap or duplication between the roles and functions of different stakeholders.

(c) Control: Setting standards, providing guidelines on industry best practice, and publishing and enforcing regulations are central to effectively controlling the industry and defining the environment within which MAFs and HCPs operate. This framework must complement other legislative instruments within the industry to ensure an effective overall system.

As part of the control function, Namaf, in consultation with the line minister, is responsible for policy formulation and industry compliance in section 44 of the Medical Aid Funds Act.

(d) Encourage: Namaf encourages compliance by engaging stakeholders in formulating rules, regulations, policies, and procedures. This increases stakeholder buy-in, support, and participation and thus ensures a stable industry with a clear sense of direction. Through its role in the industry, Namaf also plays a vital part in amending national laws and guiding government policies.

Although Namaf is not involved in the day-to-day operations or the benefit structures of MAFs, it encourages optimal and coordinated functioning of MAFs, which includes streamlined and standardised processes and procedures, centralised data analyses, and maintenance of tariff and procedure codes.

For achieving the above objectives, section 12 of the MAF Act empowers Namaf to consider "any matter affecting medical aid funds or the members of such funds and make representations or take action in connection in addition to that, as it may deem advisable."

LEGISLATIVE AND OTHER MANDATES

1.5.1 Ministry of Finance

In terms of the Medical Aid Funds Amendment Act, 11 of 2016, the Minister of Finance is responsible for administering the Medical Aid Funds Act, 23 of 1995. It is, therefore, the oversight and line Minister of Namaf. In terms of section 20 (3) of the MAFs Act, 1995, the Namaf Management Committee must provide the Minister with audited financial statements and activities of Namaf, and other information as the Minister may from time to time require after the end of each financial year.



Minister's Picture

1.5.2 Ministry of Health and Social Services (MoHSS)

The Ministry of Health and Social Services is mandated to oversee and regulate public, private, and non-government organisations toward quality health and social services, ensuring equity, accessibility, affordability, and sustainability.

The MAF Act was created under the auspices of the then Minister of Health and Social Services to provide a legal framework within which Namaf and MAFs operate. The Ministry of Health and Social Services is responsible for national healthcare policies, and Namaf is about financing the delivery of those products produced in line with those healthcare policies, thereby assisting the Ministry of Health and Social Service in addressing sustainability in health.

1.5.3 Ministry of Home Affairs and Immigration

One of the primary objectives of the Ministry of Home Affairs and Immigration is to facilitate legal migration into and out of Namibia. As part of this role, it is responsible for issuing visas and work permits to foreign healthcare providers wishing to practice in Namibia. Namaf only issues practice numbers to foreign HCPs if they have valid work permits and visas and comply with specific conditions stipulated in those work permits.

Close collaboration and coordination between Namaf, the Ministry, and the HPCNA is essential to ensure that work permits and visas issued to foreign HCPs do not contradict the provisions and ethical rules of the HPCNA.

1.5.4 Ministry of Industrialization, Trade, and SME Development

The Ministry of Industrialization, Trade, and SME Development is mandated to develop and manage Namibia's economic, regulatory framework, promote economic growth and development by formulating and implementing appropriate policies to attract investment, increase trade, and expand the country's industrial base.

The Ministry also provides permits to foreign medical professionals who seek to invest in Namibia and create employment for Namibians. To ensure that foreign medical professionals satisfy all the requirements of the HPCNA, the Ministry needs to consider health-related policies before issuing such permits. This is important because HCPs can only receive a practice number from Namaf once the HPCNA has issued the relevant documentation. Similarly, the Ministry must consider the requirements that a foreign HCP's practice or surgery must satisfy in terms of the Ministry of Health and Social Services criteria.

LEGISLATIVE AND OTHER MANDATES

Regulatory Bodies

1.5.5 Namibia Financial Institutions Supervisory Authority (NAMFISA)

NAMFISA is a statutory body established in terms of the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001) (hereafter referred to as the NAMFISA Act). In terms of sections 3 and 4 of the MAF Act, the relevance of NAMFISA's work to Namaf is the approval and registration of Medical Aid Funds and, more so, the approval of Fund rules. This is known as prudential supervision.

1.5.6 Health Professions Council of Namibia (HPCNA)

The HPCNA is the regulator of health professionals in Namibia. All healthcare providers must register with the Council to practice in the medical field in Namibia. In addition, the Council defines and determines the scope of service of HCPs.

The HPCNA is made up of the following five councils, which are administered by one Secretariat:

- Medical and Dental Council
- Nursing Council
- Pharmacy Council
- Social Work and Psychology Council
- Allied Health Professions Council

The registration of an HCP with the respective Council involves a strictly regulated evaluation process to determine the knowledge, skills, and competencies of the HCP. Upon registration, the Council issues a practitioner number.

Although Namaf has no jurisdiction over healthcare providers in Namibia, it does issue practice numbers legally required if an HCP's claims are to be recognised by MAFs. These practice numbers can only be provided if an HCP has a certificate of registration from the HPCNA.

The HPCNA is one of the main pillars to help Namaf

determine if an HCP is qualified and thus eligible for a practice number.

1.5.7 Namibia Medicine Regulatory Council (NMRC)

The NMRC is a statutory body established in terms of the Medicines and Related Substances Control Act, 2003 (Act No. 13 of 2003) to regulate the use of medicines and scheduled substances in Namibia. The registration of medicines is the focal point of its regulatory framework.

Although the pharmaceutical industry in Namibia is regulated, the prices of medicines are not regulated. Most of the HCPs in the industry make use of Medikredit South Africa's NAPPI (National Pharmaceutical Product Index) codes to identify medicines and other medical products to compile claims for submission to medical aid funds. The medical aid funds' administrators equally use these codes to process and adjudicate claims. However, these codes are not standardised across the country, and most MAF Administrators make changes according to their needs, which leads to a lack of consistency in the issuing and application of NAPPI codes in the country.

Since medicines make up a large portion of the total claims paid by MAFs, a standardised coding structure, which will enable proper industry regulation for the benefit and protection of the consumer, needs to be created.

1.5.8 Namibian Competition Commission (NaCC)

The NaCC was established in terms of the Competition Act, 2003 (Act No. 2 of 2003) to regulate competition issues across all sectors of the Namibian economy. In terms of the Act, the Commission is the principal institution to promote and safeguard fair competition in Namibia by promoting the efficiency, adaptability, and development of the Namibian economy.

LEGISLATIVE AND OTHER MANDATES

Healthcare is so technical that consumers have little knowledge about the timing of healthcare needs, the precise nature of the need when it occurs, the optimal treatment option, and the effectiveness of the outcome and associated utility they are to derive from such treatment. These factors force the patients (as Principal) to virtually appoint the healthcare provider as their agents to advise them in respect of all the above. Such arrangement puts the healthcare provider (producer) in a monopolistic relationship against the patients. This analogy places HCP in the same position as producers in a monopoly who are price makers and tend to be driven by the maximization of their profits. They distort the allocation of resources.

Namaf does not regulate anti-competitive and monopolistic behaviour. Therefore, close collaboration and cooperation with the NaCC is vital for protecting consumers.

1.5.9 Associations of Healthcare Professionals

Medical professionals from different disciplines form voluntary associations based on special fields of interest. Associations are independent of the five HPCNA Councils, and membership is voluntary. Associations frequently seek to represent members' interests, much like unions do.

Namaf engages these associations on industry issues that pertain to their scopes of practice as and when necessary. For example, medical technology and treatments advancement give rise to new practices and the need for new procedure codes to capture these practices. In such cases, associations prepare submissions to Namaf, which are subsequently approved or declined by the Namaf Management Committee (MC).

1.6 Registered Medical Aid Funds in terms of the Medical Aid Funds Act, 1995 (Act No.23 of 1995)

In terms of section 11 of the MAF, 1995, Namaf is constituted by all registered MAFs in Namibia. Herewith is a list of registered MAFs during the period under review:

- (a) Renaissance Health Medical Aid Fund
- (b) Napotel
- (c) Nammed
- (d) Namibia Health Plan (NHP)
- (e) Namibia Medical Care (NMC)
- (f) Heritage Health Medical Aid Fund Namibia
- (g) GemHealth Medical Aid Fund

In terms of section 26 of the MAF Act, 1995, upon registration, Medical Aid Funds are creatures of stature capable of doing all such things as may be necessary in exercising its powers and performing its functions in terms of its fund rules. The rules of a registered Medical Aid Fund are binding on the Fund and the members and their dependents, and the trustees, principal officers, and employees of the Fund.



