



RFLAUN

Retirement Fund for Local Authorities
and Utility Services in Namibia

ANNUAL FINANCIAL STATEMENTS

FOR THE REPORTING
PERIOD ENDED
31 DECEMBER 2023



RFLAUN

Retirement Fund for Local Authorities
and Utility Services in Namibia

NAMFISA REGISTRATION NUMBER 25/7/7/107
MINISTRY OF FINANCE APPROVAL
NUMBER 12/1/12/187

ANNUAL FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED
31 DECEMBER 2023

TABLE OF CONTENTS

ANNUAL FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 31 DECEMBER 2023

01	Regulatory Information *	5 – 8
02	Statement of Responsibility by the Board of Trustees *	9 – 12
03	Statement of Responsibility by the Principal Officer *	13
04	Report of the Board of Trustees *	14 – 18
05	Independent Auditor's Report	19 – 20
06	Statement of Net Assets and Funds	21
07	Statement of Changes in Net Assets and Funds	22 - 23
08	Notes to the Annual Financial Statements	24 – 36
09	<i>*not subject to audit</i>	

REGULATORY INFORMATION

FOR THE PERIOD ENDED 31 DECEMBER 2023

Registered office of the Fund

Postal address: PO Box 29001, Windhoek, Namibia

Physical address: 1 Delius Street, Windhoek, Namibia

Financial reporting periods

Current period: 01 January 2023 to 31 December 2023

Previous period: 01 January 2022 to 31 December 2022



BOARD OF TRUSTEES

Title and name of trustee	Capacity	Date appointed	Date last reappointed	Date resigned	Region
Councillor Gaudentia Krohne	E/VC	2016/05/31	2022/09/01		//Karas
Councillor Katoyima C Kupembona	E	2017/08/22	2020/09/01		Kavango East
Councillor Naemi Amuthenu	E	2019/08/01	2020/09/01		Oshana
Councillor Cornelius Tjizoo	E	2020/09/01			Omaheke
Councillor Erastus Mashina	E	2020/09/01			Omusati
Councillor Samue !Oe-Amseb	E	2020/09/01			Kunene
Councillor Jafet M Muti	E	2021/02/19			Kavango West
Councillor Godhar dHoko	E	2021/04/29			Otjozondjupa
Councillor Mateu sHangula	E	2021/06/14			Oshikoto
Councillor Darius Shaalukeni	E	2021/06/22			Ohangwena
Councillor Christanah CSimanga	E	2021/10/28			Zambezi
Councillor Justin J Coetzee	E	2022/05/13			Hardap
Councillor Bernadus Araeb	E	2022/09/01			Khomas
Councillor Queen O Kamati	E	2022/09/01			Khomas
Councillor Clerens C Katorab	E	2023/03/10			Erongo
Ms Sirkka A Nashikaku	M	2022/09/01			Khomas
Mr Petrus S Sindimba	M	2010/09/01	2022/09/01		Kavango West
Mr Frederick Ueitele	M/C	2013/12/01	2020/09/01		Omaheke
Ms Thandi P Shindi	M	2014/09/01	2022/09/01		//Karas
Mr Ronald R Windswaai	M	2014/09/01	2022/09/01		Hardap
Mr Godfrey M Sitwala	M	2016/08/26	2022/09/01		Zambezi
Mr Damian Hamunjela	M	2016/09/01	2020/09/01		Oshana
Ms Tuwilika Ndjendja	M	2016/09/01	2020/09/01		Ohangwena
Mr Athanasius N Maghumbo	M	2017/08/22	2022/09/01		Kavango East
Ms Ann aliyambo	M	2018/09/01	2022/09/01		Khomas
Ms Ester N Haihambo	M	2018/09/01	2022/09/01		Erongo
Mr Oskar Kanime	M	2020/09/01			Omusati
Mr Immanuel Tjipura	M	2020/09/01			Kunene
Mr Julius G Gaeseb	M	2020/09/01			Oshikoto
Ms Rachel Engelbrecht	M	2020/09/01			Otjozondjupa
Title and name of trustee	Capacity	Date appointed	Date last reappointed	Date resigned	Elected by
Mr Deon Gerber	P	2006/06/30	2020/09/01		BOARD
Councillor Elwin L Gariseb	P	2022/05/07			ALAN

- *- 'C' denotes chairperson
- *- 'VC' denotes vice-chairperson
- *- 'M' denotes member elected
- *- 'E' denotes employer appointed
- *- 'P' denotes pensioner representative

Principal officer

Full name:	Mr Dorian J Amwaandangi
Postal Address:	P O Box 29001, Windhoek, Namibia
Physical address:	1 Delius Street, Windhoek, Namibia
Telephone number:	+264 (0)61 423 710
Email address:	dorian.amwaandangi@rflaun.com.na
Date appointed:	01/06/2010

PROFESSIONAL SERVICE PROVIDERS

Type of service	Service provider	Date appointed	Date terminated
Actuary/Valuator	Mr Stephen Tom Walker of Old Mutual Corporate Consultants	2018/11/01	
Auditors	PricewaterhouseCoopers	2023/09/29	
	Ernst&Young Namibia	2006/12/12	2023/09/29
Custodian and nominee	Standard Bank Namibia Ltd	2010/08/23	
Custodian and nominee	FirstRand Bank Limited (acting through its Rand Merchant Bank Division)	2022/12/13	
Benefit administrator	RFS Fund Administrators (Pty) Ltd	2008/07/01	
Investment consultant	NMG Consultants and Actuaries (Pty) Ltd	2005/01/01	
Benefit consultant	Sand City Investment Fifty (Pty) Ltd/a i3 Actuaries and Consultants	2021/05/01	
Investment administrator	Allan Gray Namibia (Pty) Ltd	2003/04/01	
Investment administrator	Arysteq Asset Management (Pty) Ltd	2022/11/30	
Investment administrator	Cadence Capital (Pty) Ltd	2022/06/01	
Investment administrator	Capricorn Asset Management (Pty) Ltd	2015/10/01	
Investment administrator	Catalyst Investment Managers (Pty) Ltd	2022/11/08	
Investment administrator	EOS Capital (Pty) Ltd	2015/10/01	
Investment administrator	IJG Capital (Pty) Ltd	2015/10/01	
Investment administrator	M&G Investment Managers (Namibia) (Pty) Ltd	2004/10/01	
Investment administrator	Momentum Metropolitan Namibia Ltd	2022/10/01	
Investment administrator	Mopane Asset Management (Pty) Ltd	2022/11/07	
Investment administrator	MUMI Investment Managers (Pty) Ltd	2022/11/07	
Investment administrator	Namibia Asset Management Ltd	1997/11/01	
Investment administrator	Ninety-One Asset Management Namibia (Pty) Ltd	2004/10/01	
Investment administrator	Old Mutual Life Assurance Company (Namibia) Ltd	1999/11/01	
Investment administrator	Orcas Investment Managers (Pty) Ltd	2022/11/30	
Investment administrator	Sanlam Life Namibia Ltd	2018/10/01	
Investment administrator	Sisedi Investment Group (Pty) Ltd	2022/11/10	
Investment administrator	Stanlib Namibia Unit Trust Management Company Ltd	2020/07/01	
Investment administrator	20 Twenty Financial Solutions (Pty) Ltd	2022/10/01	
Risk insurer (Group life assurance)	Old Mutual Life Assurance Company (Namibia) Ltd	2022/05/01	
Risk insurer (Permanent Health Insurance)	Momentum Metropolitan Namibia Ltd	2006/04/01	
Risk insurer (Funeral cover and dread disease)	Sanlam Life Namibia Ltd	2008/10/01	

