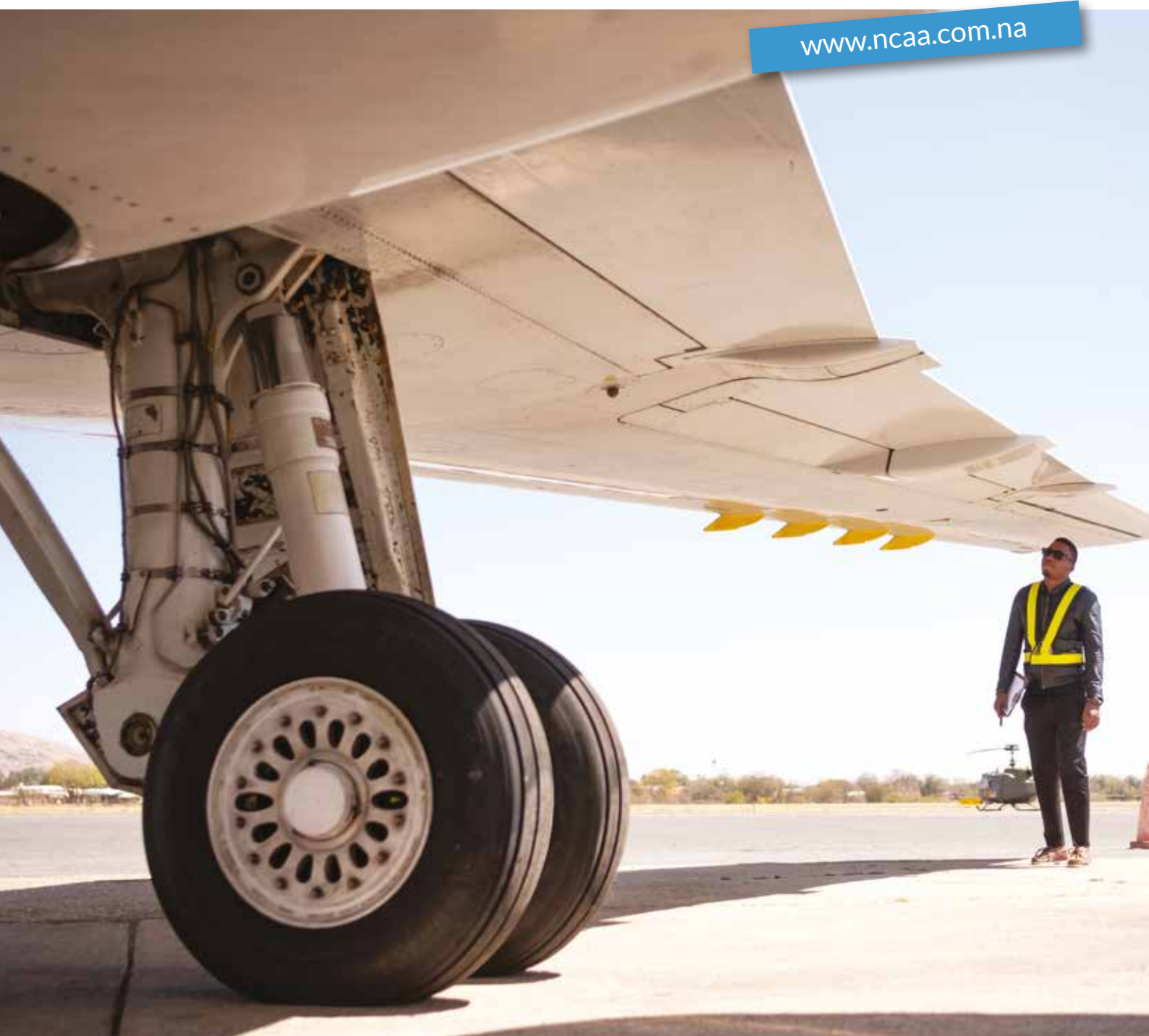


NAMIBIA CIVIL AVIATION AUTHORITY

# 2019/20 INTEGRATED REPORT

[www.ncaa.com.na](http://www.ncaa.com.na)



# FOREWORD

Travelling by air raises expectations of high standards of safety and security. Therefore, I would like to take this opportunity to thank our regulator, the Namibia Civil Aviation Authority and more specifically, the inspectors whose duty it is to ensure that our skies are safe. Simultaneously, I must thank the service providers, that is, the Air Traffic Services, Aeronautical Information Services and Communication Navigation Services who provide quality air navigation services to the Namibian and international air operators. It is the responsibility of the State to ensure safe air transport throughout Namibia and failure to do so may be catastrophic. As the Government of the Republic of Namibia, we are committed to this task.

Air transport often operates in extreme and sometimes adverse conditions. As a Contracting State to the Convention on International Civil Aviation (known as the Chicago Convention of 1944), Namibia must at all times adhere to the Annexes, Standards and Recommended Practices (SARPs) to the Convention, as they provide guidance for safe and secure international air transport. Aviation, by its very nature, is therefore an international industry governed by agreements of, amongst others, the Member States.

Namibia recently signed the solemn commitment to implement the Single African Air Transport Market (SAATM), with which Africa intends to accelerate intra-Africa air transportation and connectivity. In earlier years, passengers often had to fly via Europe to reach another African state, simply because there was limited intra-Africa air connectivity. However, being part of SAATM comes with additional responsibilities and obligations. Namibia must open its skies to other African countries which subscribe to the SAATM and compete with their airlines on equal footing, implement air transport consumer protection rules, competition rules and dispute resolution rules adopted under the Yamoussoukro Decision. We are in the process of aligning our air transport policy to speak to the SAATM. The NCAA must train its inspectors and sensitise stakeholders to embrace the imminent changes.

Equally, Namibia acceded to the Cape Town Convention on International Interests in Mobile

Equipment and Protocol to the Convention on Matters Specific to Aircraft Equipment in 2019. The reason we acceded to this convention and protocol was to create an opportunity for our airlines to benefit from opportunities created by these two instruments. For example, under the Protocol, a lessee airline may be able to negotiate low lease fares, because the lessor may have a speedy return to his leased aircraft in case the lessee defaults on payments. We are aware that these instruments are highly technical; nevertheless, we will develop simplified rules and regulations to implement them.

There is no doubt that air transport is an engine of economic activity in our country. It is against this background that the Government of the Republic of Namibia has taken a decision to upgrade the terminal building at Hosea Kutako International Airport in order to alleviate passenger congestion experienced at the airport. In line with our strategy to become a transport hub, we also continue to improve other domestic airports, such as Walvis Bay Airport, Andimba Toivo Ya Toivo Airport and Katima Mulilo Airport. We have also embarked on the project of rehabilitating the Eros Airport runway, given its condition resulting from years of service. All this, we do to strategically position Namibia to compete favourably as a transport hub.

COVID-19, which started in 2019, has brought tremendous disruptions to international air transport since the first few months of 2020. The Namibian air operators have not been spared either. Specifically, the tourism and hospitality sectors were severely affected. As Government, we remain hopeful that the pandemic will pass, and that normality will return in good time. In this context, I wish the domestic aviation sector strength in order to withstand the storm.



Lastly, I take this opportunity to thank the Board of Directors who have steered the Namibia Civil Aviation Authority for the past four years, and for those who will not return as Board members, I wish them well in their

future endeavours. As the line Minister for air transport in Namibia, I remain committed to providing the necessary support and creating an enabling environment for the Authority to fulfil its very important mandate of aviation

safety and security oversight of the Namibian civil aviation system.

A handwritten signature in dark ink, appearing to read 'John Mutorwa', written over a light blue background.

John Mutorwa, MP  
Minister of Works and Transport

# CONTENTS

## About this report

# INTEGRATED ANNUAL REPORT

### REPORTING PRINCIPLES

The NCAA has applied the principles contained in the International Financial Reporting Standards (IFRS), good corporate governance and the Public Enterprises Governance Act (Act 2 of 2006 as amended). This integrated report has been developed in accordance with the International Integrated Reporting (<IR>) Framework of the International Integrated Reporting Council (IIRC).

### SCOPE, BOUNDARY AND REPORTING CYCLE

The NCAA's 2019/20 Integrated Report provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, covering the financial year ended 31 March 2020. We endeavour to illustrate a comprehensive view of the business by analysing our performance against the Authority's strategic objectives, highlighting successes and challenges experienced this year. This report focuses on the main operations and activities that contribute to the Authority's performance. Unless otherwise stated, all performance data is for the 12-month period ended 31 March 2020. This report is available in electronic format on our website: [www.ncaa.com.na](http://www.ncaa.com.na).

### TARGET AUDIENCE

This report has been prepared primarily in accordance with the Civil Aviation Act for the Ministry of Works and Transport, as well as the civil aviation industry as key stakeholders.

The report is also relevant for any other key stakeholder who has an interest in our performance against our core mandate of safe and secure civil aviation operations in Namibia and elsewhere, and to provide air traffic services to all airspace users.

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THIS REPORT FOCUSES ON THE MAIN OPERATIONS AND ACTIVITIES THAT CONTRIBUTE TO THE AUTHORITY'S PERFORMANCE. UNLESS OTHERWISE STATED, ALL PERFORMANCE DATA IS FOR THE 12-MONTH PERIOD ENDED 31 MARCH 2020.

## LIST OF OFTEN-USED DEFINITIONS/ACRONYMS

the Act	The Civil Aviation Act of 2016 (Act No. 6 of 2016)
APV	Approach with vertical guidance
Annex 1-19	Annexes to the Chicago Convention
ANS	Air Navigation Services (Part 6 of the Act)
Baro-VNAV	Barometric Vertical Navigation
Board	Board of Directors of the Authority established in terms of section 12 of the Act
Chicago Convention	Commonly known as the 'Chicago Convention', the Convention on International Civil Aviation, adopted in 1944 by 54 nations, which established the core principles permitting international transport by air, and led to the creation of the specialised agency which has ensured safe and secure international air transport ever since, the International Civil Aviation Organization (ICAO)
ICAO	The International Civil Aviation Authority Organization, an agency of the United Nations, established in terms of the Chicago Convention (annexed as Schedule 1 to the Act)
MWT	Ministry of Works and Transport
NAMCARs	Namibia Civil Aviation Regulations (and its various amendments)
NAMCATS	Namibia Civil Aviation Technical Standards (and its various amendments)
NAC	The Namibia Airports Company established in terms of Act No. 25 of 1998
NCAA or the Authority	The juristic person called the Namibia Civil Aviation Authority established in terms of section 8 of the Act
PBN	Performance Based Navigation
TCB	Technical Cooperation Bureau, an organisational entity of ICAO





**SECTION 1:  
OUR BUSINESS**

NCAA:

# WHO WE ARE



## What we do

The NCAA's key role is to conduct the safety regulation of civil air operations in Namibia's airspace, and to provide air navigation services to all airspace users.

In fulfilling our responsibilities, the NCAA endeavours to assure a safe, orderly, regular and efficient civil aviation system. We recognise the importance of our stakeholders and the role we have to play in the development of an efficient civil aviation system in Namibia.

## Strategic alignment

The NCAA's business and financial plans are fully aligned with Namibia Government policies. It provides concrete support and backing to Vision 2030, National Development Plans, and the Harambee Prosperity Plan (HPP) in respect of references that are directly applicable to NCAA.

**T**he Namibia Civil Aviation Authority (NCAA) is a state-owned enterprise established in terms of the Civil Aviation Act of 2016, and commenced operating on 1 November 2016.

The NCAA functions autonomously under a Board of Directors appointed by the Minister of Works and Transport in his capacity as the portfolio Minister.

As such, it is the independent statutory authority of Namibia's civil aviation industry. Whilst ensuring quality service, the NCAA's first priority is civil aviation safety and security.

The NCAA performs two separate functions, namely as a regulatory body and as the provider for air navigation services.

Aircraft accident/incidence investigation has been separated from the NCAA to ensure independent investigation and the Chief Aircraft Accident/Incident Investigator reports directly to the Minister of Works and Transport.

# OUR VISION

Our vision is to be recognised as a leader in sustainable civil aviation safety, security oversight and air navigation service provisioning.

# OUR MISSION

Our mission is to enhance, control, regulate and promote sustainable, internationally-compliant regulatory oversight and air navigation services, as well as be a responsible employer committed to high performance and organisational excellence.

# OUR VALUES

**We live by our values:**

## **INTEGRITY**

We will maintain high ethical standards and approach issues professionally, without bias, in order to win the trust of all our stakeholders.

## **FAIRNESS**

We will be transparent about the costs which we impose on the industry and keep our safety and security regulations simple and user-friendly. We will determine service delivery levels and will live by them.

## **ACCOUNTABILITY**

We will listen to our stakeholders and explain to them our position to ensure our services match stakeholder needs and reasonable expectations. We will be responsive to all stakeholder requests and will strive to exceed their expectations on each and every interaction. We will measure the level of stakeholder satisfaction on a regular basis.

## **EXCELLENCE**

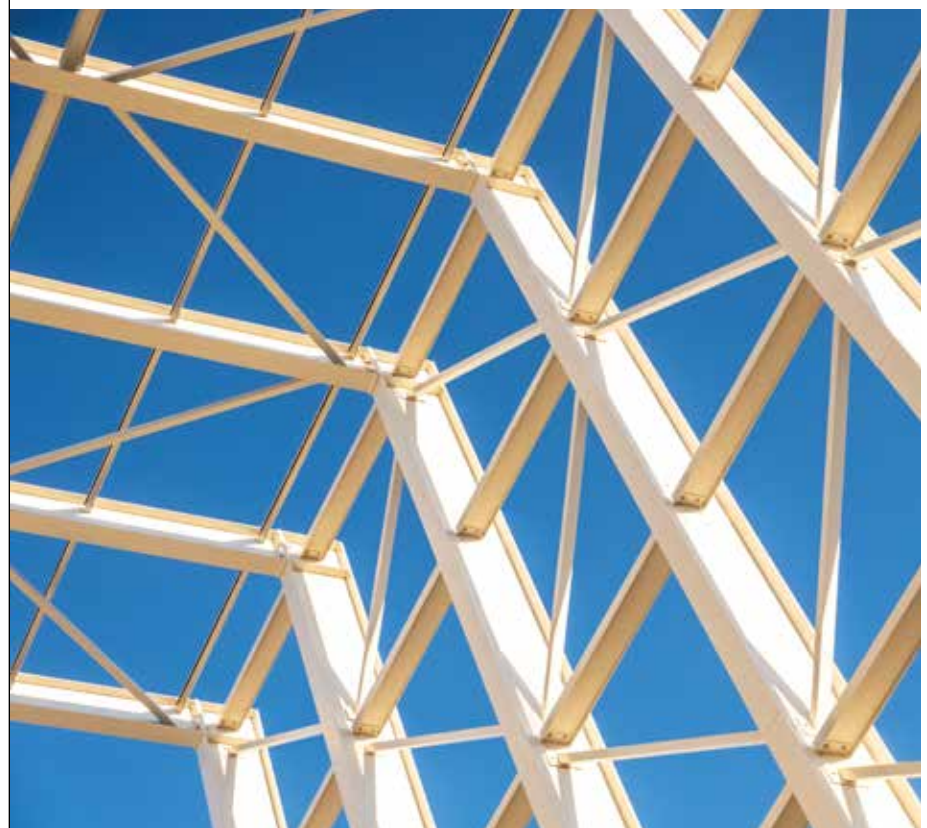
We will continually strive to achieve the highest standards. We will benchmark ourselves against international-leading best practice.



# OUR OBJECTIVES

THE OBJECTIVES OF THE NCAA ARE AS FOLLOWS:

- Control, regulate and promote civil aviation safety and security;
- Oversee the implementation of, and compliance with, the national aviation security programme;
- Monitor and ensure compliance with the Act and the Chicago Convention and other international civil aviation agreements applicable to Namibia; and
- Perform its functions in the most efficient and effective manner to ensure the preservation of safety and security of civil aviation in a way that contributes to the aim of achieving an integrated, safe, secure, responsive and sustainable transportation system.



# 2019/20 AT A GLANCE

Nineteen Air Operators Certificates were renewed and two operators were re-certified.

Refer to page 45 for further detail



Namibia was awarded a Certificate of Significant Progress in conducting AVSEC oversight and resolving oversight deficiencies.

Refer to page 58 for further detail

Government contributed N\$69 million to NCAA in the reporting year, compared with N\$99 million for the previous year, representing a decrease of N\$30 million.

Refer to page 6 for further detail



The ANS bursary programme is well underway and nine ATC, five AIO and six ATSEP bursary holders completed their training programmes, and commenced with on-the-job training.

Refer to page 81 for further detail



The NCAA improved its operating result from a deficit of N\$55 million for the year ended 31 March 2019, to a surplus of N\$25 million for the reporting year.

Refer to page 96 for further detail

A total of 22 ANS staff members attended on-the-job-training instructor courses of which 21 successfully completed the course.

Refer to page 84 for further detail

The Personnel Licensing Department has acquired and implemented a state-of-the-art software system to administer theoretical examinations.

Refer to page 39 for further detail



NCAA has a staff complement of 154 employees.

Refer to page 93 for further detail

The NCAA's cash position improved by the introduction of amended charges to industry, which increased cash received from customers from N\$103 million to N\$245 million.

Refer to page 96 for further detail



State Safety Programme (SSP) gap analysis of existing State structures and processes against the ICAO SSP framework was completed and an implementation plan developed. Namibia currently at level 3 of SSP implementation.

Refer to page 55 for further detail

Big strides have been achieved with the implementation of the new enforcement regime, which allows for a multi-faceted approach to dealing with safety concerns.

Refer to page 38 for further detail



Eleven new aircraft were entered on the Namibian aircraft register and two new international Aircraft Maintenance Organisations were approved.

Refer to page 51 for further detail

The Compliance and Regulatory Risk Department was established, whose duties are to ensure compliance to international, regional and local civil aviation regulations.

Refer to page 34 for further detail

The NCAA sustained the performance and reliability of essential equipment by achieving the minimum of 96 per cent statistical availability of all ANS systems.

Refer to page 78 for further detail



# CHAIRPERSON'S REPORT

Since its inception as an autonomous Civil Aviation Authority in 2016, the NCAA can look back on a number of notable achievements.

**F**irst and foremost, we have successfully recruited and appointed Namibians as Senior Managers and other post holders in all of our operational sections.

Vast amounts have also been invested in training to develop and increase our human capital resources. The NCAA's commitment to this endeavour is ongoing, as our human capital is regarded as the organisation's most precious asset.

During the reporting period, we have also successfully amended and introduced the long-awaited Civil Aviation Regulations (CARs), governing a wide field of our regulatory obligations with many new and amended legal operational provisions earmarked for promulgation in the forthcoming year.

The NCAA was the proud recipient of the ICAO Council President's Certificate for our progress in resolving aviation security and oversight deficiencies.

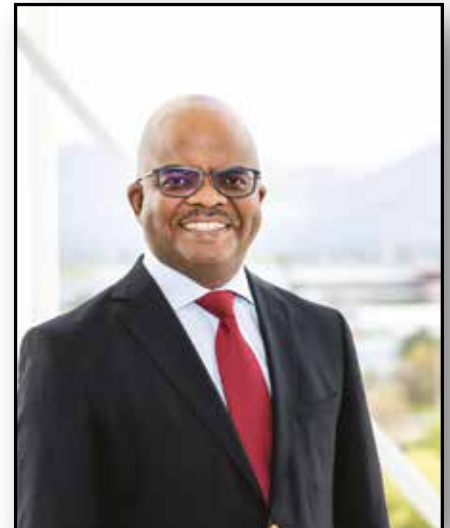
True to the NCAA's Service Charter and Standards, we are proud to report that new Flight Procedures were introduced for our two main airports in Windhoek and Walvis Bay. Having also introduced a modern online examination system and facilities, we can now - for the first time - offer local crew license examinations.

The NCAA was the proud recipient of the ICAO Council President's Certificate for our progress in resolving Aviation Security (AvSec) and oversight deficiencies, and for our ongoing commitment to the effective implementation of ICAO Standards and Recommended Practices.

In addition, we also received an award as second runner-up as the best exhibitor at the 2019 Career Fair and Employment Expo hosted by the University of Namibia.

Our new and ultra-modern head office situated in Windhoek, which is fully equipped and boasts state-of-the-art digital support systems, sets the benchmark for purpose-built facilities and significantly contributes to the enhancement of the necessary workday efficiency.

This past year also saw the rapid development and implementation of a vast array of policies and procedures in our quest towards professional corporate governance and improved client service.



Being a young institution, we are acutely aware that the above milestones represent but the beginning. An institution such as ours does not come into being overnight. The Board and Management are under no illusion that for the NCAA to establish itself as a foremost civil aviation authority will require a lot of hard work, professional dedication and, above all, the ability to face and deal with increasingly complex challenges.

We look forward to the forthcoming year in the knowledge that the foundations we have laid are solid. With our own efforts and the active involvement of all our stakeholders, the NCAA will grow and prosper to the benefit of all parties involved in civil aviation in Namibia.

Finally, the first term of office for all the Board members except myself is coming to its end in October 2020. Therefore, it is befitting to take this opportunity to thank all the Board members for their service to the NCAA.

A handwritten signature in black ink, appearing to read 'Kosmas Egumbo'.

**Kosmas Egumbo**  
Chairperson: NCAA Board of Directors





**Reinhard Gärtner**  
**Interim Executive Director**

# INTERIM EXECUTIVE DIRECTOR'S REPORT

Welcome to the NCAA's 2019/20 Integrated Annual Report.

**F**ollowing the establishment of the NCAA by way of the Civil Aviation Act (Act 6 of 2016), we firmly continued and accelerated the organic growth of the institution on the path we embarked on during the previous year. The first-ever substantive appointments of personnel to the NCAA only began in July 2019, increasing to an impressive number of 154 by the end of the period under review. The protracted

process of recruitment of the specialised personnel required to give effect to our mandate - also from the international market - is continuing, with the goal of reaching a full staff complement of just over 200, as outlined in the Board-approved organisational structure.

But the process of recruitment does not stand in isolation: induction, training and retention of personnel based on

various policies, which had to be drafted and approved were put in place, all to finally arrive at the goal of growing and establishing a worldclass civil aviation authority.

Progress can also be proudly reported on the infrastructure and IT sections: numerous laptops, screens and examination computers have been rolled out, supported by state-of-the-art software and an increase in server capacity. Online Pilot examinations can now be conducted locally, negating the need for crew members to travel abroad to undergo examinations.

In addition, the long-awaited furniture tender has been completed and all offices have been refurbished. Overall, a quantum leap in achieving the envisaged organic growth!

With this systematic approach and process of capacitating, progress and achievements are inevitable. During the ICAO General Assembly in October 2019,

## OFFICE OF THE EXECUTIVE DIRECTOR

From left to right: Christoph Seimelo, Louise Stols, Reinhard Gärtner, Anita Mukuyu, Johanness H. Wiehahn, Gordon Elliott



Namibia received the ICAO Council's President Certificate in recognition of its efforts in resolving aviation security and oversight deficiencies and for its ongoing commitment to the effective implementation of ICAO Standards and Recommended Practices.

### Challenges Abound

Notwithstanding the positive growth, structural and operational challenges continued to place strain on our resources. The Instrument Flight Procedures for Hosea Kutako and Walvis Bay International Airports were found to be procedurally flawed and had to be withdrawn, redesigned and published only a few months later. This, not without great expense and inconvenience to the flying industry.

In the absence of promulgated legislation, many a directive or special approval (e.g. Foreign Operator Permits) had to be released to accommodate specific industry requests.

Financial constraints amongst

stakeholders impacted negatively on the NCAA's operations, adding to the challenges in growing the Authority and in fulfilling its fiduciary obligations.

The Universal Safety Oversight Audit Programme (USOAP) is scheduled to take place in October 2020 and preparations are in full swing to achieve a score above the world average. The COVID-19 pandemic and the resultant lockdown regulations in Namibia have undoubtedly added to the woes of the NCAA, by demanding a diversion of resources and mental capacity desperately needed to timeously prepare for the said audit. This, in itself, poses the biggest single challenge in the history of the NCAA.

### The New Norm

In addition, COVID-19 has brought instant and permanent changes to the world of aviation. Changes that will require a paradigm shift from the traditional way of managing the complex nature of the industry, identifying, quantifying and adapting to what can

safely be called the 'new norm' in the aviation industry. Only those role players who successfully managed to conquer this divide will be part of the aviation industry to come.

### The Ultimate Goal

To be a worldclass civil aviation authority delivering on its own agreed Service Charter and Service Standards remains the ultimate goal for the NCAA. The process of growth and development towards this goal needs to be clear, focused and dedicated, with each employee and stakeholder passionately embracing and committing to the same ideal and vision.

The process is never-ending and ever-demanding. Strong leadership, on all levels, is therefore of paramount importance.

**REINHARD GÄRTNER**  
INTERIM EXECUTIVE DIRECTOR

# OUR VALUE CREATION PROCESS

## PROVIDING SAFE SKIES FOR ALL

Through our people and infrastructure, our procedures, processes and systems, the NCAA conducts the safety regulation of civil air operations in Namibia's airspace, and provides air traffic services to all airspace users. In fulfilling our responsibilities, the NCAA endeavours to assure a safe, orderly, regular and efficient civil aviation system.

### CAPITAL INPUTS

#### CAPITAL INPUTS

The resources and relationships we rely on to create value:

##### 1. Financial capital

- Government subsidies/grants for 'public good' services
- Passenger service charges to industry
- Application fees for services provided

##### 2. Human capital

- Skilled, motivated employees
- Strong leadership team
- Service providers
- Technically-qualified inspectors

##### 3. Intellectual capital

- Specialist/technical skills
- Company culture
- Brand and reputation

##### 4. Manufactured capital

- Air navigation infrastructure
- Head office and supporting facilities
- Modern CNS infrastructure

##### 5. Social and relationship capital

- Positive employee relations
- Constructive engagement with Government and industry
- Collaborative partnerships with industry and other CAAs
- Outreach programmes

##### 6. Natural capital

- Energy, fuel and water

### GOVERNING THE VALUE CREATION PROCESS

While the divisional managers oversee the day-to-day operations and activities, the Board of Directors are responsible for:

- Steering and setting strategic direction
- Approving policy and planning

- Overseeing and monitoring
- Ensuring accountability
- Ensuring robust processes and systems are in place for NCAA to execute its mandate
- Monitoring risks and mitigation actions

## NCAA'S TWO MAJOR FUNCTIONS:

### 1. REGULATOR OF NAMIBIA'S CIVIL AVIATION SYSTEM

NCAA is the Government of Namibia's regulatory agency to provide AVIATION SAFETY AND SECURITY OVERSIGHT, which include:

- Airworthiness;
- Flight Operations;
- Personnel Licensing;
- Aerodromes and Ground Aids;
- Aviation Security; and
- Air Navigation Services Safety Oversight.

The NCAA is the agency responsible for implementing the Namibia State Safety Programme and for ensuring compliance with international Standards and Recommended Practices.

### OVERALL VALUE WE CREATE FOR STAKEHOLDERS

SAFE SKIES FOR THOSE THAT WANT TO FLY AND  
THOSE THAT DON'T.

## KEY FACTORS THAT IMPACT ON OUR ABILITY TO DELIVER SHARED VALUE

- |   |  |
|---|--|
| <p><b>WITHIN OUR CONTROL</b></p> <ul style="list-style-type: none"> <li>• Skilled and motivated employees</li> <li>• Operational efficiencies</li> <li>• Sufficient numbers of signed-off inspectors</li> <li>• Cost management</li> <li>• Stakeholder relationships</li> </ul> | <p><b>BEYOND OUR CONTROL</b></p> <ul style="list-style-type: none"> <li>• Shortage of skilled staff worldwide</li> <li>• Global economy and COVID-19</li> <li>• Political stability</li> <li>• Rate of growth in tourism industry</li> <li>• Terrorist activities</li> </ul> |
|---|--|

### KEY STRATEGIES

Guiding in the way in which we deliver outcomes and make an impact:

1. People and culture
2. Financial sustainability
3. Meeting international safety and security oversight standards
4. Operational services, systems and productivity
5. Risk, safety management and state safety programme

### KEY RELATIONSHIPS

1. Employees, seconded and contracted staff
2. Government as shareholder and other Government departments
3. Customers
4. Suppliers
5. Industry organisations
6. Media

### KEY RISKS

1. Staffing
2. Stakeholder management
3. Reliability and security of communication, navigation and surveillance systems
4. Safety and security compliance
5. Regulatory compliance
6. Financial liquidity
7. Governance
8. Disaster response and recovery
9. Reliability and security of corporate ICT
10. Project management

## 2. PROVIDER OF AIR NAVIGATION SERVICES

NCAA is the provider of AIR NAVIGATION SERVICES, which include:

- Aeronautical Information Services;
- Air Navigation and Technical Services; and
- Air Traffic Control Services.

It also provides Communications Navigation Services (CNS) whose function is to ensure the reliability and availability of all CNS facilities for provision of ATS and AIS services at airports; and Information Technology & Communications and Projects (ICTP) whose function is to improve data quality and align data management with operational processes.

### CAPITAL OUTCOMES

1. Financial capital
  - N\$250 million revenue
  - Reduced reliance on Government funding to N\$69 million
2. Human capital
  - N\$160 million paid in employment-related cost
  - Continue with ANS bursary programme
3. Intellectual capital
  - Spent N\$15.4 million on staff training and ANS bursary programme
4. Manufactured capital
  - Air navigation infrastructure maintained
  - CNS infrastructure maintained
5. Social and relationship capital
  - Industry growth
  - Partnership agreements strengthened
  - Increased interest in aviation as a career
6. Natural capital
  - Reduced noise
  - Reduced carbon emission

CAPITAL OUTCOMES


### OVERALL IMPACT WE MAKE

ENABLING ENVIRONMENT IS CREATED FOR NAMIBIA'S ECONOMY TO GROW AND THROUGH THAT, FOR NAMBIANS TO GROW AND PROSPER

# FACTS ABOUT NAMIBIA'S CIVIL AVIATION SYSTEM

## PASSENGER VOLUMES

326,775  Domestic passenger arrivals at NAC-managed airports servicing civil aircraft

633,705  Regional passenger arrivals at NAC-managed airports servicing civil aircraft

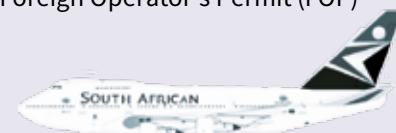
496,319  International passenger arrivals at NAC-managed airports servicing civil aircraft

## AIRCRAFT OPERATORS

23 Local Air Operators, issued with an Air Operator's Certificate (AOC)



10 Foreign Air Operators, issued with a Foreign Operator's Permit (FOP)



## ACTIVE PILOTS



213 = 198 + 15  
Aeroplane pilots      Helicopter pilots  
Airline Transport Pilot Licence (ATPL) holders

369 = 330 + 39  
Aeroplane pilots      Helicopter pilots  
Commercial Pilot Licence (CPL) holders

442 = 417 + 25  
Aeroplane pilots      Helicopter pilots  
Private Pilot Licence (PPL) holders

## AIR TRAFFIC CONTROLLERS



47 = 40 + 7  
Civilian      Military

## AIRCRAFT MAINTENANCE ENGINEERS



133

Active Aircraft Maintenance Engineers, consisting of 121 men and 12 females

## AIRCRAFT MAINTENANCE ORGANISATIONS



Aircraft Maintenance Organisations (AMOs)

27 = 11 + 16  
 Local AMOs      Foreign AMOs

## REGISTERED AIRCRAFT



268

Microlights



69

Rotorcraft



343

Small Aeroplanes  
<5,700 kgs



55

Large Aeroplanes  
>5,700 kgs

## AERODROMES



3

Licensed aerodromes

113

Registered aerodromes

180

Active Air Fields

## AVIATION SECURITY QUALITY CONTROL ACTIVITIES



3

Audits

84

Inspections

10

Surveys

3

Investigations

5

System Tests

# LEADERSHIP TEAM

The Board of Directors guides the NCAA and its management team in the successful fulfilment of their mandate.

The Board comprises of four non-executive Board Members and the Executive Director, and one alternate member. The Board discharges its fiduciary responsibility directly and through Board Committees according to the provisions of the Act.



**Kosmas Egumbo**

**Chairperson**

Mr Egumbo is the Group Chief Executive Officer of Old Mutual Namibia. He has completed the General Management Programme (GMP) at Harvard Business School; holds a BSc degree in Electrical Engineering and completed a leadership programme at INSEAD.



**Matilda Jankie**

**Deputy Chairperson**

Ms Jankie is an admitted Legal Practitioner of the High Court of Namibia (2004) and a conveyancer. She graduated with B-Juris and LL.B (Hons) at the University of Namibia.



**Uanjengua**

**Katjjuanjo**

**Board Member**

Ms Katjjuanjo is currently the Manager: Operations Control at Standard Bank Namibia. She has a post-graduate qualification in accounting and finance from the University of Cape Town.



**Ignatius**

**Thudinyane**

**Board Member**

Mr Thudinyane is a legal practitioner and is currently the Chief Executive Officer of the Municipality of Gobabis. Previously he was the Manager: Revenue and Credit Control at the Municipality of Walvis Bay.



## **Emma Kantema-Gaomas**

### **Board member**

Qualified with a MBA, Ms Kantema-Gaomas is currently the Executive Director of the Ministry of Youth and Sport and previously the Corporate Secretary of the Social Security Commission.



## **Unomuinho Katjipuka-Sibolile**

### **Alternate Board Member**

Qualified with a MBA from the University of Stellenbosch, Ms Katjipuka-Sibolile (LLB) is an admitted Legal Practitioner of the High Court of Namibia and a partner at Nixon Marcus Public Law Office.



