

**Non-Bank Financial Institutions Regulatory Authority  
Annual Financial Statements  
for the year ended 31 March 2025**

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## General Information

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<b>Country of domicile</b>	Botswana
<b>Nature of operations and principal activities</b>	Safeguard the fairness, stability and efficiency of the non-bank financial sector.
<b>Directors</b>	Mr. Thabo E. Gaadingwe (Chairperson) Ms. Patrinah P. Masalela (Ministry of Finance Representative) Dr. Lesedi S. Senatla (Bank of Botswana Representative) Ms. Hilda D. Hlanti (Board member) Mr Kgotso Gaamangwe (Board member) Ms. Tshhegofatso B. Modise (Board member) Ms. Thobo Rrammidi (Board member) Ms. Lerang N. Maruping (Board member) (Appointed on 01-10-2024)
<b>Chief Executive Officer</b>	Mr. Oduetse Motshidisi
<b>Registered office</b>	3rd Floor Exponential building Plot 54351 Central Business District Off PG Matante Gaborone
<b>Business address</b>	Plot 54351 Central Business District Off PG Matante Gaborone Botswana
<b>Bankers</b>	Stanbic Bank of Botswana Limited
<b>Auditors</b>	Forvis Mazars Certified Auditors
<b>Functional Currency</b>	Botswana Pula "BWP"

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

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# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Board Responsibilities and Approval of the Annual Financial Statements

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The directors are required in terms of the Non-Bank Financial Institutions Regulatory Authority Act, 2023 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 Authority 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 IFRS® Accounting standards as issued by the International Accounting Standard Board. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS Accounting standards as issued by the International Accounting Standard Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the Authority's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the Authority has or will have 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 Authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 36, which have been prepared on the going concern basis, were approved by the board of directors on ..... ~~4 SEPTEMBER 2025~~ ..... and were signed on their behalf by:

### Approval of financial statements



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director

## Independent Auditor's Report

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### To the Members of Non-Bank Financial Institutions Regulatory Authority

#### Opinion

We have audited the annual financial statements of Non-Bank Financial Institutions Regulatory Authority set out on 7 to 36, which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Non-Bank Financial Institutions Regulatory Authority as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting standards as issued by the International Accounting Standard Board.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 Authority in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of Auditor's Responsibilities for the audit of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
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#### Recognition of Revenue Received

<p>The Authority receives Supervisory levies which are a significant portion of the total revenue received. For the year ended 31 March 2025 the supervisory levies constituted 88.97% of the total revenue received by the Authority.</p> <p>We have focused attention on this area as the Supervisory levies are significant combined with the different rates and basis applied for the nature of entities.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- We reviewed the rates used as per the second schedule of the NBFIRA Supervisory Levies Regulations, 2023 and assessed whether these had been properly applied to the regulated entities.</li> <li>- We performed recalculations on the sample of invoices based on the information provided by the regulatory division and verified that these have been accurately processed and recorded in the general ledger.</li> </ul>
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#### Impairment of Trade receivables

<p>On 31 March 2025, the Authority had net trade receivables of P 843,573 after recognising a total impairment allowance of P 2,466,256 on its statement of financial position.</p> <p>The Authority applies a provisioning matrix as a practical expedient to determine the expected credit losses for trade receivables. Trade receivables have been assessed on a collective basis for all trade and other receivables in totality.</p> <p>Trade receivables are considered irrecoverable when the customer has not made any payment within 120 days, severe financial difficulty and there is no realistic prospect of</p>	<p>Our audit procedures included in the following:</p> <ul style="list-style-type: none"> <li>- We assessed the Authority's grouping assessment based on the credit profile.</li> <li>- We assessed the authority's impairment model against the requirements of IFRS 9 Financial Instruments ("IFRS 9")</li> <li>- We tested, on the sample basis, the data utilised in the impairment model as at 31 March 2025, including ageing of debtor balances and debt recovery rates</li> </ul>
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## Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>recovery or has entered in a bankruptcy proceedings.</p> <p>In determining the impairment, key judgements were applied by the Authority in selecting and applying an appropriate model and in determining the credit losses which are expected to be incurred once it is considered irrecoverable.</p> <p>Impairment of trade receivables was a matter of most significance to the current year audit due to the significance of the trade receivable balance, as well as the judgements and estimates applied in determining an appropriate level of impairment is disclosed in:</p> <p>Note 1: Accounting policy and Note 17: Trade and other receivables.</p>	<p>-We assessed the judgements to loss rates for forward looking macroeconomic factors through discussion with management and our knowledge of the operations and gained through our audit.</p> <p>In conclusion we considered the judgements applied on the valuations of the trade receivable applying the IFRS 9 model and related financial statements disclosures to be appropriate.</p>

### Other Information

The directors are responsible for the other information. The other information comprises the Detailed income statement set out on page 37 to 38 which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Annual Financial Statements

The directors of the Authority are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS Accounting standards as issued by the International Accounting Standard Board and for such internal control as the directors 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 directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting processes.

## Independent Auditor's Report

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### 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 controls.
- Obtain an understanding of internal controls 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 Authority's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority'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 Authority 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

As required by the Non-Bank-Financial Institutions Regulatory Act, 2023, we report to you based on our audit that:

- All the information and explanation which to the best of auditor's knowledge and belief, were necessary for the performance of the auditor's duties.
- The records and related records of the Regulatory Authority have been properly kept.
- The regulatory Authority has complied with the financial provisions of this Act which is its duty to comply with; and
- The statement of accounts prepared by the Authority was prepared on a basis consistent with that of the preceding year and represents a true and fair view of the transactions and the financial affairs of the regulatory Authority.