PARTICIPATING EMPLOYERS

The following employers participate in the fund in terms of the rules of the Fund:

Arandis Town Council	Okakarara Village Council
Aranos Town Council	Okongo Village Council
Aroab Village Council	Omaruru Municipality
Berseba Village Council	Omuthiya Town Council
Bethanie Village Council	Ondangwa Town Council
CENORED Electricity (Pty)Ltd	Ongwediva Town Council
Divundu Village Council	Oniipa Town Council
Eenhana Town Council	Opuwo Town Council
Gobabis Municipality	Oranjemund Town Council
Gochas Village Council	Oshakati Town Council
Grootfontein Municipality	Oshikuku Town Council
Helao Nafidi Town Council	Otavi Town Council
Henties Bay Municipality	Otjinene Village Council
Kalkrand Village Council	Otjiwarongo Municipality
Kamanjab Village Council	Outapi Town Council
Karasburg Town Council	Outjo Municipality
Karibib Town Council	Rehoboth Town Council
Katima Mulilo Town Council	Ruacana Town Council
Keetmanshoop Municipality	Rundu Town Council
Khorixas Town Council	Swakopmund Municipality
Koes Village Council	Tsandi Village Council
Leonardville Village Council	Tses Village Council
Luderitz Town Council	Tsumeb Municipality
Maltahöhe Village Council	Usakos Town Council
Nkurenkuru Town Council	Walvisbay Municipality
Office of the Principal Officer	Windhoek Municipality
Okahandja Municipality	Witvlei Village Council
Okahao Town Council	

STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

Responsibilities

The Board of Trustees hereby confirms to the best of their knowledge and belief that, during the period under review, in the execution of their duties, they have complied with the duties imposed by the Pension Funds Act 24 of 1956 (here after referred to as Pension Funds Act) and other relevant legislation as well as the rules of the fund, including the following:

- ensured that proper registers, books and records of the operations of the Fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Trustees;
- ensured that proper internal control systems were employed by or on behalf of the Fund;
- ensured that adequate and appropriate information was communicated to the members of the Fund, informing them of their rights, benefits and duties in terms of the rules of the Fund;
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the Fund or reported where necessary in accordance with section 13A of the Pension Funds Act in Namibia;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the rules and the operation and administration of the Fund complied with the Pension Funds Act in Namibia and all other applicable laws;
- ensured that fidelity cover was maintained. This cover was deemed adequate and in compliance with the rules of the Fund; and ensured that investments of the Fund were implemented and maintained in accordance with the Fund's investment strategy.

Approval of the financial statements

The financial statements of The Retirement Fund for Local Authorities and Utility Services in Namibia are the responsibility of the Board of Trustees. The Board of Trustees fulfills this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the Fund and/or its benefit administrators, provide reasonable assurance that:

- the Fund's assets are safeguarded;
- transactions are properly authorised and executed; and the financial records are reliable.

The financial statements set out on pages 19 to 31 and the Report of the Board of Trustees have been prepared for regulatory purposes in accordance with:

- the basis of accounting applied to retirement funds in Namibia; the rules of the Fund; and
- the provisions of the Pension Funds Act in Namibia.

These financial statements have been reported on by the independent auditor, Pricewaterhouse Coopers, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Trustees believes that all representations made to the independent auditor during their audit were valid and appropriate. The report of the independent auditor is presented on pages 16 to 18.

STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

Notwithstanding the above-mentioned information, the Board of Trustees wish to draw attention to the following:

Specific instance of non-compliance	Remedial action taken
Not all contributions were received in accordance with section 13A of the Act. The following contributions were received later than 7 days after month end:	Participating Employers are notified on a monthly basis. Employees, the CEO and Finance Officer of Local Authorities 'related organisations have been engaged to rectify the problem. Roadshows are held to address the problem.
January Grootfonten Municipality Kamanjab Village Council Katim aMulilo Town Council Khorixas Town Council Otjinene Village Council Outjo Municipality Tsumeb Municipality	The Fund will continue to engage directly with the Participating Employers to eliminate non-compliance. In a situation where time limits set in the Rules are breached, legal action and termination will be considered.
February Khorixas Town Council Opuwo Town Council Outjo Municipality Usakos Town Council Otjinene Village Council Okakarara Town Council Rehoboth Town Council (Electricity)	
March Grootfonten Municipality Kamanjab Village Council Katima Mulilo Town Council Khorixas Town Council Okakarara Town Council Otjinene Village Council Outjo Municipality Rehoboth Town Council Usakos Town Council	
April Aranos Town Council Grootfontein Municipality Katima Mulilo Town Council Kamanjab Village Council Khorixas Town Council Koes Village Council Luderitz Town Council Okakarara Town Council Omuthiya Town Council Otavi Town Council Otjinene Village Council Outjo Municipality Rundu Town Council Tsumeb Municipality Usakos Town Council	

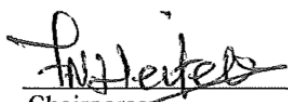

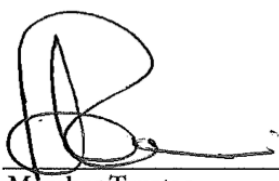
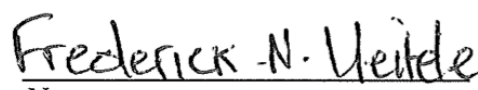
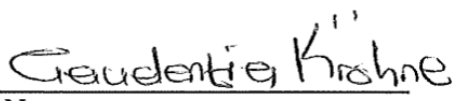
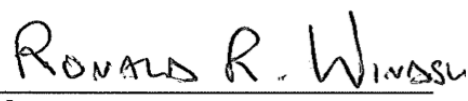
STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

Specific instance of non-compliance	Remedial action taken
May Outjo Municipality Tsumeb Municipality Otjinen eVillag eCouncil Usakos Town Council Khorixas Town Council Koes Village Council Okakarara Town Council	
June Outjo Municipality Tsumeb Municipality Arandis Town Council Otjinene Village Council Usakos Town Council Khorixas Town Council Kamanjab Village Council Koes Village Council Okakarara Town Council	
July Katima Mulilo Town Council Outjo Municipality Tsumeb Municipality Leonardville Village Council Otjinene Village Council Khorixas Town Council Oniipa Town Council Omuthiya Town Council Koes Village Council Okakarara Town Council	
August Otjinene Village Council Khorixas Town Council Outjo Municipality Berseba Village Council Okakarara Town Council	
September Outjo Municipality Outapi Town Council Opuwo Town Council Otjinene Village Council Usakos Town Council Khorixas Town Council Okakarara Town Council BersebaVillageCouncil	

STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

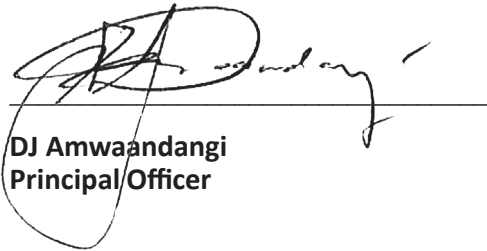
Specific instance of non-compliance	Remedial action taken
October Luderitz Town Council Outjo Municipality Otjinene Village Council Usakos Town Council Khorixas Town Council Okakarara Town Council Berseba Village Council	
November Outjo Municipality Opuwo Town Council Karasburg Town Council Leonardville Village Council Otjinene Village Council Khorixas Town Council Okakarara Town Council Berseba Village Council	
December Leonardville Village Council Karibib Town Council Tsumeb Municipality Karasburg Town Council Grootfontein Municipality Outjo Municipality Otjinene Village Council Khorixas Town Council Okakarara Town Council Berseba Village Council Usakos Town Council	

These financial statements were approved by the Board of Trustees on **20th June 2024** and are signed on the Board of Trustees' behalf by:

 _____ Chairperson Windhoek	 _____ Employer Trustee Windhoek	 _____ Member Trustee Windhoek
 _____ Name	 _____ Name	 _____ Name
20 June 2024	20 June 2024	20 June 2024

STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER

I confirm that for the period under review The Retirement Fund for Local Authorities and Utility Services in Namibia has, with the exception of the instances of non-compliance noted in the Statement of Responsibilities of the Board of Trustees, timeously submitted all regulatory and other returns, statements, documents and any other information as required in terms of the Pension Funds Act in Namibia.



DJ Amwaandangi
Principal Officer

20th June 2024
Windhoek

REPORT OF THE BOARD OF TRUSTEES

FOR THE PERIOD ENDED 31 DECEMBER 2023

1. Description of the Fund

Type of fund

In terms of Section 1 of the Income Tax Act (Act 24 of 1981), as amended, the Fund is classified as a pension fund. The Fund is a defined contribution fund.

Benefits

The Fund provides lump sum benefits and pensions at retirement. Lump sum death benefits and annuities are payable in respect of members who die prior to retirement. If a member becomes disabled, disability income benefits are payable until normal retirement. If a member resigns or upon dismissal, his/her member's share is payable (accumulation of contributions plus investment returns).

Strategy of Board of Trustees towards unclaimed benefits: The Fund employs the Principal Employer's branch network to trace beneficiaries. In respect of unclaimed benefits, complete records, as prescribed, are maintained by the Fund. If a beneficiary does not claim a benefit payable to him/her within 5 years of the date of such benefit becoming payable, such benefit will be paid to the Guardian's Fund for the benefit of the beneficiary concerned, where after the Fund will have no further liability towards such beneficiary.

Contributions

Members' contributions

The members shall contribute at one of the following rates: Participating members as from 01 September 2008 have the following options:

- 7.5%, or
- 9%, or
- 10%, or
- 12%, or
- 14%, or
- 16% of the member's monthly pensionable salary.

Members who joined prior to 1 September 2008 have, in addition to the above rates, the following options:

- 2.5%, or
- 5% of the member's monthly pensionable salary.

Members who joined on 1 March 1992 (commencement date of the Fund) who were members of a previous fund in which their employer participated, contribute at a rate at which such employees were contributing at that time.

Participating employers' contributions

Participating employers shall contribute 21.7% of the member's monthly pensionable salary. At least 14% of the member's monthly pensionable salary is to be applied towards the member's retirement benefit. The remaining 7.7% is to be applied towards the costs of insured benefits as well as administration expenses of the Fund. The balance of the 7.7%, if any, is to be applied towards the member's retirement benefit.

Rules

The following rule amendments were approved by the Registrar during the financial year.

Reserve account

The reserve account represents the balance of the difference between the market value of net assets less the share and pensioners accounts respectively. Transfers from the reserve account may be made to enhance the benefits of members and pensioners. The reserve account consists of monies that members are not entitled to on leaving service, additional contributions made by the employer which a member is not entitled to on leaving service, other income not specified in the rules to be allocated otherwise and all investment earnings earned by the Fund.

Any amount standing to the credit of the reserve account may be used towards meeting the Fund's expenses, transfers to the members' individual accounts and pensioners account. The level of the reserve and the pensioners account was determined as part of the actuarial valuation as at 31 December 2022.

Pensioners' account

The pensioners' account comprises an account of all pensions in the course of payment to pensioners and to dependants of members or pensioners. The account consists of investment earnings, transfers received from the members' individual account and reserve account, and payments to pensioners.

REPORT OF THE BOARD OF TRUSTEES

FOR THE PERIOD ENDED 31 DECEMBER 2023

2. Investments

Investment strategy

The investment strategy of the Fund is set by the Board of Trustees after taking due consideration of the advice of the Fund's investment consultant and other professional advisors. This investment strategy complies with the provisions of Regulation 13 of the Pension Funds Act in Namibia. The investments are managed according to the following principles:

General principles

The Fund's investments are managed by Old Mutual Life Assurance Company (Namibia) Limited, Allan Gray Namibia (Proprietary) Limited, Namibia Asset Management Limited, Ninety-One Asset Management Namibia (Proprietary) Limited, M&G Investment Managers (Namibia) (Proprietary) Limited, Capricorn Asset Management (Proprietary) Limited, IJG Capital (Proprietary) Limited, EOS Capital (Proprietary) Limited, Cadence Capital (Proprietary) Limited, 20Twenty Financial Solutions (Proprietary) Limited, Sanlam Life Namibia Limited Stanlib Namibia Unit Trust Management Company Limited, Momentum Metropolitan Namibia

Limited, Arysteq Asset Management (Proprietary) Limited, Catalyst Investment Managers (Proprietary) Limited, Mopane Asset Management (Proprietary) Limited, MUMI Investment Managers (Proprietary) Limited, Orcas Investment Managers (Proprietary) Limited and Sisedi Investment Group (Proprietary) Limited. The assets are held in managed funds in order to achieve sound investment returns in the long term.

On attaining the age of 55 by either 1 April or 1 October of any year, members' accrued Fund Credit will automatically be transferred to the Capital Protection Option. Should the member however decide to remain invested in the market portfolios, the member has to inform the Fund in writing by completing the CPP Choice Form before either 28 February (for 1 April) or 31 August (for 1 October).

Overall responsibility for investment and performance lies with the Board. The Board and the Investment Committee meet from time to time to conduct the business of the Fund. Full details of investments and the related investment income are set out in notes 2 and 12 to the financial statements.