## **Reinhard Gärtner**

### **Interim Executive**

### **Director & Ex Officio**

### **Board Member**

Prior to accepting his current position, Mr Gärtner spent many years in corporate management before entering the private sector, successfully running his own companies in the aviation and tourism sector. He has a BSc and MBA degree to his credit and various aviation-related certificates and ratings.



# NCAA EXECUTIVE COMMITTEE



**REINHARD  
GÄRTNER**  
INTERIM EXECUTIVE  
DIRECTOR



**GORDON ELLIOTT**  
CHIEF LEGAL COUNSEL



**JOHANNES WIEHAHN**  
CIVIL AVIATION ADVISORY  
EXPERT



**BRYN STAFFORD-  
EVANS**  
CHIEF FINANCIAL OFFICER



**PETER MARAIS**  
GENERAL MANAGER &  
HEAD OF AIR NAVIGATION  
SERVICES



**LOUISE STOLS**  
SAFETY ADVISOR TO  
THE INTERIM EXECUTIVE  
DIRECTOR



**TOBIAS GÜNZEL**  
ACTING GENERAL  
MANAGER: COMMUNI-  
CATIONS, NAVIGATIONS  
& SURVEILLANCE & ICT  
PROJECTS



**CHRISTOPH  
SEIMELO**  
ACTING CORPORATE  
SECRETARY



**BEVERLEY S.  
SKRYWER**  
MANAGER: HUMAN  
RESOURCES

# THE NCAA SENIOR MANAGEMENT TEAM CONSISTS OF:



**GOLDEN SITEKETA**  
SENIOR MANAGER:  
AERODROMES & GROUND  
AIDS



**GORDON NANUB**  
SENIOR MANAGER:  
PERSONNEL  
LICENSING



**NERAGO  
NDOROMA**  
MANAGER: PROJECTS



**JULIAN GOUWS**  
SENIOR MANAGER:  
AVIATION SECURITY



**THAMSANQA  
MOYO**  
HEAD CIVIL AVIATION  
REGISTRY



**GEORGE  
MATROOS**  
SENIOR MANAGER:  
SAFETY PROMOTION  
AND QUALITY



**JACQUELINE  
STIEMERT**  
SENIOR MANAGER:  
COMPLIANCE AND  
REGULATORY RISK



**ROBERT MATHE**  
SENIOR MANAGER:  
AIRWORTHINESS



**SARAFINA  
MAXWANU**  
SENIOR MANAGER:  
AIR NAVIGATION  
SERVICES SAFETY  
OVERSIGHT



**WOLFGANG  
HENCKERT**  
SENIOR MANAGER: ICT



**WILLEM VAN ZYL**  
SENIOR MANAGER:  
FLIGHT OPERATIONS



**JEREMIA KAMATI**  
SENIOR MANAGER: AIR  
NAVIGATION SERVICES  
AIR TRAFFIC SERVICES



**THABEA SHILONGO**  
ACTING SENIOR  
MANAGER AIR  
NAVIGATION SERVICES  
AERONAUTICAL INFOR-  
MATION MANAGEMENT



**ABIATAR NTINDA**  
SENIOR MANAGER: AIR  
NAVIGATION SERVICES  
COMMUNICATIONS,  
NAVIGATIONS &  
SURVEILLANCE



**ERIK BRUYS**  
ACTING SENIOR  
MANAGER: AIR  
NAVIGATION SERVICES  
SAFETY AND QUALITY

The NCAA identified five pillars that form the backbone of our strategies to achieve our objectives in a manner that is consistent with our vision and mission. The strategies have been developed to take full account of the Authority's strengths and weaknesses, risks and opportunities. Each of the five pillars are supported by strategic objectives and actions, measured by key performance indicators (KPIs) following the balanced scorecard measurement framework.



## 1 PEOPLE AND CULTURE

In an industry where regulatory compliance is paramount, it is vital that we have the right people with the right skills in the right positions. The NCAA introduced a new organisational structure, making provision for 314 positions that are based on the ideal number of personnel to implement and maintain international standards and recommended practices. A phased approach will be followed to get to the required levels and for the next five years, we targeted a staffing level of 222 staff. A culture-change management programme will be formulated to ensure our staff is committed towards our commercial business model, which needs to be adopted to produce efficient and effective outcomes for our stakeholders.

# 5 PILLARS OF OUR STRATEGY

## 2 FINANCIAL SUSTAINABILITY

The Authority's ability to execute its mandate hinges on financial sustainability. The establishment of the NCAA as a separate juristic person and entity-not-for-gain on 1 November 2016 led to the ongoing support by Government of Namibia through subsidisation of the aviation industry in air navigation and safety oversight activities. This resulted in the need to amend outdated charges to the aviation industry for the first time since 2006 in order to cover operational and expected capital costs. The new charges and fees are cost-based, non-discriminatory and based on 'user pay' principles. The cost of developing and supporting the regulatory framework should be borne by the industry using 'user pays' and the 'capacity to pay' as the driving principles (as well as normal international practice).

## 3 OPERATIONAL SERVICES, SYSTEMS AND PRODUCTIVITY

The NCAA's operational services, systems and productivity will receive dedicated attention in the next five-year period. Currently, many divisions are understaffed. The Air Navigation Services (ANS) experienced a high staff turnover and the Air Traffic Services (ATS) area in particular has experienced a chronic shortage of staff. Recruitment in priority areas will commence as soon as the job profiling and valuation process is completed. Currently, Aeronautical Information Services (AIS) are using multiple parties with multiple data entry points and paper-based processes. These largely manual processes are subject to vulnerability to loss of data integrity, broken audit trails and disabled traceability and delays in processing, therefore automation is the main priority. Investment in a modern Communications, Navigations and Surveillance (CNS) infrastructure has been a priority for the NCAA; however, insufficient resources in both operations and manpower has led to reduced system reliability, which will be addressed.

## 4 RISK, SAFETY MANAGEMENT AND STATE SAFETY PROGRAMME

Prior to the NCAA's establishment, limited risk management was undertaken. In the Air Traffic Services operational environment, safety management usually encompasses controlled change management with safety assessments routinely undertaken

and documented. This has been identified as a weakness within the Air Traffic Services and Communications, Navigations and Surveillance environments and will receive urgent attention.

ICAO requires Member States to implement a state safety programme which requires key aviation industry participants to become partners in sharing safety-critical information. The NCAA will take a lead role in establishing the new programme and maintaining a single high-integrity database containing the required information. This programme will be integral to the aviation safety and security promotion roles prescribed in Sections 9 and 10 of the Civil Aviation Act.

## 5 MEETING INTERNATIONAL SAFETY AND SECURITY OVERSIGHT STANDARDS

ICAO requires complying Member States to establish their oversight functions in accordance with eight critical elements, as outlined elsewhere in this report. The NCAA has inherited different degrees of achievement in relation to these critical elements. At the 2014 ICAO Coordinated Validation Mission Audit, Namibia achieved an overall Effective Implementation (EI) score of 59 per cent. This average, however, disguises the poor level of achievement in Critical Element CE4 - Technically qualified staff, CE7 - Surveillance Obligations and CE8 - Resolution of Safety Concerns, in particular. It should also be noted that the 2014 Audit did not assess the Air Navigation Services. More recent assessment of the current profile indicates that CE3 (which relates to organisational aspects and includes sufficient numbers of staff) and CE2 (which is regulations) is also lagging behind schedule, with the need to review regulations as a result of the enactment of the new primary legislation. The Aviation Safety and Security strategies cover the following regulatory functions: Flight Operations, Airworthiness, Aerodromes and Ground Aids, Personnel Licensing, Security and Air Navigation Safety.

With regards to aviation security oversight, Namibia scored 76.75 per cent on the Compliance Indicator and 70.97 per cent on the Oversight Indicator during the November 2018 audit. ICAO has, however, since changed the methodology of computing the Compliance Indicator. The new Compliance Indicator is 59.20 per cent. Against this background, ICAO will provide training to States on the new Compliance Indicator methodology. The Aviation Security Department is working hard to ensure that Namibia achieves a mark which is above 75 per cent during the next ICAO validation mission to be held either late 2020 or during the first half of 2021.



# **SECTION 2: PERSPECTIVE ON OUR BUSINESS**



# OPERATING CONTEXT

## NAMIBIA'S INTERNATIONAL OBLIGATIONS

Namibia has been a Member State of the Chicago Convention of 1944 (and thus the International Civil Aviation Organization or ICAO) for close on 29 years (since 31 May 1991). Currently, ICAO comprises 193 Members States and launched its celebration programme for its 75<sup>th</sup> anniversary in 2019.

**O**ne of ICAO's main objectives is to secure international co-operation at the highest possible degree of uniformity in terms of regulations and standards, procedures and organisation regarding civil aviation matters worldwide.

Namibia also domesticated the International Air Services Transit Agreement of December 1944 in its Civil Aviation Act (as per Schedule 2 of the Act), to enable it to follow the governance of the rights to and obligations of air transport services worldwide.

Since being a member of the international civil aviation community, Namibia has strengthened its oversight obligations and compliance levels in civil aviation through the adoption, by way of accession, ratification (in the National Assembly) and depositing of an array of treaty instruments, such as Quadrilingualism (in the workings of ICAO), the composition of the Air Navigation Commission and Council in ICAO, amendments to the Chicago Convention (e.g. articles 3bis and 83bis), the Montreal Convention of 1999 on the Unification of Certain Rules for International Carriage by Air, and on other acts committed on board of aircraft and on hijacking and unlawful seizure of aircraft, among others.

The latest achievement by Namibia under this international regime was the deposition with UNIDROIT (the International Institute for the Unification of Private Law) in Rome in July 2018, of its instruments of accession under the Cape Town Convention (CTC) and Protocol (of 2001) on International Interests in Mobile Equipment and Protocol thereto on Matters Specific to Aircraft Equipment.

## NAMIBIA HAS BENEFITTED FROM SUPPORT THROUGH ICAO'S AUDIT PROGRAMMES

With a view to ensuring the incorporation of the provisions of the Cape Town Protocol (CTC) into Namibian domestic legislation, such as, for example, the cross-border transferability of aircraft, the NCAA also participated in the Aviation Working Group regional event in June 2018 in Cape Town, where there was sharing of the experiences of other countries/civil aviation authorities facing similar challenges to secure economic benefits of the CTC.

The NCAA's international profile in civil aviation is also advanced through its membership of the Africa Civil Aviation Commission (AFCAC), and the regional arrangement – that is, Southern African Aviation Safety Oversight Organisation (SASSO) – under the SADC Protocol for Transport, Meteorology and Communications. Under AFCAC, Namibia benefitted from its continental and regional collaboration and coordination efforts on the Aviation Security Plan, and on the Single African Air Transport Market (SAATM), which already has the support of the Cabinet. Under the SADC umbrella, initiatives were aimed at the improvement of overflight safety under the ESAF Flight Information Region (FIR), and on the viability of establishing a coordinating mechanism for a proposed safety regional oversight body.

The NCAA actively continues to ensure that Namibia complies with the minimum international Standards and Recommended Practices (SARPS) through ICAO's 19 Annexes, which it is expected to incorporate in its national legislative frameworks. As such, these efforts resulted last year in the NCAA issuing by way of gazetting a set of comprehensive new and amended civil aviation regulations, which went a long way in ensuring a successful outcome of the aviation security audit. By the end of the reporting period, the Minister and the Board received comprehensive updates and progress reporting on the additional regulation-making processes, which will impact the future safety audits on Namibia in 2020.

Two policy initiatives, which the global community adopted with one voice, are the Global Aviation Safety Plan and the Global Aviation Security Plan.

Another benefit to Namibia for being part of the international civil aviation community is the regular ICAO monitoring of Namibia's compliance through two audit programmes, namely the Universal Safety Oversight Audit Programme (USOAP) and the Universal Security Audit Programme (USAP).

There are also capacity-building and policy initiatives to support States, where needed, through the 'No Country Left Behind' policy. Namibia has been supported through this initiative through a national technical support project.

## SIGNIFICANT PROGRESS IN REDUCING WORLDWIDE ACCIDENT RATES

Successes to reduce worldwide accident rates can be attributed to the significant progress that has been achieved by ICAO Member States in increasing the global overall Effective Implementation (EI) of ICAO safety and security requirements.

Most States whose EI for safety was below 60 per cent – which is the target set globally for effective safety oversight – have increased their level of EI in safety to over 60 per cent, including Namibia whose effective level of implementation increased from 48.7 per cent to 59.87 per cent in 2014, then to 60.23 in December 2016 after a desk-study review of the new Act.

The improvements to global civil aviation contributes towards the achievement of the 2030 Agenda for Sustainable Development and 15 out of 17 Sustainable Development Goals of the United Nations – which include targets for the aviation sector agreed to between States and continent and regional level – have been incorporated in the NDP5 of Namibia.

It requires Namibia to have 73 per cent effective implementation by 2021, and 75 per cent by 2022.

## RAPID CHANGES IN THE AVIATION WORLD

The world of aviation continues to undergo rapid changes. Where, in the last reporting period, global air traffic volumes were expected to double in the next fifteen years, the COVID-19 pandemic has severely affected the global, continental and regional air traffic volumes. Air traffic volumes are only expected to recover to the end of 2019 level towards the end of 2021 or early 2022, while Africa flights is expected to grow slowly and reach 40 per cent of 2019 volumes in the first quarter of 2021.

These expectations are bound to lead to bankruptcy and downsizing of air operators, training institutions and civil aviation authorities, and will affect airport infrastructure projects negatively. It is expected to lead to new virtual solutions to training and an increased dependence on unmanned aircraft vehicles and systems. Where professionals in aviation were regarded as scarce skills, the pandemic could very well result in many professionals actively searching for new opportunities.

The NCAA is not likely to escape the impact of the pandemic on its safety and security oversight obligations and have already embarked on a review of its financial situation and its result on our operational activities.

# INCREASE IN UNMANNED AIRCRAFT VEHICLES (DRONES)

One example of rapid changes in the global aviation landscape, and already previously reported on, is that of the increased use of unmanned aircraft vehicles (UAVs, popularly also known as 'drones'), and on how the NCAA currently controls the use thereof in Namibian airspace.

These aircraft are increasingly being used for a wide range of applications, varying from meteorological applications, photography, farming, sporting or private use (toy aircraft), to highly complex aircraft piloted from remote locations by licensed aviation professionals. The latter are part of a category referred to as beyond line-of-sight (BVLOS) or visual line-of-sight (VLOS) operations, operated from a remotely piloted aircraft system (RPAS).

ICAO has directed, by means of an amendment of Annex 1, that Member States need to establish a pilot personnel licensing regime for UAVs, which must become applicable by end of 2022.

## NAMIBIA ON TRACK WITH THE IMPLEMENTATION OF ITS STATE SAFETY PROGRAMME

A global approach to safety oversight is regarded as a vital strategy to reduce risks that rapid changes to the aviation industry may introduce.

Such an initiative to safety is spearheaded by ICAO through its Global Aviation Safety Oversight System (GASOS). It is designed to be a voluntary, standardised assessment and recognition mechanism for safety oversight organisations (SOOs) such as state civil aviation authorities, regional safety oversight organisations (RSOOs) and accident investigation organisations. Namibia's SSP is provided for in Parts 11 and 140 of its new regulations of 2018 (as per Government Notice 6763 dated 8 November 2018).

The main purpose of safety oversight is to reduce the rate of accidents and incidents. ICAO reports on accident rates in a harmonised way through data collected from Member States. Their data includes accident information on scheduled and non-scheduled commercial operations, including ferry flights for aircraft with a maximum take-off weight (MTOW) above 5,700 kg, focusing mainly on the fatality rate.

Under the GASOS, the NCAA (as a SOO) will thus receive access to information and systems to effectively assist in the implementation of our safety oversight obligations. This is expected to allow for more efficient and effective use of limited resources, greater harmonisation worldwide and an overall

increase in safety performance. Currently, the system is tested with various States on a voluntary basis.

Under the implementation of the programme with Annex 19 as basis, Namibia will be introducing the safety risk-based oversight in terms whereof targets for aviation safety will be set in consultation with a variety of stakeholders. The coordinating body established in Regulation Part 11 will manage the achievement of the targets at national level.

Namibia is on track with the implementation of its State Safety Programme (SSP), which is expected to be fully operational by 2023. Staff training has taken place and further expert support under the ICAO technical programme is planned.

## AIR TRAFFIC FLOWS

As in other regions, air transportation in southern Africa relies on a central hub through which most traffic flows. For the SADC region, this is the OR Tambo International Airport in Johannesburg, South Africa. With a capacity to handle 28 million passengers annually, it is Africa's largest airport, serving traffic from most countries on a daily basis, including through-traffic between capitals of SADC Member States, such as Namibia.

Namibia's Hosea Kutako International Airport was already stretched to the limits of its capacity with about 800,000 passengers in the last financial year and the Namibia Airport Company already embarked upon suitable expansion plans for airports and its facilities. Although Namibia experienced an increased number of foreign airlines flying into its airspace (TAAG, KLM and Qatar Airways) with an increased number of passengers visiting annually in the last financial year, the COVID-19 pandemic affected, and will continue to affect, this growth well into the next financial year.

# ISSUES IMPACTING OUR BUSINESS MODEL

# **ENGAGING OUR STAKEHOLDERS**



Understanding and being responsive to the interests of our stakeholders through effective dialogue and engagement is critical to delivering on our core purpose.

This is particularly important for us, given that aviation is a challenging industry, with strong interests from multiple sectors and stakeholders.

**A**cross our operations, the focus of our engagement has been with those stakeholders who have the most significant impact on our business and its ability to create value.

The table on the next page provides a brief review of our key stakeholder groups, their contribution to our value creation and how we engage with them to address their interests.

We recognise that there is significant diversity within each group, with individual stakeholders often having vastly different interests.

The priority interests listed in the table are a broadly indicative reflection of each stakeholder group's priorities as assessed by the management team on the basis of our ongoing engagements

# ISSUES IMPACTING OUR BUSINESS MODEL

STAKEHOLDERS	CONTRIBUTION TO VALUE CREATION	HOW WE ENGAGE
<p><b>1</b></p> <p><b>EMPLOYEES, SECONDED AND CONTRACTED STAFF</b></p>	<p>Our employees provide the necessary skills, experience, diversity, productivity and environment to operate effectively and efficiently.</p>	<p>Our employee engagement is aimed at aligning employees to the NCAA's goals and values, and to be motivated in order to contribute to the Authority's success with an enhanced sense of their own well-being.</p>
<p><b>2</b></p> <p><b>GOVERNMENT AS SHAREHOLDER AND OTHER GOVERNMENT DEPARTMENTS</b></p>	<p>Government provides financial approval and capital, as well as advice and guidelines that are critical to value creation, sustainability and growth.</p>	<p>Communication takes place through integrated annual reports, press releases and our website. We seek to build and maintain positive relationships with Government departments and regularly engage through meetings, telephone calls and e-mails.</p>
<p><b>3</b></p> <p><b>CUSTOMERS</b></p>	<p>Delivering an effective customer value proposition is the basis for all value generated and shared activities.</p>	<p>We strive to engage regularly and be responsive to customer interests, seeking feedback through individual engagements, as well as broader customer surveys, meetings and research, where possible.</p>
<p><b>4</b></p> <p><b>SUPPLIERS</b></p>	<p>Mutual respect and clearly-defined terms of engagement enable us to deliver our value effectively and efficiently.</p>	<p>We engage regularly through meetings, e-mails and telephone calls with our major suppliers to ensure that a mutually-beneficial relationship exists.</p>
<p><b>5</b></p> <p><b>INDUSTRY ORGANISATIONS</b></p>	<p>Engaging with these organisations is key to driving best business practice, identifying issues and opportunities, and creating a conducive long-term relationship.</p>	<p>We are active participants in various industry organisations, including the International Civil Aviation Organization (ICAO), International Air Transport Association (IATA), Aircraft Owners and Pilots Association (AOPA), African Civil Aviation Commission (AFCAC), SADC Aviation Safety Organisation (SASO), etc.</p>
<p><b>6</b></p> <p><b>MEDIA</b></p>	<p>This stakeholder provides us with our reputation and societal legitimacy and is an important partners in highlighting challenges.</p>	<p>Being a public interest entity, we are regularly included in the media, be it newspapers, radio or television, and engage regularly with journalists, while frequently issuing press releases.</p>

# MANAGING OUR MATERIAL RISKS

In order for the NCAA to give effect to its mandate of civil aviation safety and security oversight in terms of its enabling Act, it is imperative that it must not only be aware of the risks facing it, but it needs to employ the required mechanisms for effective risk management.

This implies that the Authority must have proper systems in place to:

- Identify the risks;
- Analyse the risks in terms of consequence;
- Assess the risks in terms of their probability and severity; and
- Apply requisite mitigation measures.

As with any organisation, the NCAA is not averse to risk and it fully realises that there is no such phenomenon as a completely risk-free environment.

Added to this is the fact that the NCAA finds itself in a very dynamic and highly-specialised environment where the only constant is change. Concomitantly, the risk profile of the Authority will also be subjected to change. The success of adequately managing its risks means the NCAA needs to remain risk aware on a proactive basis and possess the required capacities and capabilities to manage these.

In this regard the NCAA has a structured and systematic process of identifying and managing all material risks. This process enables management to actively respond to identified risks.

The following risk areas within the NCAA have been identified:

- Staffing;
- Stakeholder management;
- Reliability and security of Communication, Navigation and Surveillance systems (CNS);
- Safety and security compliance;
- Regulatory compliance;
- Financial liquidity;
- Governance;
- Disaster response and recovery;
- Reliability and security of corporate ICT; and
- Project management.

Although delegated to the Executive Director, the Board of Directors remains responsible for the development and implementation of risk management plans within the Authority and must regularly assess their effectiveness via the Board Audit and Risk Committee. However, risk management cannot only be the responsibility of the Board of Directors and Management. To effectively manage risk, a culture of risk awareness must be instilled at all levels of the NCAA, and to this end, interventions are being developed.



# PROTECTING OUR VALUE

# EFFECTIVE CORPORATE GOVERNANCE



Effective and efficient governance is one of the core pillars of the risk management framework and is firmly aligned with the statutory requirements of the Civil Aviation Act.

**E**ffective and efficient governance is one of the core pillars of the Risk Management Framework, which the Board adopted during the reporting period. The system incorporates risk management reviews and updating, strategy and policy setting, internal and external communication.

Due to a focus on compliance and quality assurance, the system of delegation and the assessment of performance standards of appointees received priority attention,

as is evidenced by the audited reports of the NCAA provided in this report.

The governance horizon also requires compliance with relevant provisions of the Public Enterprises Governance Act, the State Finance Act of 1991, the Public Procurement Act and regulatory oversight of owners acting under the Companies Act of 2004 (such as Air Namibia), as well as the Namibian Airports Company Act of 1998 and other civil aviation laws, among others.

The NCAA was placed in a position to issue updates on a comprehensive suite of regulations that also facilitated the effectiveness of the ICAO Continuous Verification Mission (security audit – reported on elsewhere in this report).

Critical to the governance framework is the role of the Board in terms of the Act and their reporting to the Minister (in this instance, the Minister of Works and Transport).

In turn, the role of the Executive Director is clearly set out as being the “accounting officer” who must be “directly and solely accountable to the Board” (section 33).

Thus, Board records for the year indicate the regular submission of performance reports on the execution of functions and the implementation of Board decisions.

## BOARD OF DIRECTORS

The Board has been constituted in accordance with the provisions under section 12 of the Act. It is appointed for a term not exceeding four years, except for the Chairperson whose term of office is for five years. Any member may be re-appointed after the end of their term, but may not be appointed for more than three consecutive terms. Thus, it served the second year of its mandate.

The Board of Directors comprises four non-executive Board Members and the Executive Director, and one alternate member.

During the reporting year, the composition of the Board comprised of the following individuals:

Critical to the governance framework is the role required of the Board in terms of the Act and their reporting to the Minister of Works and Transport.



Mr Kosmas H. Egumbo: Chairperson  
Ms Matilda Jankie: Deputy Chairperson  
Ms Uanjengua Katjiuanjo: Board Member  
Mr Ignatuis Thudinyane: Board Member  
Ms Emma Kantema-Goamas: Board Member  
Ms Unomuino Katjipuka-Sibolile: Alternate Board Member  
Mr Reinhard Gärtner: Interim Executive Director and Ex Officio Board Member

In accordance with the Act, the Board convened six meetings during the period under review, and the quorum was confirmed.

**Important decision during the period under review:** Appointment of Interim Executive Director on 28 May 2019 for a period of 12 months.

## BOARD COMMITTEES

### Audit and Risk Committee

The Audit and Risk Committee assists the Board in discharging its duties by ensuring that there are adequate controls and systems in place for the reliability of the financial results and accountability for the Authority's assets. The Committee is tasked to deal with the risk register, internal controls, financial reporting processes, auditing processes, and anti-corruption, fraud and theft initiatives.

The Committee comprises Ms Uanjengua Katjiuanjo, Mr Kosmas Egumbo and Mr Reinhard Gärtner.

### Human Resources Committee

The Human Resources Committee is mandated by the Board to create an organisational culture, structure and process that supports the development of employees and actualisation of performance potential.

The Committee comprises Ms Matilda Jankie, Mr Ignatuis Thudinyane and Mr Reinhard Gärtner.

### Safety, Security, Regulatory and Legal Committee

The Committee's duty is to ensure that the NCAA carries out its core mandate, which is civil aviation safety, security and regulatory compliance. Aspects of aviation safety and security are discussed by this Committee and recommendations – including regulations – are made to the Board.

The Committee comprises Ms Unomuino Katjipuka-Sibolile, Ms Matilda Jankie and Mr Reinhard Gärtner.

## REMUNERATION OF BOARD MEMBERS

Remuneration of Board members is determined by the Minister of Public Enterprises in terms of a directive, in this case, Government Gazette No. 6572, Notice No. 69 issued on 16 April 2018. The sitting allowance and retention fee depend on the tier a Public Enterprise is placed at; the NCAA is a Tier Two Public Enterprise.



The NCAA Business and Financial Plan and the Annual Report for 2019/20 were submitted to the Minister.



# DISCLOSURE OF INTERESTS

The NCAA considers it important that the Board makes all its decisions independently, transparently and without any conflicts of interest. Disclosure of interests is a standard agenda item at every Board and Committee meeting. If there is a conflict of interest, the director must recuse himself/herself from the deliberations and decisions, after providing all the relevant information at his/her disposal.

In addition, Board members disclose their interest to the Minister at the beginning of each year.

## STAKEHOLDERS

### Ministry of Works and Transport

The NCAA Business and Financial Plan and the Annual Report for the 2019-2020 financial year were submitted to the Minister, as stipulated in sections 29 and 30 of the Civil Aviation Act.

### Ministry of Public Enterprises


#### Public Enterprises Governance Act (PEGA), 2019, Act No. 1 of 2019

The Act came into force on 16 December 2019 and has introduced changes on some aspects of corporate governance for Public Enterprises. Amongst others, the NCAA must observe the following provisions of PEGA:

- Section 8: Procedure for appointment on Board of non-commercial public enterprise or extra-budgetary fund such as the NCAA;
- Section 11: Governance agreement with the Board;
- Section 12: Performance agreements with Board members individually;
- Section 13: Integrated strategic business plan;
- Section 14: Annual business and financial plan;
- Section 15: Approval of annual budget of public enterprise;
- Section 16: General provisions relating to business plans and budget;
- Section 17: Performance agreements of management staff of public enterprises; and
- Section 18: Remuneration of Board members and management staff of public enterprises.

### Public Procurement Act

Procurement in the NCAA is performed in accordance with the Public Procurement Act, 2015, Act No. 15 of 2015. A standing Procurement Committee has been established as provided for in the Act, and ad hoc bid evaluation committees are established from time to time, depending on the item to be procured and the expertise needed to do the evaluation thereof.



**SECTION 3:  
OUR 2019/20  
PERFORMANCE**



V5-ANW

# COMPLIANCE AND REGULATORY RISK (CRR)



## COMPLIANCE AND REGULATORY RISK DEPARTMENT

From left to right: Tulimevava Shinyala, Yaurovandu Ndjavera, Jacqueline D. Stiemert (Senior Manager), Lumue Nguvauva, Angala H. Angala, Betty T. Amunyela

Regulatory compliance is making sure that an organisation is following the rules and standards set for its industry. In the case of the NCAA, these standards are set out by ICAO.

In addition, regulatory compliance management is the set of processes, procedures and technology put in place by an organisation to ensure regulatory compliance.

The difference between regulation and compliance is as follows: a regulation is a rule or directive made and maintained by the Authority, as well as the action or process of regulating or being regulated. The regulation prescribes the necessary parameters of operation, while compliance refers to the degree of adherence to these parameters.

## THE ROLE OF COMPLIANCE AND REGULATORY RISK

The Namibian regulatory environment is a result of the Chicago Convention on International Civil Aviation 1944. Namibia has been a signatory to the Convention since independence and as such, is therefore obliged to establish and maintain compliance with global standards, as established by ICAO to the highest practicable degree.

The strength and effectiveness of the international civil aviation system relies on the setting of, and adherence to, these global standards, while considering the diverse, complex and unique aviation industry within Namibia.

The NCAA, through the Compliance and Regulatory Risk Department, actively continues to ensure that Namibia complies with the minimum international Standards and Recommended Practises (SARPS) through ICAO's 19 Annexes, which it is expected to incorporate in its national legislative framework.

A benefit to Namibia for being part of the international civil aviation community is the regular ICAO monitoring of Namibia's compliance through two audit programmes, namely the Universal Safety Oversight Audit Programme (USOAP) and the Universal Security Audit Program (USAP).

Namibia strives to meet the Namibian National Development Plan targets, as set out in the Fifth National Development Plan (NDP5). The NDP5 is to be implemented in order to achieve the objectives and aspirations of Namibia's long-term vision, Vision 2030.

In sequence, NDP5 will be the third five-year implementation vehicle towards Vision 2030. NDP5 will be implemented from the financial year 2017/18 up until 2021/22. In the Economic Progression Plan for transport and logistics, the target has been set as attaining the desired outcome indicators and targets for the Namibia's ICAO compliance in effective implementation of the ICAO SARPs.

It is against this background that the CRR Department will assist in preparing the Namibia for all the ICAO activities, as well as provide an analysis of options to implement a risk-based approach to aviation regulations to ensure that the country complies with its international obligations and best practises in the near future.

The current level of effective implementation is reflected in the table below and uses the following formula: (Number of Satisfactory PQs divided by Total Number of Applicable PQs) x 100 = Effective Implementation

INDICATOR LEVEL	BASELINE		TARGETS OVER THE NDP5 PERIOD			
	(2016)	2017/18	2018/19	2019/20	2020/21	2021/22
% Compliance relating to ICAO Standards and Recommended Practices	68%	69%	70%	71%	73%	75%

## ACHIEVEMENTS DURING THE REPORTING PERIOD

- Establishment of the department in July 2019.
- Regulatory stakeholder workshop was held in November 2019.
- Establishment of a comprehensive USOAP Audit Preparation Masterplan.
- Effective reply to ICAO and AFCAC state letters currently at 95%.
- Employment appointment of permanent Senior Manager and the First Safety Specialist.
- Employment appointment of temporary technical staff from the aviation industry, empowering qualified Namibian youth through professional work experience and exposing them to the regulatory environment.

## PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

- Preparation of all Namibian State Aviation Stakeholders for the full ICAO USOAP audit to be held between 9 to 19 October 2020. This will include regulatory as well as service provider stakeholders within the Namibian state aviation system.
- Comprehensive updating of the ICAO USOAP Online Framework (OLF) inclusive of all 8 Audit Areas and all Protocol questions, State Aviation Activity Questionnaire and Compliance Checklists.
- To assess and plan phase 1 of Regulatory Risk Management Framework. This includes the division of State Risk level between Operations, Safety Management and Environmental regulatory risks in line with ISO guidelines for Risk Management.
- Recruitment of the Compliance and Regulatory Risk Aviation Security Specialist.

## DUTIES OF THE CRR DIVISION

The duties of the Compliance and Regulatory Risk Department is to ensure compliance to international, regional and local civil aviation regulations.

In addition, the department reviews, updates and communicates the regulatory applicable amendments, as well as new SARPs issued by ICAO.

It is also its duty to prepare the State of Namibia for all ICAO Audit activities through regulatory monitoring, a

multi-stakeholder preparation, as well as internal analysis of the Namibian Regulatory Compliance Mechanism.

Furthermore, it is responsible for the filing and publication of regulatory differences between the Namibian Civil Aviation Regulations and ICAO SARPs.

The CRR Department also facilitates and actions all communication between internal and external stakeholders of the Namibian aviation system, and to effectively manages State Letters received from ICAO and any other international body. This includes processing, distribution and replying to all State Letters.

# ICAO COMPLIANCE AND THE EIGHT CRITICAL ELEMENTS OF SAFETY

To oversee the state compliance with ICAO requirements, ICAO has established eight critical elements, as well as the eight audit areas in the safety realm and the efficient management of state letters.

The eight Audit Areas in the USOAP Programme							
<b>ORG</b> Organisation	<b>LEG</b> Legislation	<b>PEL</b> Personnel Licensing	<b>AIR</b> Airworthiness	<b>OPS</b> Flight Operations	<b>ANS</b> Air Navigation Services	<b>AGA</b> Aerodromes and Ground Aids	<b>AIG</b> Aircraft Accident Investigation

The eight Critical Elements of the USOAP Programme							
<b>CE-1</b> Primary aviation legislation	<b>CE-2</b> Specific operating regulations	<b>CE-3</b> State civil aviation system and safety oversight functions	<b>CE-4</b> Technical personnel qualifications and training	<b>CE-5</b> Technical guidance, tools and provision of safety-critical information	<b>CE-6</b> Licensing, certification, authorisation and approval obligations	<b>CE-7</b> Surveillance obligations	<b>CE-8</b> Resolution of safety concerns

ICAO Contracting States, in their effort to establish and implement an effective safety oversight system, need to consider the critical elements (CE) for safety oversight.