GOVERNANCE

2. GOVERNANCE

2.1 Management Committee Membership (MC)

In terms of section 13 of the MAFs Act, 1995, the governance and general control of Namaf and of all its affairs and functions, are vested in the MC, which is tasked to executing Namaf's statutory mandate.

The MC is composed of ten members, seven of whom with voting powers as the only cohort who were elected by the authorized representative nominated by all registered medical aid funds members and three co-opted members. MAFs with more than 2000 members nominate a maximum of two authorized representatives for election, while MAFs with less than 2000 members nominate one authorized representative.



Mr. Pieter Theron
Chairperson



Ms. Rachel Kalipi
Vice-Chairperson



Mr. Stephen Tjiuoro
Chief Executive Officer



Mr. Desley Somseb
Treasurer



Mr. Erastus Molatudi
Member



Mr. Gabriel Tjombe
Member



Dr. Erich Mansfeld
Member



Mr. Sam Kauapirura
Member



Ms. Valeria Muchero
Co-Opted Member



Mrs. Dantago Garosas
Co-Opted Member

GOVERNANCE

Once elected, in terms of section 13 (5) of the MAFs Act, 1995, members of the MC hold office for three (3) years, where after they are eligible for re-election. Once elected, the MC amongst themselves elects the President, Vice-President, and Treasurer of the MC.

The term of the current MC started from 16 July 2023 to 17 July 2026.

Insert photos of MC members and indicate chairpersons of the sub-committees next to the photos.

2.1.1 Meetings

In terms of section 16 of the MAFs Act, 1995, the MC must at least convene four meetings per year with intervals of no more than three months. The MC held four (4) ordinary meetings and three (3) extraordinary meetings during the reporting period.

2.2 Committees of the Management Committee

In section 15(1) of MAF Act, the MC established committees to assist it in performing its functions and appointed experts from different disciplines in the healthcare industry. The rationale for Committees is for MC to divide its work into manageable chunks and tap into the specific talents, skills, and knowledge of individual MC members and experts from different specialties to enable the full MC to make decisions on matters delegated to Committees. Each committee is governed by a Terms of Reference and exercises powers that are delegated to it by the MC.

(a) Affordability Committee

The Affordability Committee (AffCom) is an advisory committee without decision-making powers. It is mandated to consider and advise MC on all matters relating to affordability and accessibility. The AffCom is comprised of experts in the private healthcare funding industry and corporate risk management, as well as two MC members:

Gabriel Tjombe	- (Chairperson) MC Member
Sam Kauapirura	- MC Member
Heinrich Nashenda	- Member
Tiaan Serfontein	- Member
Karl Weyhe	- Member

The AffCom held two (2) statutory meetings during the year under review.

(b) Statutory Affairs and Risk Management Committee

The Statutory Affairs considers and advises MC on all matters related to health policy; legal, and statutory matters. It also fulfils an oversight role in respect of relationships within the healthcare funding industry. The sub-committee makes recommendations to the MC and has no decision-making authority.

The Statutory Affairs and Risk Management Committee is made up of legal and forensic management experts and two MC members:

Valeria Muchero	- (Chairperson) MC Member
Petrie Theron	- MC Member
Sam Kauapirura	- MC Member

The Statutory Affairs held two (2) meetings during the reporting period.

(c) Clinical and Coding Committee

The Clinical and Coding Committee considers and advises the MC on clinical matters. The Clinical and Coding Committee deals with clinical coding, including annual coding changes, medical aid funds risk exposure, and clinical risk management matters that affect the private healthcare funding industry. The sub-committee does not have executive powers.

It is made up of three MC members, HCPs, and individuals with knowledge of clinical coding structures:

Erastus Molatudi	-(Chairperson) MC member
Dr. Erich Mansfeld	- MC Member
Maggie Da Silva Mota	- Member
Dr. Akutu Munyika	- Member
Tracy Ann Shickerling	- Member

The Clinical and Coding Committee held four (3) meetings during the reporting period.

(d) Human Resources and Finance Enhanc

ing Committee

The Human Resources (HR) and Finance Enhancing Committee is mandated to advise MC on all HR-related policies, risks, and performance, and align the Namaf secretariat staff compliment to the Strategic Plan 2024.

The HR Committee consists of three (3) MC members. During the reporting period, these members were:

Desley Somseb	-(Chairperson) MC Member
Rachel Kalipi	-MC Member
Dantago Garosas	-MC Member

The HR Committee held four (4) meetings during the reporting period.



2.3 Secretariat

In terms of section 19 of the MAFs Act, 1995, the Chief Executive Officer (CEO) is the head of administration and accounting officer of Namaf. The CEO is charged with the responsibility for carrying out all the resolutions of MC and its committees and manages all the affairs of Namaf, subject to the direction and control of MC.

Stephen Tjiuro
Hanganeni Pieters

Vacant

Brian Chaka

Justina Nelulu

Uatavi Mbai

Ramona Mathupi

Toivo Namene

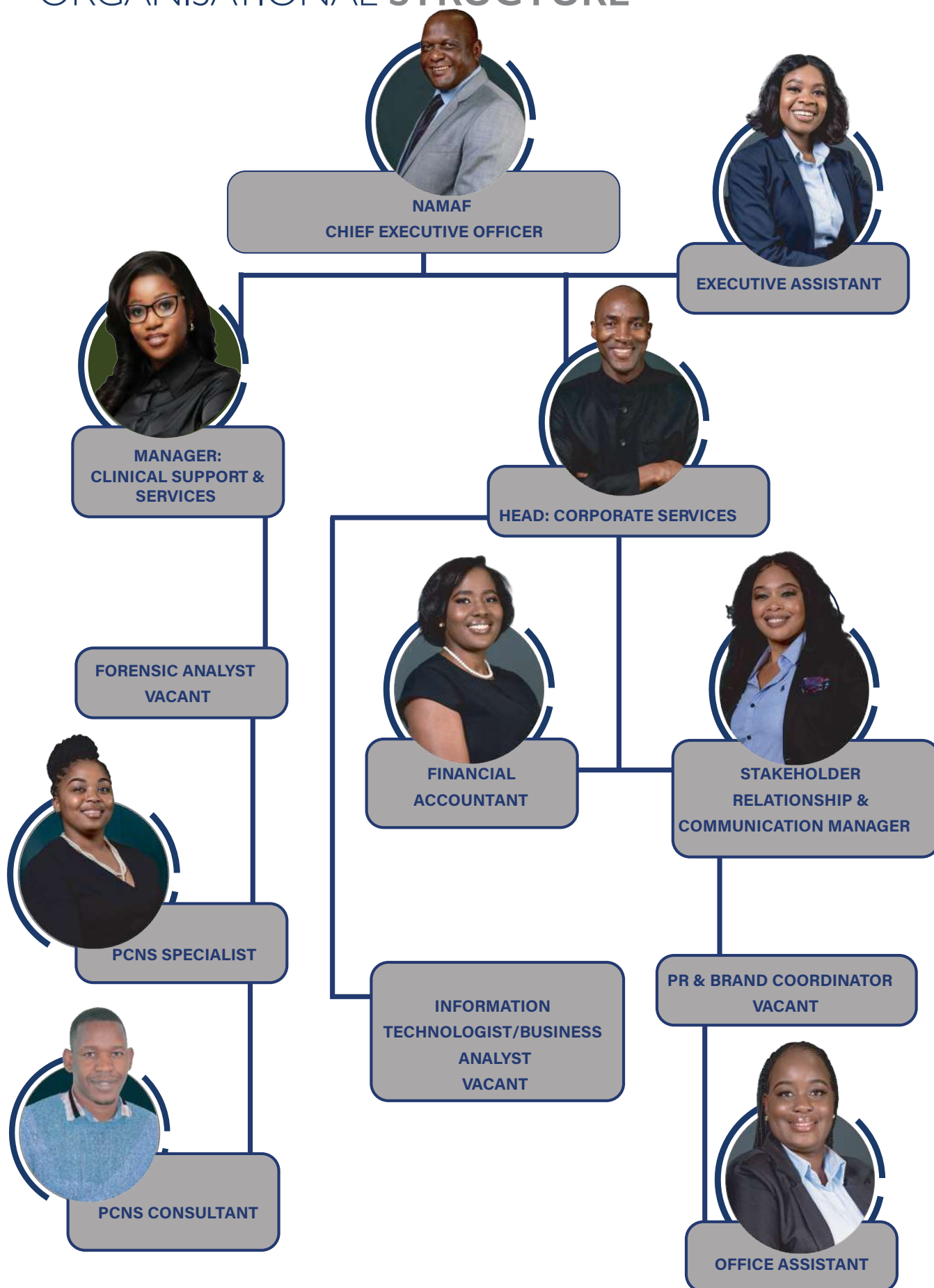
Ndapandula Shindume

Tina Riruako

- Chief Executive Officer
- Manager: Clinical Services and Support
- Forensic Analyst
- Head: Corporate Services
- Financial Manager
- Stakeholder Relationship & Communication Manager
- PCNS Specialist
- PCNS Consultant
- Executive Assistant
- Office Assistant