*Forvis Mazars*

**Forvis Mazars**  
**Certified Auditors**

**Practicing Member : Devika Rayirath**  
**Membership Number : CAP0037 2025**

Date 17/09/2025

**Gaborone**

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note	2025	2024
<b>Revenue</b>			
Government grants	3	2,873,291	4,491,404
Amortisation of government grants	4	2,453,966	1,275,902
Other operating income	5	7,885,897	5,208,123
Supervisory levies	6	106,600,340	95,820,370
<b>Total revenue</b>		<b>119,813,494</b>	<b>106,795,799</b>
<b>Other operating loss</b>			
Loss on sale of assets		(146,430)	-
Movement in credit loss allowances	7	(791,934)	(1,573,172)
Administrative expenses	8	(14,224,641)	(14,900,844)
Operating expenses	9	(18,248,010)	(17,772,265)
Consultancy cost	10	(2,043,698)	(5,838,139)
Staff costs	11	(77,153,568)	(69,060,366)
<b>Total operating expenses</b>		<b>(112,608,281)</b>	<b>(109,144,786)</b>
<b>Operating surplus/(deficit)</b>		<b>7,205,213</b>	<b>(2,348,987)</b>
Finance income	12	1,466,134	3,136,415
Finance costs	13	(376,224)	(631,961)
<b>Total operating surplus for the year</b>		<b>8,295,123</b>	<b>155,467</b>
<b>Other comprehensive income:</b>			
Gains on property revaluation		521,931	-
<b>Other comprehensive income for the year</b>		<b>521,931</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>8,817,054</b>	<b>155,467</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Statement of Financial Position as at 31 March 2025

Figures in Pula	Note	2025	2024
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	14	19,332,730	17,152,557
Right-of-use assets	15	3,642,313	8,013,087
Intangible assets	16	346,435	489,787
		<b>23,321,478</b>	<b>25,655,431</b>
Current Assets			
Trade and other receivables	17	3,689,575	3,739,764
Cash and cash equivalents	18	56,904,787	48,937,017
		<b>60,594,362</b>	<b>52,676,781</b>
<b>Total Assets</b>		<b>83,915,840</b>	<b>78,332,212</b>
<b>Funds and Liabilities</b>			
<b>Funds</b>			
Reserves		12,325,347	8,978,765
Accumulated Surplus		41,163,566	35,693,094
		<b>53,488,913</b>	<b>44,671,859</b>
<b>Liabilities</b>			
Non-Current Liabilities			
Lease liabilities	15	-	4,404,454
Government grants	19	11,305,662	11,309,141
		<b>11,305,662</b>	<b>15,713,595</b>
Current Liabilities			
Trade and other payables	20	5,080,609	6,263,022
Lease liabilities	15	4,404,454	4,767,892
Employee benefits	21	7,618,513	4,461,877
Government grants	19	2,017,689	2,453,966
		<b>19,121,265</b>	<b>17,946,757</b>
<b>Total Liabilities</b>		<b>30,426,927</b>	<b>33,660,352</b>
<b>Total Funds and Liabilities</b>		<b>83,915,840</b>	<b>78,332,212</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Statement of Changes in Funds

Figures in Pula	Revaluation reserve	Statutory reserve	Total reserves	Accumulated surplus	Total Funds
<b>Balance at 01 April 2023</b>	<b>624,775</b>	<b>8,353,990</b>	<b>8,978,765</b>	<b>35,537,627</b>	<b>44,516,392</b>
Surplus for the year	-	-	-	155,467	155,467
<b>Balance at 31 March 2024</b>	<b>624,775</b>	<b>8,353,990</b>	<b>8,978,765</b>	<b>35,693,094</b>	<b>44,671,859</b>
Surplus for the year	-	-	-	8,295,123	8,295,123
Other comprehensive income	521,931	-	521,931	-	521,931
Transfer between reserves	-	2,824,651	2,824,651	(2,824,651)	-
<b>Total changes recognised directly in statement of funds</b>	<b>-</b>	<b>2,824,651</b>	<b>2,824,651</b>	<b>(2,824,651)</b>	<b>-</b>
<b>Balance at 31 March 2025</b>	<b>1,146,706</b>	<b>11,178,641</b>	<b>12,325,347</b>	<b>41,163,566</b>	<b>53,488,913</b>

### Statutory Reserve

Section 31 (1) of the Non-Bank Financial Institutions Regulatory Act, 2023 requires that an annual estimate not exceeding 10 percent (10%) of the total expenditure provided for in the estimates, be provided for as a reserve. The Statutory Reserve provided is adequate for the level of expenditure incurred. The purpose of the reserve is to be utilised for unforeseen regulatory expenditure.

The Regulatory Authority believes that based on the current budget, the statutory reserve is adequate and in compliance with Section 31 (1) of Non-Bank Financial Institutions Regulatory Act, 2023.

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Statement of Cash Flows

Figures in Pula	Note	2025	2024
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	22	16,429,867	(1,860,050)
Finance costs		(376,224)	(631,961)
<b>Net cash from operating activities</b>		<b>16,053,643</b>	<b>(2,492,011)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	14	(4,440,935)	(9,578,678)
Sale of property, plant and equipment	14	96,576	-
Interest income		1,466,134	3,136,415
<b>Net cash from investing activities</b>		<b>(2,878,225)</b>	<b>(6,442,263)</b>
<b>Cash flows from financing activities</b>			
Movement in government grants		(439,756)	4,581,596
Payment on lease liabilities		(4,767,892)	(4,220,977)
<b>Net cash from financing activities</b>		<b>(5,207,648)</b>	<b>360,619</b>
<b>Total cash movement for the year</b>		<b>7,967,770</b>	<b>(8,573,655)</b>
Cash at the beginning of the year		48,937,017	57,510,672
<b>Total cash at end of the year</b>	18	<b>56,904,787</b>	<b>48,937,017</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1. Significant accounting policies

The annual financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The annual financial statements have been prepared on the historical cost basis (except for certain financial instruments measured at fair value) and incorporate the principal accounting policies set out below. They are presented in Pula .