Critical elements are essentially the safety-defence tools of a safety oversight system and are required for the effective implementation of safety-related policy and associated procedures.

States are expected to implement safety oversight critical elements in a way that assumes the shared responsibility of the State and the aviation community.

Critical elements of a safety oversight system encompass the whole spectrum of civil aviation activities, including areas such as aerodromes, air traffic control, communications, personnel licensing, flight operations, airworthiness of aircraft,

accident/incident investigation, and transport of dangerous goods by air.

The effective implementation of the CE is an indication of a State's capability for safety oversight.

## Eight Critical Elements: a State Safety Oversight System



The Establishment Phases from CE 1 to CE 5 are the foundation to the NCAA regulatory department, and this encompasses all of our safety technical areas. The Implementation Phase from CE 6 to CE 8 are the 'walls and roof' of the Namibian state aviation system by which industry stakeholders reflect the Effective Implementation and compliance of the Namibian Civil Aviation Regulations NAMCARS and Namibian Civil Aviation Technical Standards NAMCATS.

## Compliance Checklist

Compliance Checklists (CC) were developed for each of the Annexes within the scope of the USOAP CMA. They provide ICAO with information about the State's Level of Implementation of the ICAO SARPs. Completed CCs allow ICAO to maintain a database on each State's Level of Compliance with the ICAO SARPs. All States, including Namibia, are required by the signed MOU to maintain the CCs up-to-date through the online system. There are 28 Compliance Checklists to be updated and when the Namibian regulatory system is updated, our obligation is to update the Compliance Checklist which reflects our level of compliance with the ICAO SARPs. Any differences will be notified to ICAO and published in the Namibian AIP.

## ICAO has identified and defined the following critical elements of a State's safety oversight system:

### CE-1: Primary aviation legislation

The comprehensive and effective aviation law consistent with the environment and complexity of the State's aviation activity and compliant with the requirements contained in the Convention on International Civil Aviation.

### CE-2: Specific operating regulations

The operating regulations to address national requirements include, but are not limited to, instructions, rules, edicts, directives, sets of laws, requirements, policies, and orders emanating from the primary aviation legislation and providing for standardised operational procedures, equipment and infrastructures conformance with the SARPs contained in the Annexes to the Convention on International Civil Aviation.

### CE-3: State civil aviation system and safety oversight functions

The establishment of a Civil Aviation Authority (CAA) and/or other relevant authorities or government agencies. The CAA is to be headed by an Executive Officer, supported by the appropriate and adequate technical and non-technical staff and provided with adequate financial resources. The State authority must have stated safety regulatory functions, objectives and safety policies.

### CE-4: Technical personnel qualification and training

The establishment of minimum knowledge and experience requirements for the technical personnel performing safety oversight functions. The provision of appropriate training to maintain and enhance their competence at the desired level. The training should include initial and recurrent (periodic) training.

### CE-5: Technical guidance, tools and the provision of safety-critical information

The provision of technical guidance, tools (including facilities and equipment) and safety-critical information, as applicable, to the technical personnel to enable them to perform their safety oversight functions in accordance with established requirements and in a standardised manner. This includes the provision of technical guidance by the oversight authority to the aviation industry on the implementation of applicable regulations and instructions, including advisory pamphlets.

### CE-6: Licensing, certification, authorisation and approval obligations

The implementation of processes and procedures to ensure that personnel and organisations performing an aviation activity meet the established requirements before they are allowed to exercise the privileges of a licence, certificate, authorisation and/or approval to conduct the relevant aviation activity.

### CE-7: Surveillance obligations

The implementation of processes such as inspections, surveillance and audits, to proactively ensure that aviation licence, certificates, authorisation and/or approval holders continue to meet the established requirements and function at the level of competency and safety required by the State to undertake an aviation-related activity for which they have been licensed, certified, authorised and/or approved to perform.

### CE-8: Resolution of safety concerns

The implementation of processes and procedures to resolve identified deficiencies impacting aviation safety, which may have been residing in the aviation system and have been detected by the regulatory authority or other appropriate bodies. This would include the ability to analyse safety deficiencies, forward recommendations, support the resolution of identified deficiencies, as well as take enforcement action when appropriate.

# SAFETY & SECURITY SURVEILLANCE AND AUDITING ACTIVITIES

The Safety Division of the NCAA forms part of the regulatory function of the NCAA and is responsible to ensure the effective safety oversight of the civil aviation system in Namibia.

**T**his obligation is derived from the Chicago Convention, of which the State of Namibia is a signatory. The safety oversight obligation of the State is delegated to the NCAA through the enabling Act.

Included in the safety oversight obligation of the department is:

1. the certification/licensing of document holders which enables them to participate in the Civil Aviation System;
2. the surveillance of the document holders that have been certified; and
3. the resolution of any safety concerns that have been identified during oversight inspection activities.

Big strides have been made with the implementation of the new enforcement regime, which allows for a multi-faceted approach to dealing with safety concerns.

In addition, the division is responsible to support the development and implementation of the State Safety Programme, which contains the overarching aviation safety strategies within Namibia at the highest levels.

The Safety Division certifies/licenses and oversees the following participants in the civil aviation system:

- **Air Operators**, including airlines, charter companies and general aviation operators, and their activities,
- **Air Navigation Service Providers**, including Air Traffic Services, Aeronautical Information Services, Communication, Surveillance and Navigation Services, Meteorological Services, Search and Rescue services and Procedure Design Services,
- **Aircraft Maintenance Organisations**,
- **Aviation Training Organisations** for pilots, aircraft maintenance engineers, air traffic service personnel and cabin crew,

- **Aerodromes and Ground Aids**, including registration of landing strips, and
- **Aviation professionals**, such as pilots, cabin crew, air traffic service personnel and aircraft maintenance engineers, including instructors and examiners for these professionals.

In the year under review, the Safety Division continued its mandatory oversight activities as reported departmentally and increased the efforts to finalise the updating of regulations within the respective technical areas, with some having been published and others being at advanced stages at the end of the reporting period.

Big strides have been achieved with the implementation of the new enforcement regime, which allows for a multi-faceted approach to dealing with safety concerns.

# 01. PERSONNEL LICENSING (PEL)

Personnel Licensing (PEL) is a department within the Safety Division. The Senior Manager Personnel Licensing (SM: PEL) reports to the General Manager: Safety and is responsible for the oversight of ICAO Annex 1 requirements.



## PERSONNEL LICENSING DEPARTMENT

From left to right: Christophine U. Meroro, Megan N. Mutwa, Tangeni A. Angula, Plentine Kavandara, Gordon Nanub (Senior Manager), Uendjiziri Commando, Andrew R. Theron, Theresia Mokwaibe, Naison H. Magwa.

**T**he Personnel Licensing (PEL) Department must carry out many functions or tasks which are normally organised around five major functional areas: licensing and examinations (flight crew, aircraft maintenance personnel and cabin crew), oversight of training and examiners, regulatory system and administration.

Licensing and examination tasks cover the routine tasks associated with the administration of aviation theoretical knowledge examinations and the issuance and maintenance of personnel licences.

The oversight function covers the activities related to the certification, approval and surveillance of training organisations (or schools), including training programmes, as well as the oversight of Designated Examiners in the categories of:

1. Medical;
2. Flight;
3. Cabin crew;
4. AME;
5. ATS examiners; and
6. Oversight Examiners.

It includes reviews and the approval of procedures, equipment, personnel and facilities utilised.

Regulatory tasks cover the development and maintenance of the regulatory system for personnel licensing and include the drafting and amending laws and regulations, enforcing those laws and regulations; and implementing procedures, considering global best practices and applicable quality standards.

The effective implementation of processes to proactively ensure that aviation licence, certificate, authorisation and/or approval holders continue to meet the established requirements and function at the level of competency and safety required by the NCAA is called Surveillance.

This includes the surveillance of designated personnel who perform safety oversight functions on behalf of the NCAA.

## CRITICAL ACHIEVEMENTS

- Acquisition and implementation of a state-of-the-art examination software system to administer theoretical examinations.
- PEL regulations and technical standards have been updated, consulted and are on the verge of promulgation.
- Systems implemented for Flight and Aviation Medical examiners have been implement.
- Developed and implemented an English Language Proficiency test for cabin crew.
- Significant increase in Technical Staff numbers.

## LOOKING AHEAD

- Promulgation of PEL regulations.
- Review and updating of some PEL Manuals and Handbooks.
- Electronic ticketing systems for licensing application.
- Implementation of software system for pilot licensing and for the certification and surveillance of Aviation Training Organisations.
- Re-certify cabin crew- and ATS examiners.
- Implementation of software system for Cabin Crew licensing and Medical Certification.
- Certify cabin crew and foreign aviation training organisation.

# ACTIVITIES CARRIED OUT DURING THE REPORTING PERIOD

### CRITICAL ELEMENT CE-2: REGULATIONS

All PEL regulations have been updated to include the latest international standards and recommended practices. Successful workshops were held with the industry after which the regulations were finalised and are in process of being reviewed by Legal Drafters before promulgation, which is expected in the next reporting period.

### CRITICAL ELEMENT CE-3 & CE-4: TECHNICAL STAFF QUALIFICATIONS AND TRAINING

**CE-3:** Technical staff numbers have improved significantly during the last quarter of the year and 9 out of 11 positions in the department have been filled. The PEL department reviewed all protocol questions in its area and uploaded 90% of its evidence in support of the questions.

**CE-4:** The induction training for recruited staff commenced and one of the core courses was completed. The rest of the required regulatory training (initial and specialised courses) will continue in the next financial year. On-the-job training commenced for new staff and continued for other staff during the reporting period.

### CRITICAL ELEMENT CE-5: TECHNICAL GUIDANCE AND TOOLS

A state-of-the-art examination software has been acquired and implemented. EMPIC rollout continues, with ATS and Maintenance Engineer licensing modules implemented and the Medical module in the advanced preparatory stages. The pilot licence module implementation, which includes cabin crew, is expected to be completed in the next year.

Flight Examiner and Medical Examiner Manuals have been reviewed and updated to reflect the new procedures that were introduced for examiners.

### CRITICAL ELEMENT CE-6: CERTIFICATION, LICENSING AND APPROVAL OBLIGATION

The process for the designation of flight examiners was reviewed and amended to meet the specifications detailed in the Flight Test Guides (FTGs) published as appendices to NAMCATS Part 61. Flight examiners have been re-certified in accordance with the new procedures. The designation of Cabin Crew and ATS examiners commenced and is anticipated to be completed in the second quarter of the new year. The following tables contains figures of activities carried out during the reporting period.

TYPE	NO. RECEIVED	EXEMPTIONS		COMMENTS
		REJECTED	GRANTED	
Age 60	2	0	2	The regulation has been amended to be in line with the ICAO Annex, thus pilots will not need to apply for this exemption anymore.
Rating Renewals	1	0	1	-

CERTIFICATION	NEW APPLICATIONS	NO. IN PROCESSING	NO. CERTIFIED	COMMENTS
Part 141 ATOs Local	1	1	0	6 already certified
Part 141 ATOs Foreign	2	2	0	2 already certified
Aeromedical Examiners & Practices	0	0	0	10 already certified
Designated Flight Examiners	1	17	17	The scheduling of interviews and assessment workshops for applicants has not been easy given that a minimum of six applicants are required for any workshop to be arranged cost-effectively.

LICENCE/RATING TYPE	NO. OF INITIAL ISSUES	NO. OF RENEWALS	NO. REJECTED	NO. VALIDATED	NO. CONVERTED
Student Pilots	105	43	0	0	0
Private Pilots	10	98	0	8	12
Microlight Pilots	5	36	0	0	0
Free Balloons	0	8	0	0	0
Commercial Pilots	87	179	0	15	7
Airline Transport Pilots	17	147	0	5	1
Air Traffic Service Personnel	6	157	2	0	0
Cabin Crew	12	171	0	0	0
Aircraft Maintenance Engineers	16	48	0	0	0
ELP English Language proficiency	106	0	0	0	0

#### CRITICAL ELEMENT CE-7: SURVEILLANCE ACTIVITIES

The following surveillance activities were carried out during the reporting period:

SURVEILLANCE (CE-7)	CURRENT HOLDERS	WORK PLAN TARGETS		COMMENTS
		PLANNED	NO. INSPECTED	
Part 141 ATOs Local	6	6	6	-
Part 141 ATOs Foreign	2	1	0	One audit was moved to April to align with the certificate expiry.
Aeromedical Examiners & Practices	10	10	10	-

#### CRITICAL ELEMENT CE-8: RESOLUTION OF SAFETY CONCERNS

PEL department withdrew a privilege from an ATO which was issued in error.

Enforcement - An ATS officer was removed from his position after it was discovered that the officer's knowledge was below the required standard, requiring remedial training. Two investigations pertaining to substance abuse are in process. Two investigations pertaining to false declarations are in progress and one investigation relating to not holding an appropriate aviation document is in progress.

FINDINGS RAISED DURING THE REPORTING YEAR			
LEVEL	NUMBER OF FINDINGS RAISED	NUMBER OF FINDINGS RESOLVED	NUMBER PENDING
Level 1	1	1	0
Level 2	26	20	6
Level 3	5	0	5

# 02. AERODROMES AND GROUND AIDS (AGA)



The primary responsibility of the AGA Department is to ensure that the aerodromes under the jurisdiction of the State of Namibia offer a safe operational environment in accordance with the Convention on International Civil Aviation; and the State's obligation under Article 38 of the Convention to notify ICAO of differences between its national regulations and practices and the International Standards contained in Annex 14, Volume I, are met.

## CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

- Filled all the vacant positions.
- Inspectors successfully completed an aerodrome inspectors training, surveillance at certified aerodromes, resolutions of safety concerns, on-the-job training on audits and inspections, training instructor and on-the-job training instructor course.
- Successfully hosted the aerodrome inspectors training which was attended by participants from all over Africa and the local industry.
- Completed industry consultation on NAMCARs, Part 139 amendments.
- Relicensed Hosea Kutako International Airport, Walvis Bay International Airport and Andimba Toivo ya Toivo Airport.



## AERODROMES AND GROUND AIDS DEPARTMENT

From left to right: Rauna M. Mungonena, Johannes A. Haimbili, Ruben T. Mokhatu, Martinus G. Siteketa (Senior Manager), Marx Shikongo, Theoline L. Kauraisa, Dennis Friedel Gaingob and Selma N. Mulokoshi.

# CARRIED OUT DURING THE REPORTING PERIOD

### CRITICAL ELEMENT CE-2: REGULATIONS/TECHNICAL STANDARDS

- Developed an Aviation Directive on transition for Category A, B and C.
- Developed an Aviation Directive on interim operational regulations for Category D and E aerodromes.

### CRITICAL ELEMENT CE-3: ORGANISATION SAFETY OVERSIGHT

- Completed the recruitment of AGA personnel, filling all the vacant positions.

### CRITICAL ELEMENT CE-4: STAFF DEVELOPMENT (CAPACITY BUILDING/TRAINING)

- Inspectors successfully completed an aerodrome inspectors training, surveillance at certified aerodromes, resolutions of safety concerns, and on-the-job training on audits and inspections.
- Senior Manager successfully completed training instructors' course and on-the-job instructors' course.

### CRITICAL ELEMENT CE-5: GUIDANCE PROCEDURES INFORMATION (PROCEDURES, PAMPHLETS, WORKSHOPS)

- The review and amendment of Technical Guidance Material (TGM) and Checklists is ongoing and will be completed in the new financial year.

### CRITICAL ELEMENT CE-6: CERTIFICATION, LICENSING AND APPROVAL OBLIGATION

- Hosea Kutako International Airport, Walvis Bay International Airport and Andimba Toivo ya Toivo Airport licenses were renewed.
- Forty airstrips were registered.
- Three Namibia Airports Company (NAC) airports were issued with licences.
- Thirty-three Obstacle Assessment applications were received for processing.

CE - 6	TARGET	ACTUAL	VARIANCE	COMMENT
Licensed Aerodromes	11	3	8	Demand driven
Registration of unlicensed Aerodromes	100	50	50	Demand driven
Obstacle Approvals	0	34	34	Demand driven

**CRITICAL ELEMENT CE-7: SURVEILLANCE OBLIGATIONS (SURVEILLANCE AUDITS & INSPECTIONS, RISK ANALYSIS)**

- Three periodic inspections were carried out, level-2 findings were raised, and the aerodrome operator submitted corrective action plans.
- A level-1 finding was raised following safety reports on the runway conditions at Eros Airport – short-term measures were put in place to address immediate threat to aviation safety and the process to rehabilitate the runway has started.

CE – 7	TARGET	ACTUAL	VARIANCE	COMMENT
Periodic audits	6	3	3	Remainder of these will be done in new year due to audit cycle overlapping with the FY.
Surveillance Audits (Planned)	14	6	8	Unavailability of inspectors; the audits have been rescheduled for FY20/21.
Surveillance Audit (Safety Concerns)	0	3	3	Depending on safety/incident reports.

**CRITICAL ELEMENT CE-8: RESOLUTION OF SAFETY CONCERNS**

- Inspectors were trained on resolution of safety concerns.
- The department is working with aerodrome operators to resolve safety concerns.
- Public consultations were held to sensitise aerodrome operators on new requirements.

CE – 8	TARGET	ACTUAL	VARIANCE	COMMENT
On-site and in-house regulatory requirement workshops	0	12	12	Depends on request from aerodrome operator
Information sharing sessions on best practices	0	3	3	Depends on request from aerodrome operator
Consultations on open Corrective Action Plans	3	3	0	-
Occurrence Reports	0	14	0	Operators have submitted corrective action plans



# 03. FLIGHT OPERATIONS (OPS)



## FLIGHT OPERATIONS DEPARTMENT

From left to right: Hildegard L. Olivier, Victoria T. Mombola, Paul K. Hamutengela, Willem A. Van Zyl (Senior Manager), Helena N. Mutikisha, Hambeleleni N. Shafa, Nico Scholtz, Danielle B. Bruckert, Richard Becker, Fares S. Shikongo.

**T**he Flight Operations Department is responsible to ensure the implementation of the Standards and recommended Practices (SARPS) of Annexes 2 and 6.

The department certifies air operators who apply to carry out air services within Namibia and, after certification, carry

out surveillance to ensure that these Air Operator Certificate Holders maintain the regulatory requirements and safe operations covered by their certificates.

Flight Operations also approves Foreign Operators by issuing Foreign Operator Permits (FOPs) to the airlines for scheduled operations into Namibian airspace.

The department also approves all special operations such as Reduced Vertical Separation Minima (RVSM), Low Visibility (Cat II and III) operations and special flight approvals, including carriage of Dangerous Goods by Air. In addition, it is responsible for approval of Remote Pilot Aircraft System (RPAS) operations within Namibia.

## CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

- Renewal of 19 Air Operator Certificates
- Re-certification of two operators
- Increased enforcement action
- Approval of RPAS operations
- Consultation with industry regarding draft regulations
- Regulations for Dangerous Goods and RPAS operations promulgated
- Education of industry on Safety Occurrence reporting

### CRITICAL ELEMENT CE-2: REGULATIONS

The department had to complete the review of ten Parts of the CARS and CATS as developed by an expert appointed through the ICAO capacity building project. The focus of this review was on the readiness for promulgation of the regulations. Of these, seven are ready for industry comment.

### CRITICAL ELEMENT CE-3: ORGANISATION

Three inspectors left during the reporting period. NCAA recruited a Senior Manager Flight Operations, one full time inspector and three contract inspectors. Filling of remaining vacancies will be prioritised during the next reporting period.



**CRITICAL ELEMENT CE-4: PERSONNEL QUALIFICATIONS AND TRAINING:**

During the reporting year, several training events were scheduled and achieved. These training events have helped to improve the department’s goal for having sufficiently qualified staff to perform all safety oversight functions. Additional focus will be placed on the completion of qualification of inspectors, in particular the on-the-job training.

CE-4	ACTUAL	TARGET
Inspector Training	11	24
Industry Workshops	2	n/a

**CRITICAL ELEMENT CE-5: TECHNICAL GUIDANCE AND TOOLS**

Maintaining the technical guidance material developed for flight operations department, focus was placed in the reporting period on developing checklists and procedures that comply with both the NAMCARS, as well as the generic Technical Guidance Material (TGM).

**CRITICAL ELEMENT CE-6: CERTIFICATION, LICENSING AND APPROVAL OBLIGATION**

Certification of operators is ongoing. Renewed effort was placed on the completion of certification of the seven outstanding operators. Three prospective operators have applied and commenced their certification process.

During the reporting year, the NCAA examined in detail the activities conducted by foreign operators in Namibia. Foreign operators were encouraged to partner with Namibian AOC holders which allows for improved oversight and learning opportunities for Namibian operators.

CE – 6	ACTUAL	TARGET	COMMENT
AOC Certification Related Activities (Initial certification)	1	n/a	Industry demand dependent
Fit and Proper Person Tests	37	n/a	Industry demand dependent
Special Approvals	11	n/a	Industry demand dependent
Flight Synthetic Training Device (FSTD)	7	n/a	Industry demand dependent
ARO Approvals	5	n/a	-
RPA Approvals: Commercial	38	n/a	Industry demand dependent
RPA Approvals: Private	220	n/a	-
Application for Exemptions	0	n/a	-

**CRITICAL ELEMENT CE-7:  
SURVEILLANCE AND INVESTIGATIONS**

Flight Operations Department did not fully achieve the planned continued surveillance programme and did not manage to renew the Air Operator

Certificates of five commercial operators due to staff turnover. For the next reporting period focus will be placed on ramp inspections and surveillance of foreign operators, as well as aerial work operations.

CE - 7	ACTUAL	TARGET	COMMENT
AOC Renewals	19	29	Operators scheduled for first quarter of new year
FOP Renewals	9	9	-
Ramp Inspections	14	23	Staff turnover affected capacity
Special Approvals Renewals	3	n/a	-
ARO Approvals Renewals	5	5	-
Dangerous Goods Approvals	2	2	-

**CRITICAL ELEMENT CE-8:  
RESOLUTION OF SAFETY CONCERNS**

All operators who underwent surveillance have been provided with surveillance reports including the findings.

Corrective action plans have been submitted and accepted for all findings. As the corrective actions are implemented Flight Operations continues to verify closure of the findings.

Seven investigations are ongoing related to safety concerns.

During the reporting year, Flight Operations Department continued to elevate focus on illegal operations and compliance with regulations.

CE - 8	ACTUAL	TARGET
Surveillance Findings Raised	78	n/a
Occurrence Reports Received for Investigation	29	n/a
Investigation Concluded	1	n/a

## PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

- Promulgation of updates to regulations
- Acceleration of re-certification processes for operators
- Completion of basic qualifications for newly appointed inspectors
- Training for special approval qualifications of inspectors
- Effective implementation of Surveillance Plan

# 04. AIR NAVIGATION SERVICES

## SAFETY OVERSIGHT (ANSSO)



### AIR NAVIGATION SERVICE SAFETY OVERSIGHT DEPARTMENT

From left to right: Abraham N. Kahenge, Susana Tsuses, Micha Stiemert, Sarafina N. Maxwanu (Senior Manager), Markus M. Haoseb, Abiatar Hauwanga, Victor Kaurimuje, Paulus Mapumba, Victor M. Sitapata

The Air Navigation Safety Oversight (ANSSO) Department is responsible to oversee services in Namibia, which are required in terms of Annexes 2, 3, 4, 5, 10, 11, 12, 15 and 19.

The department oversees the installation and maintenance of Communication, Navigation and Surveillance (CNS) systems infrastructure within Namibia. It also ensures that providers for air traffic services, aeronautical information services, communication, navigation and surveillance services, meteorological services, flight procedure design services, and search and rescue services comply with regulatory requirements and operate at the safety level acceptable to the Executive Director.

In addition, the ANSSO division provides secretariat services to the National Airspace Committee and approves airspace usage requests.

From the beginning, we recognised the need to have adequately trained inspectors to perform the safety oversight functions and to ensure that any deficiencies identified during surveillance

inspections and audits are resolved in accordance with safety oversight Critical Element CE-8.

Inspectors recruited under the ICAO Project, have been permanently

appointed into the NCAA. Draft Regulations developed during the previous year were promulgated and gazetted, with the effective date commencing in the next financial year.

### CRITICAL ACHIEVEMENTS

- Promulgation of ANS regulations.
- Resolution of safety deficiencies in the ANS area showed improvement of 13% from the previous year.
- Implementation of SIDS and STARS as well as ILS and VOR APCH at Hosea Kutako International Airport.
- Implementation of Required Navigation Performance (RNP) approaches for Walvis Bay, Katima Mulilo, Lüderitz and Keetmanshoop airports.
- Implementation of VHF Omnidirectional Range (VOR) Approach (APCH) Procedure at Walvis Bay.
- Implementation of Basic Area Navigation (RNAV 5) routes in the upper airspace of Namibia.
- Classification of various airspaces to meet Performance Based Navigation (PBN) requirements, including Ondangwa and Katima Mulilo Control Zones, changing from Class C to Class D airspace.
- Assessments and recommendation for approval of various RPAS airspaces and drop zones.

# PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

- ICAO Universal Safety Oversight Audit Programme (USOAP) Audit will take place for ANS Safety Oversight Department for the first time since establishment
- Certification of ANS service providers against newly promulgated regulations
- Training and qualifying of trainee CNS, AIS and ATM/SAR Inspectors

## ACTIVITIES CARRIED OUT DURING THE REPORTING PERIOD

### CRITICAL ELEMENT CE-2: OPERATING REGULATIONS

All Regulations for ANS promulgated in Government Gazette No. 7157 dated 27 March 2020.

### CRITICAL ELEMENT CE-3: ORGANISATION

The ANSSO department staff positions are filled in the area of ATS/SAR, MET, CNS and PANS-OPS. Inspectors still have to be recruited for the area of AIS/ Cartography. Three ATM and two CNS trainee inspectors were hired.

### CRITICAL ELEMENT CE-4: QUALIFIED TECHNICAL STAFF AND TRAINING OF INSPECTORS:

The training of inspectors in the ANS safety oversight areas for Air Traffic Management (ATM), Meteorology (MET) and Procedures for Air navigation – Air Operations (PANS-OPS) have been intensified and include basic, specialised and on-job-training. Currently there are three ANS inspectors at varying levels of their inspector-maturity growth curve. All three are already involved in safety oversight activities, including surveillance inspections and audits and the resolution of safety concerns. Training of three ATM inspectors are planned together with CNS and AIS inspectors in the next reporting period.

### CRITICAL ELEMENT CE-5: TECHNICAL GUIDANCE AND TOOLS

The Technical Guidance material for the ANSSO department, as developed through the ICAO capacity-building project with the support of ANSSO inspectors, has been finalised and is utilised by ANSSO staff in carrying out their safety oversight activities.

### CRITICAL ELEMENT CE-6: CERTIFICATION, LICENSING AND APPROVAL OBLIGATION

With the promulgation of the new regulations, in some areas (MET, SAR, CNS and PDA), local ANS service providers have to commence with their certification for the first time in the next reporting period.

In the existing reporting period, the department processed approvals for the temporary and permanent civil use of airspace for special operations such as drones, parachutes, balloons etc. The table below provides a summary of Civil Activity Use Airspace (CAUA) applications processed between 1st April 2019 and 31st March 2020.

CE – 6	ACTUAL
CAUA Application received	93
CAUA Approved	76
CAUA denied	17

### CRITICAL ELEMENT CE-7: SURVEILLANCE AND INVESTIGATIONS

On-going surveillance has been conducted with the aim of ensuring compliance with ANS regulations currently in place. In most instances Service Providers were in agreement with being assessed against new draft regulations during this reporting period in order to prepare them for certification once the regulations are promulgated.

**CRITICAL ELEMENT CE-8:  
RESOLUTION OF SAFETY CONCERNS**

ANSSO has established the necessary mechanisms to resolve identified deficiencies impacting ANS safety, which have been detected by the ANS inspectors. Safety deficiencies are analysed and recommendations forwarded to the ANS providers for their attention. Follow-up of their resolution

is carried out based on corrective action plans submitted by the respective ANS provider. In areas where regulations were not yet in force, observations were raised against new draft regulations, as agreed with the respective Service Providers. Comparing to the previous year we have witnessed a 13% improvement of the resolution of identified safety concerns. In the new reporting period

the department will focus on closing out corrective action related to findings raised during the reporting period.

**ANSSO ACTIVITIES SUMMARY**

The table below provides a summary of audits and inspections which were conducted between the period 1 April 2019 and 31 March 2020, and the number of identified and resolved safety concerns.

ANSSO AUDIT AREA	AUDITS/INSPECTIONS	
	ACTUAL	TARGET
Periodic inspections/audits of ANS Facilities	9	9
Random surveillance of ANS facilities*	1	0
CNS – Facilities & Infrastructure	3	3
MET – Facilities & Infrastructure**	5	4
AIS – Facilities & Infrastructure	1	1
Neighbouring Flight Info. Regions (delegated air spaces)	0	0

\* The ATS facilities selected for random auditing that could not be carried out due to staff turnover.

\*\* MET Facilities at Walvis Bay Airport could not be audited due to unforeseen circumstances at request of the MET services.

ANSSO RESOLUTION OF CONCERNS*	FINDINGS	
	ACTUAL	TARGET
Resolution of safety concerns - Findings	62	16
Resolution of Safety Concerns - Observations**	163	29
Resolution of Safety Concerns (2019) - Findings	53	7
Resolution of Safety Concerns (2019) – Observations**	127	10

\* Some of the Service Providers experience challenges to resolve safety deficiencies due to lack of resources, including financial constraints, adequate staff numbers and equipment. Some of the Service Providers require extensive investment in recourses in the future to resolve safety concerns, given that new regulations will become effective on 16 July 2020.

\*\* Observations are closed at the discretion of the respective Service Providers as regulations are not in force yet.

**NATIONAL AIRSPACE COMMITTEE**

The National Airspace Committee (NAirC) considered proposals made by airspace users and Air Navigation Service Providers on any matter related to the introduction, amendment or withdrawal of the designated classified airspace, allocation of air traffic services amongst others and provided guidelines and recommendations for approval to the Executive Director. ANSSO is the secretariat to this committee, which is chaired by a representative of the Namibia Defence Force and convened four times during the course of 2019.

# 05. AIRWORTHINESS (AIR)



## AIRWORTHINESS DEPARTMENT

From left to right: Mehdi Baratloo, Ndilimeke L. Nangolo, Laudika L. John, Selina Job, Robert M. Mathe (Senior Manager), Timothy M. Rundji, Paulina Tjongarero, Matheus H. Shaningwa, Isak P. Hamunyela, Herman Jonas.

**T**he Airworthiness Department is responsible to ensure that Standards and Recommended Practices (SARPs) contained in the Annexes 2, 6, 7, 8 and 16 are included in the Namibian regulatory framework.

The department's main responsibility is therefore to make sure that the obligation of carrying out the airworthiness function within Namibia is discharged with the highest level of effective implementation.

The airworthiness safety oversight function involves, amongst others, the issuance of aircraft certificates of registration and certificates of

airworthiness following a process of review against the applicable regulatory requirements.

It accepts new aircraft in Namibia upon import and approves modifications to aircraft when so requested by aircraft owners.

Aircraft Maintenance Organisations (AMOs) and Design Organisations (DOA) are certified and overseen by the division for compliance to regulatory requirements and safe maintenance practices.

## PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

Promulgation of revised regulations of the Parts 21; 24; 34; 36; 43; 47; 48; 145; 147 and 148 is envisaged.

## CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

- Two new international AMOs based in Lanaque Cyprus and Dallas USA were approved.
- A total of eleven new aircraft were entered on the Namibian aircraft register.
- One aircraft that was operating on a Special Certificate of Airworthiness was successfully amended to a private category Certificate of Airworthiness following three years of condition monitoring that revealed no performance degradation.

# ACTIVITIES CARRIED OUT DURING THE REPORTING PERIOD

## CRITICAL ELEMENT CE-2: OPERATING REGULATIONS

Airworthiness Regulations were reviewed and consultation with the industry concluded, the promulgation process is expected to be finalised at the end of the first quarter of the new financial year.

## CRITICAL ELEMENT CE-3: ORGANISATION

Airworthiness staff were successfully transferred from the Ministry of Works and Transport to the NCAA Airworthiness Department and remaining vacancies are to be filled in within the new reporting period.

## CRITICAL ELEMENT CE-4: QUALIFIED TECHNICAL STAFF AND TRAINING OF INSPECTORS:

Airworthiness staff training has been limited during the reporting period, but mandatory General Safety Inspector (GSI) courses in Personnel Licencing and Airworthiness for a newly appointed Airworthiness Inspector was executed as planned. Three Senior Inspectors received training in specialised approvals covering Performance-Based Navigation (PBN) and Reduced Vertical Separation Minima or Minimum (RVSM).

## CRITICAL ELEMENT CE-5: TECHNICAL GUIDANCE AND TOOLS

The technical guidance material, including forms and checklists for the department were reviewed and updated. Existing Aeronautical Information Circulars (AICs) will be adapted to the amended NAMCAR Parts to give guidance to the Civil Aviation Industry on how to achieve compliance with regulatory requirements.

## CRITICAL ELEMENT CE-6: CERTIFICATION, LICENSING AND APPROVAL OBLIGATION

A total of 40 applications for issuance of aviation documents related to Aircraft Registration were reviewed and issued.