Cash-flow

As at year-end the following cash-flow policies were in place, as adopted by the Board of Trustees:

Market-linked portfolio:

Asset manager	Investment ratio	Disinvestment ratio
Allan Gray Namibia (Proprietary) Limited	22.50%	22.50%
Ninety-One Asset Management Namibia (Proprietary) Limited	22.50%	22.50%
Namibia Asset Management Limited	22.50%	22.50%
M & G Investment Managers (Namibia) (Proprietary) Limited	22.50%	22.50%
Capricorn Asset Management (Proprietary) Limited	10.00%	10.00%

Capital Preservation Portfolio prior 1 October 2018 (CPO1):

Asset manager	Investment ratio	Disinvestment ratio
Old Mutual Life Assurance Company (Namibia) Limited (Core Growth 1 Portfolio)	100.00%	100.00%

REPORT OF THE BOARD OF TRUSTEES

FOR THE PERIOD ENDED 31 DECEMBER 2023

Capital Preservation Portfolio after 1 October 2022 (CPO2):

Asset manager	Investment ratio	Disinvestment ratio
Old Mutual Life Assurance Company (Namibia) Limited (Core Growth 2 Portfolio)	25.00%	33.00%
Sanlam Life Namibia Limited (Stable Bonus Portfolio)	25.00%	34.00%
Stanlib Namibia Unit Trust Management Company Limited	25.00%	33.00%
Momentum Metropolitan Namibia Limited	25.00%	0.00%

Unclaimed benefits:

Members' benefits are invested in line with the overall investment strategy until all claim documentation has been received.

Pensioners

Pensioners are invested in the market-linked portfolio.

Reserve accounts

The Fund's strategy is to invest in the market-linked portfolio in order to maximise investment returns.

The fair value of the Fund's investments, administered by the investment administrators at the end of the period is:

Asset manager	Current period N\$	Previous period N\$
Allan Gray Namibia (Proprietary) Limited	1 292 520 661	1 205 302 674
Arysteq Asset Management (Proprietary) Limited	110 102 127	-
Capricorn Asset Management (Proprietary) Limited	706 776 184	661 19 7863
Catalyst Investment Managers (Proprietary) Limited	52 993 755	-
EOS Capital (Proprietary) Limited	43 629 983	2 5098 136
Cadence Capital (Proprietary) Limited	3 1891 188	26 113 771
IJG Capital (Proprietary) Limited	10815578	10 643 453
M&G Investment Managers (Namibia) (Proprietary) Limited	1 204 434 112	1 178 536 454
Momentum Metropolitan Namibia Limited	64 502 512	18 568 127
Mopane Asset Management (Proprietary) Limited	53 038 323	-
MUMI Investment Managers (Proprietary) Limited	5 3416 191	-
Ninety-One Asset Management Namibia (Proprietary) Limited	1184 454 466	1 180 358 273
Namibia Asset Management Limited	12 5049 4982	1164 066 839
Old Mutual Life Assurance Company (Namibia) Limited	285 964 268	319 026 293
Orcas Investment Managers (Proprietary) Limited	80 251 356	-
Sanlam Life Namibia Limited	347 997 744	318 925 566
Sisedi Investment Group (Proprietary) Limited	53 963 925	-
Standard Bank Namibia Limited (Transition account)	23 194	-
Stanlib Namibia Unit Trust Management Company Limited	17 8440 035	173 069 129
20 Twenty Financial Solutions (Proprietary) Limited	127 795 727	29 163 708
Total investments managed by investment administrators	7 133 506 311	6 310 070 286

REPORT OF THE BOARD OF TRUSTEES

FOR THE PERIOD ENDED 31 DECEMBER 2023

Investment return

During the period 1 January 2023 to 31 December 2023, the Fund produced a net annualised investment return of approximately 15.50% (2022: 2.34%).

3. Membership

Active members	Current period	Previous period
At beginning of period	4 722	4 790
Less: Late exits	(29)	(19)
Adjusted opening balance:	4 693	4 771
Additions	233	213
Less:		
Withdrawals	(128)	(126)
Deaths	(12)	(17)
Retirements	(122)	(119)
At end of period	4 664	4 722
Pensioners	Current period	Previous period
At beginning of period	1 718	1 701
New pensioners	171	164
Reinstatement of suspended pensioners	284	469
Less:		
Deaths	(46)	(41)
Suspension of pensioners	(271)	(565)
Terminations	(4)	(10)
At end of period	1 852	1 718

Included in the retirements of active members are 13 pensioners who exited as at 31 December 2023 and were added as new pensioners on 1 January 2024.

Suspended pensioners	Current period	Previous period
At beginning of period	226	163
Suspensions	271	565
Reinstatements	(284)	(469)
Terminations	(32)	(23)
Deaths	(2)	(10)
At end of period	179	226
Unclaimed benefits	Current period	Previous period
At beginning of period	1	1
At the end of period	1	1

REPORT OF THE BOARD OF TRUSTEES

FOR THE PERIOD ENDED 31 DECEMBER 2023

4. Actuarial valuation

The financial statements summarise the transactions and net assets of the Fund. They do not take account of liabilities to pay pensions and other benefits in the future. In accordance with the rules of the Fund, the actuarial position of the Fund, which does take account of such liabilities, is examined and reported upon by the actuary at intervals not exceeding three years, however the Fund requested that an actuarial review be done on a yearly basis.

A statutory valuation was undertaken for 31 December 2021. At this date the valuator reported that the Fund was in a sound financial position. The next statutory valuation of the Fund will be prepared as at 31 December 2024.

5. Housing loan

Housing loans are granted by the Fund to its members. The rate of interest on outstanding housing loans was 11.75% p.a. at the financial year end. This rate is linked to the Namibian repo rate and can change from time to time. Loans to members were granted in terms of rule 13.2 and the provisions of section 19(5) of the Pension Funds Act in Namibia.

Housing loan guarantees

Housing loan guarantees were granted to members of the fund in terms of rule 13.2 and the provisions of Section 19(5) of the Pension Funds Act in Namibia. Each loan is secured by the withdrawal benefit of the respective member.

Guarantees of N\$224 404 963 (2022: N\$ 226 594 476) were provided to members of the Fund at 31 December 2023 for loans granted by First National Bank Namibia Limited. No guarantees were provided to members of the Fund at 31 December 2023 regarding Standard Bank Namibia Limited since no loans have yet been issued to members of the Fund.

6. Investments in participating employers

The Fund holds no direct investments in the participating employers.

7. Fidelity cover

Fidelity cover was maintained for the full year as required by the Rules of the Fund.

8. Commitments in terms of Regulation 13

The Fund has entered into subscription agreements with Allegrow Fund (Proprietary) Limited, Caliber Capital Fund, Euphrates Fund (Proprietary) Limited, IJG Frontier Investment Fund Limited and Stimulus Investments Limited and committed N\$ 159 078 674 (2022: N\$ 154 657 241) to comply with the requirements of regulation 13 to invest in unlisted investments. Investments made through draw-downs in terms of this commitment had a fair value of N\$ 103 058 706 at 31 December 2023 (2022: N\$ 82 056 191).

9. Subsequent events

No matter which is material to the financial affairs of the Fund has occurred between the period ended 31 December 2023 and the date of approval of the financial statements.

10. 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 the assets and settlement of liabilities, contingent obligations, and commitments will occur in the ordinary course of business.



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF TRUSTEES OF RETIREMENT FUND FOR LOCAL AUTHORITIES AND UTILITY SERVICES IN NAMIBIA

Opinion

We have audited the financial statements of Retirement Fund for Local Authorities and Utility Services in Namibia (the "Fund") set out on pages 1 to 31, which comprise the statement of net assets and funds as at 31 December 2023 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The financial statements are prepared for the purpose of reporting to the Registrar of Pension Funds. In our opinion, the financial statements of Retirement Fund for Local Authorities and Utility Services in Namibia for the year ended 31 December 2023 are prepared, in all material respects, in accordance with Regulatory Reporting Requirements for Pension Funds in Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Statements* section of our report. We are independent of the Fund 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 annual 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 - Financial reporting framework and restrictions on use

We draw attention to the principal accounting policies in which the applicable financial reporting framework is

identified, as prescribed by the Registrar and disclosed in note 1 to the financial statements. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter - Actuarial Reporting

We do not express an opinion on the financial condition of the Fund from an actuarial point of view.