These accounting policies are consistent with the previous period.

#### 1.1 Statement of Compliance

The annual financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the Non-Bank Financial Institutions Regulatory Act, 2023.

#### 1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with the IFRS Accounting Standards as issued by the International Accounting Standard Board requires the use of certain critical accounting estimates and judgements concerning the future. Estimates and judgements are continually evaluated and are based on historical factors coupled with expectations about future events that are considered reasonable. In the process of applying the Authority's accounting policies, management has made the following estimates that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next year.

#### Key Areas of estimation and judgement

The key assumption concerning the future and other key sources of estimation uncertainty and judgements at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year as this involves assessments or decisions that are particularly complex or subjective, are discussed below:

#### Depreciation charges and residual values

For depreciation purposes, a significant component is defined as equal to or greater than 20% of total cost of the asset and each significant component with different useful lives is depreciated separately. The depreciation methods reflects the pattern in which economic benefits attributable to the assets flow to the entity. The useful lives of these assets can vary depending on a variety of factors, including but not limited to the technological obsolescence, maintenance programs, refurbishments, product life cycles and the intention of management. Residual values of assets are determined by estimating the amount that the entity would currently obtain from the disposal of the asset already of age and in the condition expected at the end of its useful life. The estimation of the useful life and residual values of an asset is a matter of judgement based on the past experience of the Authority with similar assets and the intention of management. Assessment of the asset condition and usefulness are key assumptions used to determine the assets' useful lives and residual values.

#### Supervisory Levies

Where supervisory levies are calculated on information that has not been audited, the Regulatory Authority assumes that estimates have been used and will place reliance on the information submitted by the regulated entities as a basis for calculation.

#### Impairment testing

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

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.2 Significant judgements and sources of estimation uncertainty (continued)

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including supply and demand, together with economic factors such as exchange rates, inflation and interest.

### Provisions

Provisions were raised and management determined an estimate based on information available.

### 1.3 Property, plant and equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and / or accumulated impairment losses, if any. All plant and equipment are measured at historical cost less depreciation and impairment losses. Historical costs includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs such as replacement parts and major inspections 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 Authority and the cost of the item can be measured reliably. All day-to-day repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

Motor vehicles is subsequently measured at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year. The assets are revalued every 2-3 years.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.3 Property, plant and equipment (continued)

Depreciation is charged so as to write off the cost of the assets over their estimated useful lives on a straight-line basis, to estimated residual values. Where significant parts of an item have different useful lives to the item itself, these parts are depreciated separately over their useful lives. The methods of depreciation, useful lives and residual values are reviewed annually, with the effect of any change in estimates accounted for prospectively. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

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Item	Depreciation method	Average useful life
Leasehold property	Lease Term	Lease Term
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4-5 years
Office equipment	Straight line	6-7 years
Computer equipment	Straight line	3-7 years

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.

#### Capital work in progress

Capital work in progress represents cost incurred to date on property, plant and equipment which is still under construction but not yet completed. For capital work in progress, no depreciation is recorded until the asset is placed in service. When the project is completed, the asset is reclassified as tangible asset and is capitalised and depreciated.

### 1.4 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

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

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Item	Average useful life
Risk Based Supervisory System (RBSS)	5 years
Enterprise Resource Planning (ERP)	5 years
Barn owl (Risk and Audit Management System)	5 years

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.5 Financial instruments

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

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

Financial assets:

- Amortised cost.

Financial liabilities:

- Amortised cost.

Note 26 Financial instruments and risk management presents the financial instruments held by the Authority based on their specific classifications.

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

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

#### Trade and other receivables

##### Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (Note 17).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Authority's business model is to collect the contractual cash flows on trade and other receivables.

##### Recognition and measurement

Trade and other receivables are recognised when the Authority becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

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

##### Impairment

The Authority recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Authority measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.5 Financial instruments (continued)

#### Measurement and recognition of expected credit losses

The Authority makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in Note 17.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance Note 17.

#### Write off policy

The Authority writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Authority recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

#### Credit risk

Details of credit risk are included in the trade and other receivables note (Note 17) and the financial instruments and risk management note (Note 26).

#### Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

#### Trade and other payables

##### Classification

Trade and other payables (Note 20), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

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

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.5 Financial instruments (continued)

Trade and other payables expose the Authority to liquidity risk and possibly to interest rate risk. Refer to Note 26 for details of risk exposure and management thereof.

#### Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

#### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash, cash deposits on call and short-term fixed deposit accounts in banks. Cash and cash equivalents are subsequently carried at amortised cost. Due to the short-term nature of these, the amortised cost approximates its fair value.

The Authority's financial assets include cash and cash equivalents and trade and other receivables.

#### Derecognition

#### Financial assets

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

#### Financial liabilities

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

### 1.6 Leases

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

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

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

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

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.6 Leases (continued)

#### Authority as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Authority is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Authority recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the Authority has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Authority is a lessee are presented in Note 15 Leases (Authority as lessee).

#### Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Authority uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Authority under residual value guarantees;
- the exercise price of purchase options, if the Authority is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (Note 15).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (Note 13).

The Authority remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Authority will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.6 Leases (continued)

- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Authority incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the authority expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

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

### 1.7 Employee benefits

#### Pension

The Regulatory Authority operates a defined contribution scheme for the employees. Payments to the scheme are charged as an expense to the statement of comprehensive income as they fall due.

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.7 Employee benefits (continued)

#### Gratuity

The Regulatory Authority provides for gratuity benefits for employees on fixed term contracts in line with the Employment Act Chapter 47:01 and the relevant employment contracts. Gratuity expenses are recognised immediately, to the extent that the benefits are amortised on a straight-line basis over the period of service, until the benefits become payable. The charge is made to expenses in the statement of comprehensive income and a separate provision in the statement of financial position.