A total of 11 initial Certificates of Airworthiness, including Experimental and Special Flight Permits were issued. Certificates of Airworthiness issued to Type Certificated Aircraft are issued after the successfully completion of the Initial Conformity inspection.

The aircraft Type Acceptance Certificates issued to an Airbus helicopter for the EC135 was amended to include the model

EC135 T1 that was newly introduced on the national aircraft register.

One application for the type acceptance for light rotorcraft of the type AK1-3 manufactured in Ukraine was reviewed and determined to meet requirements for an experimental certificate. However, the light rotorcraft crashed following a mechanical fault on the rotorcraft controls.

One of two South African-based Design Organisations with the Namibian approval was renewed to enable the development of Design Data in support of minor modifications on Namibian registered Aircraft.

ISSUED APPROVALS	AUDITS		INSPECTIONS		RAMP INSPECTIONS	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Certification of Registration						
New Registrations	Demand driven	11	11	11	N/a	N/a
Change of Ownership	Demand driven	9	9	9	N/a	N/a
Amendment	Demand driven	8	8	8	N/a	N/a
Deregistration	Demand driven	12	12	12	N/a	N/a
Certification of Airworthiness						
Initial Issuance		11	11	11	2	1
Amendment	Demand driven	12	6	6	N/a	N/a
Export C of A	Demand driven	12	12	12	N/a	N/a
Special C of A		10	10	10	1.1	0.5
Aircraft Type Acceptance		4	2	N/a	N/a	N/a
ISSUED APPROVALS	INITIAL APPROVAL AUDIT		SURVEILLANCE		UNANNOUNCED AUDITS	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Aircraft Maintenance Organisation						
Initial Issuance (local)		2	2	2	2	N/a
Design Organisation						
Initial Issuance (foreign)		2	1	N/a	N/a	N/a

**CRITICAL ELEMENT CE-7:  
SURVEILLANCE AND INVESTIGATIONS**

A total of 548 Certificates of Airworthiness were successfully renewed after the determination of their conformance to applicable airworthiness and serviceability requirements from the 600 targeted Certificate of Airworthiness renewals. The remaining 52 represent deregistered and inactive aircraft.

Only 50 per cent of the Targeted 60 Aircraft Ramp inspections could be conducted due lack of resources, including personnel.

Eleven Namibian AMOs were audited and their aviation documents renewed after the resolution of the deficiencies identified. Only 11 of the targeted 29 foreign AMOs could be renewed in the

year under consideration, due to various administrative and other challenges.

The audit for the renewal of one South African-based Design Organisation was successfully conducted and the Design Organisation approval issued.

ISSUED APPROVALS	AUDITS		INSPECTIONS		RAMP INSPECTIONS	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Certificate of Airworthiness						
Renewal	600	548	600	548	60	30
ISSUED APPROVALS	RENEWAL AUDITS		SURVEILLANCE		UNANNOUNCED AUDITS	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Aircraft Maintenance Organisation (AMO)						
Local AMOs	11	11	11	0	N/a	N/a
International AMOs	24	19	5	0	N/a	N/a
Design Organisation (DO)						
Local DO	0	N/a	N/a	N/a	N/a	N/a
International AMOs	2	1	N/a	N/a	N/a	N/a

**CRITICAL ELEMENT CE-8:  
RESOLUTION OF SAFETY CONCERNS**

Only 15 of the 23 Incident and Accident Reports received were followed up due to

capacity constraints. The Airworthiness Department prioritises the follow ups undertaken to accidents and major incidences that could affect the aviation

documents issued, in particular the Certificate of Airworthiness.

ISSUED APPROVALS	INVESTIGATED OCCURRENCES REPORTS		CLOSED OCCURRENCES REPORTS		RAMP INSPECTIONS	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Certificate of Airworthiness						
Incidence and Accidents	23	15	23	15	Event driven	0
Service Difficulty Reports	4	4	4	2	Event driven	0
ISSUED APPROVALS	IDENTIFIED DEFICIENCIES AT AUDITS		SURVEILLANCE		UNANNOUNCED AUDITS	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Aircraft Maintenance Organisation						
Local AMOS	44	44	72	50	N/a	N/a
International AMOs	116	116	Risk driven	0	0	0

# 06. SAFETY PROMOTION AND QUALITY (SPQ)

The NCAA is the custodian of the State Safety Programme (SSP) for Namibia and the Executive Director is responsible and accountable for the formulation, implementation and coordination of this Programme within the Namibia Civil Aviation system, as contemplated in Part 10 of the Act and in compliance with Part 140 of NAMCARS and NAMCATS. The accountability of this function within the NCAA resides with the Safety Promotion and Quality Division (SPQ).



**GEORGE G. MATROOS**  
SENIOR MANAGER: SAFETY PROMOTION AND QUALITY

The SPQ division manages the planning, establishment, and implementation of Namibia's State Safety Programme as required by ICAO Annex 19. This is achieved, amongst others, through the collection and analysis of all safety data collected.

Once analysed, the collected data assists with the development and distribution

of safety promotional material; mainly to highlight safety deficiencies identified during incident investigations and safety inspections, with the aim to prevent their occurrence or recurrence.

Further to this, SPQ is responsible for the establishment, implementation and improvement of the quality management system of the NCAA.

This entails the setting up and management of standards for the consistent quality service delivery, in line with the NCAA Service Charter, to the industry.

NCAA strives to be an industry leader in quality service provision and customer satisfaction.



# CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

- SSP (State Safety Programme) gap analysis of existing State structures and processes against the ICAO SSP framework completed and the gap analysis and implementation plan was reviewed during the reporting period. Namibia is currently at level 3 of SSP implementation.
- MoU between the NCAA and the Directorate of Aircraft Accident Investigation (DAAI) signed.
- Draft Technical Standards for NAMCAR Part 140 completed.
- Terms and References developed for the High-level SSP Steering Committee.
- Participated as guest speaker at the Airbus Southern Africa ALE Safety Seminar.
- Agreement signed with the International Air Transport Association (IATA) on the presentation of an in-house course on Managing the Safety Oversight Function
- Five quality management procedures and tools developed.

## ACTIVITIES CARRIED OUT DURING THE REPORTING PERIOD

### **CRITICAL ELEMENT CE-2: OPERATING REGULATIONS**

NAMCARS Part 140 Safety Management Systems published in 2018. Draft NAMCATS 140 was finalised and is under legal review.

### **CRITICAL ELEMENT CE-3: ORGANISATION**

Safety Promotion and Quality staff was recruited in the third quarter of the reporting period and the department is still understaffed. Vacancies to be filled during the new reporting period.

### **CRITICAL ELEMENT CE-4: QUALIFIED TECHNICAL STAFF AND TRAINING OF INSPECTORS**

SPQ staff training was negatively affected by the COVID-19 pandemic. Training will be commenced with in the new reporting period.

### **CRITICAL ELEMENT CE-5: TECHNICAL GUIDANCE AND TOOLS**

Procedures were finalised for safety investigation, review and monitoring, including the Safety Occurrence Review Committee. A Memorandum of Understanding (MOU) was finalised with the Directorate of Aircraft Accident and Incident Investigation (DAAI) of the Ministry of Works and Transport to coordinate the investigation of aviation incidents. Terms of reference were finalised for the SSP Steering Committee and in addition, two Safety Management tools developed. For Quality Management, the layout for the NCSA documentation system were finalised and five quality management tools were developed.

### **CRITICAL ELEMENT CE-6 & CE-7: SURVEILLANCE AND INVESTIGATIONS**

As the SPQ department are not directly involved with the issuance of aviation documents within the Civil Aviation System, critical elements 6 and 7 are not applicable to it.

### **CRITICAL ELEMENT CE-8: RESOLUTION OF SAFETY CONCERNS**

SPQ is responsible for managing incident investigations within the NCAA and has established the necessary mechanisms to log, investigate, monitor and conclude identified deficiencies impacting aviation safety. The internal procedures allow for investigation of all incidents which are not investigated by the Accident and Incident Investigation Authority within Namibia. Once data is analysed, this would lead to safety promotions and seminars to support the prevention of recurrence. Currently, all safety deficiencies are analysed, and recommendations forwarded to the industry. Follow-up of their resolution is carried out based on the corrective action plans submitted by the service providers and strengthened by promotion activities.

# SPQ SUMMARY: SSP IMPLEMENTATION

The implementation of the State Safety Program (SSP) by Namibia, as set out in ICAO Doc 10004 the GLOBAL Safety Plan (GASP), is currently at level 3 of implementation. The level is related to the implementation strategies that

is linked to the global aviation safety roadmap that addresses the procedures and methods to achieve the Global Aviation Safety Plan (GASP) objectives and priorities at both local and regional levels.

## STATE SAFETY PROGRAMME (SSP) IMPLEMENTATION

Implementation of the State Safety Programme (SSP) is included in the priorities of the Global Aviation Safety Plan, in particular for States with an EI above 60%. ICAO tracks the implementation of SSPs via the SSP Gap Analysis tool in iSTARS. States are invited to use this tool to perform their gap analysis, define action plans and benchmark their progress.

ICAO measures SSP implementation in levels as follows:

- Level 0: States not having started a gap analysis.
- Level 1: States having started a gap analysis.
- Level 2: States having reviewed all the gap analysis questions.
- Level 3: States having defined an action plan for all non-implemented questions.
- Level 4: States having closed all actions and fully implemented their SSPs.

✔ Namibia is at level 3.



The data used to evaluate those levels is self-reported by the State and not validated by ICAO.

# INCIDENTS REPORTED AND INVESTIGATED

The objective of the investigation of incidents is the prevention of a recurrence, and not to apportion blame or cause legal liability. The Directorate of Aircraft Accident Investigations” (DAAI) is the accountable authority within Namibia in terms of ICAO Annex 13 for the investigation of serious accidents and incidents.

The NCAA, on the other hand, is responsible for the investigation of **all** aviation safety related occurrences and incidents that are not investigated by DAAI.

The total number of safety occurrences reported and investigated by the NCAA during to the period under review was 36.

These range from airspace infringements, non-compliance with standard operating procedures, runway incursions and excursions, diversions and go-arounds, among others.

# LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

- Publishing of the Technical Standards for NAMCAR Part 140.
- Publishing Quality Management and SSP manuals.
- Developing procedures for the management of master copies.
- Conducting internal quality audits.
- Establishing of the Safety Working Group and State Safety Program Steering Committee.
- Development and publishing of guidance material on SMS implementation for the service providers and operators.
- Appointment of Safety and Quality Specialist, as well a Data Analyst.
- Implementation of ECCAIRS (European Co-ordination Centre for Accident and Incident Reporting Systems).
- Completion of the ICAO SIMS (Safety Information Monitoring System) training
- Review the service standards for each department and publish that on the NCAA website.



# 07. AVIATION SECURITY SERVICES (AVSEC)

This is the first post USAP-CMA Audit annual report and it is a consolidation report. It is consolidating the gains and positives achieved during the USAP-CMA Audit and it also covers the corrective actions that were done under the review period.

In line with the provisions of the Convention on International Civil Aviation and Annexures 9 and 17 SARPs, our mandate is to ensure the safety, regularity and efficiency of civil aviation in Namibia.

This is done through the development, maintenance and implementation of regulations, practices and procedures that ensure the protection and safety of passengers, crew, ground personnel, facilities and the general public in order to safeguard them against acts of unlawful interference, and to ensure that these measures are capable of responding rapidly to meet any increased security threat.



## CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

- Developed the Corrective Action Plan that was approved by ICAO.
- National AVSEC documents were approved by the Hon. Minister and the IED, respectively.
- AVSEC Structure was approved by the NCAA Board and all positions, save one, have been filled.
- Trained AVSEC Inspectorate Staff and carried out oversight on training of AVSEC staff within the industry.
- Carried out AVSEC oversight on operations.
- Namibia was awarded a certificate of Significant Progress in conducting AVSEC oversight and resolving Oversight deficiencies by the ICAO Council President.
- Hosted the ICAO Regional Workshop on TRIP.
- Conducted a benchmarking trip to Singapore.
- Adopted Amendment 17 to Annex 17.
- Filed a difference on Amendment 27 to Annex 9.

## AVIATION SECURITY DEPARTMENT

From left to right: Alexander Gairiseb, Boy F. Ngweda, David Nanyemba, Julian P. Gouws (Senior Manager), Elfriede M. Kandume, Festus Mpuka, Toivo N. Shongolo, Reginald Mouton.



This was a consolidation year in which the department was consolidating the gains achieved in the USAP-CMA Audit through development and implementation of Corrective Action Plans.

## MAIN CHALLENGE

The main challenge related to low staff complement during the first half of the year, until when the establishment was filled.

The second major challenge relates to unavailability of tools of trade like laptops and inadequate vehicles to conduct inspections

## LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

- Continue Implementing the CAP agreed upon with ICAO.
- Amend National documents to include provisions of amendment 17 to Annex 17.
- Review operators' documents to ensure they contain provisions of Amendment 17 to Annex 17.
- Conduct Vulnerability Assessment at all airports.
- Prepare the industry for the ICAO Validation mission in 2021.
- In conjunction with the National Civil Aviation Risk Assessment Committee, implement Risk Assessment at all airports.
- Continue implementing AVSEC Oversight activities. Resolve Security Concerns.

# ACTIVITIES CARRIED OUT DURING THE REPORTING PERIOD

## CRITICAL ELEMENT CE-2: OPERATING REGULATIONS

### Aviation security programmes and regulations.

The NCASP was amended to include all corrections recommended by ICAO. It was approved by the Hon. Minister of Works and Transport in June 2019. The NCASTP, NQCP and NATFP were approved by the Interim Executive Director in June 2019.

## CRITICAL ELEMENT CE-3: ORGANISATION

### State appropriate authority for aviation security and its responsibilities.

The NCAA Board approved the AVSEC structure/organogram with an establishment of nine staff members. The Senior Manager AVSEC position, four Senior National Inspector positions

and two National Inspector positions were filled in during the year ending 29 February 2020. One Senior National Inspector position and one National Inspector position will be filled in during the year 2021.

## CRITICAL ELEMENT CE-4: QUALIFIED TECHNICAL STAFF AND TRAINING OF INSPECTORS

### Personnel qualifications and training.

The Senior Manager AVSEC and one Senior National Inspector successfully completed the Professional AVSEC Manager course. Three Inspectors and the Senior AVSEC Manager attended a Covert Tests workshop, as well as a Vulnerability Assessment workshop offered by the European Union CASE. Two Inspectors attended the Cargo course. One Inspector attended the Facilitation and Crisis Management Course.

## CRITICAL ELEMENT CE-5: TECHNICAL GUIDANCE AND TOOLS

### Provision of technical guidance, tools and security-critical information.

- Provided guidance and helped implement the Vulnerability Assessment at all airports.
- Cargo consignment security declaration guidance and forms were distributed to the industry and they are now in use.
- Provided guidance on contingency planning.
- Provided guidance on risk assessment.
- Provided guidance on security screening equipment tests.
- Provided guidance on security tests.
- Provided guidance on security of merchandise and supplies.
- Provided guidance on handling of MANPADS.
- Provided guidance on conducting background checks.

CE-4: TRAINING	DATE	PARTICIPANTS	SUCCESSFUL	UNSUCCESSFUL
Basic AVSEC ASTP	12 August - 23 August 2019	49	47	2
Basic AVSEC ASTP	28 January - 11 February 2020	38	38	0
Airport Supervisor Course	17 February - 28 February 2020	18	14	4
Airport Supervisor Course	2 March - 11 March 2020	22	22	0



**CRITICAL ELEMENT CE-6: CERTIFICATION, LICENSING AND APPROVAL OBLIGATION**

Certification and approval obligations. Approved the NCASP, NCASTP, NQCP and NATFP. Approved and certified 11 screeners, ten instructors and 2 K9s.

CE-6: NATIONAL DOCUMENTS APPROVED	DATE APPROVED
National Civil Aviation Security Programme	21 June 2019
National Civil Aviation Security Training Programme	19 June 2019
National Quality Control Programme	19 June 2019

**CE-6: APPROVED OPERATOR PROGRAMMES**

NAME OF ENTITY	PROGRAMME TYPE	DATE APPROVED
Scenic Air	Air Operator Security Programme	26 April 2019
Air Namibia	Air Operator Security Programme	8 July 2019
Menzies Aviation	Cargo Operator Security Programme	23 August 2019
Menzies Aviation	Training Programme	23 August 2019
Air Namibia	Air Operator Security Programme	11 November 2019
West Air Aviation	Air Operator Security Programme	18 November 2019
Court Helicopters	Air Operator Security Programme	17 November 2019
Menzies Aviation	Ground Handling Security Programme	16 November 2019
Namibia Airports Company	Training Programme	7 January 2020

**CE-6: CERTIFIED ENTITIES**      **TOTAL CERTIFIED**

Instructors	10
Screeners	11
K9s (Canine dog section)	2

**CRITICAL ELEMENT CE-7: SURVEILLANCE AND INVESTIGATIONS**

Quality control obligations. Carried out the following Quality Control Obligations:

CE-7: ACTIVITIES	ACTUAL	TARGET	VARIANCE EXPLAINED
Corrective Action Plan activities	25	25	-
Inspections	98	100	Inspections were not done at Keetmanshoop and Lüderitz airports
Covert Test	39	39	-
Vulnerability Assessments	8	8	-

**CRITICAL ELEMENT CE-8: RESOLUTION OF SAFETY CONCERNS**

Resolved security concerns relating to the AVSEC structure, training, access control at airports and reduced airports expose to

vulnerabilities. In recognition of the improved AVSEC oversight activities and resolution of security concerns, the ICAO Council President issued Namibia with a Certificate of Improvement in October 2019.

# SECTION 4: AIR NAVIGATION SERVICES

A UNIT OF THE NAMIBIA CIVIL  
AVIATION AUTHORITY

Air Navigation Services is an integral part of the Namibia Civil Aviation Authority and it provides air navigation services in Namibia's airspace.

## ABOUT ANS AIR NAVIGATION SERVICES

**T**he NCAA Air Navigation Services (ANS) was established in terms of Part 6 of the Civil Aviation Act and empowered to provide air navigation services in Namibian sovereign and delegated airspace.

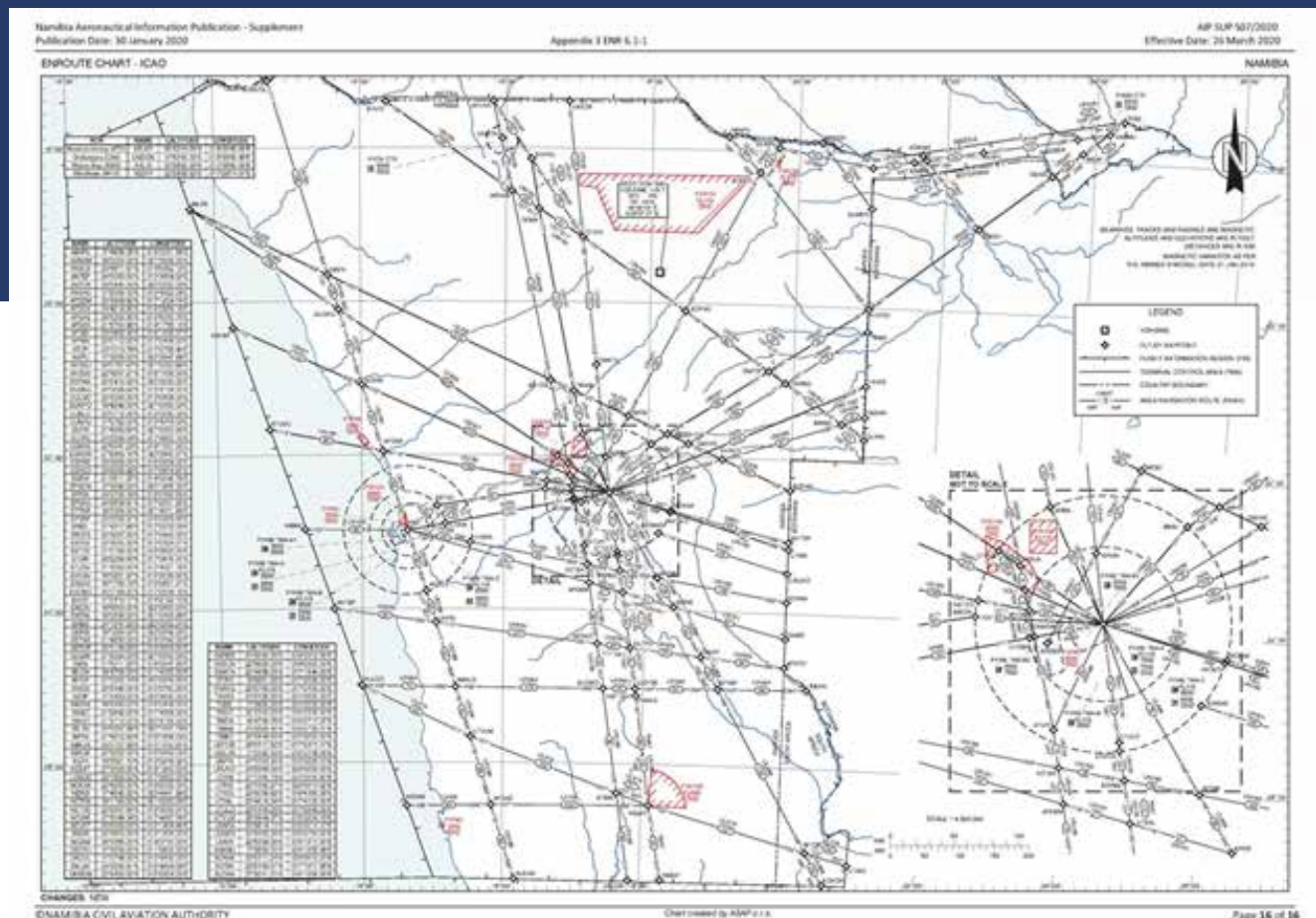
In terms of Part 6 of the Act, the NCAA Board appoints the Head of Air Navigation Services who reports to the Board on the provision of air navigation services, and to the Executive Director on matters related to regulatory compliance.

The ANS maintains its own records, bank accounts and is audited independently from the NCAA as a whole in order to maximise the functional separation of the provision of air navigation services from the other functions of the NCAA.



# THE FLIGHT INFORMATION REGION (FIR)

The airspace, being the Namibia Flight Information Region (FIR) in which the ANS provides services, is shown below.





# NAMIBIA AIR TRAFFIC SERVICE AIRSPACE CLASSIFICATIONS (CONTROLLED):

CLASS	TYPE OF FLIGHT	SEPARATION PROVIDED	SERVICE PROVIDED	VMC VISIBILITY AND DISTANCE FROM CLOUD MINIMA	SPEED LIMITATION	RADIO COMMUNICATION REQUIREMENT	ATC CLEARANCE
A	IFR ONLY	All aircraft	Air traffic control service	Not applicable	Not applicable	Continuous two-way	Yes
	IFR	All aircraft	Air traffic control service	Not applicable	Not applicable	Continuous two-way	Yes
B	VFR	All aircraft	Air traffic control service	See ENR 1.2	Not applicable	Continuous two-way	Yes
	IFR	IFR from IFR IFR from VFR	Air traffic control service	Not applicable	Not applicable	Continuous two-way	Yes
C	VFR	VFR from IFR	1) Air traffic control service for separation from IFR 2) VFR/VFR traffic information (and traffic avoidance on request)	See ENR 1.2	250kt IAS below 10000ft AMSL	Continuous two-way	Yes
	IFR	IFR from IFR	Air traffic control service including traffic information about VFR flights (and traffic avoidance on request)	Not applicable	250kt IAS below 10000ft AMSL	Continuous two-way	Yes
D	VFR	Nil	Traffic information between VFR and IFR flights (and traffic avoidance advice on request)	See ENR 1.2	250kt IAS below 10000ft AMSL	Continuous two-way	Yes
	IFR	IFR from IFR	Air traffic control service and traffic information about VFR flights as far as Practical	Not applicable	250kt IAS below 10000ft AMSL	Continuous two-way	Yes
E	VFR	Nil	Traffic information as far as practical	See ENR 1.2	250kt IAS below 10000ft AMSL	No	No

The Zambezi Strip airspace between FL145 and FL650 is delegated to Botswana and a portion of the oceanic airspace is delegated to Johannesburg.

Separations in controlled airspace where a surveillance service is provided are 10nm in the en-route environment, and 5nm in the terminal environment.

Air traffic movements within the airspace are the main determinant for the development and deployment of air navigation services and infrastructure in Namibia. The air navigation services and infrastructure deployed takes account of the requirements set out in the ICAO Global Air Navigation Plan and associated Aviation System Block Upgrade scheme

agreed by the African and Indian Ocean Planning and Implementation Group. The requirements of the Namibian State are also factored into the air navigation infrastructure plan.

# AIR TRAFFIC MOVEMENTS

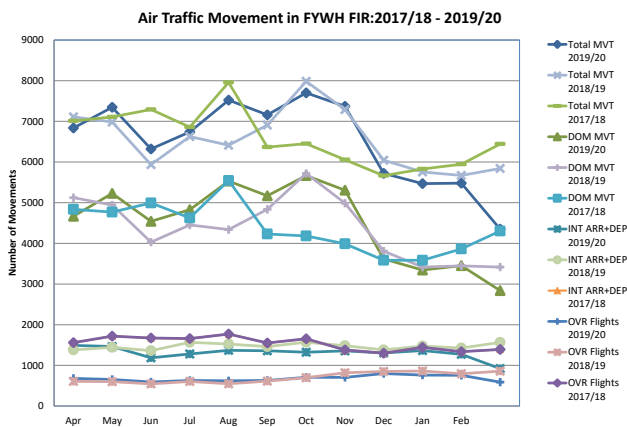
The air traffic movements operating in the airspace under the jurisdiction of the ANS are shown in the following figure. Total movements for the 2019/20 year are 78,018 compared to 78,565 for the 2018/19 year, which represent a decrease of 0.7 per cent. However, international arrivals, departures and overflights decreased by 11 per cent per cent during the period from 26,041 to 23,826 movements as a result of schedule changes and reductions by operators to and from Namibia and South Africa, as well as the initial impact of the COVID-19 travel restrictions.

The Air Traffic Movements (ATM) in Namibia comprise a mix of domestic departures and arrivals (approximately 70 per cent), international arrivals, departures and overflights (approximately 30 per cent).

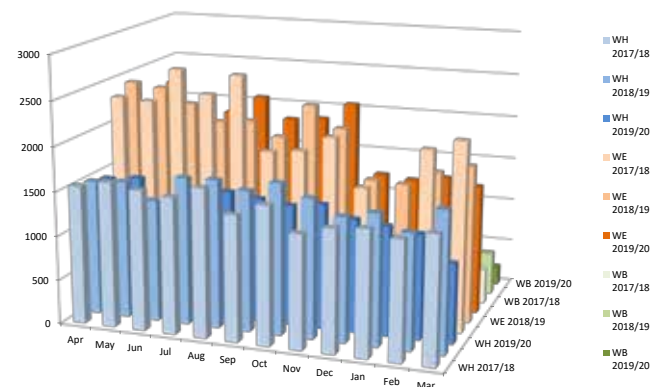
Domestic traffic is seasonal, dependent on the tourism industry, and comprises largely of commercial general aviation operators servicing the tourism and charter industry. Traffic movement volume is at its peak between the months of August and November, and lowest during the months of December and January.

The traffic peak is driven by international and domestic arrivals and departures. Scheduled airline flights connect regional centres, while international arrivals, departures and overflights remain relatively constant throughout the year.

Air traffic movements at the three busiest airports at which the ANS provides air traffic control services are shown in the second graph below.



Air Traffic Movements: Hosea Kutako International Airport, Eros Airport and Walvis Bay International Airport: 2017/18 - 2019/20



# OUR FACILITIES, SYSTEMS AND TECHNOLOGY

The provision of Air Traffic Services is supported by Air Navigation Infrastructure which is located at some 69 sites located across the length and breadth of Namibia (as shown in the figure below), with technical support provided from the support base located at the Windhoek air traffic control centre. The air navigation infrastructure provided comprises:

Communication services including VHF radio services, all aeronautical fixed services, AFTN switch, centralised aeronautical data base system, voice communications switches, voice and data recording systems and ancillary equipment.

Navigation services including VOR/DME at Hosea Kutako, Walvis Bay, Keetmanshoop, Grootfontein and

Ondangwa and a new facility for Lüderitz, ILS at Hosea Kutako and Walvis Bay and ancillary equipment. Further GNSS is approved as a primary navigation aid for VFR flights and as a secondary navigation aid for IFR flights.

Surveillance services including a primary and secondary surveillance system for Hosea Kutako, Wide Area Multilateration surveillance systems (WAM) configured

for an approach-surveillance service for Hosea Kutako and Walvis Bay, a WAM surveillance system configured for the national area surveillance service and ancillary equipment. The WAM surveillance system also includes ADS-B capability. All flight plan and surveillance data is integrated in the Air Traffic Management (ATM) system, which is installed in the Windhoek ATCC located at Eros airport.

The ANS delivers services in compliance with the Namibia Civil Aviation Regulations (NAMCAR) and Technical Standards which encapsulate the International Civil Aviation Organisation (ICAO) Standards and Recommended Practices (SARPs).

Safety oversight of the ANS is carried out by the NCAA Safety Oversight Division which periodically audits the ANS operations to determine compliance status and improvement areas.



THE FOLLOWING NAMCARS AND ICAO SARPs ARE PERTINENT TO THE ANS:

NAMCARS
NAMCARS Part 2: Units of Measurement
NAMCARS Part 65: ATS Personnel Licensing
NAMCARS Part 67: Personnel Medical Certification
NAMCARS Part 71: Airspace and Air Routes
NAMCARS Part 141: Aviation Training Organisations
NAMCARS Part 170: Air Navigation Services General
NAMCARS Part 171: Aeronautical Telecom Services
NAMCARS Part 172: Airspace and Air Traffic Services
NAMCARS Part 173: Flight Procedures Designs
NAMCARS Part 175: Aeronautical Information Services & Aeronautical Charts
NAMCARS Part 179: Search and Rescue Services.

ICAO SARPs
Annex 1: Personnel Licensing
Annex 2: Rules of the Air
Annex 4: Aeronautical Charts
Annex 5: Units of Measurement
Annex 10: Aeronautical Telecommunications
Annex 11: Air Traffic Services
Annex 12: Search and Rescue
Annex 15: Aeronautical Information Services
Annex 19: Safety Management

# AIR NAVIGATION SERVICES

## BURSARY PROGRAMME

**T**he ANS Bursary Programme is a programme that has been designed, developed and implemented to recruit, select and train Namibian nationals to become Air Traffic Controllers (ATCO), Air Traffic Service Assistants (ATSA), Aeronautical Information Officers (AIO) and Air Traffic Safety Electronics Personnel (ATSEP) in fulfilment of the skilled human resource requirements of the ANS.

Once having completed their academic and on the job training, the bursary holders will be considered for employment by the ANS to fill vacancies in the approved ANS structure.

The programme commenced in the third quarter of 2018 and will run over a period of at least three years. The aim is to recruit, select and train:

- 20 Air Traffic Controllers;
- 10 Air Traffic Service Assistants;
- 6 Aeronautical Information Officers; and
- 12 Air Traffic Safety Electronic personnel.

During the reporting year, nine ATC, five AIO and six ATSEP bursary holders completed their training programmes and commenced with on-the-job training. The five AIO bursary holders also successfully completed their on-the-job training programmes, were offered and accepted employment with the ANS.

In addition, bursaries for ten Air Traffic Controllers, ten Air Traffic Service Assistants and six Air Traffic Safety Electronics Personnel to the value of N\$11.7 million were awarded.

The training programme commenced during February 2020. However, it was suspended on 16 March 2020 due to the COVID-19 pandemic that resulted in the closure of training institutions and travel.

The training programme will resume once the situation normalises and training institutions reopen. The ANS, together with its training supplier, will investigate the feasibility of virtual training to enable academic training to continue.

The success of the programme will be reviewed periodically and adjustments made to the number and type of bursaries to be awarded in following years to ensure that the overall objectives of the programme are achieved.



# AIR TRAFFIC SERVICES (ATS)



The main purpose of ATS is to provide appropriate service to air traffic within that airspace for which a respective ATS unit is responsible. Air Traffic Services (ATS) consist of Air Traffic Control (ATC), Flight Information and Alerting Services.

## **A**IR TRAFFIC CONTROL (ATC) SERVICE

The service provided for the purpose of preventing collisions between aircraft, and on the manoeuvring area between aircraft and obstructions on that area, and expediting and maintaining a safe and orderly flow of air traffic. ATC may be provided by:

**Aerodrome Controller:** Responsible for controlling air traffic within that airspace, he/she is responsible for (Control Zone (CTR) or Aerodrome Traffic Zone (ATZ)) and maintaining, as far as practicable, a continuous watch on all visible operations on and in the vicinity of an aerodrome, including vehicles and personnel on the manoeuvring area and carrying out airfield and facility inspections as required.

**Approach Controller:** Responsible for providing ATC services to controlled flights of aircraft arriving at or departing from one or more airports within the Terminal Control Area (TMA). Approach Controllers do not see aircraft in the air, but use procedures or follow them on their radar system displays.

**Area Controller:** Responsible for providing ATC services to controlled flights within the Namibian airspace, also known as the Windhoek Flight Information Region (FIR) between 14500 feet and 46000 feet. Like Approach Controllers, Area Controllers use procedures to control aircraft or follow them on their radar system displays.

## **FLIGHT INFORMATION SERVICES (FIS)**

FIS is provided to all aircraft which are likely to be affected by such information and which are provided with ATC services, or are otherwise known to the relevant ATS unit known as the Flight Information Centre (FIC). FIS is provided to air traffic which is operating between 1 500 Feet (above ground level) and 14 500 Feet within Windhoek FIR, but outside the TMAs and CTRs/ATZs.