Other matter

As mentioned under the Basis for Opinion paragraph, we conducted our audit in accordance with the International Standards on Auditing (ISAs) and issued our report in accordance with these ISAs. We draw attention to the fact that we did not use the audit report template as prescribed by the Registrar in the Pension Funds Regulations: Pension Funds Act 24 Of 1956 as this is not in accordance with the ISAs.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the following schedules as required by the Pension Funds Act 24 of 1956:

- Regulatory Information
- Statement of Responsibility by the Board of Trustees
- Statement of Responsibility by the Principal Officer
- Report of the Board of Trustees

Other information does not include the financial statements and our auditor's report thereon.

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

PricewaterhouseCoopers, Registered Auditors

344 Independence Avenue, Windhoek, Khomas Region, Republic of Namibia
P O Box 1571, Windhoek, Khomas Region, Republic of Namibia
T:+ 264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com/na

Country Senior Partner: Chantell N Husselmann

The Firm's principal place of business is at 344 Independence Avenue, Windhoek, Republic of Namibia, Khomas Region, Republic of Namibia Partners: Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Willem A Burger, Nina A Coetzer Practice Number 9406, VAT reg no. 00203281-015

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information, 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 Board of Trustees for the Annual Financial Statements

The Board of Trustees is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Pension Funds in Namibia and for such internal control as the Board of Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Trustees is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act 24 of 1956.

In preparing the financial statements, the Board of Trustees is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Trustees either intends to liquidate the Fund or to cease operations, or has 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 financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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

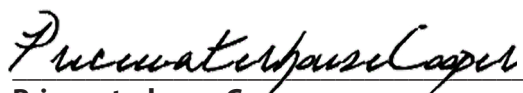
misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- Conclude on the appropriateness of the Board of Trustees' 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 Fund'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. 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 Fund to cease to continue as a going concern.

We communicate with the Board of Trustees 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

The Statement of Responsibility by the Board of Trustees describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of Trustees and the corrective action taken by the Board of Trustees. There are no additional instances of non-compliance with the Pension Fund Act that came to our attention during the course of our audit of the financial statements.



PricewaterhouseCoopers

Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Gerrit Esterhuysen

Partner

Windhoek

Namibia

Date: 20-06-2024 | 16:00 SAST

STATEMENT OF NET ASSETS AND FUNDS

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Notes	Current period N\$	Previous period N\$
ASSETS			
Non-current assets		7 191 555 085	6 329 290 989
Property, plant and equipment	1	2 033 9610	19 220 703
Investments	2	7 133 506 311	6 310 070 286
Housing loans	2	37 709 164	-
Current assets		139 102 487	100 562 368
Accounts receivable	5	396 5556	2 467 782
Contributions receivable	6	26 185 931	26 926 253
Cash at bank		108 951 000	71 168 333
Total assets		7 330 657 572	6 429 853 357
Funds and Liabilities			
Members' funds		6 775 555 194	6 100 563 650
Active members' individual accounts		5 158 121 249	4 565 227 783
Pensioners' Account		1 617 433 945	1 535 335 867
Reserves		462 945 790	228 917 455
Reserve accounts		46 294 5790	228 917 455
Total funds and reserves		723 850 0984	6 329 481 105
Non-current liabilities		56 717	56 717
Unclaimed benefits	7	56 717	56 717
Current liabilities		92 099 871	100 315 535
Benefits payable	8	82 438 125	863 28 517
Accounts payable	9	9 661 746	10 965 058
Transfers payable	10	-	3 021 960
Total funds and liabilities		7 330 657 572	6 429 853 357

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

FOR THE PERIOD ENDED 31 DECEMBER 2023

Current Period	Notes	Active Members' Individual Accounts	Pensioner's Account	Reserve Account	Total
		N\$	N\$	N\$	N\$
Balance at beginning of period		4 565 227 783	1 535 335 867	228 917 455	6 329 481 105
Contributions received and accrued	11	280 707 677	-	69 661 414	350 369 091
Net investment income	12	-	-	970 290 302	970 290 302
Revaluation of Property		-	-	760 386	760 386
Reinsurance proceeds - Disabilities		-	-	31 755	31 755
Reinsurance proceeds - Deaths		12 267 372	-	-	12 267 372
Reinsurance premiums		-	-	(36 005 355)	(36 005 355)
Administration expenses	13	-	-	(38 657 665)	(38 657 665)
Transfers and benefits		(228 966 600)	(120 091 249)	(978 158)	(350 036 007)
Transfers from other funds	4	1 045 449	-	-	1 045 449
Benefits	8	(230 012 049)	(120 091 249)	(978 158)	(35 108 1456)
Investment income allocated to:		692 30 7509	38 76 6835	(731 074344)	-
Pensioners		-	38 766 835	(38 766 835)	-
Active members		692307509	-	(692 307 509)	-
Transfere to Pensioners' Account - Capital		(163 422 492)	163 422 492	-	-
Balance at end of period		5 158 121 249	1 617 433 945	462 945 790	7 238 500 984

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

FOR THE PERIOD ENDED 31 DECEMBER 2023

Current Period	Notes	Active Members' Individual Accounts	Pensioner's Account	Reserve Account	Total
		N\$	N\$	N\$	N\$
Balance at beginning of period		4 527 619 208	1 230 843 962	447 464 560	6 205 927 730
Contributions received and accrued	11	286 833 715		71 423 377	358 257 092
Net investment income	12	-	-	187 976 503	187 976 503
Revaluation of Property		-	-	505 386	505 386
Reinsurance proceeds - Disabilities		-	-	29 037	29 037
Reinsurance proceeds - Deaths		20 931 833	-	-	20 931 833
Reinsurance premiums		-	-	(36 908 923)	(36 908 923)
Administration expenses	13	-	-	(34 157 909)	(34 157 909)
Transfers and benefits		(252 535 326)	(113 142 340)	(7 401 978)	(373 079 644)
Transfers from other funds		9 550 799	-	-	9 550 799
Benefits	8	(262 086 125)	(113 142 340)	(7 401 978)	(382 630 443)
Investment income allocated to:		153 682 999	246 329 599	(400 012 598)	-
Pensioners		-	246 329 599	(246 329 599)	-
Active members		153 682 999	-	(153 682 999)	-
Transfere to Pensioners' Account - Capital		(171 304 646)	171 304 646	-	-
Balance at end of period		4 565 227 783	1 535 335 867	228 917 455	6 329 481 105

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

Basis of preparation

The financial statements are prepared for regulatory purposes in accordance with the accounting policies described below and the Pension Funds Act in Namibia.

The financial statements are prepared on the historical cost and going concern basis except for items carried at fair value as set out in the accounting policies below. The financial statements are measured and presented in the Namibia dollar (N\$).