#### Leave pay provision

The Regulatory Authority recognises, in full, employee's right to annual leave entitlement in respect of past service. The recognition is made each year and is calculated based on accrued leave days not taken during the year. The charge is made to expenses in the statement of comprehensive income and a separate provision in the statement of financial position.

### 1.8 Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect of the time value of money is material.

### 1.9 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Authority will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants relating to the acquisition of property, plant and equipment are credited to the income statement on a straight line basis over the expected useful lives of the related assets. The related costs are shown at cost less accumulated depreciation. When an asset financed through grants is disposed of, the total unamortised portion of the grant relating to the asset is recognised in profit and loss in the year of disposal.

### 1.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Regulatory Authority had no eligible assets or borrowing costs for the period reported.

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.11 Translation of foreign currencies

#### Foreign currency transactions

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Foreign exchange translation gains or losses arising on the settlement of monetary items or on translating monetary items at rates different from those used when translating at initial recognition during the period or in the financial statements are taken to the statement of comprehensive income in the period they arise.

### 1.12 Impairment of non-financial assets

At each financial reporting date, the Authority reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash generating section to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating section) is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised in the surplus or deficit in those categories consistent with the function of the impaired asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating-section) is increased to the revised estimate of its recoverable amount. This is done so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in the prior years. A reversal of an impairment loss is recognised in the surplus or deficit.

### 1.13 Revenue from regulated entities

The Authority recognises revenue from the following major sources:

- Supervisory levies
- License fees
- Penalties and interest
- Finance income
- Government Grant

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

#### The Supervisory levies

The supervisory levies and licence fees were promulgated into law through Statutory Instrument No.55 of 2023 of the Republic of Botswana, which was published in the Government Gazette of the 16th June 2023. Supervisory levies are charged and are payable in two equal portions, on or before the 30th April and 31st October of each financial year. Registered non-bank financial institutions are required to pay levies on an annual basis in terms of the Non-Bank Financial Institutions Regulatory Authority Act, 2023. Supervisory levies are recognised at point in time. The Regulatory Authority may, on application, waive payment of some or all of a supervisory levy, penalty levy or a fee. The levies are fixed in nature and there are no separate performance obligations identified.

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### License fees

License fees are recognised on licensing of the relevant supervised entities and are recognised at the point in time. Some classes of regulated entities are charged annual licence fees, such fees are recognised by the Authority as revenue.

### Penalties and interest

Penalties and interest are recognised in the surplus or deficit on penalizing those regulated entities that have defaulted in meeting the necessary regulatory guidelines.

### Finance income

Revenue is recognised as interest accrues (using the effective interest method). Finance income is recognised in the surplus or deficit.

### Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to the purchase of an asset, it is recognised as capital grant in the statement of financial position and released to the statement of comprehensive income in equal amounts over the expected useful life of the related asset. Where the Authority receives a nonmonetary grant, the asset and the grant are recorded at nominal amounts and released to the total surplus or deficit over the expected useful life of the relevant asset by equal annual installments.

### 1.14 Related Parties

Related parties are considered to be related if one party has the ability to control or jointly control the other parties or exercise significant influence over the other party in making financial and other operating decisions. Key management personnel are also regarded as related parties. Key Management personnel are those having authority and responsibility for planning, directly and controlling the activities of the entity, directly or indirectly including all executive and non executive directors. NBFIRA was established through an Act of Parliament enacted by the Government of Botswana.

Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula	2025	2024
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### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations not yet effective

The Authority has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Authority's accounting periods beginning on or after 01 April 2025 or later periods:

• IFRS 7 Financial Instruments: Disclosure	01 April 2025	Unlikely there will be a material impact
• IAS 7 Statement of Cash Flows	01 April 2025	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 April 2025	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	01 April 2025	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16	01 April 2025	Unlikely there will be a material impact
• IFRS 9 Financial Instruments	01 April 2025	Unlikely there will be a material impact
• Amendments to IAS 7: Disclosure initiative	01 April 2025	Unlikely there will be a material impact

#### IAS 21 The Effect of Changes in Foreign Exchange Rates

Amendment: Lack of Exchangeability

- Currency exchangeability explained.
- Requirement to estimate currency that is not exchangeable by using either an observable exchange rate without adjustment or using another estimation technique.
- Additional disclosures are required when an exchange rate requires estimation.

The effective date of the standard is for years beginning on or after 01 January 2025.

It is unlikely that the standard will have a material impact on the Authority's annual financial statements.