## **ALERTING SERVICE**

Alerting service is provided to all aircraft provided with ATC services, in so far as practicable, to all other aircraft having filed a flight plan or otherwise known to the Air Traffic Services, and to any aircraft known or believed to be the subject of unlawful interference.

# ATS ACHIEVEMENTS

## TRAINING INTERVENTIONS

**Area Control (Procedural and Radar):** Six ATC officers who successfully completed Area Control (procedural combined with radar) training at ATNS ATA, Johannesburg during August 2018 have successfully been validated, with the last officer validating during September 2019.

**ATS Incident Investigators Training:** Eight ATS officers successfully completed Incident Investigations training during October 2019. This will assist in ensuring that ANS-ATS investigates all ATS related incident reports or safety occurrences within a reasonable period, thereby improving safe provision of air traffic services within the FIR.

**On-the-Job Training Instructors:** Ten ATS offices successfully completed On-the-job Training Instructors (OJTI) training, which was conducted by the ATNS Aviation Training Academy, during October 2019. Prior to the COVID-19 pandemic and consequent national lockdown, it was planned that all ten officers were to be validated as OJTIs by 30 April 2020. The validation process for the remaining officers will continue after the lockdown has been lifted.

**First ATS Bursary Intake:** The first ATS Bursary intake successfully completed ATM Core Content, Flight Information and Aerodrome Control training at ATNS in Johannesburg, South Africa on 21 February 2020. The validation processes have already begun, but the ATS Bursars validation training programme had to be amended and may still be further amended due to the COVID-19 pandemic lockdown.

**Second ATS Bursary Intake:** The second ATS Bursary Programme intake commenced with training at the ATNS Aviation Training Academy in Johannesburg, South Africa on 10 February 2020.

**General Training:** All Windhoek based ATS personnel successfully underwent Standard Instrument Departures (SIDs) and Standard Instrument Arrivals (STARs) training which was facilitated by an ICAO PBN expert, Mr Rob Grant, between 3 and 25 February 2020.

All Windhoek based ATS personnel (including the first intake of ATS bursary recipients who completed ATS theoretical training in South Africa) underwent ELP examination and testing as from 2 to 18 March 2020. ATS personnel at the regional ATS units will be tested on the dates still to be provided by NCAA Personnel Licencing section.

**Other Training Interventions:** A number of ATC officers underwent training in various respective fields, namely, Human Factors in ATS, RNP Approaches Implementation, CTR Change from Class C to Class D and Aeronautical Search And Rescue (SAR).

## ATS INCIDENT INVESTIGATIONS

Over 90 per cent of the ATS related incidents were successfully investigated during this period, and corrective actions, which include, but are not limited to remedial training, were successfully undertaken. This resulted in the general reduction in ATS related incidents and improved ATS operations. The improvement on ATS incident investigations is as a result of recently trained ATS investigators and a recent appointment of an ATS Standards Specialist.

## ANSSO AUDIT FINDINGS

Most of the audit findings that were issued by the regulator have been successfully addressed; some were completely closed while for others, short-term solutions or an alternative form of compliance were provided to the regulator. No regulatory surveillance inspections were conducted on ANS-ATS during the second half of 2019 and first quarter of 2020.

## IMPLEMENTATION OF APPROACHES

Required Navigation Performance (RNP) approaches have been implemented at various airports such as Walvis Bay, Luderitz and Katima Mulilo during this period. As a regulatory requirement, all ATS personnel at all affected units have undergone RNP approach training.

**LOP/AS, SLAS AND MOUS**  
Letters of Procedure/Agreement (LoP/As) have been reviewed and signed with all ATS providers from neighbouring states. Additionally, LoPs have been reviewed and signed between all domestic ATS units. Service Level Agreements (SLAs) between ATS and the airport operator (NAC) at various airports were reviewed and signed. An MoU between ANS-ATS and the Namibian Police (NAMPOL) regarding helicopter operations from the NAMPOL helipad, which is located at the newly constructed NAMPOL headquarters, has also been compiled and signed.

## FYKM, FBKE, FLLI AND FVFA ATS PROCEDURES

Representatives from Namibia, Botswana, Zambia and Zimbabwe ATS providers met and reviewed the ATS procedures between Katima Mulilo (FYKM), Kasane (FBKE), Livingstone (FLLI) and Victoria Falls (FVFA). This improved safe provision of ATS at the four airspaces, which are closely situated. The next annual formal coordination meeting for improving safe provision of air traffic services within the four airspaces is to be hosted by Namibia ANSP (it is hosted on a rotational basis, and 2020 is Namibia's turn). This meeting was initially planned for September 2020.

## RPAS APPLICATIONS AND OPERATIONS

RPAS operations have increased tremendously during this period, most of which took place within the controlled airspaces of Eros (FYWE), Hosea Kutako (FYWH), Walvis Bay (FYWB) and Luderitz (FYLZ). The ATS team had studied all the

applications which were forwarded by the regulator, and provided input to ensure that RPAS operations do not become a hazard to air traffic operations.

## GLIDER ACTIVITIES

The gliding activities take place between 01 November and 31 January each year. A number of changes were made to the glider airspace, which air traffic controllers were able to understand and execute safely. Various incident reports were filed against glider operators for violating airspace rules and regulations, and corrective actions were taken against the transgressors.

## IMPLEMENTATION OF SIDS AND STARS AT FYWH

Standard Instrument Departures (SIDs) and Standard Instrument Arrivals (STARs) have been designed and implemented for FYWH to enhance safety of flights departing from and landing at FYWH. All Windhoek-based ATS personnel have undergone SIDs and STARs training, as regulatory required.

## CHANGE FROM CLASS C TO CLASS D CTR

The control zones (CTRs) for Ondangwa, Luderitz and Katima Mulilo have been successfully changed from class C to class D control zones.

## REVISION AND INTRODUCTION LOWER ATS AND RNAV ROUTES

Lower ATS routes as well as Area Navigation (RNAV) routes have been revised and some new routes introduced within FYWF FIR, to ensure separation and safety of air traffic.

## PROVISION OF SERVICE

Provision of air traffic service (ATS) has continued uninterrupted at all ATS units, except in cases of short-notice absences due to illnesses (which only happened at single-manned regional units).

## STATION STANDING INSTRUCTIONS (SSIs)

SSIs for all ATS units have been developed or reviewed, hence all units are in

possession of respective updated SSI versions.

## ATS INTERFACILITY DATA COMMUNICATION (AIDC) TESTING

Implementation of AIDC between Johannesburg and Windhoek Control was initially planned for 1st May 2020.

# CHALLENGES ATS EXPERIENCED

## STAFFING

ATS is faced with some staffing challenges, especially when it comes to Area Controllers and manpower at Regional units (Walvis Bay, Ondangwa, Katima Mulilo and Luderitz). ATS lost Area Controllers due to various reasons, namely; two area controllers rejected NCAA job offers and returned to MWT, one area controller left ANS to join the regulator, while one area controller retired.

Five area controllers have been appointed into key ATS management positions which require more office time, but they are currently spending more time on controlling positions to sustain service delivery.

The Regional units are currently understaffed, but that will be resolved once the ongoing ATS bursary recipient training is completed.

## ATS INCIDENT INVESTIGATIONS

Following the successful completion of ATS Investigators training during October 2019, ATS incident investigation processes have been smoothed to a certain extent, but are being hampered by the absence of ANS QSM whose actions and review are vital to incident reports and investigations.

This has been postponed, as the requisite pre-implementation meeting which was planned for March 2020 could not take place due to the COVID-19 State of Emergency and subsequent lockdown in both countries. A new implementation date will be determined after the lockdown has been lifted and normal operations resumed in both countries.

## FLIGHT OPERATIONS AFTER ATS HOURS OF DUTY

Operators such as Air Namibia, West Air and Government Air Transport Services (GATS), in addition to mercy flights, continued to operate after published ATS hours of duty.

Unlike other operators who only request for runway lights, Air Namibia and GATS demand for ATC service as a requirement for them to operate at the manned aerodromes, which becomes a serious challenge to ATS, who are expected to comply with the standards and regulations on staffing and fatigue and risk management.

A meeting which had been planned to take place between GATS, ANSP, ANSSO and NAC, which is to mostly concentrate on VVIP flight operations after ATS published hours of duty, is still to take place.

# LOOKING AHEAD: ANS PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

## ATS BURSARY RECIPIENTS VALIDATION

All ATS bursary recipients (first intake) are expected to undergo validation training and be validated by October 2020 (according to the training plan and programme). Validation training for the second ATS Bursar intake is expected to commence after the completion of their theoretical training in Johannesburg.

## APPROACH AND AREA CONTROL TRAINING

Some Aerodrome and Approach Controllers (numbers to be determined) will be sent for Approach and Area Control theoretical training at the NCAA and ICAO approved ATO during 2020, to fill the gaps left by those that departed.

## ATS UNITS CERTIFICATION

Certification processes for specified ATS units is planned for completion before the ICAO USOAP audit which is expected to take place during October 2020.

## MoU/LoA WITH MILITARY

Consultations have been made with military authorities for a meeting aimed at drafting and signing of a Memorandum of Understanding (MoU) or Letter of Agreement (LoA) between NCAA ANS and the military. The venue of this meeting was initially planned to be Karibib or Grootfontein Military Bases on a date still to be determined.

## ANNUAL FORMAL ATS COORDINATION MEETING

2020 is Namibia's turn to host the annual formal ATS coordination meeting for the airspaces of Katima Mulilo, Kasane, Livingstone and Victoria Falls. This meeting is responsible for reviewing operational procedures, reviewing ATS-related safety occurrences (incidents) and reviewing of letters of procedures, amongst others. Coordination will be made with the other three states to agree on a new date for the meeting, as initial plans might have been altered by the effects of the COVID-19 pandemic.

## ATS NATIONAL DESIGNATED VALIDATION EXAMINERS

All Designated validation Examiners (DEs) will be tested by the regulator this year prior to being re-issued with DE designations, and they will become national DEs with authorisation to conduct checks and examinations at all ATS units across the country.

## ATS INTERNAL SAFETY/STANDARDS AUDITS

Internal safety audits will be conducted at all units this year, to ensure safe standards of ATS provision are achieved and maintained.

## TRAINING PLANS/PROGRAMMES

Since transition from DCA to NCAA is complete, training plans are being drawn up in accordance with the training programmes in order for every ATS staff member to ensure career development and job satisfaction

## REDUCTION IN ATS RELATED INCIDENTS

ATS training programmes will be developed, and they will include new but effective ways of conducting ATS proficiency checks which, if efficiently done, will lead to a significant reduction in ATS related incidents. The planned introduction of a Safety Management System (SMS) will also assist in reducing the number of ATS related incidents.

# AERONAUTICAL INFORMATION SERVICES (AIS)



## AERONAUTICAL INFORMATION SERVICES DEPARTMENT

From left to right: Fillemon N. Philemon, Sherley M. Muukua, Selma N. Kaundu, Thabea N. Shilongo (Acting Senior Manager), Obey S. James and Herman S. Herman.

Aeronautical Information Service (AIS) makes provision of aeronautical data and information necessary for the safety, regularity and efficiency of both international and national air navigation in Namibian airspace.

**M AP/charts**  
The section bears the overall responsibility for the implementation and monitoring processes and work carried out by the service. It is responsible for creating and producing aeronautical maps and charts in accordance with Namibian Civil Aviation Regulations.

**Publication**  
The section is responsible for the publication and distribution of aeronautical information. It provides all elements of the Integrated Aeronautical Information Package

(IAIP) AIP Amendment (AIP AMDT), AIP Supplement (SUP), Aeronautical Information Circular (AIC), Notice to Airmen (NOTAM) and Pre-flight Information Bulletin (PIB), a list of valid NOTAMs and checklists, and additional publications such as Visual Flight Rules (VFR) Manuals and VFR Chart with recommended VFR routes.

**International NOTAM Office (NOF)**  
The section is responsible for the creation, formatting, editing and distribution of aeronautical information NOTAM.

**Aerodrome Briefing Office (ABO)**  
The section is responsible for the provision of aeronautical information (flight plan, pre-flight information bulletin, post flight information report). The Aerodrome Briefing Office use A-CAD SDO database for pre-flight briefing and combining it with other relevant documentation for briefing purposes.

**Overflight and Landing Authorisation**  
The section is responsible for granting approval to foreign registered aircraft which intend to overfly or land in Namibia, including diplomatic permits.



# AN AFI-CENTRAL AERONAUTICAL DATABASE

Since late 2017, the AIS section has fully implemented an AFI Central Aeronautical Database (A-CAD) which is synchronised with the European Aeronautical Database (EAD), where all aeronautical information is available in electronic format via A-CAD SDO, INO and PAMS modules. All the elements from the IAIP are based on the same data source in the database (SDO).

**A**n Internet Briefing Service was implemented on 9 January 2018 and allowed for the provision of digital aeronautical data and information, as well as advanced pre-flight briefing. Evolution of the AIS has been achieved in terms of processes and integrated management system enhancements through the A-CAD project. Further plans include originating data quality improvements, as well as data sets exchange through the modernisation of the AIS data base.

Aeronautical information is also provided for reference purposes through the NCAA website. A-CAD is safer, faster, more accurate and more cost-effective than older, non-harmonised methods of AIS data collection and delivery. It increases the availability and accessibility of AIS information, and contributes to reducing safety risks related to the distribution and publication of aeronautical information.

#### **AIS OFFERS:**

- Access to real-time data of guaranteed integrity and quality;
- Consistency with ICAO and local standards and recommendations;
- A secure channel for a timely electronic distribution of aeronautical information;
- Support to clients during their transition to IBS; and
- Service availability 19 hours per day, 7 days per week.

# COVERAGE

The data sourced globally includes original and processed NOTAM, SNOWTAM and ASHTAM messages, as well as minimum sets of static data operation (SDO) required for NOTAM validation and pre-flight information bulletin (PIB) generation, including aerodromes identification with associated runways, airspaces (FIR, UIR, TMA, P-D-R pre-determined routes), routes, NAV-AIDS and waypoints.

Data from other Member States and beyond includes original and processed NOTAM, SNOWTAM and ASHTAM, AIPs, AICs, amendments, supplements, charts, as well as a full set of aeronautical information data published in AIP. It also covers aerodrome information including procedures, obstacles, en-route information such as airspace, routes, NAV-AIDS and waypoints, and general information such as organisation, authority and units.

# QUALITY MANAGEMENT SYSTEM (QMS)

The adoption of a Quality Management System (QMS) helps AIS to improve its overall performances and provides a solid base for sustainable development. In addition, it helps in continuous provision of services that meet customer, organisational and regulatory requirements through continuous improvement.

THE QMS SERVICES ARE  
MANAGED IN COMPLIANCE  
WITH NATIONAL AND  
INTERNATIONAL STANDARDS  
AND REQUIREMENTS.



AIS has established the QMS in compliance with ISO 9001:2009. The scope of activities covered by ISO 9001 Certification includes the provision of:

- Aerodrome Briefing Office;
- International NOTAM Office;
- Aeronautical Maps/Charts Office;
- Aeronautical Publication Office; and
- Overflight and Landing Authorisation office.

These services are managed in compliance with national and international standards and requirements. The criteria for efficient management of AIS's business processes is set by the Quality Management Manual, whereas the services are described in relevant operating processes.

The management ensures, by means of its Quality Policy, that customer requirements are identified and taken into account. The General Manager: Air Navigation Services is responsible for the AIS's Quality Policy, which is supported by the QMS that is subject to internal and external audits as part of ISO Certification.

The quality of AIS's services is guaranteed by an integrated QMS which is periodically reviewed and assessed for its long-term suitability, adequacy and effectiveness.

During the reporting year, AIS obtained ISO 9001:2015 certification. The QMS is continually improved and reviewed with a surveillance audit planned for June 2020.

# AERONAUTICAL INFORMATION SERVICES: ON-GOING PROJECTS



AIS has established the QMS in compliance with ISO 9001:2009.

## TRANSITIONING TO AERONAUTICAL INFORMATION MANAGEMENT (AIM) SYSTEM

To satisfy new requirements arising from the Global Air Traffic Management Operational Concept, aeronautical information services must transition to a broader concept of aeronautical information management, with a different method of information provision and management given its data-centric nature as opposed to the product-centric nature of AIS.

An automated system was purchased to facilitate the transition from the telex-based Aeronautical Information Services (AIS) to the satellite-based Aeronautical Information Management (AIM) system.

The roadmap for the transition from AIS to AIM and the ASBU methodology for air navigation plan implementation requires some major bases to develop for AIM activities in Namibia. The implementation of the A-CAD enabled AIS to fully implement 11 of the 21 steps of the roadmap, while the remaining ten steps are in progress.

## IMPLEMENTATION OF ELECTRONIC AERONAUTICAL INFORMATION PUBLICATION (eAIP)

The production of electronic AIP for Namibia is another project that is underway and is planned to be completed and the eAIP to be available in the next reporting year.

## ISO 9001-2015 CERTIFICATION

AIS has established the QMS in compliance with ISO 9001:2009. The Stage 2 audit will be performed on the Aeronautical Information Management in the second quarter of this financial year. Its objective is to review the management system and verify its conformance to ISO 9001:2015 requirements, and determine the state of readiness of AIS for Stage 3. The Stage 2.1 audit will be performed on the second half of the next financial year in order to determine compliance with the requirements of the scheme.

# FLIGHT PLANS, NOTAM, OVERFLIGHT AND LANDING PERMITS

A comparison analysis in terms of Flight Plans filled shows a fluctuating trend on the number of flight plans filled. October 2019 recorded the highest total number of flight plans filled, totalling 3,068, in line with the tourism high season. A decline was noted in the flight plans filled between December 2019 and March 2020, which is again in line with the tourism low season and the COVID-19 impact.

The same seasonal patterns are reflected in the number of overflight and landing permits issued, indicating an increase in the month of September 2019 and a decrease between December 2019 and February 2020. It is encouraging to note that the fluctuating trend in relation to overflight and landing permits is also replicated in relation to flight plans filled.

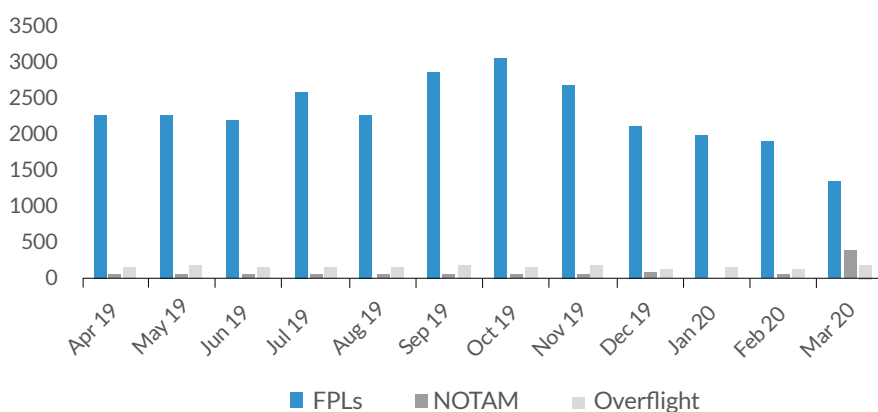
The Notice to Airmen (NOTAM) has fluctuated during the reporting year.

## MODE OF FLIGHT PLANS FILE

Flight plans submitted to the Aerodrome briefing office via internet briefing service (IBS) have increased substantially, accounting for more than 95 per cent of submitted flight plans.

This showed that IBS has been successfully implemented and that the aviation industry has adopted the system successfully to submit their flight plans, as well as perform self-briefings.

Filed FPL, NOTAM and Overflight and Landing Permits, 2019/20 (number)



Flight plans submitted via internet briefing service have increased substantially, showing successful implementation.



# CNS: COMMUNICATION NAVIGATION AND SURVEILLANCE

The CNS sub-section of ANS is responsible for the maintenance, support, repair and calibration of all Communication, Navigation and Surveillance (CNS) systems provided for air navigation services in Namibian airspace.

This is achieved by utilising specific management and testing apparatus combined with specialised knowledge to ensure the serviceability of systems at airports and at various remote sites throughout the country, are in compliance with NAMACARS and standards of the ICAO.

ALTHOUGH OPERATING UNDER SEVERE HUMAN RESOURCES LIMITATIONS, THE CNS FOCUSED ON ENSURING THE AVAILABILITY OF THE VARIOUS CNS SYSTEMS.

## CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

- Sustained the performance and reliability of essential equipment by achieving mostly the minimum of 96 per cent statistical availability for all ANS systems.
- Continue to utilise modern technology to centralise monitoring, maintenance and support.
- Successful implementation of the new Namibia FIR designator on various associated systems.
- Successfully decommissioning of old Voice Recording system, Very High Frequency and Voice Communication System at Lüderitz airport.
- Successfully testing of AIDC between Namibia and South Africa Flight Information Region, which will enhance Air Traffic Service delivery.
- Continuous parallel Implementation of Air Traffic Services Voice Recording System, Very High Frequency radio network and Voice Communication Switching system at Eros Air Traffic Control Centre, Hosea Kutako International Airport and Walvis Bay International Airport. The parallel implementation is ear-marked to replace the performance failing PAGE/OTE equipment.



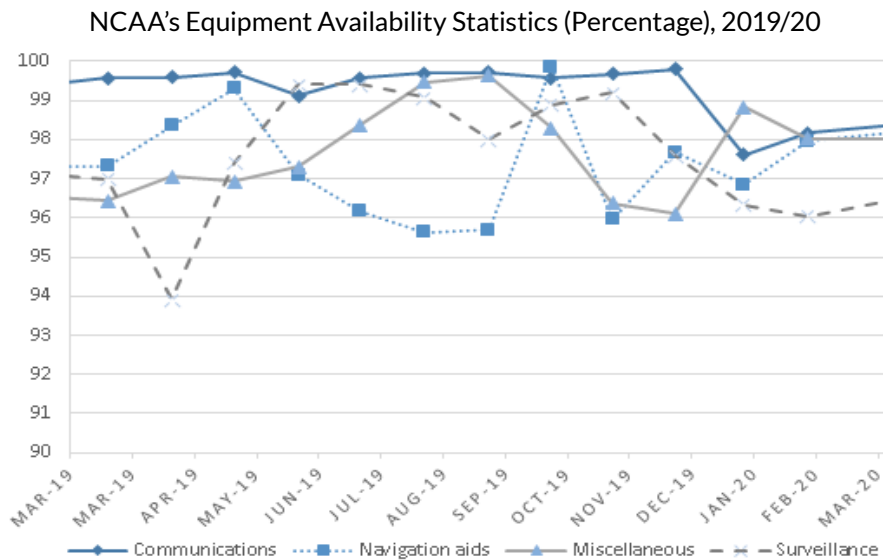
## MAIN CHALLENGES

The CNS section faced various challenges as mentioned:

- Telecom links often become unavailable unexpectedly, affecting ATS operations
- Unable to plan for regular maintenance due to critical staff shortage, as indicated on the table:

Positions	Target	Approved Structure	Actual	+/- to Target
SM CNS	1	1	1	0
Comms SUP	1	1	1	0
NAV SUP	1	1	1	0
Surv SUP	1	1	1	0
Syst Data Mon SUP	1	1	0	-1
Elect Power SUP	1	1	0	-1
ATSEP WH	4	4	0	-4
ATSEP Out Station	1	1	0	-1
Sys Data Mon Spec	1	1	0	-1
Electr Power Spec	1	1	0	-1
Stores Officer	1	1	0	-1
ATSEP Asst WH	6	6	0	-6
CNS Support Staff	4	2	2	0
ATSEP Asst Out St	2	2	0	-2
Elect Power Asst	1	1	0	-1
<b>Total</b>	<b>23</b>	<b>23</b>	<b>6</b>	<b>19</b>

The critical shortage of skilled personnel and the vacant positions were a major challenge for the CNS section, as we were unable to plan for regular maintenance. Currently, only six of the approved 23 positions are filled, amounting to less than 19 staff members.



## LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

Various plans have been initiated to address the constraints or challenges that are currently affecting the CNS section, to mention a few:

- Perform routine maintenance and continuous corrective maintenance trips once staff capacity increased.
- Service Level Agreement (SLA) with Telecom Namibia: Completion and implementation of the SLA with Telecom Namibia to enhance time of response and delivery of network services required for ATS operations.
- Completion of OJT (commenced by 23rd March 2020) for the first ATSEP group.
- To further enhance the ATS service delivery, a new VOR/DME is planned to be installed at Lüderitz; implementing of the AIDC with South Africa, ATNS and full commissioning of the VRS, VHF and VCS system in the next financial year.
- Decommission of all the old VCS, VRS and VHF at Hosea Kutako International Airport, Walvis Bay International and Eros ACC tower. Commissioning of Ondangwa ATC tower and implementation of AIDC between Namibia and South Africa.
- Commissioning of ATS in the new ATC tower at Ondangwa.



# ANS TRAINING

Various training initiatives are on-going at ANS to ensure a stable and consistent supply of qualified personnel.

## English Language Proficiency

As of May 2020, Namibian regulations require that the holder of an Air Traffic Services (ATS) License to be the holder of at least a level 5 English Language Proficiency (ELP). In order to comply with said regulation, selected staff attended training as Designated Examiners in ELP, thus making it possible for the service provider to conduct ELP assessments

internally, instead of outsourcing the function.

Valuable time and capital was saved through this decision and allowed the service provider to conduct ELP assessments on all ATS staff, thus complying with the Civil Aviation Authority requirement. All ATS staff achieved level 5 and up on their assessments.

## On-the-Job-Training (OJT) Instructors

Instruction in ANS plays a crucial role in the employment of new staff, continuation training and the maintenance of ATS licences.

The ATS section had nine OJT Instructors and the Aeronautical Information Management (AIM) and Communication, Navigation and Surveillance (CNS) none.

Obtaining an OJT Instructors rating requires a staff member to attend and pass an OJT Instructors course, presented by an approved Aviation Training Organisation (ATO) and in compliance with Namibian regulations.

Such an ATO is not available within the borders of Namibia and traditionally staff would have to be sent on a course spanning a two-week period. The shortage of staff makes such a venture problematic as only a small amount of staff can attend such training at any given time.

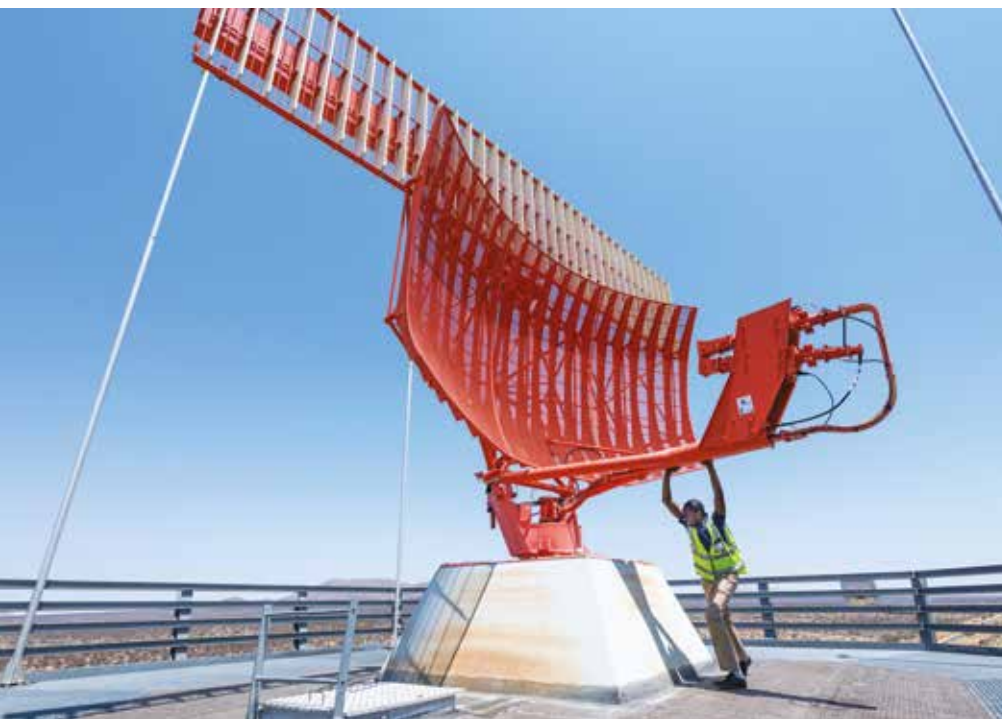
The need for OJT Instructors was further highlighted with the bursary programmes being initiated, as all of the bursary recipients would require training in order to be operationally applied.

The decision was taken to obtain the required approvals from the regulator and put out on tender the service of an ATO to present said course in Namibia, over the shortest possible time and with no negative impact on day-to-day operations.

The result was that no less than three consecutive courses, hosted in Windhoek, were presented to Namibian ANS staff.

A total of 22 ANS staff members attended the training of which 21 successfully completed the course.

This very successful undertaking resulted in a saving of time and money and placed all the ANS departments in a position to continue scheduled training programmes.



### **Safety Event Investigators**

In order to enhance safety in aviation, to learn from past mistakes and to improve future applications and decisions, every event in which safety could have been jeopardised is investigated.

Investigating safety events required the services of a trained individual who has experience and expertise in applying different investigation models and techniques in order to determine and prevent repeated events.

With the establishments of standard procedures and documentation in the investigation of ATS related safety events, an OJTI programme could be commenced, training Namibian ANS personnel on the various techniques and recommended practises in the investigation of safety events.

A total number of five ANS staff members have been receiving OJTI and mentorship

in conducting these investigations with the result that events are investigated with minimum delay and with results that can be applied (in most instances) immediately.

These actions provide not only for safer skies, but also serves as continuous improvement in the delivery of service.

### **Competency-based Training**

The international standard in ANS has become to move to competency-based training. Unlike other traditional training methods, competency-based training consists of smaller learning units that are focused on a specific key skill, critical in an ANS domain. A learner must first master or complete a single skill or objective before continuing to the next learning objective.

The benefits of competency-based training have been proven in especially ANS. It allows for better time manage-

ment and subsequently reduced costs. Learners have better retention, since they are focused on master one key aspect at a time, and the objectives are clearly defined.

The Namibian ANS has migrated to the use of competency-based training with the first success being delivered in the AIM section with the validation of their bursary programme.

This process obviously requires that training plans, curriculums, training material, assessment formats and criteria be created to serve the needs of the Authority; there is no off-the-shelf product that can be implemented with the same level of accomplishment.

The process in an ongoing one of improvements made as experience is gained, programmes and plans adapted to the needs of each section or unit.

# COMMUNICATION, NAVIGATION AND SURVEILLANCE TRAINING

### **Bursary Programme**

A total of 12 Air Traffic Services Electronic Personnel (ATSEP) bursary recipients have been selected to attend training programmes in South Africa.

The complete programme consists of Communication Systems, Navigations Systems, Surveillance Systems and Equipment Specific Training.

Of the 12 bursary recipients, six have successfully completed the programme and are set to commence their practical training in Namibia.

Training has been halted due to the outbreak of COVID-19 and are planned to continue in June 2020.

The practical training will be completed by September 2020, making use of a

progressive training plan. The remaining six bursary recipients shall continue their programme in June 2020 and the planned completion date is October 2020.

### **Validation Training**

Practical training, also referred to as the validation of academic skills, requires a pre-planned programme which includes lesson plans, lesson manuals and examinations (both theory and practical) in order to comply with international standards.

In addition, such programmes allow for the efficient application of personnel and training that focuses on both quality and cost effectiveness.

A training programme was created to fit the requirements of Namibia, taking into consideration the unique challenge

of a multitude of equipment spread over a vast terrain. Factors to bear in mind are the availability of key personnel (i.e. instructors) and the application of resources.

As the training programme is a first of its kind for the training service provider, it shall be subjected to continuous improvement, with the aim of providing a final training programme that achieves all the set goals.

# AERONAUTICAL INFORMATION MANAGEMENT TRAINING

## **Bursary Programme**

Following successful selection, six AIM bursary recipients commenced with their academic training in AIM Core Content. The AIM Core Content course is the foundation from which AIM Officers commence with their careers.

The course was conducted at the Air Traffic and Navigation Services (ATNS) Aviation Training Academy. One person withdrew from the course, the remaining five candidates passed the course with distinction.

The final course report contained comments such as: "All delegates on course were always polite, well-disciplined and upbeat throughout", showing the commitment and professionalism of these young learners.

## **Validation Training**

AIM is not a licensed discipline in respect of regulations, but the unit chose to conduct their training in accordance

with the highest standards as prescribed by international bodies for Air Traffic Services.

This decision had the advantage that training was conducted to a specified standard, that it was conducted in accordance with the latest training techniques and in essence provided a platform for the 100 per cent pass rate.

Training programmes, materials, evaluation methods and instructional checklists was created to cater for the unique requirements of Namibia and the various services that the section provides to both local and international stakeholders.

The programme was successfully completed by all five of the learners, gaining the section some much-needed staff. This was also the first of its kind in respect of utilising competency-based training in a non-licensed environment, thereby exceeding regulated requirements.

## **Quality Management**

In compliance with regulations and international standards the AIM section had to be certified by the International Organization for Standards (ISO). This certification (amongst others) required that all personnel of the AIM section undergo and complete ISO Training.

The training was conducted on site in Namibia to save costs and minimise the impact on operational requirements. Over a period of four-weeks personnel attended ISO training and achieved a 100 per cent pass rate.

The knowledge gained from completion of the training did not only allow for successful certification of the section, but also empowered staff to take ownership of quality in the section, a key component of a successful quality management system. Refresher training for current staff and initial ISO training for new staff shall take place in the second quarter of 2020.