Principal accounting policies

The following are the principal accounting policies adopted and applied consistently for similar transactions, other events and circumstances for the reporting period, and are consistent in all material respects with those applied in the previous reporting period.

Property Plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the fund and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to changes in net assets and funds during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in changes in

net assets and funds and accumulated in reserves. Revaluations shall be made at an interval of three years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Changes in Net Assets and Funds.

Depreciation is provided over the useful life of each asset to write down its carrying value on a systematic basis to its estimated residual value. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Land is not depreciated as it is deemed to have an indefinite life.

The expected useful lives applied are:

Computer equipment & software	3 years
Furniture & fittings	7 years
Office equipment	5 Years
Vehicles	5 Years
Buildings	25 years
Land	Indefinite useful life

The depreciation charge for each period is recognized in the Statement of Changes in Net Assets and Funds.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

Investments

Investments in financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when its contractual arrangements become binding.

Investments in financial instruments are classified and measured as follows:

Investment	Classification	Carrying value
Credit balances including cash and deposits	Loans and receivables	Amortised cost
Government Bonds	At fair value through statement of changes in net assets and funds	Fair value
Statutory body, public enterprise, local authority, and regional council Bonds	At fair value through statement of changes in net assets and funds	Fair value
Debentures	Loans and receivables	Fair value
Corporate Bonds	Loans and receivables	Fair value
Foreign Bonds	At fair value through statement of changes in net assets and funds	Fair value
Property	At fair value through statement of changes in net assets and funds	Fair value
Equity	At fair value through statement of changes in net assets and funds	Fair value
Exchange-Traded Funds	At fair value through statement of changes in net assets and funds	Fair value
Debt instruments	At fair value through statement of changes in net assets and funds	Fair value
Non-market-related insurance policies	At fair value through statement of changes in net assets and funds	Fair value
Market-related insurance policies	At fair value through statement of changes in net assets and funds	Fair value
Collective investment schemes	At fair value through statement of changes in net assets and funds	Fair value
Derivative market instruments	At fair value through statement of changes in net assets and funds	Fair value
Hedge funds	At fair value through statement of changes in net assets and funds	Fair value
Private equity funds	At fair value through statement of changes in net assets and funds	Fair value
Unlisted investments	At fair value through statement of changes in net assets and funds	Fair value
Loans (other than those listed elsewhere)	Loans and receivables	Amortised cost

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

At fair value through statement of changes in net assets and funds

A financial asset at fair value through the Statement of Changes in Net Assets and Funds is initially measured at cost on trade date, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

A financial asset at fair value through the Statement of Changes in Net Assets and Funds is measured at fair value, which is the fair value without any deduction for transaction costs that may be incurred on sale or other disposal.

Fair value is determined as follows:

Listed investments (including equities, bonds, property and collective investment schemes)

Investments listed on a recognised stock exchange are valued by reference to stock exchange quoted selling prices at the close of business on the reporting date.

Unlisted investments

Unlisted equity investments are calculated by the Board of Trustees, with reference to the unlisted investment managers' valuations as at the end of the reporting period.

Derivative market instruments

Derivative market instruments are valued at quoted selling prices at the close of business on the reporting date.

Insurance policies

Market-related policies are valued at the equivalent to the market value of the underlying assets as certified by the investment insurers concerned.

Non-market-related policies are valued at the equivalent of the guaranteed amount and bonuses as certified by the insurer concerned. Non-vested income is included in the valuation.

Subsequent measurement

Any gain or loss arising on remeasurement to the fair value of a financial asset classified as at fair value through the Statement of Changes in Net Assets and Funds is recognised in net investment income in the reporting period of occurrence.

Derecognition

On derecognition, a financial asset classified as at fair value through the Statement of Changes in Net Assets and Funds, is remeasured to fair value at the date of derecognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised when the asset is acquired using trade date accounting.

Loans and receivables are measured at amortised cost.

Amortised cost

Amortised cost is calculated by using the effective interest rate method as adjusted for any impairment. Transaction costs on acquisition are included in the cost of the asset on initial recognition.

Impairment

Losses measured on impairment and gains recognised on the reversal of impairments are recognised as an expense or income in the Statement of Changes in Net Assets and Funds in the reporting period of occurrence.

Gains and losses

A gain or loss on loans and receivables is recognised in the Statement of Changes in Net Assets and Funds when the financial asset is derecognised or impaired, and through the amortisation process.

Asset impairments

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

Impairment losses are initially adjusted against any applicable revaluation reserve and any excess above this is expensed.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. If the recoverable amount of an individual asset subsequently exceeds the carrying value resulting from the application of its accounting policy, an impairment reversal is recognised to that extent. The impairment reversal is applied in reverse order to the impairment loss.

Transfers to and from other funds

Section 14 transfers to or from other funds are recognised on approval being granted by the Registrar. Individual transfers are recognised when the individual member's transfer is received or paid.

Reserve accounts and specific fund accounts established in terms of the rules of the fund

Reserve accounts comprise particular amounts of designated income and expenses as set out in the Rules of the Fund and are recognised in the year in which such income and expenses accrue to the Fund.

The reserves are kept in terms of the rules of the Fund as set out in the Report of the Board of Trustees.

Benefits

Benefit expenses are recognised as the benefits occur, through the Statement of Changes in Net Assets and Funds on an accrual basis. A liability is raised for all benefits accruing at the end of the financial year, which has not been paid.

Other financial instruments

Financial instruments other than investments and transfers to and from other funds are recognised at amortised cost. Other financial assets are tested for impairment annually and adjusted for any impairment write offs and reversals.

Contributions

Gross contributions are brought to account on the accrual basis.

Dividend income

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

Insurance policy income

Insurance policy income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised and accrued to the investment using the effective interest rate method and recognised in net investment income. Interest received is credited to the investment on receipt.

Collective investment schemes income

Income on collective investment schemes is recognised when the right to receive payment is established.

Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current reporting period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

1. Property, plant and equipment

Current period	At beginning of period	Additions	Disposals	Revaluation reserve	Other movements	At end of period
	N\$	N\$	N\$	N\$	N\$	N\$
Gross carrying amount						
Land and buildings	18 217 376	-	-	760 386	-	18 977 762
Computer equipment and software	2 366 399	-	-	-	-	2 366 399
Furniture and fittings	526 017	2 575	-	-	-	528 592
Office equipment	384 302	73 397	-	-	-	457 699
Assets under construction	779 337	426 756	-	-	-	1 206 093
	22 273 431	502 728	-	760 386	-	23 536 545

Current period	At beginning of period	Depreciation charges	Accumulated depreciation	Impairment	Other movements	At end of period
	N\$	N\$	N\$	N\$	N\$	N\$
Accumulated depreciation and impairment						
Land and buildings	-	-	-	-	-	-
Computer equipment and software	(2 179 731)	(117 136)	-	-	-	(2 296 867)
Furniture and fittings	(505 261)	(6 974)	-	-	-	(512 235)
Office equipment	(367 736)	(20 097)	-	-	-	(387 833)
	(3 052 728)	(144 207)	-	-	-	(3 196 935)

						2023
						N\$
Land and buildings						18 977 762
Computer equipment and software						69 532
Furniture and fittings						16 357
Office equipment						69 866
Other intangible assets						1 206 093
Net carrying amount end of period						20 339 610

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

Land and buildings comprise of:

Erf 540 (a portion of block LXXII), measuring 1 540 m², Windhoek purchased during 2010 for N\$900 000. The property is housing the operating activities of the Fund.