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula	2025	2024
<b>3. Government Grants</b>		
Revenue grants	2,873,291	4,491,404
<b>The total grant received from the government are as follows:</b>		
Revenue grants	2,873,291	4,491,404
Capital grants	2,014,209	4,581,596
	<b>4,887,500</b>	<b>9,073,000</b>
<b>4. Amortisation of government grants</b>		
Amortisation of property, plant and equipment	2,453,966	1,275,902
<b>5. Other operating income</b>		
Interest and penalties, registration and renewals	6,721,146	3,760,950
Other income	1,164,751	1,447,173
	<b>7,885,897</b>	<b>5,208,123</b>
<b>6. Supervisory levies</b>		
Supervisory levies-Capital Markets	169,488	169,488
Supervisory levies-Insurance	18,087,205	16,794,929
Supervisory levies-Retirement fund and investment institutions	27,132,541	24,988,533
Supervisory levies-Medical Aid	3,204,445	3,115,125
Supervisory levies-Non-Bank lending activities	58,006,661	50,752,295
	<b>106,600,340</b>	<b>95,820,370</b>
<b>7. Movement in credit loss allowance</b>		
Trade and other receivables	791,934	1,573,172
<b>8. Administrative expenses</b>		
Advertising	482,168	427,323
Audit fees	129,960	124,545
Administrative expenses	185,364	188,955
Bank charges	50,582	64,120
Depreciation	6,910,465	6,027,101
Amortization of Barn Owl	143,352	143,352
Insurance	1,000,298	836,123
Motor vehicle expenses	38,652	46,302
Office expenses	353,564	306,611
Printing and Stationery	623,346	622,595
Recruitment	249,857	702,679
Telephone and Fax	1,116,698	1,085,556
Travel	1,183,503	2,834,233
Staff costs	700,470	620,849
Utilities	900,364	819,541
Exchange rate Variance loss	155,998	50,959
	<b>14,224,641</b>	<b>14,900,844</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula	2025	2024
<b>9. Operating expenses</b>		
Board costs	2,089,830	1,350,562
Branding and communications	1,913,866	864,796
Cleaning	345,215	316,125
Internet	1,247,967	1,126,301
Legal fees	857,698	2,865,673
Repairs and maintenance	523,708	584,458
License fees	7,740,752	6,028,408
Security	284,482	199,670
Subscriptions	1,510,500	948,418
Training	1,733,993	3,487,854
	<b>18,248,011</b>	<b>17,772,265</b>

## 10. Consultancy costs

Other consultancy cost	1,897,271	5,615,966
Inspection	146,426	222,173
	<b>2,043,697</b>	<b>5,838,139</b>

## 11. Staff costs

### Staff costs

Basic salaries	40,439,215	37,257,857
Allowances	28,743,117	23,894,846
Defined contribution plan expenses	7,971,236	7,907,663
	<b>77,153,568</b>	<b>69,060,366</b>

## 12. Finance income

### Interest income

#### Investments in financial assets:

Bank	1,466,134	3,136,415
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## 13. Finance costs

Interest expense for leasing arrangements	376,224	631,961
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## 14. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	15,434,385	(4,707,968)	10,726,417	10,928,246	(4,197,857)	6,730,389
Motor vehicles	2,022,396	(56,177)	1,966,219	1,353,314	(194,718)	1,158,596
Office equipment	630,766	(262,014)	368,752	537,105	(319,630)	217,475
IT equipment	10,346,476	(4,849,194)	5,497,282	10,913,487	(5,304,946)	5,608,541
Leasehold improvements	125,714	(125,714)	-	125,714	(125,714)	-
Capital - Work in progress	774,060	-	774,060	3,437,556	-	3,437,556
<b>Total</b>	<b>29,333,797</b>	<b>(10,001,067)</b>	<b>19,332,730</b>	<b>27,295,422</b>	<b>(10,142,865)</b>	<b>17,152,557</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula

2025

2024

### 14. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Total
Furniture and fixtures	6,730,389	-	(51,682)	5,090,221	-	(1,042,511)	10,726,417
Motor vehicles	1,158,596	655,530	-	-	521,932	(369,840)	1,966,219
Office equipment	217,475	-	-	212,166	-	(60,889)	368,752
IT equipment	5,608,541	1,146,514	(191,324)	-	-	(1,066,450)	5,497,282
Capital - Work in progress	3,437,556	2,638,891	-	(5,302,387)	-	-	774,060
	<b>17,152,557</b>	<b>4,440,935</b>	<b>(243,006)</b>	<b>-</b>	<b>521,932</b>	<b>(2,539,690)</b>	<b>19,332,730</b>

#### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Transfers	Depreciation	Total
Furniture and fixtures	994,827	-	6,339,545	(603,983)	6,730,389
Motor vehicles	297,971	956,019	-	(95,394)	1,158,596
Office equipment	151,246	100,480	-	(34,251)	217,475
IT equipment	4,329,141	2,202,098	-	(922,698)	5,608,541
Capital - Work in progress	3,457,020	6,320,081	(6,339,545)	-	3,437,556
	<b>9,230,205</b>	<b>9,578,678</b>	<b>-</b>	<b>(1,656,326)</b>	<b>17,152,557</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula	2025	2024
<b>14. Property, plant and equipment (continued)</b>		
<b>Revaluations</b>		
The Authority's motor vehicles are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 3 years and in intervening years if the carrying amount of the asset differs materially from their fair value.		
The effective date of the revaluation was 31 March 2025. Revaluations were performed by an independent valuer Julesh motor vehicle consultants who are not connected to the Authority and have recent experience in the vehicles being valued.		
The carrying value of the revalued assets under the cost model would have been:		
Motor vehicles	1	1
<b>Other information</b>		
Fully depreciated property, plant and equipment still in use	1,261,232	2,155,847
<b>15. Right-of-use assets</b>		
<b>Net carrying amounts of right-of-use assets</b>		
The carrying amounts of right-of-use assets are included in the following line items:		
Buildings	3,642,313	8,013,087
<b>Additions to right-of-use assets</b>		
<b>Depreciation recognised on right-of-use assets</b>		
Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss, as well as depreciation which has been capitalised to the cost of other assets.		
Buildings	4,370,775	4,370,775
<b>Other disclosures</b>		
Interest expense on lease liabilities	376,224	631,961
Total cash outflow from leases	(5,144,115)	(4,852,938)
	<b>(4,767,891)</b>	<b>(4,220,977)</b>
<b>Lease liabilities</b>		
The maturity analysis of lease liabilities is as follows:		
Within one year	4,498,979	5,144,115
Two to five years	-	4,498,979
	4,498,979	9,643,094
Less finance charges component	(94,525)	(470,748)
	<b>4,404,454</b>	<b>9,172,346</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula	2025	2024
<b>15. Right-of-use assets (continued)</b>		
Non-current liabilities	-	4,404,454
Current liabilities	4,404,454	4,767,892
	<b>4,404,454</b>	<b>9,172,346</b>

The table below describes the nature of the Authority's leasing activities by type of right of use asset recognised on statement of financial position. There were no leases with variable payments linked to an index and termination option.