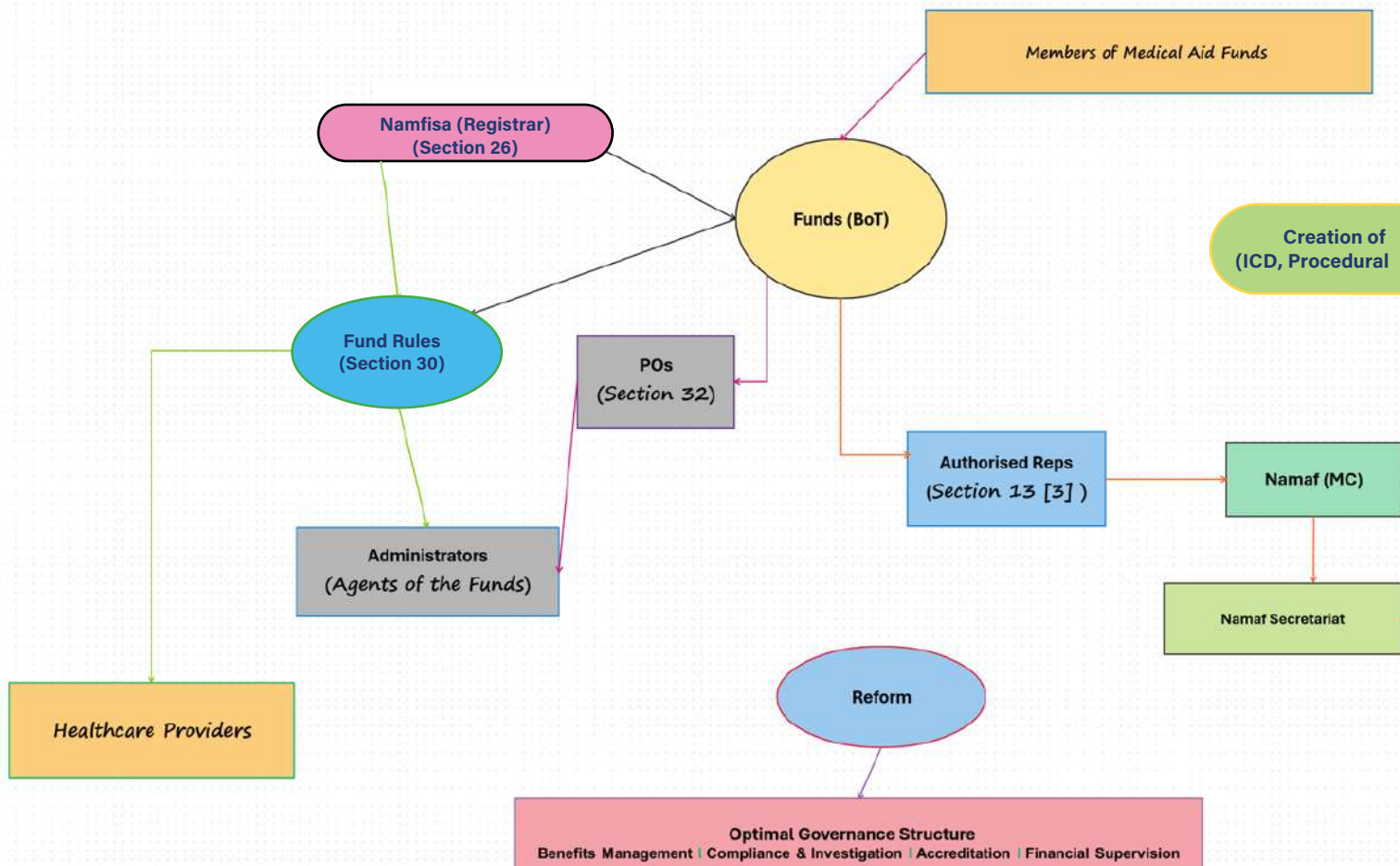
ORGANISATIONAL STRUCTURE



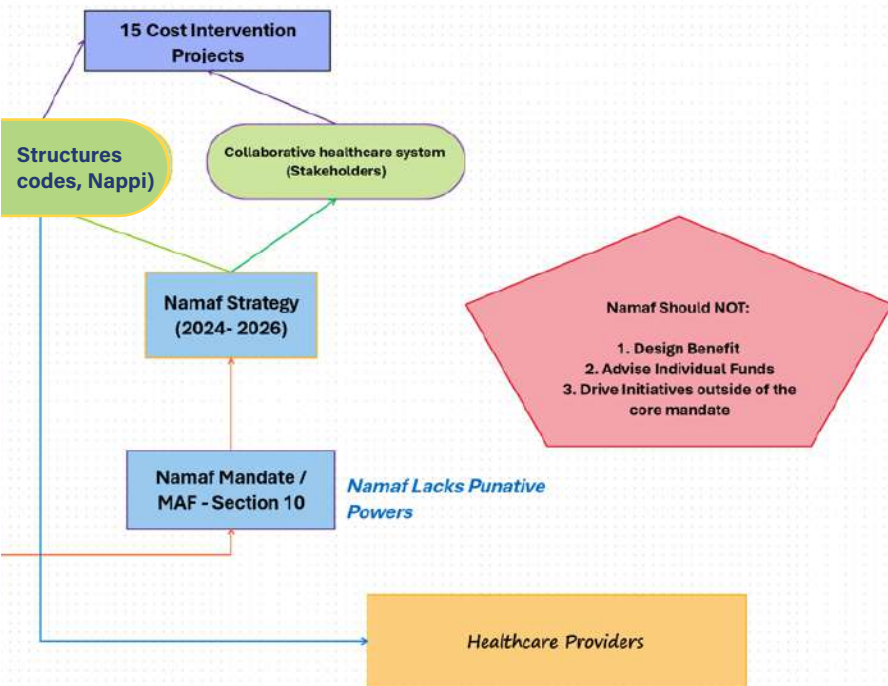
3. HEALTHCARE

FUNDING STAKEHOLDER INTRICACIES

Intricacies in Stakeholder Relations in Healthcare



Funding Industry



When policy makers, regulators, funders and healthcare providers work together, we shift from fragmented efforts to unified impact.

Stakeholder collaboration is essential for ensuring the sustainability of Namibia's health funding industry. In a country where health systems face numerous financial and infrastructural challenges, coordinated efforts among stakeholders—including government, private sector entities, healthcare providers, non-governmental organisations, and the public—are critical for building a resilient and inclusive health financing model. This collaboration can drive equitable access to healthcare, enhance the efficiency of resource allocation, and promote innovation in funding mechanisms.

As the statutory regulator for Namibia's private healthcare funding industry, Namaf's effectiveness depends on its ability to maintain purposeful, structured relationships with diverse stakeholders. This report outlines Namaf's engagement efforts in 2024, emphasising how it fosters education, collaboration, and sustainability, particularly with healthcare providers, a critical stakeholder group.

Understanding Stakeholder Complexity in the Health Funding Industry.

Namaf operates in a multifaceted landscape where its stakeholder base includes:

1. MAFs– Regulated entities managing member contributions and benefits.
2. Principal Officers and Trustees – Governance agents ensuring fund compliance and sustainability.
3. HCPs– The frontline service deliverers whose billing and coding practices directly affect fund performance.
4. Administrators – Agents managing claims processing, payments, and member servicing.
5. Government stakeholders – Particularly the Ministry of Health and Social Services.
6. The General Public – End-users of health

care services and beneficiaries of regulated funding mechanisms.