Erf 536 (a portion of block LXXII), measuring 1 171 m², Windhoek purchased during 2020 for N\$7 134 642. The property is an extension to the housing for the operating activities of the Fund.

The valuation was done on the property by Pierewiet Wilders Valuation on 08 November 2022.

Previous period	At beginning of period	Additions	Disposals	Revaluation reserve	Other movements	At end of period
	N\$	N\$	N\$	N\$	N\$	N\$
Gross carrying amount						
Land and buildings	17 711 990	-	-	505 386	-	18 217 376
Computer equipment and software	2 252 059	114 340	-	-	-	2 366 399
Furniture and fittings	524 718	1 299	-	-	-	526 017
Office equipment	381 403	2 899	-	-	-	384 302
Other intangible assets	251 067	528 270	-	-	-	779 337
	21 121 237	646 808	-	505 386	-	22 273 431

Previous period	At beginning of period	Depreciation charges	Accumulated depreciation on disposals	Impairment	Other movements	At end of period
	N\$	N\$	N\$	N\$	N\$	N\$
Accumulated depreciation and impairment						
Land and buildings	-	-	-	-	-	-
Computer equipment and software	(1 877 198)	(302 533)	-	-	-	(2 179 731)
Furniture and fittings	(497 427)	(7 834)	-	-	-	(505 261)
Office equipment	(355 743)	(11 993)	-	-	-	(367 736)
	(2 730 368)	(322 360)	-	-	-	(3 052 728)

						2022
						N\$
Land and buildings						18 217 376
Computer equipment and software						186 668
Furniture and fittings						20 756
Office equipment						16 566
Other intangible assets						779 337
Net carrying amount end of period						19 220 703

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

2. Investments

2.1 Investment summary

	Local	Common Monetary Area	Foreign	Total current period	Total previous period
	N\$	N\$	N\$	N\$	N\$
At fair value					
Government Bonds	1 486 203 756	-	-	1 486 203 756	1 176 975 535
Corporate bonds	115 896 148			115 896 148	296 184 697
Foreign bonds		112 158 877	210 389 110	322 547 987	29 365 101
Investment properties	215 640 515	15 860 648	21 081 258	252 582 421	122 939 414
Listed shares	770 549 109	1 170 298 024	1 466 149 418	3 406 996 551	1 874 854 841
Insurance policies	428 169 835	128 337 470	141 957 219	698 464 524	656 519 986
Other assets	-	-	14 589	14 589	-
Credit balances including cash and deposits	732 536 622	39 420 096	(24 215 089)	747 741 629	2 071 174 521
Unlisted investments (note 2.2)	103 058 706	-	-	103 058 706	82 056 191
Total investments	3 852 054 691	1 466 075 115	1 815 376 505	7 133 506 311	6 310 070 286
Effective exposure	54.0%	20.6%	25.4%	100.0%	100.0%

The investments are disclosed based on the look-through principle as applied by Regulation 13.

2.2 Unlisted investments

		Fair value of drawn-down capital	Undrawn committed capital	Total
Asset manager	Special Purpose Vehicle	N\$	N\$	N\$
Allan Gray Namibia (Proprietary) Limited	Stimulus Investments Ltd	24 940 756		24 940 756
Capricorn Asset Management (Proprietary) Limited	Caliber Capital Fund	23 672 389	20 000 000	43 672 389
Eos Capital (Proprietary) Limited	Allegrow Fund	21 609 291	1 376 269	22 985 560
Eos Capital (Proprietary) Limited	Euphrates Agri Fund	22 020 692	32 816 629	54 837 321
IJG Capital (Proprietary) Limited	IJG Frontier Investment Fund	10 815 578	1 827 070	12 642 648
Total unlisted investments		103 058 706	56 019 968	159 078 674
Percentage of total assets as per regulation 13				2.42%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

3. Housing loan

3.1 Housing loan

	At beginning of period	Granted	Repaid	Interest capitalised	Other adjustments	At end of current period	At end of previous period
Loans granted	-	37 713 324	(424 685)	420 525	-	37 709 164	-
Total housing loans	-	37 713 324	(424 685)	420 525	-	37 709 164	-

Housing loans are granted to members in terms of the rules of the fund (rule 13.2) and the provisions of section 19(5) of the Pension Funds Act in Namibia, as amended. Housing loans are granted by the Fund to its members by making a portion of the member's fund credit available for this purpose. The rate of interest on outstanding loans at year end was 11.75%. Housing loans are secured by members' withdrawal benefits.

3.1 Housing loan

The Fund provides guarantees to First National Bank Namibia Limited and Standard Bank Namibia Limited to secure housing loans for its members. Each guarantee is secured by the withdrawal benefit of the respective members on whose behalf the guarantees were granted. The amount of the guarantee may not exceed 1/3 of the withdrawal benefit of the respective members. The total guarantee facility available to the Fund is based on the fund credits of all members, subject to the 1/3 which they are allowed to borrow. Guarantees amounting to N\$224 404 963 (2022: N\$ 226 594 476) have been provided to the members of the Fund.

4. Transfers from other funds

	No. of members	At beginning of period	Transfers approved	Net investment return	Assets transferred and adjustments	At end of period
Current period		N\$	N\$	N\$	N\$	N\$
Individual transfers	1	-	1 045 449	-	(1 045 449)	-
In terms of Section 14:	-	-	-	-	(8 723 481)	-
Total Transfers approved	1	-	1 045 449	-	(1 045 449)	-

Individual transfer i.r.o TC Conradie was received from Ohlthaver & List Retirement Fund on 31/10/2023.

	No. of members	At beginning of period	Transfers approved	Net investment return	Assets transferred and adjustments	At end of period
Prior period		N\$	N\$	N\$	N\$	N\$
Individual transfers	2	-	827 318	-	(827 318)	-
In terms of Section 14:	23	-	8 723 481	-	(8 723 481)	-
Total Transfers approved	25	-	9 550 799	-	(9 550 799)	-

Individual transfer i.r.o NH Shapwa was received from FirstRand Namibia Retirement Fund on 10/05/2022. Individual transfer i.r.o VN Kapenda was received from GIPF on 09/07/2022.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

Okakarara Town Council Section 14 transfer was received from Orion Pension Fund on 06 September 2022. Members joined effective 01 September 2021, therefore they did not form part of the membership reconciliation.