# AIR TRAFFIC SERVICES TRAINING

## **Bursary Programme**

A group of ten bursary recipients were selected and commenced their training to become the future Air Traffic Controllers of Namibia. The group had to complete a series of courses in order to obtain the required academic ratings to become Air Traffic Controllers.

The first of these courses were the ATS Core Content course. Of the ten bursary recipients one withdrew from the course, eight of the ten passed the course with distinction. The group continued their training with the completion of an Aerodrome Control Course.

An intensive three-month training course which consists of both academic and practical training, was followed by a Flight Information Services course, providing the bursary recipients with ATS ratings in both Aerodrome and Flight Information Services.

The bursary recipients successfully completed all of the required rating training before returning to Namibia. The course report again reflects the commitment and discipline of the candidates by commenting on how 'willing to learn' the students were, and how they were prepared to 'go the extra mile to complete required tasks in limited time'.

## **Validation Training**

An Air Traffic Services Rating must be validated by means of a set number of hours with an instructor in accordance with local regulations. The bursary group has commenced their validation training in order to validate the ratings obtained through their academic training.

Namibian regulation allows for a period of 12 months following the date on which the rating was obtained, to validate such a rating. The bursar group of nine staff members are required to validate, i.e. receive On-the-Job-Training Instruction (OJTI) on both Aerodrome Control and Flight Information Services before they may be applied operationally.

The programme that they will follow posed challenges as the number of available operational positions must be weighed against the number of available OJT Instructors, while at all times complying with the prescribed maximum hours of operational duty.

Through close cooperation between middle and senior management, as well as operational staff, a programme was developed in which the learners are afforded the opportunity to validate their ratings within the available time.

In order to efficiently apply available human resources a number of staff have been cross validated at both Eros and Hosea Kutako Air Traffic Services Units. This cross validation process required that experienced Air Traffic Controllers receive OJTI at those units at which they do not hold validations. Regulation requires each Air Traffic Controller to validate his/her ratings at every unit the staff member is expected to perform operational duty as an Air Traffic Controller.

The success of this process enabled the ANS provider to further apply personnel in a multitude of positions and thus making the most effective use of available resources. This validation training programme was also used by staff who have recently completed the OTJ Instructors course to validate their ratings and gain valuable experience.

A group of four staff members completed the ATS rating of Area Control. As explained above, each ATS rating must be validated before being operationally active. The group completed their validation training with a 100 per cent pass rate and added value to the existing pool of Air Traffic Controllers in respect of human resources available.

## **Standard Instrument Departures and Arrivals**

Standard Instrument Arrivals (STAR) and Standard Instrument Departures (SID) are procedures implemented across the world at airports which benefit from standard procedures.

With these additions to some Namibian airports, the need arose for training to ATS personnel to understand and be able to manage said procedures.

All ATS staff at those units that introduced SID and STAR procedures underwent comprehensive training focused on efficiency of use, as well as the critical safety element involved.

Monitoring of the implemented procedures are continuous as well as the performance of staff allowing the ANS provider to conduct additional training should the need arise/be identified.



# FUTURE TRAINING REQUIREMENTS

## **Safety Management System**

A crucial requirement in any ANS provider is the implementation of a Safety Management System (SMS). The ANS provider has established the system and the next phase of implementation is training to all ANS staff in the understanding and use of the SMS.

## **Quality Management System**

The AIM section has been certified ISO90014:2015 compliant and it is the intention of the ANS provider to ultimately have all three sections certified. A Quality Management System forms an integral part of this process and staff will be trained according to the position they hold.

## **Fatigue Risk Management**

It is an international and local requirement that ANS providers educate their staff on the identification of fatigue in themselves and others, to understand the consequences and safety risks associated with fatigue and how to prevent fatigue. Through

various training programmes and self-awareness programmes the management of fatigue will be effectively conducted at all levels within the Authority.

## **ATS and AIM Supervisors**

The introduction of operational supervisors has been in process internationally over at least the past decade. Namibia has taken the step to implement operational supervisors in order to increase safety and efficiency. Training programmes for these individuals are planned to take place in 2020 to further their skills.

## **Management Training**

The migration to a Civil Aviation Authority has had the result of new appointments in various management positions and with it new responsibilities. In an effort to further the knowledge and tools available to these appointees, the need for management and leadership training specific to ANS has been identified. This will be further quantified during the next financial year.



# ANS SAFETY AND QUALITY

The purpose of the Safety and Quality Office is to provide guidance and direction for the planning, implementation and operation of the NCAA ANS Safety Management (SMS) and Quality Management (QMS) systems.

**T**his is done in order to maintain and enhance service delivery to that part of the aviation industry which is reliant on the ANS provider, to complete its mandate of delivering people and goods safely to their destinations, domestically and internationally.

While still in its infancy, the Safety and Quality Office is in the process of developing and implementing the ANS SMS, as well as the QMS. An important achievement during the reporting year was the Aviation Information Management section acquiring ISO 9000/2015 certification following the certification audit which was conducted in July 2019.

The activities of the Safety and Quality Office, apart from developing the Quality and Safety systems, is to manage incident and hazard analysis, monitoring safety and quality corrective actions and ensuring compliance with regulatory requirements, while developing and continuously promoting a safety culture within the ANS, through encouraging safety practices.

Looking towards the next year, the office will be interacting with Air Traffic Management, in order to develop the required procedures for the section, supporting another step in obtaining full ISO certification for the NCAA ANS.

While this could take longer than the next twelve months, the objective is to complete as much of the work as possible in order to achieve the goal of certification for the ATM section within the next two years.

As it is not acceptable for ATCs or other staff members to make mistakes, the NCAA ANS recognises the fact that errors will occur and applies a policy of a 'just environment', in that errors will be identified and corrected without prejudicing the person concerned.

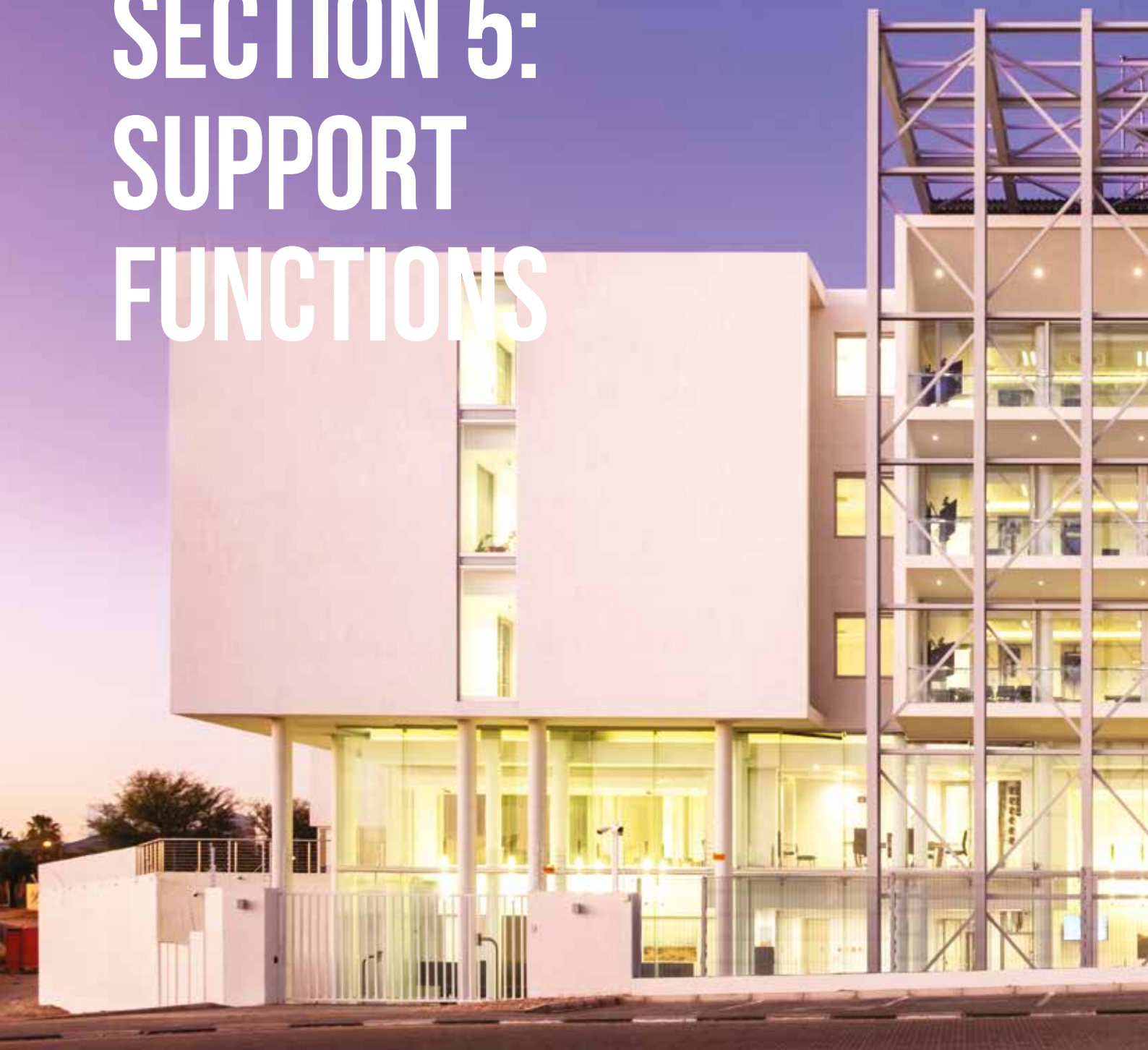
However, the transgression of policies and procedures is not acceptable within this environment and disciplinary action may be taken.



## SAMPLE OF INCIDENTS RECORDED DURING REPORTING YEAR

Date	Incident Recorded	Incident Detail	Cause of Incident	Resolution
06/07/2018	Exceeded flight level clearance	Pilot exceeded the flight level; that flight was cleared to by 500 ft	Pilot error	ATC resolved the situation through surveillance monitoring the flight.
12/08/2018	Lack of ATC co-ordination	Flight enroute to Johannesburg from Oceanic airspace entered the Windhoek Flight Information Region without prior co-ordination	ATC Error	Co-ordination Letters of Procedure reviewed and amended.
16/09/2018	Loss of separation between arriving flights	ATC not able to provide adequate separation between the arriving flights, outside of field of view	ATC and system error	A more direct application of control is required to be provided in the area concerned.
26/09/2018	Flight deviated from course, without ATC clearance	Pilot deviated from cleared track, without requesting or receiving ATC approval of new track being flown.	Pilot error	ATC resolved the situation through surveillance monitoring of the flight.
28/09/2018	Reduction in spacing due to frequency separation	Incident occurred due to two flights operating in the same airspace, but on two different ATC frequencies.	ATC Error	ATCs instructed to ensure that flights operating in the same portion of airspace are on the same radio frequency.

# SECTION 5: SUPPORT FUNCTIONS



## CNS & ICTP

COMMUNICATION NAVIGATION SERVICES AND  
INFORMATION COMMUNICATION TECHNOLOGY AND PROJECTS



**T**he CNS and ICTP division has two components. The CNS component is discussed under Section 4: Air Navigation Services (ANS), since it is an integrated part of the ANS.

The ICTP component stands for Information and Communication Technology and Projects.

ICTP is a service provider within the NCAA and is providing the required ICT

infrastructure required for the NCAA to be efficient and effective by means of a safe and secure IT network.

The Project section is developing, managing and overseeing, various projects within the NCAA.

These projects have included the construction of the NCAA Head Office, the implementation of the EMPIC regulatory oversight database and

software which will ultimately enable the NCAA to test pilots locally and the issuing of licences to various aviation professionals, the highly-confidential database for all the medical records of pilots and others, and the database for all Namibian registered aircraft.

Other projects handled by the Projects section relate to regulatory compliance, the updating of regulations and standards, audit readiness and strategy implementation.

# THE PROJECT OFFICE

## PROJECT MANAGEMENT AS AN ENABLER TO NCAA STRATEGY IMPLEMENTATION

The Projects Office was established to define and maintain the standards and processes related to the management of NCAA's projects. The section's core objective is to provide a stable project management framework that supports the Authority in realigning and consolidating all strategic activities into projects with the aim of improving the probability of successful delivery of all its services and compliance obligations.

The Project Office also aims to re-align and consolidate ad hoc organisational initiatives, whilst ensuring focus within the different functions. This re-alignment will enable the NCAA to continue providing first-rate regulatory services to the aviation industry whilst the reform processes are ongoing.

The Project Office also aims to provide project management services, guidance and support to the various departments in implementing ad hoc, intra-departmental initiatives and running them according to project management best practices. An additional function performed by the Project Office is Facilities Management Support for the NCAA Head Office.

The Project Office is expected to function as follows:

- Act as a prioritisation centre for urgent ad hoc projects,
- Serve as a linkage between the different divisions within the Authority and external service providers,
- Determine the needs of the various divisions and evaluates these needs
- Participate in 'make or buy' decisions where projects are concerned (outsource or insource),
- In the case of outsourcing, sourcing and managing of adequate service providers to provide solutions to the organisational needs, and

- Evaluate the implementation and effectiveness of the solutions provided.

The Project Office aims to achieve its objectives and ensure organisation-wide clarity and focus by:

- Setting project management standards and methodologies;
- Establishing and standardising project management processes;
- Providing quality assurance for all projects;
- Supplementing project resources for specific activities;
- Providing project support, training, coaching and mentoring; and
- Creating a centralised repository/ data bank of project management knowledge e.g. lessons learned.

The section is run by a Manager: Projects, who is to be assisted by a



**NERAGO NDOROMA**

MANAGER: PROJECTS

Project Administrator and seconded staff as required. The Office reports to the General Manager CNS & ICTP (Communication Navigation Services; Information Communications Technology and Projects)

## ACHIEVEMENTS

- Relaunch of the EMPIC rollout project. EMPIC is a standard software solution which assists civil or military aviation regulators in the implementation of national and international regulations such as ICAO.
- Completion of the new NCAA Head Office: the new NCAA Head Office was rendered functional and prepared for personnel occupancy and use.

## LOOKING AHEAD

### EMPIC Rollout Project Phase 2

- Flight Operations Regulations and Standards Project and ICAO Audit preparation
- 2020 Annual Report Project
- Various strategic and ad hoc organisational initiatives

# INFORMATION & COMMUNICATION TECHNOLOGY



## INFORMATION AND COMMUNICATIONS DEPARTMENT

From left to right: Simon L. Valombola, Michael R. Grellmann, Wolfgang Henckert (Senior Manager), Sofia N. Namupala

**T**he NCAA ICT section's role is to provide vision and leadership for developing and implementing information and communication technologies. The ICT section directs the planning and implementation of enterprise ICT systems in support of NCAA operations in order to improve cost effectiveness, service quality, and NCAA business development.

The ICT section is responsible for all aspects of the organisation's information technology and systems. The NCAA ICT system management responsibilities include the management of all PC-based, server-based, and cloud-based equipment and applications deployed in the organisation, the configuration and maintenance of all printing infrastructure, network and endpoint security, telecommunications equipment, gateways and switchgear, telephony, user management, access control and CCTV, as well as backup and archiving.

At NCAA, the ICT-P section is very much at the centre of all other activities and functions in that it comprehends the business context, the applications, the technologies, the organisational capabilities, and the governance. To that extent it needs to embrace the realities of multiple industries while enabling the NCAA to be a stable yet agile agent for a dynamic aviation industry.

The Office is expected to function as follows:

- Act as the enabler for business processes;
- Enhance the user experience of online resources at a single point of entry (portal);
- Ensure certified data storage (management and curation);
- Provide integrated systems and workflow;
- Provide management information and business intelligence (BI);

- Provides information, support and training;
- Enlist professional ICT staff;
- Provides secure access and mobility;
- Allow for industry-wide collaboration;
- Provide integrated communication tools and systems;
- Strive for effective ICT governance in a dynamic environment;
- Optimise the environmental impact and sustainability of ICT;
- Accommodate organisational and technological change, yet maintaining stability and continuity;
- Produce smart development plans to stratify achievable, resource-dependent, and aspirational objectives, aims, and actions into short-, medium- and long-term ICT strategic goals;
- Improve the service-industry orientation of ICT services across the board;

- Secure and maintain information resources
- Foster education, learning, communication and collaboration; and
- Improve and maintains ICT governance.

The department aims to achieve its objectives and ensuring organisation-wide clarity and focus by:

- Preserving the business value of present and future systems by removing integration barriers
- Strengthening ICT capabilities and maximising business intelligence
- Optimising end-to-end ICT applications and technology support

processes through increased business and ICT alignment

- Accommodating organisational and technological change, yet maintaining stability and continuity
- Providing access anywhere anytime
- Optimising the development path by finding a strategic fit for core competencies and technological trajectories
- Supporting the establishment of centres of excellence
- Emphasising the two aspects:
  - Embracing the shifting character of Namibia Civil Aviation Authority external environment; and

- Adapting, integrating and reconfiguring internal and external organisational skills, resources and functional competencies towards the changing environment.

The department is run by a Senior Manager: ICT, who is assisted by a System Administrator, a helpdesk engineer, as well as support staff. The section reports to the General Manager CNS & ICTP (Communication Navigation Services; Information Communications Technology and Projects).

## ACHIEVEMENTS DURING THE REPORTING PERIOD

- Rehoming of complete server room and network infrastructure to new NCAA head offices
- Migration to a Microsoft environment
- Rollout of new PC/laptop infrastructure for users

## LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

- Completion of server migration to Microsoft environment
- Consolidate support structures and processes
- ICT governance
- Improving service delivery and implementing action plans
- Foster and enable process excellence
- Consolidate technological footprint and mitigate complexity
- Advancing the ICT hypecycle and respond to organisational changes

# HUMAN CAPITAL ACTIVITIES



## HUMAN CAPITAL DEPARTMENT

From left to right: Maria M. Tibinyane, Beverley S. Skrywer (Manager), Tuyeimo M. Paavo, David Uusona

The NCAA regards its employees as its biggest asset, and human capital remains the most critical part of the NCAA and its operations.

The Human Resources Department is well established to support the core function of the NCAA. It is tasked with appointing employees with a view to assisting the NCAA in fulfilling its mandate in terms of the Civil Aviation Act No 6 of 2016.

The strategic objective for the Human Resources section in the previous period was to successfully transition staff from the Ministry of Works and Transport and the ICAO project to the NCAA.

on the operations of the NCAA. There was also a focus on human capital development by reviewing HR policies, supporting the holistic wellbeing of staff and facilitating employee engagement interventions.

The NCAA is committed to striking a balance between the number of operational staff needed to ensure that Namibia is responsive to its safety and security oversight obligations and what is financially feasible, given its commitment to fulfilling its mandate.

The NCAA has an approved staff structure of 222 positions for the 5-year

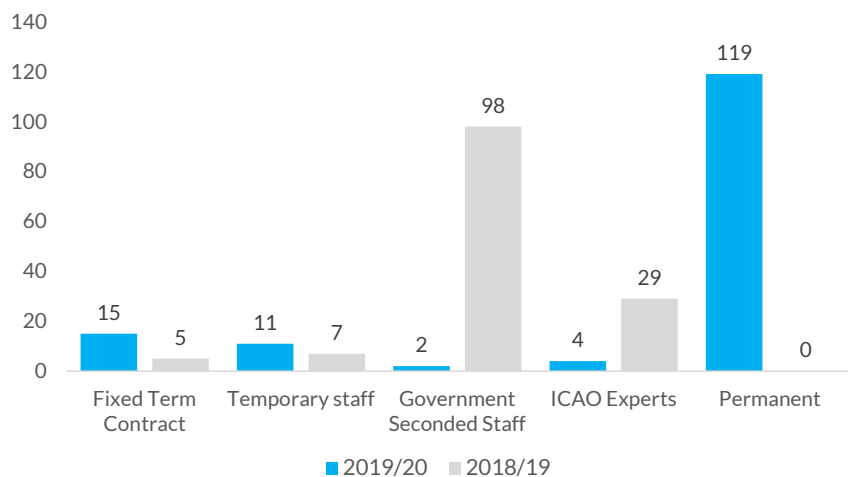
Business and Financial Plan period 2017/18-2021/22. The staffing objective for the next financial year is to fill the remaining number of the approved staff complement.

The recruitment and continuous training of personnel, including licensed air traffic controllers, is a significant area of focus for the NCAA.

During the reporting period and in comparison with the previous reporting year, the Authority was staffed as follows:

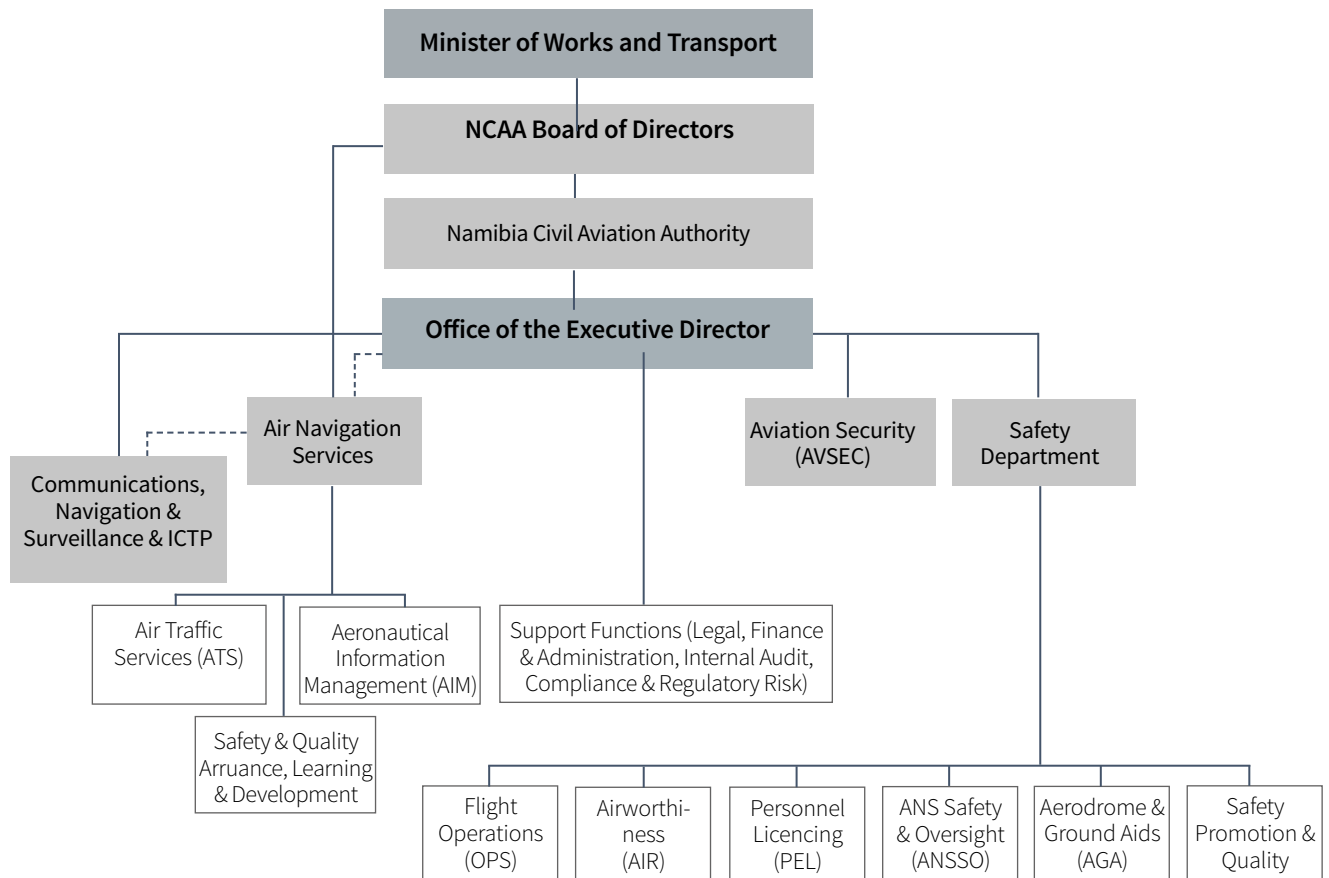
The HR department successfully transition staff from the Ministry of Works and Transport and the ICAO project to the NCAA.

Human Resources: Employees, 2018/19 vs 2019/20 (number)



# ORGANISATIONAL STRUCTURE

NCAA's organisational structure is shown in the organogram below.



The Human Resources section ensures that there is harmony between employer and employees in complying with the relevant laws, and that employees are adequately equipped and resourced and that staff loyalty and commitment remain high as our staff execute their duties.

## TRAINING DELIVERED DURING THE FINANCIAL YEAR

Training cost incurred: 2019/20	
Category	Amount
Staff training (tuition costs only)	N\$4,532,456
ANS bursaries	N\$10,932,965

The training cost incurred during the financial year ended March 2020 is depicted in the table on the left.

### Planned training activities

The NCAA believes in staff development and engagement. All newly-appointed NCAA staff members are scheduled to attend a session with the Executive Director and the following important trainings in order to adopt the NCAA culture:

- Collaborating with Change training
- Formal NCAA induction training
- Customer service training

The objective of the training is to assist the new employees to collaborate with change in the working environment, to ensure that standardised processes are followed and adhered to during the change management process. It is also important to acquaint new employees with the Authority's mandate, culture, job procedures and policies, as well as creating a sense of belonging and setting the standards of required behaviour and performance.

The customer service training is aimed to build a new customer-centric culture, and developing a service attitude and mindset aimed at establishing internal and external customer service and professionalism.

# ANS BURSARY PROGRAMME



The NCAA Air Navigation Services (ANS) initiated a bursary programme in 2018. The programme provided bursaries for Namibian nationals to train as Air Traffic Controllers (ATC) (20 persons), Aeronautical Information Officers (AIO) (6 persons) and Air traffic Safety Electronics Personnel (ATSEP) (12 persons) over a period of three years. Training commenced at the beginning of 2019 with planned completion in 2021.

The bursary students undergo six months of on-the-job training after completing the academic training.

On successful completion of their training, they will be considered for employment and deployment to those operation units where staff are required.



(Left) The Human Resources Manager, Beverley Skrywer, welcoming the bursary students and (right) the Interim Executive Director, Reinhard Gärtner, addressed the bursary recipients.

## EMPLOYEE WELLNESS

To support the overall well-being of employees, which is vital to their productivity, various interventions were facilitated during the period under review, with a focus on physical and emotional wellness. The Covid-19 Response Committee was established to engage the employees together with HR department on prevention actions.

To ensure a continuous focus on a safe working environment, the appointment process of Health and Safety Officers commenced during the reporting year. All newly-appointed Health and Safety Officers will be trained accordingly.

# FINANCIAL PERFORMANCE

With the introduction of new air navigation and safety oversight charges to the industry on 1 December 2018, the NCAA has seen a turnaround in its financial results from a loss of N\$55 million in the previous year, to a surplus of N\$25 million.



## FINANCE AND ADMINISTRATION DEPARTMENT

From left to right: Thamsanqa Moyo (Head Civil Aviation Registry), Alexander T. Tjahikika, Cosmos Witbooi, Festus Shilunga, Foibe Johannes, Pendukeni TE. Nauyoma, Gisela A. Strauss, Unouzeu Mazeingo, Barbara U. Hishono, Robert Namaseb, Aron Narib

**R**evenue grew by 73 per cent to N\$250 million, while costs after the successful establishment of the NCAA escalated by 15 per cent to N\$236 million.

Operating costs drivers included bad debt provision movements (up 68 per cent), and employment costs (up 19 per cent) due to the adverse economic impact of the COVID-19 pandemic near year-end, ongoing customer liquidity issues and the appointment of new staff to the NCAA.

Government contributions to the NCAA continued their year-on-year reductions with a 30 per cent decrease, from N\$99 million in the previous year to N\$69 million.

Government contributions incurred during the financial year, specifically the costs for the establishment of the NCAA, included the costs of staff secondment from the Ministry of Works and Transport, contracted staff from ICAO and certain payments relating to aviation system maintenance contracts.

Staff transitioned from secondment to the NCAA from July 2019 onwards; the ICAO project is in the final stages of wrap-up and contracts are in the process of being transferred to the NCAA by gazette notice, thereby ending Government contributions to the establishment of the NCAA in the 2020/21 financial year.

There were no changes to fees and charges during the 2019/20 financial year.

# FINANCIAL POSITION

The key indications of the health of the NCAA's financial position currently are its asset base, liquidity and solvency.

Property, plant and equipment assets are yet to be transferred by Government gazette notice to the NCAA from the now-defunct Directorate of Civil Aviation under the Ministry of Works and Transport. These include land and buildings, office equipment and furniture, as well as air navigation networks and systems. This process is expected to be completed in the 2020/21 financial year, and the depreciated value of these aged assets is approximately N\$300 million for moveable assets and N\$200 million for immovable assets.

The NCAA remains liquid with N\$240 million in cash reserves (including short-term investments), while solvency is positive with Government contributions covering the net costs of establishment. Negatively impacting cash reserves in the near future will be the adverse impact of the COVID-19 pandemic, which has seen post-year-end revenues decline by 91 per cent. In the longer term, significant capital replacement and development plans on navigation systems will consume reserves.

# FINANCIAL OUTLOOK

As with all entities within the global aviation industry, budgets have been revised due to the adverse financial impacts of the COVID-19 pandemic. To ensure the NCAA continues as a going concern with a significantly reduced revenue stream, cost control measures have been implemented to preserve cash reserves as much as possible and to reduce the impact on industry. These include no staff salary increments or bonuses in the 2020/21 financial year, restriction of staff appointments, travel and training have been limited and procurement in general is being restricted to only that which is deemed absolutely necessary. Additionally, to protect the industry there will be no increments to air navigation and safety oversight charges to industry in the 2020/21 financial year. The Government continues to provide support to aid cash flows, while defaulting customers receive regular follow-up.

With these cost control measures in place, the NCAA expects to continue as a going concern for the foreseeable future. Forecasted revenue numbers are in line with IATA's prediction on the industry returning to normal.

The NCAA has planned revenue numbers of N\$62 million for the 2020/21 financial year, down by 75 per cent, while planned operating expenditure will decrease by 12 per cent (excluding depreciation). Cash shortfalls are to be supported by Government surveillance invoices and proceeds from customers in default.

# CASH FLOW

The NCAA's cash balance (including short-term investments) at 31 March 2020 was N\$240 million (up by 73 per cent from the prior year). The increase in cash reserves

was due mainly to the new air navigation and safety oversight charges being introduced in 1 December 2019, offset by some capital expenditure that was incurred. Contributions by Government were not cash flows through the NCAA and were recorded as equity.

# FORE-CASTED EXPENSES

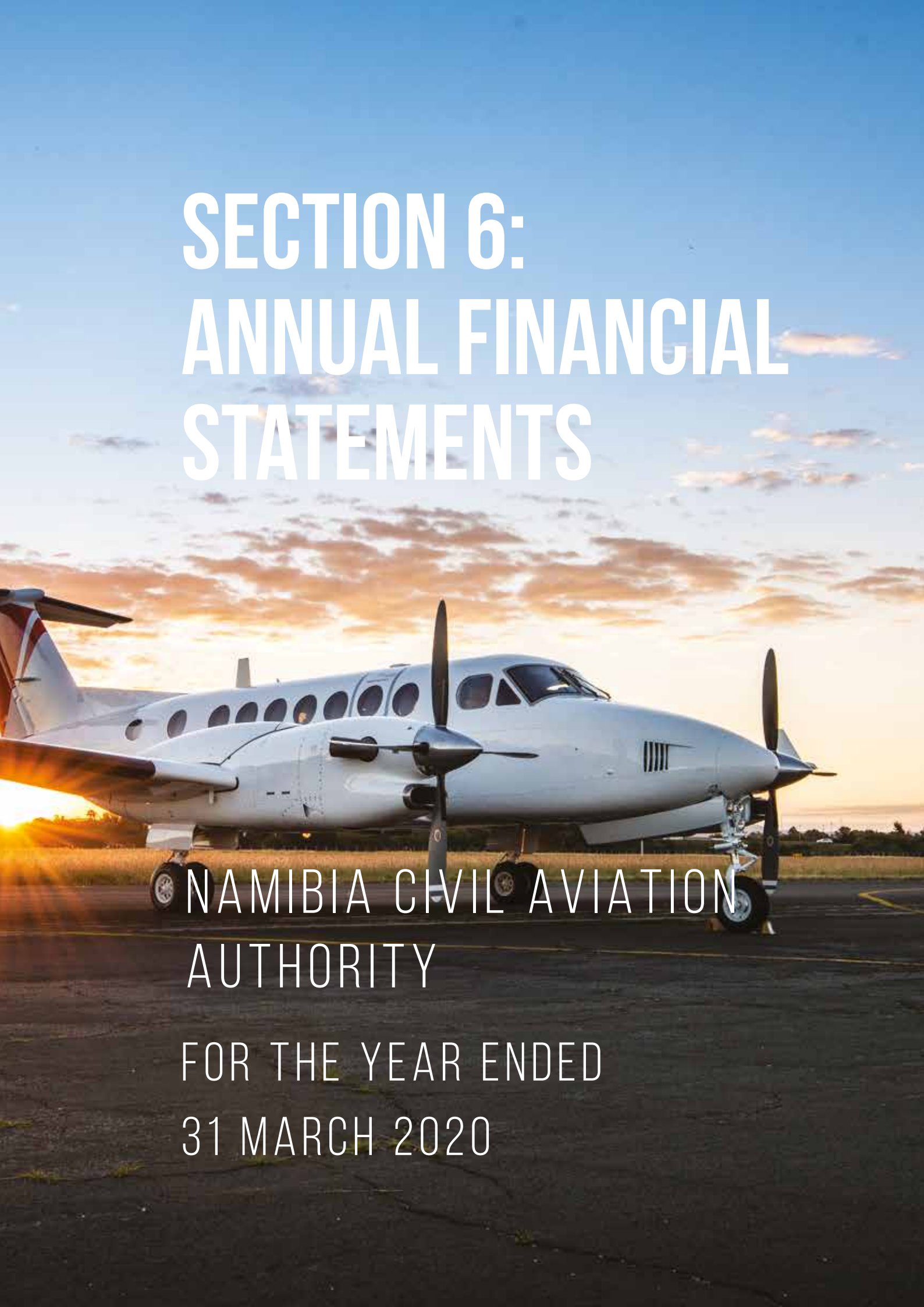
Expenses forecasted for the next financial year include:

- N\$109 million in employment costs
- N\$43 million depreciation costs earmarked for capital development and replacement costs (non-cash flow)
- N\$20 million in expert consulting fees to achieve and maintain safety standards
- N\$17 million in bursary and training costs to develop local skills
- N\$8 million in travel-related costs to service operators locally and abroad
- N\$17 million in leasing costs for air navigation service infrastructure, and
- N\$35 million other costs, such as building and equipment maintenance costs, insurance and bad debt expenses.