Each group has distinct expectations, regulatory touchpoints, and operational challenges. Coordination among these stakeholders is not optional but fundamental to a functioning, equitable, and sustainable healthcare funding industry.

Strategic Emphasis on Healthcare Providers

Among all stakeholders, Healthcare Providers (HCPs) occupy a uniquely influential position:

- They shape patient experience: Affecting perceptions of the healthcare and funding industry.
- They hold influence: As independent professionals, their buy-in is essential to adopting reforms.

Informed and engaged providers contribute constructively to the health funding industry improvement, helping Namaf fulfill its statutory coordination role.

In 2024, Namaf enhanced its engagement with HCPs through:

- Dedicated Healthcare Provider Forums – Covering practice code reforms, pricing models, hospital contracting, and incentivisation strategies.
- ICD-10 training – Upskilling providers for accurate diagnosis-based billing.
- Transparency in tariff development – Including stakeholder feedback on benchmark tariffs and billing rule updates.

Notably, 2024 marked a shift—providers began willing to voice concerns and partner with Namaf in refining the system. This is a pivotal cultural transition that Namaf must nurture going forward.

HEALTHCARE

FUNDING STAKEHOLDER INTRICACIES

Coordination and Education as Strategic Levers

Namaf's coordinating role was brought to life through multiple structural platforms:

- i. Principal Officers Forum – 12 meetings held in the reporting year
- ii. Administrator Forum – five (5) meetings held in the reporting year
- iii. Healthcare Provider Forum – three (3) meetings held in the reporting year
- a. Hosting an event with media and all health funding industry to create an Understand ing of the Health Funding Industry



These were supported by:

Trustee Training Workshops were identified as a strategic initiative to address the sustainability of the healthcare funding industry, which was under threat. The new curriculum will equip (new) trustees with an in-depth understanding of the industry and how clinical risk management features/tools can be used to address the sustainability of medical aid funds, such as:

- Underwriting – waiting periods and the role it plays in risk management.
- Benefit design is an art and a science: Why should medical aid fund benefits be designed, and what are the goals of benefit design.

The training empowered governance bodies of medical aid funds.



ICD-10 Training Sessions – Reinforcing accurate, efficient clinical coding.

Strategic Conferences and meeting Associations with:

1. MoHSS
2. Namibia Medical Society.
3. Pharmaceutical Society of Namibia
4. Pharmacists Care Association of Namibia
5. Namibia Dental Association
6. Namibia Physio Association
7. Namibia Dental Therapist Association
8. The Society of Obstetricians and Gynaecologists of Namibia

These touchpoints emphasised Namaf's dual function as coordinator and educator, enabling buy-in and facilitating operational consistency across stakeholders.

Communications and Brand Engagement

Namaf leveraged storytelling, digital content, and CRM-distributed newsletters to:

- Educate the sector on its mandate and reforms.
- Promote transparency and accountability.
- Reach under-engaged audiences (e.g., Northern regions) via targeted social media campaigns.

In 2024, Namaf deepened its engagement infrastructure, particularly with healthcare providers, reinforcing its coordinating mandate. This resulted in a 5% increase in stakeholder satisfaction from the previous reporting period. In the future, Namaf must continue to focus on the 2025 stakeholder collaboration and relationship building:

- Educating stakeholders on policies and structures.

- Driving collaborative reform.
- Aligning stakeholder behavior with the sustainability objectives of Namibia's health funding industry.
- Ongoing structured engagement with healthcare providers.
- Integration of stakeholder feedback into reform planning.
- Expanded education campaigns to support regulatory compliance and industry sustainability
- Healthcare providers to collaborate with Namaf on coding submission to address efficiency.



ANNUAL PERFORMANCE REPORT 2024

4. ANNUAL PERFORMANCE REPORT

Namaf led the development and execution of the 2024–2026 Strategic Plan, which resulted in an analysis of internal and external environmental changes. This allowed Namaf to respond proactively to industry developments for improved collaboration. The period under review is year one of the three-year (2024–2026) Strategic Plan.

Strategic Themes 1: Legislative and governance reform	
Goal	What do we mean?
1. Firm up Namaf as the regulator that provides clear leadership and direction in the governance of the healthcare industry.	<p>This strategic theme focuses on the four corners of Namaf's statutory objects as set out in the Medical Aid Funds Act, 1995 (Act No. 23 of 1995) and regulations, 1997. However, the MAFs Act, 1995, and regulations are inadequate. The following are the ultimate output of this strategic theme by the end strategic period:</p> <ul style="list-style-type: none"> (a) Gazetted Section 44 regulations. (b) Amendments to the Medical Aid Funds Act 1995; and/or (c) Namaf Bill. (d) NAMFISA gazetted standards with particulars for valid requirements of claims or statement account inclusive of Namaf coding structure. Alternatively, NAMFISA approved Fund Rule Amendment with Namaf coding structures as a valid requirement for claims or statement of account.
Strategic Theme 2: The sustainability of the healthcare industry	
Goal	What do we mean?
2. To lead the healthcare industry in Namibia in the creation of a blueprint for a sustainable future	<p>This strategic theme is focused on creating a sustainable healthcare industry for the future. The following are the components of a blueprint for a sustainable future:</p> <ul style="list-style-type: none"> (a) Conducive legislative and regulatory environment. This is covered in Strategic Theme 1; (b) Appropriate conduct of stakeholders: consumers induced demand, holders of Practice number (supplier induced demand), and MAFs obligation to mitigate the risk of Waste, Fraud, and Abuse. (c) Complete coding systems (PCNS, ICD, Procedures Codes, coding for medicines and surgical consumables), associated billing rules, and guidelines.

4. ANNUAL PERFORMANCE REPORT

	<ul style="list-style-type: none"> (d) Continuous identification of drivers of healthcare inflation and barriers to affordability and access to care. (e) Development, implementation, and monitoring of implemented interventions and strategies; and (f) Strategic Risk Framework and annual risk mitigation plan. (g) Fast-tracking the implementation of June 2023 industry intervention workshop.
Strategic Theme 3: Stakeholder participation and ownership	
Goal	What do we mean?
3. To be at the forefront of a collaborative health-care system, sharing knowledge and taking action to achieve real benefit with and for stakeholders.	<p>This strategic theme seeks, as its ultimate strategic output, satisfied stakeholders. This is envisaged to be an outcome of the following:</p> <ul style="list-style-type: none"> (a) Maintain Namaf's accountability to the Minister of Finance and Annual General Meeting. (b) Engagement and consultation on crucial identified issues across Namaf functions; and (c) Namaf brand visibility and awareness.
Strategic Theme 4: Resource and Support	
Goal	What do we mean?
4. To secure adequate resources and support for the effective strategy execution	<p>This strategic theme seeks to provide human capital, finance, and information and technology support during the strategy delivery. The ultimate output of these components are:</p> <ul style="list-style-type: none"> (a) Human resources: attract and retain a high-performing and competent staff. (b) Finance: maintain unqualified audit opinion status. (c) Information and Technology: established IT Governance framework.

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4. ANNUAL PERFORMANCE REPORT

To lead the healthcare Namibia in the creation of a blueprint for a sustainable future	35%	Fast-track the execution of the June 2022 Industry priorities related to Cost and Financial Sustainability interventions to improve viability and growth	ST4. Development, negotiation and implementation of provider contracts	ST4.1. Level of participation of Medical Aid Funds (e.g. 3 out of 7)	ST4.1.2. Continuing the implementation of the Hospital contracts signed at the fund level	ST4.2. Consolidated major and minor theatre list	ST4.3. MC approved standard Hospital contract	ST4.4. 1 MC approved standard Hospital contract	1	1.92	0.87
To be at the forefront of a collaborative healthcare system, sharing knowledge and expertise to achieve real benefits with and for stakeholders.	25%	Fast-track the execution of the June 2022 Industry priorities related to Cost and Financial Sustainability interventions to improve viability and growth	ST5. Hospital Working Report	ST5.1. Consolidated major and minor theatre list	ST5.2. MC approved and published Hospital Definitions with an industry consolidated major and minor theatre list	ST5.3. MC approved standard Hospital contract	ST5.4. MC approved standard Hospital contract	ST5.5. MC approved standard Hospital contract	2	1	0.75
To adhere to sound financial management principles with respect to prioritisation, budgeting, reporting and the requirements of the reviewed strategy.	10%	Prudent Financial Management	F1. Optimisation of revenue streams.	F1.1. Growth in supplementary income streams: Support from Medical Aid Funding (operational and strategic)	F1.2. 2025 budget for MC approval	F1.3. Expenses aligned to approved budget	F1.4. Unqualified external audit report	F1.5. Unqualified external audit report	2	2.667	0.26666667