Right of use assets	No of right of use assets leased	Range of remaining term (months)	Average remaining lease term (months)	No of leases with extension options	No of leases with option to purchase
Building	2	22	22	1	-

## 16. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Barn Owl	716,761	(370,326)	346,435	716,761	(226,974)	489,787

### Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Barn Owl	489,787	(143,352)	346,435

### Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Barn Owl	633,139	(143,352)	489,787

## 17. Trade and other receivables

### Financial instruments:

Trade receivables	3,309,829	3,202,586
Loss allowance	(2,466,256)	(2,783,105)
Trade receivables at amortised cost	843,573	419,481
Deposits	320,764	320,764
Employees salary advance	5,667	6,667

### Non-financial instruments:

BURS Other withholding taxes	-	6,268
Prepayments	2,519,571	2,986,584

<b>Total trade and other receivables</b>	<b>3,689,575</b>	<b>3,739,764</b>
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### Split between non-current and current portions

Current assets	3,689,575	3,739,764
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# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula	2025	2024
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### 17. Trade and other receivables (continued)

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

At amortised cost	1,170,004	746,912
Non-financial instruments	2,519,571	2,992,852
	<b>3,689,575</b>	<b>3,739,764</b>

#### Exposure to credit risk

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

In order to mitigate the risk of financial loss from defaults, the authority only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

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

Trade receivables arise from supervisory levies. The customer base is large and widespread, with a result that there is no specific significant concentration of credit risk from these trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The authority measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

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

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula 2025 2024

### 17. Trade and other receivables (continued)

	2025	2025	2024	2024
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
<b>Expected credit loss rate:</b>				
Not past due: 0.00% (2024: 0.007%)	147,532	-	255,025	(208)
Less than 30 days past due: 0.0041% (2024:0.347%)	50,524	(10,293)	343	-
31 - 60 days past due: 0% (2024:0.118%)	7,362	(2,922)	-	-
61 - 90 days past due: 18.626% (2024: 28.010%)	766,490	(459,055)	943,884	(779,563)
More than 90 days past due: 80.907% (2024:71.981%)	2,337,922	(1,993,986)	2,003,334	(2,003,334)
<b>Total</b>	<b>3,309,830</b>	<b>(2,466,256)</b>	<b>3,202,586</b>	<b>(2,783,105)</b>

### Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(2,783,105)	(2,334,039)
Recoveries during the year	630,970	615,172
Writeoff	477,813	508,934
Provision raised on new trade receivables	(791,934)	(1,573,172)
<b>Closing balance</b>	<b>(2,466,256)</b>	<b>(2,783,105)</b>

### Fair value of trade and other receivables

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

### 18. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,761	1,644
Bank balances	56,902,026	48,935,373
	<b>56,904,787</b>	<b>48,937,017</b>

The cash and cash equivalents are earning interest at the floating rate based on a daily bank deposit rates. The Regulatory Authority has maintained separate gratuity account to ring-fence the post employment benefits relating to gratuity.

### Credit quality of cash at bank excluding cash on hand

The credit quality of cash at bank, excluding cash on hand that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. Commercial Banks in Botswana are not rated, however, these financial institutions are subsidiaries of rated banks in South Africa.

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula	2025	2024
<b>19. Government grants</b>		
Opening balance	13,763,108	10,457,414
Received during the year	2,014,209	3,258,596
Amortisation of government grants	(2,453,966)	(1,275,902)
Deferred subvention received -EDRMS	-	1,323,000
	<b>13,323,351</b>	<b>13,763,108</b>

## 20. Trade and other payables

### Financial instruments:

Trade payables	4,277,516	5,613,109
Other payables	803,093	649,913
	<b>5,080,609</b>	<b>6,263,022</b>

### Fair value of trade and other payables

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

## 21. Employee benefits

### Reconciliation of employee benefits - 2025

	Opening balance	Additions	Utilised during the year	Total
Gratuity accruals	2,118,284	2,668,834	(475,534)	4,311,585
Leave accruals	2,343,593	1,432,053	(468,719)	3,306,928
	<b>4,461,877</b>	<b>4,100,887</b>	<b>(944,253)</b>	<b>7,618,513</b>

### Reconciliation of employee benefits - 2024

	Opening balance	Additions	Utilised during the year	Total
Gratuity accruals	783,372	1,334,912	-	2,118,284
Leave accruals	4,599,159	987,922	(3,243,488)	2,343,593
	<b>5,382,531</b>	<b>2,322,834</b>	<b>(3,243,488)</b>	<b>4,461,877</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula	2025	2024
<b>22. Cash generated from/(used in) operations</b>		
Surplus before taxation	8,295,123	155,467
<b>Adjustments for:</b>		
Depreciation and amortisation	7,053,817	6,170,453
Losses on disposals, scrappings and settlements of assets and liabilities	146,430	-
Interest income	(1,466,134)	(3,136,415)
Finance costs	376,224	631,961
Net Impairments and movements in credit loss allowances	791,934	1,573,172
Movements in short-term employee benefits	3,156,636	(920,654)
Amortisation of government grants	-	(1,275,902)
<b>Changes in working capital:</b>		
Trade and other receivables	(741,745)	(2,943,395)
Trade and other payables	(1,182,418)	(2,114,737)
	<b>16,429,867</b>	<b>(1,860,050)</b>

## 23. Taxation

No provision for taxation is required as the Regulatory Authority is exempt from taxation in terms of the second Schedule of the Income Tax Act (Chapter 52:01).