To offset the planned N\$249 million cost base, the NCAA has revised the budgeted revenue streams of the following:

- N\$52 million in air navigation charges
- N\$10 million in safety oversight charges and fees
- N\$8 million from sundry income and interest received, and
- N\$74 million from Government as support.

The remaining shortfall will be funded from existing cash reserves.

A white twin-engine turboprop aircraft is parked on a runway. The sun is setting in the background, creating a warm, golden glow and casting long shadows. The sky is a mix of blue and orange. The aircraft is the central focus of the image.

# SECTION 6: ANNUAL FINANCIAL STATEMENTS

NAMIBIA CIVIL AVIATION  
AUTHORITY

FOR THE YEAR ENDED  
31 MARCH 2020



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# DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors of the Authority are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The financial statements have been prepared in accordance with International Financial Reporting Standards and the Civil Aviation Act of 2016.

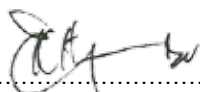

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Authority and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 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 2021 and, in light of this review and the current financial position, they are satisfied that the Authority has access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern 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 101 to 103.

## DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 104 to 131, which have been prepared on the going concern basis, were approved by the board of directors on 30 June 2020 and are signed on their behalf by:

  
.....  
Chairperson  
.....  
Director



## Independent auditor's report

To the Member of Namibia Civil Aviation Authority

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### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Namibia Civil Aviation Authority (the Authority) as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### What we have audited

Namibia Civil Aviation Authority's financial statements set out on pages 104 to 130 comprise:

- the report of the directors for the year ended 31 March 2020;
- the statement of financial position as at 31 March 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies.

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### Basis for opinion

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

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

### Independence

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

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Namibia Civil Aviation Authority Annual Financial Statements 31 March 2020". The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially

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*PricewaterhouseCoopers, Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia Practice Number 9406, T: +264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com.na*

Country Senior Partner: Chantell N Husselmann  
Partners: R Nangula Uaandja, Louis van der Riet, Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Trofimus Shapange, Hannes van den Berg, Willem A Burger



inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

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### *Responsibilities of the directors for the financial statements*

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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### *Auditor's responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial statements, including the disclosures, and whether the 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.

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A handwritten signature in black ink that reads "PricewaterhouseCoopers" in a cursive, flowing script.

PricewaterhouseCoopers  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
Per: R Nangula Uaandja  
Partner  
Windhoek  
Date: 31 July 2020

# REPORT OF THE DIRECTORS

## for the year ended 31 March 2020

The directors have pleasure in presenting their report on the activities of the Authority.

### NATURE OF BUSINESS

The Authority was established on 1 November 2016 by the Civil Aviation Act of 2016, and is tasked to conduct oversight of all aspects of safety and security of civil aviation in Namibia.

The two operating and reporting requirements of the Authority are Regulatory and Air Navigation Services. These operate severally from each other to ensure functional separation.

### EQUITY

Government equity contributions over the financial year in the form of cash and assets amounted to N\$69,404,767 (2019: N\$98,816,954). The Authority is established in terms of Section 8 of the Civil Aviation Act of 2016 and has as its line-Ministry, the Ministry of Works & Transport.

### TAXATION

The provisions of the Civil Aviation Act of 2016 do not specify if the Authority is exempt from income taxation. This is yet to be determined with finality with the Ministry of Finance and correspondence on the matter has been issued. The Authority did not earn income sufficient to be subject to tax in the reporting year, and as a result there would be no impact on the financial numbers presented in the attached financial statements.

### DIVIDEND

In accordance with Section 24 of the Civil Aviation Act of 2016, no dividend has been declared and paid during the year (2019: N\$nil).

### DIRECTORS AND SECRETARY

The following persons acted as directors of the Authority during the year:

KH Egumbo (Chairman)	(1 November 2016 for 5 years)
RO Gärtner (Deputy Chairman)	(1 November 2016 resigned 31 May 2019)
(Interim Executive Director)	(1 June 2019 to 30 November 2020)
MK Jankie	(1 November 2016 for 4 years, Deputy Chairperson from 18 May 2020)
E Kantema-Gaomas	(1 November 2016 to 31 March 2020)
IK Thudinyane (Alternate)	(1 November 2016 for 4 years, appointed Director from 18 May 2020)
U Katjjuanjo (Alternate)	(1 November 2016 for 4 years, appointed Director from 18 May 2020)
U Katjipuka-Sibolile (Alternate)	(1 November 2016 for 4 years)
A Simana (Executive Director)	(1 November 2016 to 31 May 2019)

G D Elliott (Interim Corporate Secretary) (appointed 1 November 2016)

The business and postal address of the Authority and Secretary are set out below:

Business address:

NCAA Building  
Rudolph Hertzog Street  
WINDHOEK  
NAMIBIA

Postal address:

Private Bag 12003  
WINDHOEK  
NAMIBIA

REPORT OF THE DIRECTORS (continued)

**GOING CONCERN**

The Authority generated a net gain of N\$24,844,624(2019: N\$54,507,996 loss) for the year ended 31 March 2020 and generated cash flows from operating activities amounting to N\$108,054,000 (2019: N\$57,754,000). However, with the declaration of a global pandemic in March 2020 and the subsequent lockdown of borders implemented in various countries across the globe, the aviation industry has experienced a material decline in operating activity.

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

The Authority's cash reserves together with National Budget allocations are sufficient resources to maintain operations for the foreseeable future.

**STAFF SECONDMENTS/ ICAO CONTRACTS**

As part of its establishment processes, the Authority had staff seconded and contracted from the Ministry of Works and Transport, the Namibia Defense Force and from the International Civil Aviation Organization (ICAO). The transition of these staff through appointments commenced on 1 July 2020, with the exception of Namibia Defense Force personnel whom are expected to transition in the next financial year.

**SUBSEQUENT EVENTS**

The Authority considers known events and expected eventualities identified as at 31 March 2020 as adjusting events. However, any new information/change in circumstance will be considered as non-adjusting events which will be disclosed if considered material. Specifically, the key principle is that Covid-19 is considered to be sufficiently prevalent in Namibia at 31 March 2020 and lockdown restrictions were implemented by 31 March 2020.

Therefore, new information and changes in circumstances that arise in the post balance sheet period, that relate to assets and liabilities in existence at 31 March 2020, should be considered adjusting events. New events and circumstances which occur after 31 March 2020 related to Covid-19 is disclosed if material.

The Authority is satisfied that the appropriate considerations have been taken into account with regards to the impact of Covid-19 to the annual financial statements for the year ended 31 March 2020 with regards to subsequent events.

There were no other significant events or circumstances between the date of the financial statements and the date of this report that would require disclosure or amendment in the annual financial statements.

# STATEMENT OF FINANCIAL POSITION

## as at 31 March 2020

	<u>Notes</u>	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b>ASSETS</b>			
NON-CURRENT ASSETS			
		7 194	644
Property, plant and equipment	10	6 294	184
Intangible assets	11	900	460
CURRENT ASSETS			
		288 866	193 968
Trade and other receivables	12	48 535	54 659
Short-term investments	13, 16.2	234 753	132 896
Bank balances and cash	16.2	5 578	6 413
TOTAL ASSETS		<u>296 060</u>	<u>194 612</u>
<b>EQUITY AND LIABILITIES</b>			
CAPITAL AND RESERVES			
		272 755	178 506
Government contributions	14	414 212	344 807
Accumulated loss		(141 457)	(166 301)
CURRENT LIABILITIES			
		23 305	16 106
Trade and other payables	15	23 305	16 106
TOTAL EQUITY AND LIABILITIES		<u>296 060</u>	<u>194 612</u>

# STATEMENT OF COMPREHENSIVE INCOME

## for the year ended 31 March 2020

	<u>Notes</u>	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
REVENUE	5	249 914	144 399
OPERATING COSTS	7	<u>(235 650)</u>	<u>(204 880)</u>
Operating profit/(loss)		14 264	(60 481)
Finance income	8	10 680	6 023
Other expenses		<u>(100)</u>	<u>(51)</u>
PROFIT/(LOSS) before taxation		24 844	(54 509)
Taxation	9	<u>-</u>	<u>-</u>
PROFIT/(LOSS) for the year before other comprehensive income		24 844	(54 509)
Other comprehensive income		<u>-</u>	<u>-</u>
COMPREHENSIVE INCOME/(LOSS) for the year		<u>24 844</u>	<u>(54 509)</u>

# STATEMENT OF CHANGES IN EQUITY

## for the year ended 31 March 2020

	<u>Note</u>	<u>Government contributions</u> <u>N\$'000</u>	<u>Accumulated loss</u> <u>N\$'000</u>	<u>Total</u> <u>N\$'000</u>
<b>AUTHORITY</b>				
BALANCE at 31 March 2018		245 990	(111 792)	134 198
Government contributions	14	98 817	-	98 817
Comprehensive loss for the year		<u>-</u>	<u>(54 509)</u>	<u>(54 509)</u>
BALANCE at 31 March 2019		344 807	(166 301)	178 506
Government contributions	14	69 405	-	69 405
Comprehensive income for the year		<u>-</u>	<u>24 844</u>	<u>24 844</u>
BALANCE at 31 March 2020		<u>414 212</u>	<u>(141 457)</u>	<u>272 755</u>

# STATEMENT OF CASH FLOWS

## for the year ended 31 March 2020

		<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
		108 055	57 754
Cash receipts from customers		247 496	102 604
Cash paid to suppliers and employees		(150 121)	(50 873)
Cash generated by operations	16.1	97 375	51 731
Finance income		10 680	6 023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		(7 033)	(712)
Acquisition of property, plant and equipment	10	(6 305)	(197)
Proceeds on disposal of property, plant and equipment		14	-
Acquisition of intangible assets	11	(742)	(515)
Cash and cash equivalents for the year		101 022	57 042
Cash and cash equivalents at beginning of year		139 309	82 267
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>16.2</b>	<b>240 331</b>	<b>139 309</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020

The principal accounting policies applied in the preparation of these annual financial statements are set out in notes 1 - 4 below.

## 1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention on a going concern basis as modified by financial assets and liabilities (including any derivative instruments) being stated at fair value. Year on year movements are taken through the Statement of Comprehensive Income. The functional and presentation currency is Namibian Dollars (N\$). All values are rounded to the nearest thousand ('000).

Assets are only recognized if they meet the definition of an asset, it is probable that future economic benefits associated with the asset will flow to the Authority and the cost can be measured reliably.

Liabilities are only recognized if they meet the definition of a liability, it is probable that future economic benefits associated with the liability will flow from the Authority and the cost can be measured with reliability.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

There have been no changes in accounting policies other than IFRS16 as disclosed in note 2.

## 2. ADOPTION OF NEW AND REVISED STANDARDS

It is important to note that the financial information has been prepared in accordance with IFRS that are effective at 31 March 2020. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Note 21.

The directors and management have not yet assessed the implications of these standards and interpretations.

The Authority has applied the following standards and amendments for the first time for the annual reporting year ended 31 March 2019:

- IFRS 16 Leases

The impact of IFRS 16 on sites and tower leases was limited, as the Authority only has right of use on these leases until 30 September 2020. It is expected that new contracts on new terms and conditions will be concluded with the lessors with an effective date of 1 October 2020. The Authority remains with commitments up to 30 September 2020 which are disclosed in Note 17. The prior year lease smoothing provision (Note 15) of N\$352,000 has been fully released to profit and loss in the current financial year.

As part of its annual improvements project, the International Accounting Standards Board made amendments to a number of accounting standards. The aim is to clarify and improve the accounting standards and include terminology or editorial changes with minimal effect on recognition and measurement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES**

**Revenue recognition**

Revenue represents the gross inflow of economic benefits during the year arising in the course of the ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Included in revenue are net invoiced sales to customers for services.

The Authority has rights and obligations between itself and its customers. The services provided by the Authority to these customers however, in the case of air navigation services, occur at a particular point in time and are fulfilled at that point. Regulatory services are provided continually and are charged to industry on a basis that is relevant to the customers who use such services. The basis, which is formulated on passenger seats on international departing flights, is regular and repetitive and is seen to accurately reflect the rights and obligations creation and the consumption thereof, in that the service is over a period of time, and the invoicing is broken down into sufficiently small components to match the costing of such services and not to materially misstate revenue.

A receivable asset is recognised when the service is provided, as this is point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The accounting policies for the Authority's revenue from contracts with customers are further explained in note 5.

Revenue is recognised on interest when it earned. Other revenue is recognised on the accrual basis at fair value.

**Employee benefit costs**

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees. The cost of short-term employee benefits is recognized in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognized as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of profit-sharing and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**Provisions**

Provisions represent liabilities of uncertain timing or amount. Provisions are recognized when the Authority has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

Provisions are measured at the expenditure required to settle the present obligation. Where the effect of discounting is material, provisions are measured at their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks for which future cash flow estimates have not been adjusted.

**Leasing**

The Authority leases sites and towers for air navigation equipment usage. The Authority assesses whether a contract is or contains a lease, at inception of the contract. The Authority recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office furniture). 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 assets are consumed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)**

**Leasing (continued)**

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:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- 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 lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated 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 the lease payments made.

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

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged 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).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Authority did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Authority incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. 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. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Authority applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)**

**Taxation**

Income tax expenses represent the sum of the tax currently payable and the movement in deferred tax.

Deferred taxation is recognized using the liability method for all temporary differences arising between the tax basis of assets and liabilities and their carrying amounts, unless specifically exempt, at the tax rates that have been enacted or substantially enacted at the reporting date.

A deferred taxation asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences and the carry-forward of unused tax losses. Deferred taxation assets are only recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

A deferred taxation liability represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognized for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and it is the intention to settle on a net basis.

**Property, plant and equipment**

Property, plant and equipment are accounted for at cost to the Authority less accumulated depreciation and less impairment losses and are depreciated on the straight-line basis over their expected useful lives to residual values at the following annual rates:

Buildings/Towers	2-4%
Furniture and fittings	10%
Office machines and equipment	12%
Computer equipment	33,3%
Motor vehicles	20%
Air Navigation Equipment	
- Surveillance equipment	7%
- Communication equipment	7%
- Navigation equipment	7%
- Operations IT equipment	7%
- Electrical & Mechanical equipment	7%
- Test equipment and tools	7%
- Power	25%

Freehold land is not depreciated as it is deemed to have an indefinite life.

Subsequent costs are included in the asset's carrying amount, or recognized as separate assets, 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.

The carrying value of any replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Assets in the course of construction and installation are not depreciated.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit and loss.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)**

**Intangible assets**

Intangible assets are recognized at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Historical cost includes expenditure that is directly attributable to the generation of items. Subsequent costs are included in the asset's carrying amount, or recognized as separate assets, 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.

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, the effect of any changes in estimate being accounted for on a prospective basis.

Subsequent to initial recognition, intangible assets are recognized at cost less accumulated amortization and accumulated impairment losses.

Amortization is calculated using the straight-line method to allocate their cost to their residual value over the estimated useful lives, typically over a 3 year period.

Assets in the course of construction are not amortized.

**Impairment of assets**

At each reporting date, the directors of the Authority review the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The 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. Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized in profit and loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized in profit and loss.

**Assets held for sale**

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Management must be committed to the sale, and there must be an expectation that the sale will be completed in one year.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)**

**Government contributions and grants**

Contributions from government for the establishment of the Authority are recorded as equity contributions.

Government grants are not recognized until there is reasonable assurance that the Authority will comply with the conditions attached to them and grants will be received.

A government grant of which the primary condition is that the Authority should purchase, construct or otherwise acquire non-current assets is recognized as deferred income in the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognized as income over the periods necessary to match them with the cost for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related costs are recognized in surplus or deficit in the period in which the grant becomes receivable.

**Foreign currency**

Assets and liabilities in foreign currencies are translated to Namibian currency at rates of exchange approximating those ruling at the reporting date. Profits and losses arising on translation are dealt with in the statement of comprehensive income.

In order to hedge its exposure to certain foreign exchange risks, the Authority enters into forward contracts and options (see below for details of the Authority's accounting policies in respect of such derivative financial instruments).

**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 which are debt instruments:

- Amortised cost;

Financial liabilities:

- Amortised cost;

Financial instruments and risk management presents the financial instruments held by the Authority based on their specific classifications. The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Authority are presented below:

The Authority regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

***Trade and other receivables***

Classification

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

***Trade and other payables***

Classification

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

Recognition and measurement

Trade and other payables 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. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in interest paid.

***Cash and cash equivalents***

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

***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.

***Reclassification***

Financial assets

The Authority only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated. The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

**Income from investments**

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions concerning the future are made by the Authority and the resulting accounting estimates will, by definition, seldom equal the related actual results.

Accounting policies that have been identified as involving particularly complex or subjective judgments or assessments are as follows:

**Deferred taxation assets**

Deferred taxation assets are recognized to the extent that it is probable that taxable income will be available in future against which they can be utilized. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates and competitive forces. Management also exercise judgement in assessing the likelihood that business plans will be achieved and that the deferred taxation assets are recoverable.

**Impairment of assets**

Property, plant and equipment, investment property and intangible assets are considered for impairment if there is a reason to believe that an impairment test may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself. Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, i.e. market values, is compared to the current net asset value. If lower, the assets are impaired to the present value.

**Useful lives and residual values of property, plant and equipment and intangible assets**

The Authority determines the estimated useful lives and related depreciation charges for property, plant and equipment and intangible assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. In estimating the useful lives of the assets, management assesses the present status of the assets and the expected future benefits associated with the continued use of the assets. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual values, based on their expected sales values at end of useful life.

**Loans and receivables**

The Authority assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Authority makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Management has applied judgement in estimating the extent of any impairment deemed necessary on the gross carrying value of loans and receivables and has impaired all doubtful accounts that are expected to have defaults. The impairment loss is recognized in profit or loss when there is objective evidence that it is impaired. See note 12 for more details on Trade Receivable impairments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> N\$'000	<u>2019</u> N\$'000
<b>5. REVENUE</b>		
The following table provides an analysis of the disaggregated disclosure of major service lines and timing of recognition:		
<i>Regulatory Services (transferred continually)</i>		
Passenger Safety Charge	<u>47 546</u>	<u>17 849</u>
<i>Regulatory Services (transferred at a point in time)</i>		
Safety Regulation Fees	2 586	2 000
<i>Air Navigation Services (transferred at a point in time)</i>		
En-route Navigation Charges	136 314	76 427
Terminal Charges	36 067	38 799
Aerodrome Charges	26 994	9 321
Sundry Charges	<u>407</u>	<u>3</u>
	<u>199 782</u>	<u>124 550</u>
Total Revenue	<u><u>249 914</u></u>	<u><u>144 399</u></u>

The disaggregations are explained as:

- Passenger Safety Charges are based on passenger seats and are charged to airlines on all departures from Namibian aerodromes to fund the overhead operations of the regulatory division of the Authority. These are recognised monthly as the safety oversight regulatory service is provided continually.
- Safety regulation fees are charged by the regulatory division for specific safety oversight services and are recognised when the service is provided.
- En-route Navigation Charges are area control, flight information and related services provided to aircraft flying in the airspace of Namibia. These are recognised when the service is provided.
- Terminal Charges are procedural and/ or radar approach control and related services provided for aircraft flying in the Windhoek and Walvis Bay terminal maneuvering areas. These are recognised when the service is provided.
- Aerodrome Charges are air traffic, aerodrome control and related services provided at aerodromes. These are recognised when the service is provided.

The fees and charges of the Authority are published by Government Gazette periodically and form the basis of amounts invoiced to customers, based on the services provided.

The Authority disaggregates revenue from contracts with customers by contract type and considers this to accurately reflect the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors and does not disaggregate information into geographical segments.

The Authority discloses contracts with customers separately as Trade Receivables, included in note 12, which includes additional information on the uncertainty of revenue and cash flows arising from these contracts. These are seen as unconditional and there are no related contract liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b>6. BOARD MEMBER EMOLUMENTS</b>		
Emoluments including allowances:		
Salaries and fees	<u>2 837</u>	<u>2 217</u>
<b>Key management personnel emoluments</b>		
Emoluments of executive management (excluding the Executive Director):		
Salaries	4 038	3 551
Benefits	<u>2 283</u>	<u>1 354</u>
	<u>6 321</u>	<u>4 905</u>
<b>7. OPERATING COSTS</b>		
Operating costs comprise:		
Audit fees – current period	(336)	(320)
Bad debts (see note 12)	(59 270)	(35 210)
Board expenses	(332)	(316)
Commission paid	(2 848)	(1 587)
Consulting fees - ICAO project	(12 858)	(23 112)
- other	(1 031)	(6 746)
Depreciation and amortization	(483)	(89)
Directors fees	(740)	(880)
Employment costs	(108 945)	(91 602)
Insurance	(2 775)	(2 526)
Legal fees	-	(115)
Membership fees	(574)	(2 357)
Loss on scrapping of intangible assets	-	(54)
Operating lease charges:		
- Equipment usage	(3 257)	(2 270)
- Properties	(50)	(214)
- Plant and equipment	(8 438)	(8 917)
- Motor vehicle expenses	(5 176)	(5 293)
Repairs & Maintenance	(535)	(1 191)
Travel & Accommodation	(6 218)	(7 709)
Other expenses	<u>(21 709)</u>	<u>(14 372)</u>
	<u>(235 575)</u>	<u>(204 880)</u>
<b>8. FINANCE INCOME</b>		
Financial instruments measured at amortised cost:		
- Bank interest earned	<u>10 680</u>	<u>6 023</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

9. TAXATION

The Authority did not earn any taxable income during the financial year nor prior financial reporting period. It is Management's assessment that the Authority is not subject to income taxation as it is an entity not for gain per the Civil Aviation Act of 2016. A formal request for confirmation as such has been submitted to the Ministry of Finance.

10. PROPERTY, PLANT AND EQUIPMENT

	<u>Network &amp; Computer Equipment</u> N\$'000	<u>Vehicles and furniture, fixtures and fittings</u> N\$'000	<u>Total</u> N\$'000
<b>Cost</b>			
Balance at 31 March 2018	-	3	3
Additions during the year	90	107	197
Balance at 31 March 2019	<u>90</u>	<u>110</u>	<u>200</u>
Additions during the year	2 459	3 846	6 305
Disposals during the year	(22)	-	(22)
Balance at 31 March 2020	<u>2 527</u>	<u>3 956</u>	<u>6 483</u>
<b>Accumulated depreciation</b>			
Balance at 31 March 2018	-	(1)	(1)
Depreciation charge for the year	(12)	(3)	(15)
Balance at 31 March 2019	<u>(12)</u>	<u>(4)</u>	<u>(16)</u>
Depreciation charge for the year	(146)	(35)	(181)
Disposals during the year	8	-	8
Balance at 31 March 2020	<u>(150)</u>	<u>(39)</u>	<u>(189)</u>
<b>Book value</b>			
At 31 March 2019	<u>78</u>	<u>106</u>	<u>184</u>
At 31 March 2020	<u>2 377</u>	<u>3 917</u>	<u>6 294</u>

Assets currently in use are yet to be transferred from the Ministry of Works and Transport to the Authority under Section 23 of the Civil Aviation Act, 2016. The Authority, although using these assets, has no control over the assets and is not free to dispose of such assets without the consent of the Ministry of Works and Transport. A request to transfer approximately N\$311 million worth of assets has been approved by the Ministry of Finance for approval and expected to be transferred to the Authority in the next financial year.

The depreciation expense for property, plant and equipment is detailed within the Statement of Comprehensive Income in Note 7. There is no title restrictions for any of the Authority's property, plant and equipment, nor are any of these assets pledged as security.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> N\$'000	<u>2019</u> N\$'000	
<b>11. INTANGIBLE ASSETS</b>			
<b>Computer Software - Work-In-Progress</b>			
Opening balance	62	51	
Additions		62	
Transfer to available-for-use	<u>(62)</u>	<u>(51)</u>	
	<u>-</u>	<u>62</u>	
<b>Computer Software - Available-For-Use</b>			
<i>Cost</i>			
Opening balance	448	25	
Transfer from work-in-progress	62	51	
Additions	742	453	
Scrapped	<u>-</u>	<u>(81)</u>	
	<u>1 252</u>	<u>448</u>	
<i>Amortization</i>			
Opening amortization	(50)	(3)	
Amortization	(302)	(74)	
Scrapped	<u>-</u>	<u>27</u>	
	<u>(352)</u>	<u>(50)</u>	
Balance at end of year - available-for-use	<u>900</u>	<u>398</u>	
Total Net Intangible Assets	<u>900</u>	<u>460</u>	
<b>12. TRADE AND OTHER RECEIVABLES</b>			
<i>Financial Instruments</i>			
Trade receivables	121 022	58 845	
Provision for doubtful debts	<u>(94 488)</u>	<u>(35 218)</u>	
	26 534	23 627	
<i>Non-Financial Instruments</i>			
Prepayments - ICAO project	12 008	23 924	
Prepayments - other	<u>9 993</u>	<u>7 108</u>	
Balance at end of year	<u>48 535</u>	<u>54 659</u>	
<b>Movement in provision for doubtful debts</b>	<u>Collectively</u> <u>assessed</u> N\$'000	<u>Individually</u> <u>assessed</u> N\$'000	<u>Total</u> N\$'000
Balance at beginning of year	(8)	-	(8)
Transfer from credit impaired	8	-	8
Transfer to credit impaired	<u>(3 935)</u>	<u>(31 283)</u>	<u>(35 218)</u>
Balance at beginning of year	(3 935)	(31 283)	(35 218)
Transfer from credit impaired	3 935	-	3 935
Transfer to credit impaired	<u>(4 815)</u>	<u>(58 390)</u>	<u>(63 205)</u>
Balance at end of year	<u>(4 815)</u>	<u>(89 673)</u>	<u>(94 488)</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**12. TRADE AND OTHER RECEIVABLES (CONTINUED)**

The Authority applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Authority has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles over a period of 12 months, as well as the adverse economic impact of the global pandemic on customers, being a significant increase in credit risk to the Authority. The historical loss rates have accordingly been adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 March 2020 was determined as follows for trade receivables:

**Trade debtors - days past due**

<b>31 March 2020</b>	<b>&lt;30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>&gt;90</b>	<b>Total</b>
	<u>N\$'000</u>	<u>N\$'000</u>	<u>N\$'000</u>	<u>N\$'000</u>	<u>N\$'000</u>
Trade debtors	12 751	15 564	13 313	79 394	121 022
Expected credit loss	46%	31%	65%	95%	78%
Estimated impairment carrying value	5 912	4 836	8 657	75 083	(94 488)
<b>31 March 2019</b>					
Trade debtors	24 279	14 868	9 386	10 312	58 845
Expected credit loss	35%	55%	91%	96%	60%
Estimated impairment carrying value	(8 543)	(8 203)	(8 539)	(9 933)	(35 218)

The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance

**31 March 2020:**

One customer's account with a gross carrying amount of N\$85,551,872 (2019: N\$31,282,515) has gone from recoverable at 31 March 2018 to doubtful, due to significant liquidity concerns arising during that year which have remained. A settlement agreement has been concluded in May 2020 and a partial payment of N\$9,934,770 was received. The operator however remains highly doubtful.

Four air service operators have been provided due to the economic impact of the global pandemic. Actions taken by the operators that create doubt include business rescue and liquidation.

	2020		2019	
	<u>Credit not impaired</u>	<u>Credit impaired</u>	<u>Credit not impaired</u>	<u>Credit impaired</u>
	<u>N\$'000</u>	<u>N\$'000</u>	<u>N\$'000</u>	<u>N\$'000</u>
	-	(75,617)	-	(31 283)
	2 456	(12 998)	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b>13. SHORT-TERM INVESTMENTS</b>		
<b>Current assets</b>		
Funds on call	<u>234 753</u>	<u>132 896</u>
<p>The funds are on deposit with Standard Bank Namibia (credit rating BBB-), with no fixed terms and earn interest at 4.35% (2019: 5.85%) p.a, compounded monthly. See note 16.2. No loss or expected credit losses have been recognised and the carrying amounts of deposits approximate their fair value.</p>		
<b>14. GOVERNMENT CONTRIBUTIONS</b>		
Balance at beginning of year	344 807	245 990
Contributions in the form of:		
- Expenses paid on behalf	<u>69 405</u>	<u>98 817</u>
Balance at end of year	<u>414 212</u>	<u>344 807</u>
<b>15. TRADE AND OTHER PAYABLES</b>		
<i>Financial Instruments</i>		
Trade payables	19 854	14 902
<i>Non-Financial Instruments</i>		
Payroll accruals	3 451	852
Lease smoothing accrual	<u>-</u>	<u>352</u>
	<u>23 305</u>	<u>16 106</u>

The average credit period on purchases is 30 days. The Authority does not have any long-term liabilities. It currently has sufficient cash reserves to fund its capital and operating expenditure.

The lease smoothing accrual relates to the smoothing of the rental lease payments on sites and towers rented over their lease periods.

The Directors of the Authority consider that the carrying amount of trade payables approximates to their fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> N\$'000	<u>2019</u> N\$'000
<b>16. NOTES TO THE STATEMENTS OF CASH FLOWS</b>		
<b>16.1 Cash generated by operations</b>		
Profit/(Loss) before taxation	24 844	(54 509)
Adjusted for:		
Depreciation and amortization	483	89
Loss on scrapping of intangible asset	-	54
Movement on provision for doubtful debts	59 270	35 210
Non-cash Government contributions	69 405	98 817
Finance income	<u>(10 680)</u>	<u>(6 023)</u>
	143 322	73 638
Working capital changes	(45 947)	(21 907)
Increase in trade and other receivables	(53 146)	(24 930)
Increase in trade and other payables	7 199	3 023
	<u>97 375</u>	<u>51 731</u>
<b>16.2 Cash and cash equivalents</b>		
Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:		
Short-term investments	234 753	132 896
Bank balances and cash	<u>5 578</u>	<u>6 413</u>
Total cash and cash equivalents	<u>240 331</u>	<u>139 309</u>

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. The carrying amount of these assets is approximately equal to their fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> N\$'000	<u>2019</u> N\$'000
<b>17. COMMITMENTS</b>		
<u>Operating leases</u>		
<i>Plant and equipment</i>		
Due within one year	1 539	2 202
Due between one and five years	-	3 635
Total	<u>1 539</u>	<u>5 837</u>

Operating lease commitments were renegotiated during the year to end on 30 September 2020, whereafter new terms and conditions on site and tower rentals are expected to be established.

**18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**18.1 Categories of financial instruments**

*Financial assets at amortized cost*

Current assets

Trade and other receivables	121 022	58 845
Short-term investments	234 753	132 896
Bank balance and cash	5 578	6 413
Total	<u>361 353</u>	<u>198 154</u>

*Financial liabilities at amortized cost*

Current liabilities

Trade and other payables	19 854	14 902
Total	<u>19 854</u>	<u>14 902</u>

**Capital risk management**

Currently the Authority does not have debt except for normal trade payables.

Deposits with banks are kept in a one-day-call to maximize return for stakeholders.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**18.2 Credit risk management**

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

The Authority only deposits cash surpluses with major banks of high quality credit standing.

Trade account receivables comprise a wide spread customer base. Ongoing credit evaluation of the financial position of customers is performed. This is done when prompt payment is not received on a recurring basis. In such instances customers are contacted and the situation is investigated. Remedial action in the form of financial assessments and negotiations are taken, based on individual circumstances.

The granting of credit is made on application and is approved by the directors. At period-end the Authority did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

The credit quality of cash and cash equivalents and short-term investments that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

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

	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b>Financial instruments - at amortized cost</b>		
Trade and other receivables	121 022	58 845
Short-term investments	234 753	132 896
Bank balances and cash	<u>5 578</u>	<u>6 413</u>
Total	<u><u>361 353</u></u>	<u><u>198 154</u></u>

**18.3 Liquidity risk management**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management is satisfied that the Authority will be able to settle its financial liabilities (payables and provisions) in the normal course of business.

The Authority's risk to liquidity is a result of the funds available to cover future commitments. The Authority manages liquidity risk through an ongoing review of future commitments.

The maturity grouping of financial assets and liabilities are all within 1 year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**18.4 Interest rate management**

The highest possible rate is negotiated with the banks to earn good interest returns.

The Authority is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates of interest on its investments. The cash resources are managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimizing risks. The Authority places its funds in fluctuating interest earning call deposits and fixed term deposits which are adjusted on a short term basis based on changes in the prevailing market related interest rates.