4. ANNUAL PERFORMANCE REPORT

To secure adequate resources and support for effective strategy execution.	10%	Ensure appropriate internal Namaf capability to deliver on stakeholder expectations	RS2. Define and create meaning on the values of Namaf to guide relationship interactions with stakeholders RS3. Effective Corporate governance. RS4. Effective Risk management RS5. Rectify sub-optimal functional operational IT Infrastructure RS7. Attract, Retain and Develop Namaf personnel	RS1.2. Utilise positive employee engagement levels to mobilise an energetic strategy execution response to 2024 – 2025 strategy focus areas.	RS1.3.1. One staff engagement intervention implemented	0/1 Staff Engagement Intervention Implemented	Attain customer satisfaction rating of 55% – 60%	Attain customer satisfaction rating of 60% – 69%	Attain customer satisfaction rating of 70%	Annual Report submitted to AGM and the Ministers of MoF and MoHSS by 30 August 2024	Annual Report submitted to AGM and the Ministers of MoF and MoHSS before 30 August 2024	Customer satisfaction survey commenced with POs and Providers with an average satisfaction rate of 60%.	2	1/1 Mental Wellness and Communication Skills Workshop held on 18 October 2024	3
				RS2.1. Attain customer satisfaction rating of 70%	RS2.1. Attain customer satisfaction rating of 55% – 60%	Attain customer satisfaction rating of 60% – 69%	Attain customer satisfaction rating of 70%	The customer satisfaction survey commenced with POs and Providers with an average satisfaction rate of 60%.	2	The customer satisfaction survey commenced with POs and Providers with an average satisfaction rate of 60%.	2				
				RS3.1. Annual report and financial statements	Annual Report not submitted to AGM and the Ministers of MoF and MoHSS by 30 August 2024	Annual Report submitted to AGM and the Ministers of MoF and MoHSS by 30 August 2024	Annual Report submitted to AGM and the Ministers of MoF and MoHSS before 30 August 2024	Customer satisfaction survey commenced with POs and Providers with an average satisfaction rate of 60%.	3	Customer satisfaction survey commenced with POs and Providers with an average satisfaction rate of 60%.	3				
				RS4.1. Relevance of Risk register	Risk Register not approved by MC	MC approved Risk Register	MC approved Risk Register	MC approved Risk Register	3	MC approved Risk Register in August 2024	3				
				RS4.2.1. Implement Risk Mitigation Plan	Risk Mitigation Implementation Plan not developed	Risk Mitigation Implementation Plan	100% Implementation of Risk Mitigation Plan	Whereas the risks are already being mitigated, Risk Mitigation Implementation Plan will be drafted in 2025	1	Whereas the risks are already being mitigated, Risk Mitigation Implementation Plan will be drafted in 2025	1				
				RS2.1.1. Functional publication platform (Hepdesk) with basic content on clinical best practices	No Functional publication platform (Hepdesk) with basic content on clinical best practices	Functional publication platform (Hepdesk) with basic content on clinical best practices	Functional publication platform (Hepdesk) with basic content on clinical best practices	The Hepdesk was put on hold as its knowledge base departed on executing the stricter adjudication of billing rules and guidelines.	1	The Hepdesk was put on hold as its knowledge base departed on executing the stricter adjudication of billing rules and guidelines.	1				
				RS7.1. Employee turnover rate	No Recruitment of the Head: Clinical Services	Recruitment of the Head: Clinical Services	Recruitment of the Head: Clinical Services	The position was advertised publicly. Only one Applicant was shortlisted but not found suitably qualified during the interview. To build and grow capacity by transferring skills from CGS, a Manager of clinical and Coding support was recruited through open recruitment. 01 August 2024 is the date of assumption of duties.	3	The position was advertised publicly. Only one Applicant was shortlisted but not found suitably qualified during the interview. To build and grow capacity by transferring skills from CGS, a Manager of clinical and Coding support was recruited through open recruitment. 01 August 2024 is the date of assumption of duties.	3				
				RS7.2. People engagement level	Less Employee satisfaction rating of 85%	Employee satisfaction rating of 85%	Employee satisfaction rating of 85%	Employee Satisfaction Survey will be conducted from 13 November 2024.	1	Employee Satisfaction Survey will be conducted from 13 November 2024.	1				
8241683378955241072261072															

5. BACKGROUND INFORMATION

UNDERSTANDING THE CODING STRUCTURE

Regulation 5(2) also empowers the Management Committee to determine the requirements that an application for a practice number must comply with. The purpose of a practice number is:

- (a) for identification of a supplier of healthcare services or supplier of medical devices in claims submitted to registered funds;
- (b) for the proper administration and processing of claims by registered funds; and
- (c) to give access to the holders to the applicable coding structure namely, diagnostic, procedure, and codes for medicines and surgical consumables and associated benchmark tariffs.

A practice number consists of 13 digits:

- The first three digits refer to the discipline and indicate the scope of practice in the case of healthcare practitioners and/or the type of facility in the case of hospitals and health facilities.
- The second set of 3 digits is called the sub-discipline. It communicates and/or indicates additional information, such as the specialty of the healthcare practitioner and/or equipment and services that a specific health facility has or provides.
- The third component of the practice numbers consists of the last seven digits, which are unique because these seven digits identify the specific HCP and health facility/hospital. No two health facilities/hospitals or individual HCPs have the same last seven digits. These digits are linked to essential information, such as the physical address of the practice or health facility, banking details, contact details, and personal information in the case of individual HCPs, such as ID and HPCNA registration numbers.

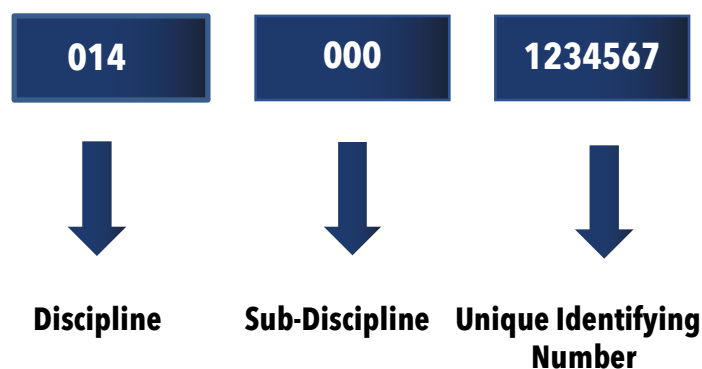


Figure 9: Components of a practice number

Practice numbers are issued in line with the information provided and obtained from the HPCNA registration for individuals and the MoHSS certificate/license. This information informs the discipline of the practice number. The discipline of the practice number links directly to a specific coding schedule, which is created in accordance with the specific scope of practice of a provider. Thus, if a practice number begins with 014, for example, then this indicates that the practice number is issued to a General Practitioner. The coding structure for a General Practitioner is also indicated as the '014' coding structure. Administrative systems are thus able to match the specific claim submitted by an HCP with a specific practice number to a specific coding structure.

Essentially, the information contained in PNs defines the procedures that an HCP is allowed to perform and bill patients for. Thus, the practice numbers, which are a requirement for claiming from MAFs, enable Namaf and its affiliated funds to manage claims. The claims data received from MAFs allows Namaf to identify fraud, waste, and abuse and link these to the HCPs through the practice number. As such, practice numbers are part of the risk mitigation process aimed at consumer protection.

Administering the practice number system is a tool for initiating proper payment management and processing of claims by registered funds. Mandatory PN registration and renewals take place from January to April every year.