## 24. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2025

	Opening balance	Finance costs	New lease	Total repayment including interest	Total
Finance lease liabilities	9,172,345	376,224	-	(5,144,115)	4,404,454
<b>Total</b>	<b>9,172,345</b>	<b>376,224</b>	<b>-</b>	<b>(5,144,115)</b>	<b>4,404,454</b>

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Finance costs	New lease	Total repayment including interest	Total
Finance lease liabilities	13,393,323	631,961	-	(4,852,939)	9,172,345
<b>Total</b>	<b>13,393,323</b>	<b>631,961</b>	<b>-</b>	<b>(4,852,939)</b>	<b>9,172,345</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula

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### 25. Related parties

#### Relationships

The Regulatory Authority was set up by the Non- bank Financial Institutions Regulatory Authority Act 2023 and is therefore related to the Government of the Republic of Botswana. Transactions with related parties are in the normal course of business. The following transaction were carried out with related parties.

Members of key management

Ms Ghadie Seromelo (Chief Internal Audit Executive)  
Dr Kelesego Mmoilanyane (Head of Financial Stability and Statistics)  
Ms Gakepeo Masike (Head of Strategy) (Deceased on December 2024)  
Ms Ditshetsa Makepe ( Head of Enforcement)  
Mr Ronald Kgafela ( Head of Human Resources) (Appointed on February 2025)  
Mr Monkogodi Rampha ( Head of Data Management)  
Ms Ntema Modongo ( Director Lending Activities)  
Ms Juliana White( Director Capital Markets)  
Ms Matlakala Raphaka ( Director Insurance)  
Ms Boa Ntebele ( Head of Communications and Consumer Affairs)  
Mr. Mbiganyi Modise ( Head of Risk & Quality Assurance)  
Mr Oduetse Motshidisi ( Chief Executive Officer)  
Ms Catherine Monageng ( Head of Finance)  
Dr. Jonathan Thuto Mahlanza ( Director Retirement Funds)  
Mr Ogona Tshoswane ( Head of Licensing)  
Mr. Mooketsi Ramanteba ( Director AML/CFT)  
Mr. Cowell Habana ( Deputy CEO-Professional Services)  
Mr. Kaelo Radira ( Board Secretary, Legal and International Relations)  
Mr. Moji Bale ( Head of Information Technology)  
Mr. Keabetswe Mathake ( Head of Procurement & Administration)  
Mr. Dumedisang Dumedisang ( Head of Human Resources) (Retired on April 2024)

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula	2025	2024
<b>25. Related parties (continued)</b>		
<b>Related party transactions</b>		
<b>Grant received</b>		
Government of Republic of Botswana	4,887,500	9,073,000
<b>Board Costs</b>		
Board allowances and other costs	2,089,830	1,350,562
<b>Compensation to directors and other key management</b>		
Short-term employee benefits	18,786,687	17,143,431
Gratuity and pension benefits	4,172,508	3,289,072
Other benefits	2,180,898	1,959,638
	<b>25,140,093</b>	<b>22,392,141</b>

Compensation paid to key personnel of the Authority. The amounts presented comprise 20 executive staff members (2024:20 executive staff members).

## 26. Financial instruments and risk management

### Categories of financial instruments

#### Categories of financial assets

##### 2025

	Note(s)	Amortised cost	Non financial instruments	Total	Fair value
Trade and other receivables	17	1,170,004	2,519,571	3,689,575	1,170,004
Cash and cash equivalents	18	56,904,787	-	56,904,787	56,904,787
		<b>58,074,791</b>	<b>2,519,571</b>	<b>60,594,362</b>	<b>58,074,791</b>

##### 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	17	3,739,764	3,739,764	3,739,764
Cash and cash equivalents	18	48,941,671	48,941,671	48,941,671
		<b>52,681,435</b>	<b>52,681,435</b>	<b>52,681,435</b>

#### Categories of financial liabilities

##### 2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	20	5,080,605	5,080,605	5,080,605
Lease liabilities	15	-	-	4,404,454
		<b>5,080,605</b>	<b>5,080,605</b>	<b>5,080,605</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula 2025 2024

### 26. Financial instruments and risk management (continued)

2024

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	20	6,263,022	-	6,263,022	6,263,022
Lease liabilities	15	-	9,172,346	9,172,346	9,172,346
		<b>6,263,022</b>	<b>9,172,346</b>	<b>15,435,368</b>	<b>15,435,368</b>

#### Risk management

Capital includes all funds and reserves as per the face of the statement of financial position. The Authority's objective when managing funds are to safeguard its ability to continue as a going concern in order to perform the mandate for which it was created for. Management is of the view that these objectives are being met. During 2025, the Authority did not have borrowings. The Regulatory Authority is supported by the licensed Non-Bank Financial Institutions and the Government of the Republic of Botswana, currently the necessary support is provided to sustain the operations of the Regulatory Authority. The NBFIRA Act stipulates that an annual estimate of the Regulatory Authority's expenditure for a financial year shall include provision for a Statutory Reserve of not more than 10% of the total expenditure provided in the estimate.

Based on the regulatory Authority Act the current statutory reserve is adequate and in line with the provisions of the Act.

#### Financial risk management

##### Credit risk

The Regulatory Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk is the risk that the regulated and supervised Non-Bank Financial Institutions and other counter parties will not be able or willing to pay or fulfil their obligations in accordance with Non-Bank Financial Institutions Regulatory Authority Act. The Authority uses reputable financial institutions for investing purposes.

All cash and cash equivalents are placed with financial institutions registered in Botswana.

The maximum exposure to credit risk is represented by the carrying amount of accounts receivable and cash and cash equivalents, as shown in the statement of financial position.