5. Accounts receivable

	Current period	Previous period
	N\$	N\$
Reinsurance proceeds: Group Life Assurance	3 844 398	2 175 217
Sundry Debtors	121 158	292 565
Total	3 965 556	2 467 782

6. Contributions receivable

	Current period	Previous period
	N\$	N\$
Members' contributions	9 226 338	9 396 020
Employers' contributions	16 959 593	17 530 233
Total	26 185 931	26 926 253

Aging of contributions receivable

Received within 7 days after reporting period	22 565 384	23 932 245
Not received within 7 days after reporting period	3 620 547	2 994 008
Total	26 185 931	26 926 253

7. Unclaimed benefits

	Current period	Previous period
	N\$	N\$
At beginning of period	56 717	56 717
Balance at end of period	56 717	56 717

Aging of unclaimed benefits

Unclaimed for more than 5 years at reporting date	56 717	56 717
Total	56 717	56 717

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

8. Benefits payable

	Benefits accrued		Benefits payable	
	Current period	Previous period	Current period	Previous period
	N\$	N\$	N\$	N\$
Post retirement	120 091 249	113 470 458	-	-
Monthly pensions - Disabilities	-	18 118	-	-
Monthly pensions - Pensioners	119 678 249	113 142 340	-	-
Lump sums on death of pensioners	413 000	310 000	-	-
On retirement	90 760 797	104 337 723	19 995 831	12 024 711
Lump sums on retirement				
Full benefit	90 760 797	104 337 723	19 995 831	12 024 711
Pre-retirement	139 251 252	157 748 402	62 442 294	74 303 806
Lump sums before retirement				
Death benefits	27 950 608	48 474 964	30 964 494	49 319 294
Withdrawal benefits	111 300 644	109 273 438	31 477 800	24 984 512
Other	978 158	7 073 860	-	-
Benefits awarded – adjustments	(4 597 077)	1 742 591	-	-
Late payment interest	5 575 235	5 331 269	-	-
Total	351 081 456	382 630 443	82 438 125	86 328 517

Section 37D deductions from benefits were N\$ 142 714 (2022: N\$ 872 482). These deductions are taken into account in the benefit amounts in the table above.

9. Accounts payable

	Current period	Previous period
	N\$	N\$
Administration fees	1 188 818	931 390
Benefit consulting fees	35 077	35 443
Payments and deposits unallocated	755 500	3 400
Pensioner payable control	-	907 820
Disability pensioner payable control	-	3 103
Receiver of Revenue: PAYE	2 225 704	3 613 291
Reinsurance premiums		
Group life assurance	1 835 903	1 955 206
Permanent health insurance	646 058	606 831
Funeral cover	129 116	108 997
Dread disease cover	384 938	388 962
Sundry creditors	2 453 533	2 403 516
Valuator fees	7 099	7 099
Total	9 661 746	10 965 058

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

10. Transfers payable

	No. of members	At beginning of period	Transfers approved	Assets transferred and adjustments	At end of current period	At end of previous period
Current period		N\$	N\$	N\$	N\$	N\$
Individual transfers	-	-	-	-	-	3 021 960
Total Transfers approved	-	-	-	-	-	3 021 960

11. Contributions received and accrued

	Towards retirement	Towards risk benefits and expenses	Total contributions Current period	Total contributions Previous period
	N\$	N\$	N\$	N\$
Members' contributions - Received and accrued	123 500 333	-	123 500 333	126 188 001
Employers' contributions - Received and accrued	157 207 344	69 661 414	226 868 758	232 069 091
Total	280 707 677	69 661 414	350 369 091	358 257 092

12. Net investment income

	Current period	Previous period
	N\$	N\$
Income from investments		
- Dividends	175 373 076	86 168 640
- Interest	214 249 840	146 437 165
- Insurance policies	66 522 058	-
- Other	2 239 670	1 691 122
- Realised	399 436 185	241 094 455
Interest on late payment of contributions	224 327	89 607
Current account interest	6 110 773	3 826 345
Adjustment to fair value	140 052 415	(261 663 257)
	1 004 208 344	217 644 077

Less: Expenses incurred in managing investments

Investment manager fees	(32 885 027)	(29 667 574)
Investment administration fees	(1 033 015)	-
Total	970 290 302	187 976 503

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

13. Administration expenses

	Current period	Previous period
	N\$	N\$
Actuarial fees	121 271	107 628
Administration fees		107 628
- Standard	10 549 713	10 698 551
- Non standard	368 419	43 566
Advertising expenses	396 038	352 625
Audit fees	654 757	545 492
Bank charges	166 227	144 207
Benefit consulting fees	419 085	428 201
Consulting & professional fees		
- NMG Consultants	88 936	62 214
- EBL Consulting	25 000	15 438
- ENSAFRICA NAMIBIA	37 215	-
- Hawkey Tracing Agency	-	448
Courier fees	52 835	22 652
Depreciation	144 206	322 362
Insurance	107 469	112 288
Investment advisor fees	1 160 838	747 500
Legal expenses	-	23 437
Member communication	922 438	1 062 855
NAMFISA levies	587 812	512 310
NAMFISA penalties and interest	1 000	-
Office expenses	1 560 111	943 675
Payroll services	13 049	11 330
Postage	72 050	68 861
Retirement Fund Institute fees	61 502	49 739
Telephone expenses	40 927	31 118
Staff salaries	10 692 421	9 689 910
Staff training	980 055	483 672
Security expenses	116 945	116 342
Trustee expenses		
- Remuneration	2 928 034	2 576 359
- Meeting allowances	1 602 741	1 534 012
- Travel & accomodation	2 989 477	2 564 947
- Training	1 216 684	372 570
- Trustee liability insurance	178 306	170 498
VET levies	106 885	96 882
Water and electricity	295 219	246 220
Total	38 657 665	34 157 909

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

14. Contingent liability

Suspended pensioners

The Fund sends out a certificate of existence to each pensioner at the start of each financial year to verify if members, that get paid regular pension payments, exist. Members who do not respond to these certificates get suspended if the certificate is not returned by the end of June each year. Children over the age of 18 receiving pensions also get suspended in December each year if they do not provide the Fund with proof that they are enrolled at an educational institution.

As it is not possible to determine with absolute certainty which of these pensioners that are suspended at year end will submit a claim to the Fund for their suspended pension, no liability is raised.

The amount of suspended pensions for pensioners as at 31 December 2023 is N\$ 12 521 758 (2022: N\$ 12 423 037).

15. Related party transactions and balances

The following are considered to be related parties of the Fund:

Related party	Nature of relationship
Principal officer of the Fund	Governing body
Board of Trustees of the Fund	Governing body
Employers participating in the fund in terms of the rules of the Fund (refer to list disclosed under Regulatory information)	Participating employer

Principal Officer office fees

During the current financial period, fees amounting to N\$ 11 672 476 (2022: N\$ 10 173 582) were paid to the office of the Principal Officer.

Board of Trustees

- Some trustees of the Fund make contributions to the Fund and are entitled to benefits from the Fund.
- The trustees of the Fund incurred expenses to the amount of N\$ 8 915 242 (2022: N\$ 7 218 386) during the current financial period.

Participating employers

The following transactions between the participating employers and the Fund occurred during the period:

The participating employers made contributions to the Fund for members' retirement and towards the Fund's expenses to the value of N\$280 707 677 (2022: N\$ 286 833 715) and N\$ 69 661 414 (2022: N\$ 71 423 377) respectively (refer to note 11 of the financial statements).

NOTES

A series of horizontal dotted lines for writing notes, spanning the width of the page.

NOTES

A series of horizontal dotted lines for writing notes.



RFLAUN
Retirement Fund for Local Authorities
and Utility Services in Namibia

1 Delius Street, Windhoek West
Windhoek, Namibia
Phone: +264 (61) 423 700
Fax: +264 (61) 423 701
Email: info@rflaun.com.na