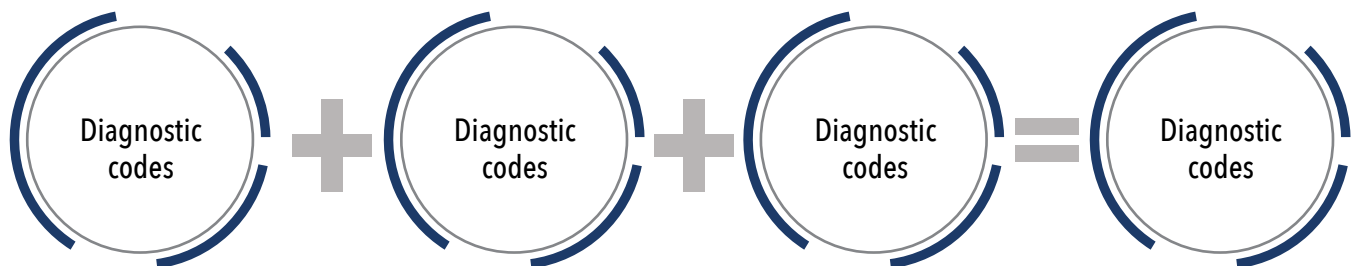
5. BACKGROUND INFORMATION

UNDERSTANDING THE CODING STRUCTURE

b) Coding Structure

Coding structures are used in the healthcare industry to facilitate the description of and billing for health events. They are vital for the design of MAF benefits and the mitigation of fraud, waste, and abuse within the healthcare funding industry.

A comprehensive coding structure consists of the following types of codes:



Together, these coding structures create a complete picture of all stages of a health event:

*The patient arrived with these symptoms (represented by diagnostic code)
and these procedures were performed (represented by procedure code)
and these consumables/products were prescribed (represented by medical
consumables/products code)*



The procedure coding structure is well established in Namibia and functions effectively within the medical aid industry. However, diagnostic codes and codes for ethical, surgical, and consumable products still need to be adopted to create a more comprehensive coding structure.

i) Diagnostic codes

The International Classification of Diseases and Related Health Problems (ICD), developed by the World Health Organization, is the international standard for facilitating and organising the communication of a diagnosis of a patient's condition. Among other things, the ICD coding structure is used to translate diagnoses of diseases and other health information into an alphanumeric code, which allows storage, retrieval, and analysis of the data. For example, J03.9 is the ICD code for acute tonsillitis (unspecified), and G40.9 denotes epilepsy (unspecified).

Namaf has introduced ICD-10, which implementation is a multi-phase process; during phase 1 of the implementation of ICD-10, the unspecified code will suffice, as we encourage all to use ICD-10 codes whether correct or not at this stage. To ensure it is effective, ongoing training of all stakeholders is offered within the industry. Once phase two is implemented, the ICD-10 coding structure will become the compulsory industry standard, meaning that all HCPs will be legally required to use the ICD-10 codes when interacting with medical aid fund members.

ii) Procedure codes

Procedure codes translate medical treatments and procedures into numbers. In Namibia, the internationally accepted CPT® (Current Procedural Terminology) coding structure, originally developed by the American Medical Association (AMA), is referenced during the development and maintenance processes that apply to the procedure coding systems used by Namaf. CPT® codes are numbers assigned to every task and service a medical practitioner may provide to a patient, including medical and surgical services.



Procedure codes also include hospital codes, which identify, among other things, the type of facility, theatre charges, type of ward, and type of equipment used in the course of a patient's treatment. However, due to the absence of diagnostic codes in Namibia, hospital codes cannot be used to their full potential.

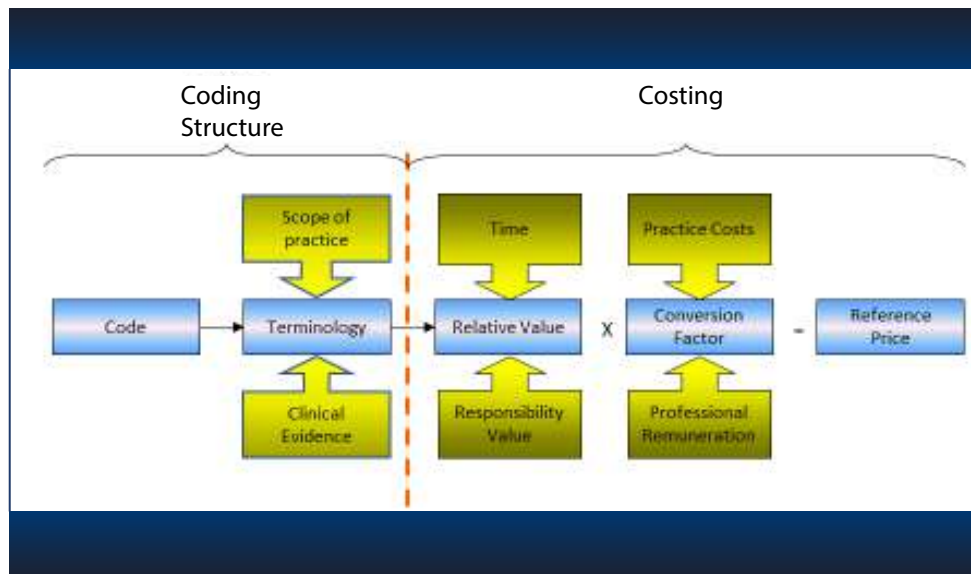
Namaf's procedure coding structure consists of five elements:

- 1) A numeric or alphanumeric code that is unique and designed to facilitate:
 - Electronic communication between parties
 - Accurate submission and processing of claims
 - Data analyses



- 2) A descriptor that provides the description in words of each of the codes must have the following characteristics:
 - It must be unique
 - The wording must be unambiguous and must lend itself to the same interpretation by all parties concerned
 - It must describe the full service of the procedure
- 3) A relative unit value which is related to the average duration of a procedure or service, adjusted for:
 - The relative complexity of the procedure
 - The relative levels of skill and expertise required to perform the procedure or provide the service
 - The relative risk associated with a procedure or service
- 4) A monetary conversion factor which represents the reasonable average cost of providing service or performing a procedure, noting that such costs will inevitably vary by specialty or service provider type
- 5) The relative value units are multiplied by the monetary conversion factors to determine the benchmark tariffs for each service or procedure.

A summary of Namaf's procedure coding structure.



The procedure codes contain the intelligence needed for the processing of claims by MAFs and for the identification of possible instances of fraud, waste and abuse. As new medical procedures are developed, or new technology is deployed in the medical industry, Namaf adds to or amends the procedure coding structure to accommodate these developments.

It is important to note that procedure codes represent compulsory industry standards, meaning that all HCPs are legally required to make use of them when interacting with medical aid funds. These codes can be described as a 'common language' that is applied by all parties in order to ensure common understanding across the industry.

As part of the procedure codes, Namaf publishes billing guidelines and rules.

i) Billing guidelines and rules

Billing guidelines and rules form integral parts of the Namaf procedure coding structure. They represent standards according to which the procedure coding structure should be used, notably with respect to:

- Who may or may not use the codes
- Codes that may and may not be used together
- The circumstances under which codes may or may not be used
- The circumstances under which codes may be combined

Given the fact that coding systems refer to average situations, i.e., the average care that an average patient will require under average circumstances, provisions must be made for deviations from average circumstances. Such provisions are made through so-called modifiers that allow adjustments when actual circumstances deviate from the average.

ii) Benchmark tariffs

Benchmark tariffs are determined by multiplying the relative value of a procedure with the monetary conversion factor pertaining to that procedure or service and/or practitioner or facility type, refer to Figure x above. The relative values can be benchmarked against international norms and standards, to the extent that these are available, and this benchmarking assists with obtaining credibility. However, the monetary conversion factors should

be based upon input costs, and these necessarily vary by country and region, meaning that international benchmarking is less feasible.

The Namaf inflation adjustment model takes six input factors into account, and the relative weights vary by healthcare service provider type. The annual increases for each of the input factors are derived from information that is available in the public domain, but providers are invited to make submissions motivating extraordinary increases or changes in the weighting factors applied.

Benchmark tariffs are intended to serve as guidelines as to the reasonable cost of specified categories of medical services. Unlike the procedure codes and billing guidelines, benchmark tariffs are not compulsory, meaning that MAFs are not bound to adhere to them.

Instead, each Namaf-affiliated MAF determines its own benefits and members' contributions with reference to the benefit options as set out in their rules. Each Fund has different benefit options, which in turn differ in how they are structured. The benefits (level of reimbursement) are specified in terms of a percentage of the benchmark tariff. The funds make use of actuarial advice in setting their contributions with reference to the benefit structure offered in their rules. The variations in benefits offered by different MAFs relate to the types of services and procedures covered and the extent and level to which they are covered as a percentage of the benchmark tariff. The MAFs, in turn, pay medical service providers relative to the benchmark tariff as a percentage that can exceed 100%. This is done through their Administrators and managed care organisations.