##### Concentration of credit

The Regulatory Authority is currently funded by the Government of Botswana and the regulated entities through Supervisory Levies and License Fees. The Regulatory Authority's credit risk is primarily attributable to its cash and cash equivalents, and receivable from regulated entities. Financial assets that potentially subject the Board to concentration of credit risk consists primarily of cash and cash equivalent as well as accounts receivable. Cash and cash equivalents are placed with reputable financial institutions in the normal trading course. Expenditure and controls have been put in place to manage credit risk. The Regulatory Authority has no significant concentration of credit risk as its exposure is spread over a number of counterparties.

The Regulatory Authority does not have any significant credit risk exposure to any single counterparty. As at year end there was no significant credit risk, the cash position as at year end was P 56,904,787 (2024: P48,937,017)

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

Figures in Pula 2025 2024

### 26. Financial instruments and risk management (continued)

		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	17	6,155,831	(2,466,256)	3,689,575	6,522,869	(2,783,105)	3,739,764
Cash and cash equivalents	18	56,904,787	-	56,904,787	48,937,017	-	48,937,017
		<b>63,060,618</b>	<b>(2,466,256)</b>	<b>60,594,362</b>	<b>55,459,886</b>	<b>(2,783,105)</b>	<b>52,676,781</b>

### Liquidity risk

The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring losses or risking damage to the Regulatory Authority's reputation. The ultimate responsibility for liquidity risk management procedures for the management of the Regulatory Authority's funding and liquidity management requirements.

The Regulatory Authority manages liquidity risk by maintaining adequate cash and cash equivalents to settle liabilities when they become due, by continuously monitoring forecasts actual cash flows, and by matching the Government Subvention to the maturity profile of the financial liabilities.

The following table summarises the maturity profile of the Regulatory Authority's financial liabilities as at 31 March 2025 based on contractual undiscounted payments:

#### 2025

	Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>			
Trade and other payables	5,080,605	5,080,605	5,080,605
Lease liabilities	4,404,454	4,404,454	4,404,454
	<b>9,485,059</b>	<b>9,485,059</b>	<b>9,485,059</b>

#### 2024

	Less than 1 year	2 to 5 years	Total	Carrying amount
<b>Non-current liabilities</b>				
Lease liabilities	-	4,404,454	4,404,454	4,404,454
<b>Current liabilities</b>				
Lease liabilities	4,767,892	-	4,767,892	4,767,892
	<b>4,767,892</b>	<b>4,404,454</b>	<b>9,172,346</b>	<b>9,172,346</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Notes to the Annual Financial Statements

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Figures in Pula	2025	2024
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### 26. Financial instruments and risk management (continued)

#### Interest rate risk

Financial instruments that are sensitive to interest rate risk are bank balances and cash (refer to note 12). Interest rates applicable to these financial instruments compare favourably with those currently available in the market. The following table demonstrates the sensitivity to a reasonable possible change in interest rates at reporting date, with all other variables held constant, of the Regulatory Authority's (deficit)/surplus for the year (through the impact on floating rate financial instruments), funds and reserves at reporting date. The reasonable possible change is based on past trends of interest and expected future changes. The impact was calculated by applying the reasonable changes to the exposures at reporting date, and with reference to the next 12 months. There is no other direct impact on the Regulatory Authority's funds and reserves.

Increase of 0.1% in interest rate	24,394	48,178
Decrease of 0.1% in interest rate	(24,394)	(48,178)

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### 27. Events after the reporting period

Directors are not aware of any material events occurring between the year-end date and the date of approval of the financial statements, which require disclosure.

### 28. Going concern

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

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

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Detailed Income Statement

Figures in Pula	Note	2025	2024
<b>Revenue</b>			
Government grants	3	2,873,291	4,491,404
Supervisory levies	6	106,600,340	95,820,370
<b>Total revenue</b>		<b>109,473,631</b>	<b>100,311,774</b>
<b>Other operating income</b>			
Other income	4	2,453,966	1,275,902
<b>Other operating gains</b>			
Other operating income	5	7,739,467	5,208,123
Movement in credit loss allowances	4	(791,934)	(1,573,172)
<b>Expenses (Refer to page 38)</b>		<b>(111,669,919)</b>	<b>(107,571,614)</b>
<b>Operating surplus ( deficit)</b>	4	<b>7,205,213</b>	<b>(2,348,987)</b>
Finance income	5	1,466,134	3,136,415
Finance costs		(376,224)	(631,961)
<b>Surplus for the year</b>		<b>8,295,123</b>	<b>155,467</b>

# Non-Bank Financial Institutions Regulatory Authority

Annual Financial Statements for the year ended 31 March 2025

## Detailed Income Statement

Figures in Pula	Note(s)	2025	2024
<b>Other operating expenses</b>			
Administration and management fees		185,364	188,955
Advertising		482,168	427,323
Amortisation		143,352	143,352
Auditor's remuneration	4	129,960	124,545
Bank charges		50,582	64,120
Board fees		2,089,830	1,350,562
Branding and commission		1,913,866	864,796
Cleaning		345,215	316,125
Consulting and professional fees		2,043,698	5,838,139
Depreciation		6,910,465	6,027,101
Employee costs		77,153,568	69,060,366
Insurance		1,000,298	836,123
Internet		1,247,967	1,126,301
Legal fees		857,698	2,865,673
Licenses		7,740,752	6,028,408
Motor vehicle Expenses		38,652	46,302
Office expense		353,564	306,611
Printing and stationery		623,346	622,595
Recruitment		249,857	702,679
Repairs and maintenance		523,708	584,458
Security		284,482	199,670
Staff cost		700,470	620,849
Subscriptions		1,510,500	948,418
Telephone and fax		1,116,698	1,085,556
Training		1,733,993	3,487,854
Travel - local		1,339,502	2,885,192
Utilities		900,364	819,541
<b>Total operating expenses</b>		<b>111,669,919</b>	<b>107,571,614</b>