In addition, benchmark tariffs do not prescribe what a healthcare provider can or should charge a patient for a specific treatment or service. The healthcare provider can charge more or less than the benchmark tariff, subject to their preference. Suppose a healthcare provider charges more than an MAF's benefit tariff for a treatment or service. The MAF will only pay the benefit tariff amount, and the patient is responsible for paying the difference.

iii. Codes for ethical, surgical, and consumable products

The National Pharmaceutical Product Index (NAPPI) codes used in South Africa identify and classify ethical (e.g. medicines), surgical (e.g. prostheses, surgical instruments), and consumable (e.g., gloves, syringes) medical products.

NAPPI codes enable the electronic transfer of information throughout the healthcare delivery chain. Service providers and MAFs can identify items and medicines used in the course of a patient's treatment and the prices of these items and medicines by using the NAPPI codes.

Namibia does not have its own national standard (NAPPI) coding structure that captures ethical, surgical, and consumable products. Therefore, the Namaf MC directed the Secretariat to appoint MediKredit SA to develop a NAPPI coding structure for Namibia during the reporting period. This coding structure will enable the development of a price file to capture benchmark prices of items identified by the NAPPI codes. The single exit price of an item will be determined by factors such as the manufacturer's selling price, transport costs, overheads, and markup. The current lack of a price file means that there is no benchmark price for medicines and medical products, leaving suppliers to set prices in the absence of a system for determining the reasonability of such prices.

Once they come into effect, NAPPI codes will represent compulsory industry standards that all HCPs are legally required to use when interacting with MAFs.

In conclusion, a comprehensive coding structure is the best risk management strategy for industry waste, abuse, and fraud and an effective tool for controlling expenses. Therefore, the industry needs to adopt ICD-10 and NAPPI codes to complement Namaf's existing procedure coding structure.



NAMIBIAN ASSOCIATION OF
MEDICAL AID FUNDS
FINANCIAL INFORMATION

GENERAL INFORMATION

Country of incorporation and domicile

Namibia

Nature of business and principal activities

The Association is a juristic body, established in terms of the Medical Aid Funds Act, 1995 (Act of 1995) to control, promote, encourage and co-ordinate the establishment, development and functioning of Medical Aid Funds in Namibia.

Directors
P. Theron
R Kalipi
E Mansfeld
D Garosas
E Molatudi
G Tjombe
V Muchero
D Somseb
S Kauapirura

Registered office

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Windhoek
Namibia

Bankers

Nedbank Namibia Limited
First National Bank Namibia Limited
PKF-FCS Auditors

Auditors

Registered Accountants and Auditors
Chartered Accountants (Namibia)

INDEX

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

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Statement of Comprehensive Income	9
Statement of Changes in Equity	10
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The following supplementary information does not form part of the annual financial statements and is unaudited:	
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MANAGEMENT COMMITTEE'S RESPONSIBILITIES AND APPROVAL

The Management Committee is required by the Medical Aid Funds Act (Act no.23 of 1995), 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 association 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 the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Management Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Management Committee to meet these responsibilities, the Management Committee sets 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Management Committee 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 Management Committee have reviewed the association's cash flow forecast for the year to 31 December 2025 and, in the light of this review and the current financial position, they are satisfied that the association has or 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 association's annual financial statements. The annual financial statements have been examined by the association's external auditors and their report is presented on page 4 to 6.

The annual financial statements set out on pages 8 to 20, which have been prepared on the going concern basis, were approved by the directors on 09 July 2025 and were signed on its behalf by:

Approval of annual financial statements



P. Theron



R Kalipi

INDEPENDENT AUDITOR'S REPORT



**PKF
FCS Auditors**

Member Practice: 20601

Partners:

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To the Shareholders of Namibian Association of Medical Aid Funds

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Namibian Association of Medical Aid Funds (the company) set out on pages 8 to 20, which comprise the statement of financial position as at 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies and the Management Committees' report. In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibian Association of Medical Aid Funds as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities and the requirements of the Medical Aid Funds Act (Act no.23 of 1995).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the financial statements section of our report. We are independent of the company 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.

Emphasis of Matter

We draw attention to the fact that the annual financial statements of the entity has been prepared on Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities. Although the entity meets the criteria of a Public Interest Entity (PIE) under PAAB regulations, the entity has elected to apply NAC:001 due to the straightforward and non-complex nature of its operations. The application of full International Financial Reporting Standards would result in extensive disclosures that are not proportionate to the entity's role as a juristic body coordinating medical aid funds in Namibia.

Other Information

The Management Committee are responsible for the other information. The other information comprises the information included in the document titled "Namibian Association of Medical Aid Funds annual financial statements for the year ended 31 December 2024", which includes the Detailed Income Statement as required by the Medical Aid Funds Act (Act no.23 of 1995) pages 21 to 22. The other information does not include the annual financial statements and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT

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

In connection with our audit of the 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Committee for the Annual Financial Statements

The Management Committee are responsible for the preparation and fair presentation of the annual financial statements in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities and the requirements of the Medical Aid Funds Act (Act no.23 of 1995), and for such internal control as the Management Committee determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Management Committee are responsible for assessing the Association'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 Management Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee 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 Association'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.

INDEPENDENT AUDITOR'S REPORT


Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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

We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Report on Other Legal and Regulatory Requirements

We draw your attention to the fact that we have performed certain accounting duties (preparation of annual financial statements). We believe our independence is not impaired.

PKF-FCS Auditors



PKF-FCS Auditors
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Patterson Tjipueja
Partner

9 July 2025
Windhoek

Management Committee's Report

The Management Committee have pleasure in submitting their report on the annual financial statements of Namibian Association of Medical Aid Funds for the year ended 31 December 2024.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities and the requirements of the Medical Aid Funds Act (Act no.23 of 1995). The accounting policies have been applied consistently compared to the prior year.

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

2. Management committee

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

Management committee	Office	Nationality
P. Theron	President	Namibian
R Kalipi	Vice-President	Namibian
E Mansfeld	Member	Namibian
D Garosas	Treasurer	Namibian
E Molatudi	Member	Namibian
G Tjombe	Co-opted Member	Namibian
V Muchero	Co-opted member	Namibian
D Somseb	Member	Namibian
S Kauapirura	Member	Namibian

3. Events after the reporting period

The Management Committee is not aware of any material event which occurred after the reporting date and up to the date of this report.

4. 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 Management Committee believe that the Association 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 Management Committee has satisfied itself that the Association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Management Committee are not aware of any new material changes that may adversely impact the Association. The Management Committee 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 Association.

5. Terms of appointment of the auditors

PKF FCS Auditors were appointed as the Association's auditors.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	NOTE(S)	2024 N\$	2023 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	2	353,871	215,795
Intangible assets	3	813,022	955,619
Other financial assets	4	4,702,770	8,159,269
		5,869,663	9,330,683
Current Assets			
Trade and other receivables	5	364,980	95,911
Other financial assets	4	5,021,834	1,014,910
Cash and cash equivalents	6	366,384	21,306
		5,753,198	1,132,127
Total Assets		11,622,861	10,462,810
Equity and Liabilities			
Equity			
Retained income		10,927,893	9,944,957
Liabilities			
Current Liabilities			
Trade and other payables	9	433,065	382,611
Finance lease liabilities	7	48,910	-
Provisions	8	212,993	135,242
		694,968	517,853
Total Equity and Liabilities		11,622,861	10,462,810

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE(S)	2024 N\$	2023 N\$
Cash flows from operating activities			
Cash receipts from customers		16,634,677	17,045,611
Cash paid to suppliers and employees		(16,170,847)	(17,042,851)
Cash generated from operations	17	463,830	2,760
Interest income		713,814	703,082
Finance costs		(39,151)	-
Net cash from operating activities		1,138,493	705,842
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(161,474)	-
Purchases of other financial assets		(550,425)	(740,015)
Mobile phones		(81,516)	-
Net cash from investing activities		(793,415)	(740,015)
Cash flows from financing activities			
Total cash movement for the year		345,078	(34,173)
Cash and cash equivalents at the beginning of the year		21,306	55,479
Total cash at end of the year	6	366,384	21,306

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note(s)	2024 N\$	2023 N\$
Revenue	10	16,903,746	17,058,134
Operating expenses	11	(16,595,473)	(17,449,948)
Operating profit (loss)		308,273	(391,814)
Investment revenue	15	713,814	703,082
Finance costs	16	(39,151)	-
Profit for the year		982,936	311,268
Other comprehensive income		-	-
Total comprehensive income for the year		982,936	311,268

STATEMENT OF CHANGES IN EQUITY

	Retained income N\$	Total equity N\$
Balance at 1 January 2023	9,633,689	9,633,689
Profit for the year	311,268	311,268
Other comprehensive income	-	-
Total comprehensive income for the year	311,268	311,268
Balance at 1 January 2024	9,944,957	9,944,957
Profit for the year	982,936	982,936
Other comprehensive income	-	-
Total comprehensive income for the year	982,936	982,936
Balance at 31 December 2024	10,927,893	10,927,893
Note(s)		

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared on a going concern basis in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities, and the Medical Aid Funds Act (Act no.23 of 1995). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The Association reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

1.2 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Association.

ACCOUNTING POLICIES

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years
Mobile phones	Straight line	2 years

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

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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

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

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets as follows:

Item	Depreciation method	Average useful life
Practice Code Numbering	System Straight line	10 years

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of assets

The association assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Share capital and equity

Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

1.8 Employee benefits

Short-term employee benefits

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

Defined contribution plans

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

1.9 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.10 Revenue

Revenue is recognised to the extent that the Association has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the association. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts. Interest is recognised, in profit or loss, using the effective interest rate method.

1.11 Borrowing costs

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2024 N\$	2023 N\$
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2. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Furniture and fixtures	371,584	(260,015)	111,569	360,085	(236,923)	123,162
Office equipment	228,056	(86,288)	141,768	136,151	(54,462)	81,689
IT equipment	342,213	(290,589)	51,624	284,143	(273,199)	10,944
Mobile phones	130,426	(81,516)	48,910	-	-	-
Total	1,072,279	(718,408)	353,871	780,379	(564,584)	215,795

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	123,162	11,499	(23,092)	111,569
Office equipment	81,689	91,905	(31,826)	141,768
IT equipment	10,944	58,070	(17,390)	51,624
Mobile phones	-	130,426	(81,516)	48,910
	215,795	291,900	(153,824)	353,871

Reconciliation of property, plant and equipment - 2023

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	151,229	(28,067)	123,162
Office equipment	108,919	(27,230)	81,689
IT equipment	55,101	(44,157)	10,944
	315,249	(99,454)	215,795

3. Intangible assets

	2024			2023		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
Intangible Asset	1,425,973	(612,951)	813,022	1,425,973	(470,354)	955,619

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2024 N\$	2023 N\$	
3. Intangible assets (continued)				
Reconciliation of intangible assets - 2024				
		Opening balance	Amortisation	Closing balance
Practice Code Numbering System		955,619	(142,597)	813,022
Reconciliation of intangible assets - 2023				
		Opening balance	Amortisation	Closing balance
Practice Code Numbering System		1,098,217	(142,598)	955,619
4. Other financial assets				
At fair value				
Namport			4,702,770	8,159,269
Fixed deposit that earns interest at 7.60% per annum, interest is capitalised at maturity date, being 14 June 2024.				
IJG Securities Money Market Trust			5,021,834	1,014,910
Corporate money market fund that earns interest at the 3-month JIBAR rate, interest is capitalised at the end of each month.				
			9,724,604	9,174,179
Non-current assets				
At fair value			4,702,770	8,159,269
Current assets				
At fair value			5,021,834	1,014,910
			9,724,604	9,174,179
5. Trade and other receivables				
Trade receivables			291,019	30,518
Deposits			73,961	65,393
			364,980	95,911
6. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand			417	1,533
Bank balances			365,967	19,773
			366,384	21,306

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2024 N\$	2023 N\$
7. Finance lease liabilities			
Minimum lease payments which fall due			
- within one year		48,910	-
Net finance lease liabilities			
<p>The company entered into hire purchase agreements with a telecommunications provider for the acquisition of mobile devices for the benefit of its management team. These arrangements meet the definition of finance leases under IFRS 16 Leases, as substantially all the risks and rewards incidental to ownership have transferred to the company.</p> <p>As a result, the mobile devices have been recognised as right-of-use assets on the statement of financial position, and a corresponding lease liability has been recorded.</p> <p>The mobile devices have been capitalised at the present value of the lease payments, and are being depreciated over their useful lives or the lease term, whichever is shorter.</p> <p>Lease payments are apportioned between finance costs and the reduction of the lease liability using the effective interest method.</p> <p>Depreciation and finance costs related to the leased assets have been recognised in the statement of profit or loss and other comprehensive income.</p>			
8. Provisions			
Reconciliation of provisions - 2024			
	Opening balance	Leave accrual	Closing balance
Leave pay provision	135,242	77,751	212,993
Reconciliation of provisions - 2023			
	Opening balance	Leave accrual	Closing balance
Leave pay provision	-	135,242	135,242
9. Trade and other payables			
Trade payables		272,817	120,102
Payroll Accruals		160,248	262,509
		433,065	382,611
10. Revenue			
Subscription fees		16,448,956	14,122,317
Annual renewal fees		-	2,178,280
Registration fees		-	602,137
Training income		454,790	127,400
Management fees		-	28,000
		16,903,746	17,058,134
11. Operating expenses			
Operating expenses include the following expenses:			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2024 N\$	2023 N\$
11. Operating expenses (continued)			
Operating lease charges			
Premises			
• Contractual amounts		995,040	961,674
Depreciation and amortisation		296,421	242,051
Employee costs		6,836,966	7,264,740
12. Auditor's remuneration			
Fees		60,178	65,967
13. Employee cost			
Employee costs			
Salaries, wages, bonuses and other benefits		6,759,215	7,118,145
Leave pay provision charge		77,751	146,595
		6,836,966	7,264,740

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2024 N\$	2023 N\$
14. Depreciation, amortisation and impairments			
The following items are included within depreciation, amortisation and impairments:			
Depreciation			
Property, plant and equipment		153,824	99,454
Amortisation			
Intangible assets		142,597	142,597
Total depreciation, amortisation and impairments			
Depreciation		153,824	99,454
Amortisation		142,597	142,597
		296,421	242,051
15. Investment revenue			
Interest revenue			
Bank		11,763	9,124
Investment Income		702,051	693,958
		713,814	703,082
16. Finance costs			
Finance leases (refer to note 7)		39,151	-
17. Cash generated from operations			
Net profit before taxation		982,936	311,268
Adjustments for:			
Depreciation, amortisation, impairments and reversals of impairments		296,421	242,051
Movement in provisions		77,751	135,242
Investment income		(713,814)	(703,082)
Finance costs		39,151	-
Changes in working capital:			
(Increase) decrease in trade and other receivables		(269,069)	(12,523)
Increase (decrease) in trade and other payables		50,454	29,804
		463,830	2,760

DETAILED INCOME STATEMENT

	Note(s)	2024 N\$	2023 N\$
Operating expenses			
AWS - cloud services		274,447	267,407
Actuarial fees and coding support		2,611,624	2,454,657
Advertising		106,190	202,487
Auditors remuneration	12	60,178	65,967
Bank charges		24,042	48,786
Circumcision and HIV Dashboard		-	114,000
Cleaning		31,467	36,267
Computer expenses		379,365	368,742
Depreciation, amortisation and impairments		296,421	242,051
Employee costs		6,836,966	7,264,740
Entertainment		26,597	35,411
Nappi project expenses		17,940	-
General expenses		-	1,850
Risk management expenses		110,070	-
Insurance		50,548	44,465
Lease rentals on operating lease		995,040	961,674
Legal expenses & development of relevant regulations		811,584	380,542
Liability cover: Managers and officers		20,334	22,755
Medicor expenses		24,000	24,000
Meeting allowance and retainer fees		1,571,023	2,337,094
Municipal expenses		134,541	121,581
Office expenses		134,016	128,697
PCN file archiving		55,249	48,704
PCN system on going support		405,326	365,970
Printing and stationery		106,327	75,760
Professional fees		93,884	45,952
Provider Behaviour Workshop		110,250	229,725
Publish Industry Report		106,946	122,559
Strategy development workshop		-	100,000
Repairs and maintenance		3,124	1,609
Security		8,165	7,844
Staff welfare		379,207	392,701
Stakeholder's Engagement & UHC and Reforms		237,402	104,671
Trustees development expenses		109,395	-
Telephone and fax		137,463	290,011
Training		212,464	377,252
Travel - local/regional		113,878	164,017
		16,595,473	17,449,948

NOTES

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