Further, these call deposits are due on demand. The call account/short term deposits amounting to N\$234,753,487 (2019: N\$132,896,249) are exposed to cash flow interest rate risk, however considering the short-term maturity of these deposits, these risks are minimized.

The Authority is not exposed to fair value interest rate risk.

**18.5 Foreign currency risk management**

The Authority undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Authority's foreign currency denominated monetary liabilities at the reporting date are as follows:

	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b>Currency</b>		
<i>Trade creditors</i>		
United States Dollar (USD)	(508)	(1 642)
Euro (EUR)	-	(915)
Canadian Dollar (CAD)	<u>(113)</u>	<u>-</u>

**Foreign currency sensitivity analysis**

The Authority is exposed to the currency fluctuations of USD.

The following table details the Authority's sensitivity to a 10% increase and decrease in currency units against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b><u>Impact - 10% fluctuation</u></b>		
United States Dollar (USD)	51	164
Euro (EUR)	-	92
Canadian Dollar (CAD)	<u>11</u>	<u>-</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**18.6 Maturity profile**

**Maturity profiles of financial instruments**

All financial assets and liabilities are of a short-term nature and are receivable and payable on 30 day payment terms.

	<u>1 – 3 months</u> N\$'000	<u>3 months – 1 year</u> N\$'000	<u>1 – 5 years</u> N\$'000	<u>Total</u> N\$'000
<b><u>2020</u></b>				
<b>Financial assets</b>				
Trade and other receivables - net	22 380	2 734	1 420	26 534
Short-term investments	234 753	-	-	234 753
Cash and cash equivalents	5 578	-	-	5 578
	<u>262 711</u>	<u>2 734</u>	<u>1 420</u>	<u>266 865</u>
<b>Financial liabilities</b>				
Trade and other payables	6 290	13 564	-	19 854
	<u>6 290</u>	<u>13 564</u>	<u>-</u>	<u>19 854</u>

	<u>1 – 3 months</u> N\$'000	<u>3 months – 1 year</u> N\$'000	<u>1 – 5 years</u> N\$'000	<u>Total</u> N\$'000
<b><u>2019</u></b>				
<b>Financial assets</b>				
Trade and other receivables	23 627	-	-	23 627
Short-term investments	132 896	-	-	132 896
Cash and cash equivalents	6 413	-	-	6 413
	<u>162 936</u>	<u>-</u>	<u>-</u>	<u>162 936</u>
<b>Financial liabilities</b>				
Trade and other payables	14 902	-	-	14 902
	<u>14 902</u>	<u>-</u>	<u>-</u>	<u>14 902</u>

**18.7 Fair value**

The directors are of the opinion that the book value of financial instruments approximates fair value, as the items are of a short-term nature.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**19. RELATED PARTIES**

Balances and transactions between the Authority and its related party, the Government of the Republic of Namibia, through the Ministry of Works & Transport are disclosed below. A related party is a person or an entity that is related to the reporting entity: A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.

	<u>2020</u> N\$'000	<u>2019</u> N\$'000
Government of Namibia - as Shareholder		
ICAO project	17 306	35 135
Payroll costs	33 535	58 630
Other expenses	14 820	5 052
	<u>65 661</u>	<u>98 817</u>
Government equity contributions during the year		
	<u>410 468</u>	<u>344 807</u>

Entities transacting with the Authority who are under the influence of the Ministry of Works and Transport:

Air Namibia (Pty) Ltd		
- Fees and Charges	70 319	45 014
- Expenses	(51)	(128)
- Trade receivables	85 552	31 283
Namibia Airports Company		
- Fees and Charges	438	105
- Expenses	<u>(5)</u>	<u>(2)</u>

**20. NUMBER OF EMPLOYEES**

The number of employees employed (including Executive Members) by the Authority as at the end of the period was as follows:

Seconded staff - Government	2	98
Contract employees - ICAO Consultants	7	6
- ICAO Nationals	-	23
- other	15	12
Permanent employees	<u>119</u>	<u>-</u>
Total	<u>143</u>	<u>139</u>
Bursars	<u>40</u>	<u>20</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**21. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE**

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Authority's accounting periods beginning on or after 1 April 2019 or later periods but which the Authority has not early adopted, as follows:

New/Revised International Financial Reporting Standards		Effective Date
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards	Annual periods on or after 1 January 2020
IAS 1	Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.	Annual periods beginning on or after 1 January 2020.
IFRS 3	Amendment to IFRS 3, 'Business combinations' Definition of a business	Annual periods on or after 1 January 2020
IFRS 17	IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2021
IAS 1, IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)	Annual periods on or after 1 January 2020
IFRS 9, IAS39 & IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	Annual periods on or after 1 January 2020

The directors are in the process of determining the impact of the adoption of these statements and interpretations, they do not however, anticipate the above to have a material effect on the Authority's financial statements presentation.

# DIVISIONAL INCOME STATEMENT

ADDITIONAL INFORMATION PRESENTED  
NOT FORMING PART OF THE AUDITED ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	REGULATORY		AIR NAVIGATION SERVICES	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Revenue	50 132	19 849	199 782	124 550
Audit fees – current year	(168)	(160)	(168)	(160)
Bad debts	(14 474)	(11 011)	(44 796)	(24 199)
Board expenses	(166)	(199)	(166)	(117)
Commission paid	(540)	(104)	(2 308)	(1 483)
Consulting fees - ICAO project	(11 658)	(21 880)	(1 200)	(1 232)
- other	(1 028)	(5 699)	(3)	(1 047)
Depreciation and amortization	(411)	(88)	(72)	(1)
Directors fees	(370)	(440)	(370)	(440)
Employment costs	(57 358)	(47 782)	(51 144)	(43 820)
Inter-divisional management and other fees	8 890	5 302	(8 890)	(5 302)
Insurance	(49)	(39)	(2 726)	(2 487)
Legal fees	-	(115)	-	-
Membership fees	(574)	(2 357)	-	-
Loss on scrapping of intangible assets	-	(54)	-	-
Operating lease charges:				
- Equipment usage	-	-	(3 257)	(2 270)
- Properties	-	-	(50)	(214)
- Plant and equipment (lease & usage)	(1 010)	(1 181)	(7 428)	(7 737)
- Motor vehicle expenses	(2 588)	(2 652)	(2 588)	(2 641)
Repairs & Maintenance	(70)	(59)	(465)	(1 132)
Travel & Accommodation	(4 891)	(5 676)	(1 327)	(2 033)
Other expenses	(15 994)	(10 496)	(6 158)	(3 875)
Operating costs	(102 459)	(104 690)	(133 116)	(100 190)
Finance income	529	1 036	10 151	4 987
Other Expenses	(100)	(30)	-	(21)
Net result	(51 898)	(83 835)	76 817	29 326

# **SECTION 7**

# **ANNUAL FINANCIAL**

# **STATEMENTS**

AIR NAVIGATION SERVICES (ANS)  
(A UNIT OF THE NAMIBIA CIVIL  
AVIATION AUTHORITY)

FOR THE YEAR ENDED  
31 MARCH 2020



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# DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors of the Authority and ANS division are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The ANS financial statements have been prepared in accordance with International Financial Reporting Standards and the Civil Aviation Act of 2016.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the ANS division and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal 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 ANS division and all employees are required to maintain the highest ethical standards in ensuring the ANS division's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the ANS division. While operating risk cannot be fully eliminated, the ANS division 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 ANS financial records may be relied on for the preparation of the ANS 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 ANS cash flow forecast for the year to 31 March 2021 and, in light of this review and the current financial position, they are satisfied that ANS has access to adequate resources to continue in operational existence for the foreseeable future. The ANS annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that ANS will not remain a going concern 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 135 to 137.

## DIRECTORS' APPROVAL OF THE ANS ANNUAL FINANCIAL STATEMENTS

The ANS annual financial statements set out on pages 138 to 165, which have been prepared on the going concern basis, were approved by the board of directors on 30 June 2020 and are signed on their behalf by:



.....  
Chairperson



.....  
Director



## *Independent auditor's report*

To the Member of Air Navigation Services "ANS"

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### *Our opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Air Navigation Services "ANS" (the Division) as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **What we have audited**

Air Navigation Services' financial statements set out on pages 138 to 165 comprise:

- the report of the directors for the year ended 31 March 2020;
- the statement of financial position as at 31 March 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies.

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### *Basis for opinion*

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

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

### **Independence**

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

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### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the document titled "Air Navigation Services "ANS" (A division of the Namibia Civil Aviation Authority) Annual Financial Statements 31 March 2020". The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially

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*PricewaterhouseCoopers, Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia Practice Number 9406, T: +264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com.na*

Country Senior Partner: Chantell N Huseelmann  
Partners: R Nangula Uaandja, Louis van der Riet, Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Trofinus Shapange, Hannes van den Berg, Willem A Burger



inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

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### *Responsibilities of the directors for the financial statements*

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Division'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 Division or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Division'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 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 Division to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

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*PricewaterhouseCoopers*

PricewaterhouseCoopers  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
Per: R Nangula Uaandja  
Partner  
Windhoek  
Date: 31 July 2020

# REPORT OF THE DIRECTORS

## for the year ended 31 March 2020

The directors have pleasure in presenting their report on the activities of ANS.

### NATURE OF BUSINESS

Air Navigation Services division "ANS" was established on 1 November 2016 by the Civil Aviation Act of 2016, and is tasked to conduct oversight of all aspects of safety and security of civil aviation in Namibia.

The two operating and reporting requirements of the Authority are Regulatory and Air Navigation Services "ANS". These operate severally from each other to ensure functional separation.

In terms of Section 49 (5) (e) of the Civil Aviation Act of 2016, ANS is required to prepare a separate set of audited annual financial statements.

### EQUITY

Government equity contributions over the financial year in the form of cash and assets amounted to N\$32,904,011 (2019: N\$44,147,826). ANS is established as a functionally separate division of the Authority in terms of Section 49 of the Civil Aviation Act of 2016 and has as its line-Ministry, the Ministry of Works & Transport.

### TAXATION

The provisions of the Civil Aviation Act of 2016 do not specify if the Authority is exempt from income taxation. This is yet to be determined with finality with the Ministry of Finance and correspondence on the matter has been issued. The Authority, including the ANS division did not earn income sufficient to be subject to tax in the reporting year, and as a result there would be no impact on the financial numbers presented in the attached financial statements.

### DIVIDEND

In accordance with Section 24 of the Civil Aviation Act of 2016, no dividend has been declared and paid during the year (2019: N\$nil).

### DIRECTORS AND SECRETARY

The following persons acted as directors of the Authority, including ANS, during the year:

KH Egumbo (Chairman)	(1 November 2016 for 5 years)
RO Gärtner (Deputy Chairman)	(1 November 2016 resigned 31 May 2019)
(Interim Executive Director)	(1 June 2019 to 30 November 2020)
MK Jankie	(1 November 2016 for 4 years, Deputy Chairperson from 18 May 2020)
E Kantema-Gaomas	(1 November 2016 to 31 March 2020)
IK Thudinyane (Alternate)	(1 November 2016 for 4 years, appointed Director from 18 May 2020)
U Katjjuanjo (Alternate)	(1 November 2016 for 4 years, appointed Director from 18 May 2020)
U Katjipuka-Sibolile (Alternate)	(1 November 2016 for 4 years)
A Simana (Executive Director)	(1 November 2016 to 31 May 2019)

G D Elliott (Interim Corporate Secretary) (appointed 1 November 2016)

The business and postal address of the ANS division and Secretary are set out below:

Business address:

NCAA Building  
Rudolph Hertzog Street  
WINDHOEK  
NAMIBIA

Postal address:

Private Bag 12003  
WINDHOEK  
NAMIBIA

## REPORT OF THE DIRECTORS (continued)

**GOING CONCERN**

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

The Authority's cash reserves together with National Budget allocations are sufficient resources to maintain operations for the foreseeable future.

**STAFF SECONDMENTS/ ICAO CONTRACTS**

As part of its establishment processes, the Authority and the ANS division had staff seconded and contracted from the Ministry of Works and Transport, the Namibia Defense Force and from the International Civil Aviation Organization (ICAO). The transition of these staff through appointments commenced on 1 July 2020, with the exception of Namibia Defense Force personnel whom are expected to transition in the next financial year.

**SUBSEQUENT EVENTS**

The ANS division considers known events and expected eventualities identified as at 31 March 2020 as adjusting events. However, any new information/change in circumstance will be considered as non-adjusting events which will be disclosed if considered material. Specifically, the key principle is that Covid-19 is considered to be sufficiently prevalent in Namibia at 31 March 2020 and lockdown restrictions were implemented by 31 March 2020.

Therefore, new information and changes in circumstances that arise in the post balance sheet period, that relate to assets and liabilities in existence at 31 March 2020, should be considered adjusting events. New events and circumstances which occur after 31 March 2020 related to Covid-19 is disclosed if material.

The ANS division is satisfied that the appropriate considerations have been taken into account with regards to the impact of Covid-19 to the annual financial statements for the year ended 31 March 2020 with regards to subsequent events.

There were no other significant events or circumstances between the date of the financial statements and the date of this report that would require disclosure or amendment in the ANS annual financial statements.

# STATEMENT OF FINANCIAL POSITION

## as at 31 March 2020

	<u>Notes</u>	<u>2020</u> N\$'000	<u>2019</u> N\$'000
<b>ASSETS</b>			
NON-CURRENT ASSETS			
		1 209	40
Property, plant and equipment	10	1 209	40
CURRENT ASSETS			
		266 874	158 644
Trade and other receivables	11	31 426	26 223
Short-term investments	12, 16.2	228 845	123 760
Loan account	13	1 957	2 410
Bank balances and cash	16.2	4 646	6 251
<b>TOTAL ASSETS</b>		<b>268 083</b>	<b>158 684</b>
<b>EQUITY AND LIABILITIES</b>			
CAPITAL AND RESERVES			
		259 531	149 810
Government contributions	14	161 867	128 963
Retained income		97 664	20 847
CURRENT LIABILITIES			
		8 552	8 874
Trade and other payables	15	8 552	8 874
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>268 083</b>	<b>158 684</b>

# STATEMENT OF COMPREHENSIVE INCOME

## for the year ended 31 March 2020

	<u>Notes</u>	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
REVENUE	5	199 782	124 550
OPERATING COSTS	7	<u>(133 116)</u>	<u>(100 190)</u>
Operating profit		66 666	24 360
Finance income	8	10 151	4 987
Other loss		<u>-</u>	<u>(21)</u>
PROFIT before taxation		76 817	29 326
Taxation	9	<u>-</u>	<u>-</u>
PROFIT for the year before other comprehensive income		76 817	29 326
Other comprehensive income		<u>-</u>	<u>-</u>
COMPREHENSIVE INCOME for the year		<u>76 817</u>	<u>29 326</u>

# STATEMENT OF CHANGES IN EQUITY

## for the year ended 31 March 2020

	<u>Note</u>	<u>Government contributions</u> <u>N\$'000</u>	<u>Retained income</u> <u>N\$'000</u>	<u>Total</u> <u>N\$'000</u>
BALANCE at 31 March 2018		84 815	(8 479)	76 336
Government contributions	14	44 148	-	44 148
Comprehensive loss for the year		<u>-</u>	<u>29 326</u>	<u>29 326</u>
BALANCE at 31 March 2019		128 963	20 847	149 810
Government contributions	14	32 904	-	32 904
Comprehensive income for the year		<u>-</u>	<u>76 817</u>	<u>76 817</u>
BALANCE at 31 March 2020		<u>161 867</u>	<u>97 664</u>	<u>259 531</u>

# STATEMENT OF CASH FLOWS

## for the year ended 31 March 2020

		<u>2020</u> N\$'000	<u>2019</u> N\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
		104 721	73 712
Cash receipts from customers		197 552	99 551
Cash paid to suppliers and employees		<u>(102 982)</u>	<u>(30 826)</u>
Cash generated by operations	16.1	94 570	68 725
Finance income		10 151	4 987
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		(1 241)	(38)
Acquisition of property, plant and equipment	10	<u>(1 241)</u>	<u>(38)</u>
<b>Cash and cash equivalents for the year</b>			
		103 480	73 674
Cash and cash equivalents at beginning of year		<u>130 011</u>	<u>56 337</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	16.2	<u><u>233 491</u></u>	<u><u>130 011</u></u>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020

The principal accounting policies applied in the preparation of these annual financial statements are set out in notes 1 - 4 below.

## 1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention on a going concern basis as modified by financial assets and liabilities (including any derivative instruments) being stated at fair value. Year on year movements are taken through the Statement of Comprehensive Income. The functional and presentation currency is Namibian Dollars (N\$). All values are rounded to the nearest thousand ('000).

Assets are only recognized if they meet the definition of an asset, it is probable that future economic benefits associated with the asset will flow to the Authority and the cost can be measured reliably.

Liabilities are only recognized if they meet the definition of a liability, it is probable that future economic benefits associated with the liability will flow from the Authority and the cost can be measured with reliability.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

There have been no changes in accounting policies other than IFRS16 as disclosed in note 2.

## 2. ADOPTION OF NEW AND REVISED STANDARDS

It is important to note that the financial information has been prepared in accordance with IFRS that are effective at 31 March 2020. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Note 21.

The directors and management have not yet assessed the implications of these standards and interpretations.

The ANS division has applied the following standards and amendments for the first time for the annual reporting year ended 31 March 2020:

- IFRS 16 Leases

The impact of IFRS 16 on sites and tower leases was limited, as the ANS division only has right of use on these leases until 30 September 2020. It is expected that new contracts on new terms and conditions will be concluded with the lessors with an effective date of 1 October 2020. The ANS division remains with commitments up to 30 September 2020 which are disclosed in Note 17. The prior year lease smoothing provision (Note 15) of N\$352,000 has been fully released to profit and loss in the current financial year.

As part of its annual improvements project, the International Accounting Standards Board made amendments to a number of accounting standards. The aim is to clarify and improve the accounting standards and include terminology or editorial changes with minimal effect on recognition and measurement.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES****Revenue recognition**

Revenue represents the gross inflow of economic benefits during the year arising in the course of the ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Included in revenue are net invoiced sales to customers for services.

The ANS division has rights and obligations between itself and its customers. The services provided by the ANS division to these customers however, in the case of air navigation services, occur at a particular point in time and are fulfilled at that point.

A receivable asset is recognised when the service is provided, as this is point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The accounting policies for the ANS division's revenue from contracts with customers are further explained in Note 5.

Revenue is recognised on interest when it earned. Other revenue is recognised on the accrual basis at fair value.

**Employee benefit costs**

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees. The cost of short-term employee benefits is recognized in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognized as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of profit-sharing and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**Provisions**

Provisions represent liabilities of uncertain timing or amount. Provisions are recognized when the ANS division has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

Provisions are measured at the expenditure required to settle the present obligation. Where the effect of discounting is material, provisions are measured at their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks for which future cash flow estimates have not been adjusted.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)****Leasing**

The ANS division leases sites and towers for air navigation equipment usage. The ANS division assesses whether a contract is or contains a lease, at inception of the contract. The ANS division recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office furniture). For these leases, the ANS division 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 assets are consumed.

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 ANS division uses its incremental borrowing rate.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- 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 lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated 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 the lease payments made.

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

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged 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).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The ANS division did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the ANS division incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)****Leasing (continued)**

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The ANS division applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

**Taxation**

Income tax expenses represent the sum of the tax currently payable and the movement in deferred tax.

Deferred taxation is recognized using the liability method for all temporary differences arising between the tax basis of assets and liabilities and their carrying amounts, unless specifically exempt, at the tax rates that have been enacted or substantially enacted at the reporting date.

A deferred taxation asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences and the carry-forward of unused tax losses. Deferred taxation assets are only recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

A deferred taxation liability represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognized for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and it is the intention to settle on a net basis.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)****Property, plant and equipment**

Property, plant and equipment are accounted for at cost to the ANS division less accumulated depreciation and less impairment losses and are depreciated on the straight-line basis over their expected useful lives to residual values at the following annual rates:

Buildings/Towers	2-4%
Furniture and fittings	10%
Office machines and equipment	12%
Computer equipment	33,3%
Motor vehicles	20%
Air Navigation Equipment	
- Surveillance equipment	7%
- Communication equipment	7%
- Navigation equipment	7%
- Operations IT equipment	7%
- Electrical & Mechanical equipment	7%
- Test equipment and tools	7%
- Power	25%

Freehold land is not depreciated as it is deemed to have an indefinite life.

Subsequent costs are included in the asset's carrying amount, or recognized as separate assets, only when it is probable that future economic benefits associated with the item will flow to the ANS division, and the cost of the item can be measured reliably.

The carrying value of any replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Assets in the course of construction and installation are not depreciated.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit and loss.

**Intangible assets**

Intangible assets are recognized at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Historical cost includes expenditure that is directly attributable to the generation of items. Subsequent costs are included in the asset's carrying amount, or recognized as separate assets, only when it is probable that future economic benefits associated with the item will flow to the ANS division, and the cost of the item can be measured reliably.

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, the effect of any changes in estimate being accounted for on a prospective basis.

Subsequent to initial recognition, intangible assets are recognized at cost less accumulated amortization and accumulated impairment losses.

Amortization is calculated using the straight-line method to allocate their cost to their residual value over the estimated useful lives, typically over a 3 year period.

Assets in the course of construction are not amortized.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)****Impairment of assets**

At each reporting date, the directors of the Authority and ANS division review the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The 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. Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized in profit and loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized in profit and loss.

Financial instruments are regularly reviewed for objective evidence of impairment. Both provisioned and non-provisioned bad debts are written-off when recovery actions have been unsuccessful and when the likelihood of recovery is considered remote.

**Assets held for sale**

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Management must be committed to the sale, and there must be an expectation that the sale will be completed in one year.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

**Foreign currency**

Assets and liabilities in foreign currencies are translated to Namibian currency at rates of exchange approximating those ruling at the reporting date. Profits and losses arising on translation are dealt with in the statement of comprehensive income.

In order to hedge its exposure to certain foreign exchange risks, the ANS division enters into forward contracts and options (see below for details of the ANS division's accounting policies in respect of such derivative financial instruments).

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)****Financial instruments**

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

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

Financial assets which are debt instruments:

- Amortised cost;

Financial liabilities:

- Amortised cost;

Financial instruments and risk management presents the financial instruments held by the ANS division based on their specific classifications. The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the ANS division are presented below:

The ANS division regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

***Trade and other receivables***Classification

Trade and other receivables, excluding, when applicable and prepayments are classified as financial assets subsequently measured at amortised cost. 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 ANS division'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 ANS division 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 ANS division recognises a loss allowance for expected credit losses on trade and other receivables and prepayments. The amount of expected credit losses is updated at each reporting date. The ANS division 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.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)****Financial instruments (continued)*****Trade and other payables***Classification

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

Recognition and measurement

Trade and other payables are recognised when the ANS division 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. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in interest paid.

***Cash and cash equivalents***

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

***Derecognition***Financial assets

The ANS division 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 ANS division neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the ANS division recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the ANS division retains substantially all the risks and rewards of ownership of a transferred financial asset, the ANS division continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The ANS division derecognises financial liabilities when, and only when, the ANS division 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.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**3. ACCOUNTING POLICIES (continued)****Financial instruments (continued)*****Reclassification***Financial assets

The ANS division only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated. The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

**Income from investments**

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

**Government contributions**

Contributions from government for the establishment of the Authority and ANS division are recorded as equity contributions.

**Government grants**

Government grants are not recognized until there is reasonable assurance that the ANS division will comply with the conditions attached to them and grants will be received.

A government grant of which the primary condition is that the ANS division should purchase, construct or otherwise acquire non-current assets is recognized as deferred income in the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognized as income over the periods necessary to match them with the cost for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the ANS division with no future related costs are recognized in surplus or deficit in the period in which the grant becomes receivable.

**Income from investments**

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions concerning the future are made by the ANS division and the resulting accounting estimates will, by definition, seldom equal the related actual results.

Accounting policies that have been identified as involving particularly complex or subjective judgments or assessments are as follows:

**Deferred taxation assets**

Deferred taxation assets are recognized to the extent that it is probable that taxable income will be available in future against which they can be utilized. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates and competitive forces. Management also exercise judgement in assessing the likelihood that business plans will be achieved and that the deferred taxation assets are recoverable.

**Impairment of assets**

Property, plant and equipment, investment property and intangible assets are considered for impairment if there is a reason to believe that an impairment test may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself. Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, i.e. market values, is compared to the current net asset value. If lower, the assets are impaired to the present value.

**Useful lives and residual values of property, plant and equipment and intangible assets**

The ANS division determines the estimated useful lives and related depreciation charges for property, plant and equipment and intangible assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. In estimating the useful lives of the assets, management assesses the present status of the assets and the expected future benefits associated with the continued use of the assets. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual values, based on their expected sales values at end of useful life.

**Loans and receivables**

The ANS division assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the ANS division makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Management has applied judgement in estimating the extent of any impairment deemed necessary on the gross carrying value of loans and receivables and has impaired all doubtful accounts that are expected to have defaults. The impairment loss is recognized in profit or loss when there is objective evidence that it is impaired. See note 11 for more details on Trade Receivable impairments.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

5. REVENUE	<u>2020</u> N\$'000	<u>2019</u> N\$'000
The following table provides an analysis of the disaggregated disclosure of major service lines and timing of recognition:		
<i>Transferred at a point in time</i>		
En-route Navigation Charges	136 314	76 427
Terminal Charges	36 067	38 799
Aerodrome Charges	26 994	9 321
Sundry Charges	<u>407</u>	<u>3</u>
Total Revenue	<u>199 782</u>	<u>124 550</u>

The disaggregations are explained as:

- En-route Navigation Charges are area control, flight information and related services provided to aircraft flying in the airspace of Namibia. These are recognised when the service is provided.
- Terminal Charges are procedural and/ or radar approach control and related services provided to aircraft flying in the Windhoek and Walvis Bay terminal maneuvering areas. These are recognised when the service is provided.
- Aerodrome Charges are air traffic, aerodrome control and related services provided at aerodromes. These are recognised when the service is provided.

The fees and charges of the ANS division are published by Government Gazette periodically and form the basis of amounts invoiced to customers, based on the services provided.

The ANS division disaggregates revenue from contracts with customers by contract type and considers this to accurately reflect the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors and does not disaggregate information into geographical segments.

The ANS division discloses contracts with customers separately as Trade Receivables, included in note 11, which includes additional information on the uncertainty of revenue and cash flows arising from these contracts. These are seen as unconditional and there are no related contract liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b>6. BOARD MEMBER EMOLUMENTS</b>		
Emoluments including allowances:		
Salaries and fees	<u>1 209</u>	<u>440</u>
<b>Key management personnel emoluments</b>		
Emoluments of executive management (excluding the Executive Director):		
Salaries	2 681	1 339
Benefits	<u>1 438</u>	<u>948</u>
	<u>4 119</u>	<u>2 287</u>
<b>7. OPERATING COSTS</b>		
Operating costs comprise:		
Audit fees – current year	(168)	(160)
Bad debts	(44 796)	(24 199)
Board expenses	(166)	(117)
Commission paid	(2 308)	(1 483)
Consulting fees - ICAO project	(1 200)	(1 232)
- other	(3)	(1 047)
Depreciation and amortization	(72)	-
Directors fees	(370)	(440)
Employment costs	(51 144)	(43 820)
Inter-departmental management and other fees	(8 890)	(5 302)
Insurance	(2 726)	(2 487)
Operating lease charges:		
- Equipment usage	(3 257)	(2 270)
- Properties	(50)	(214)
- Plant and equipment	(7 428)	(7 737)
- Motor vehicle expenses	(2 588)	(2 641)
Repairs & Maintenance	(465)	(1 132)
Travel & Accommodation	(1 327)	(2 033)
Other expenses	<u>(6 158)</u>	<u>(3 876)</u>
	<u>(133 116)</u>	<u>(100 190)</u>
<b>8. FINANCE INCOME</b>		
Financial instruments measured at amortised cost:		
- Bank interest earned	<u>10 151</u>	<u>4 987</u>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**9. TAXATION**

The ANS division did not earn any taxable income during the financial year nor prior financial reporting year. It is Management's assessment that the ANS division is not subject to income taxation as it is an entity not for gain per the Civil Aviation Act of 2016. A formal request for confirmation as such has been submitted to the Ministry of Finance.

**10. PROPERTY, PLANT AND EQUIPMENT**

	<u>Network &amp; Computer Equipment</u> N\$'000	<u>Vehicles and furniture, fixtures and fittings</u> N\$'000	<u>Total</u> N\$'000
<b>Cost</b>			
Balance at 31 March 2018	-	3	3
Additions during the year	7	31	38
Balance at 31 March 2019	<u>7</u>	<u>34</u>	<u>41</u>
Additions during the year	1 229	12	1 241
Balance at 31 March 2020	<u>1 236</u>	<u>46</u>	<u>1 282</u>
<b>Accumulated depreciation</b>			
Balance at 31 March 2018	-	(1)	(1)
Depreciation charge for the year	-	-	-
Balance at 31 March 2019	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Depreciation charge for the year	(70)	(2)	(72)
Balance at 31 March 2020	<u>(70)</u>	<u>(3)</u>	<u>(73)</u>
<b>Book value</b>			
At 31 March 2019	<u>7</u>	<u>33</u>	<u>40</u>
At 31 March 2020	<u>1 166</u>	<u>43</u>	<u>1 209</u>

Assets currently in use are yet to be transferred from the Ministry of Works and Transport to the Authority and ANS under Section 23 of the Civil Aviation Act, 2016. The ANS division, although using these assets, has no control over the assets and is not free to dispose of such assets without the consent of the Ministry of Works and Transport. A request to transfer approximately N\$311 million worth of assets has been approved by the Ministry of Finance for approval and expected to be transferred to the Authority including the ANS division in the next financial year.

The depreciation expense for property, plant and equipment is detailed within the Statement of Comprehensive Income in Note 7. There is no title restrictions for any of the ANS division's property, plant and equipment, nor are any of these assets pledged as security.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b>11. TRADE AND OTHER RECEIVABLES</b>		
<i>Financial Instruments</i>		
Trade receivables	89 484	42 049
Provision for doubtful debts - specific	<u>(69 004)</u>	<u>(24 209)</u>
	20 480	17 840
<i>Non-Financial Instruments:</i>		
Prepayments - ICAO project	1 265	1 275
Prepayments - other (including Bursary programme)	<u>9 681</u>	<u>7 108</u>
Balance at end of year	<u>31 426</u>	<u>26 223</u>

	<u>Collectively</u> <u>assessed</u> <u>N\$'000</u>	<u>Individually</u> <u>assessed</u> <u>N\$'000</u>	<u>Total</u> <u>N\$'000</u>
<b>Movement in provision for doubtful debts</b>			
Balance at beginning of year	(8)	-	(8)
Transfer from credit impaired	8	-	8
Transfer to credit impaired	<u>(1 876)</u>	<u>(22 333)</u>	<u>(24 209)</u>
Balance at beginning of year	(1 876)	(22 333)	(24 209)
Transfer from credit impaired	1 876	-	1 876
Transfer to credit impaired	<u>(4 652)</u>	<u>(42 019)</u>	<u>(46 671)</u>
Balance at end of year	<u>(4 652)</u>	<u>(64 352)</u>	<u>(69 004)</u>

The ANS division applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The ANS division has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles over a period of 12 months, as well as the adverse economic impact of the global pandemic on customers, being a significant increase in credit risk to the ANS division. The historical loss rates have accordingly been adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**11. TRADE AND OTHER RECEIVABLES (CONTINUED)**

On that basis, the loss allowance as at 31 March 2020 was determined as follows for trade receivables:

**Trade debtors - days past due**

<b>31 March 2020 - IFRS9</b>	<b>&lt;30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>&gt;90</b>	<b>Total</b>
	<u>N\$'000</u>	<u>N\$'000</u>	<u>N\$'000</u>	<u>N\$'000</u>	<u>N\$'000</u>
Trade debtors	10 085	12 093	10 680	56 626	89 484
Expected credit loss	39%	31%	79%	93%	77%
Estimated impairment carrying value	<u>(3 911)</u>	<u>(3 776)</u>	<u>(8 423)</u>	<u>(52 894)</u>	<u>(69 004)</u>
<b>31 March 2019 - IFRS9</b>					
Trade debtors	18 898	10 615	5 869	6 667	42 049
Expected credit loss	32%	55%	96%	99.6%	57%
Estimated impairment carrying value	<u>(6 094)</u>	<u>(5 822)</u>	<u>(5 653)</u>	<u>(6 640)</u>	<u>(24 209)</u>

The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance

	2020		2019	
	<u>Credit not impaired</u> <u>N\$'000</u>	<u>Credit impaired</u> <u>N\$'000</u>	<u>Credit not impaired</u> <u>N\$'000</u>	<u>Credit impaired</u> <u>N\$'000</u>
<b>31 March 2020:</b>				
One customer's account with a gross carrying amount of N\$60,423,320 (2019: N\$22,332,957) has gone from recoverable at 31 March 2018 to doubtful, due to significant liquidity concerns arising during that year which have remained. A settlement agreement has been concluded in May 2020 and a partial payment of N\$6,303,762 was received. The operator however remains highly doubtful.	-	(54 120)	-	(22 333)
Four air service operators have been provided due to the economic impact of the global pandemic. Actions taken by the operators that create doubt include business rescue and liquidation.	-	(10 232)	-	-

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b>12. SHORT-TERM INVESTMENTS</b>		
<b>Current assets</b>		
Funds on call	<u>228 845</u>	<u>123 760</u>
<p>The funds are on deposit with Standard Bank Namibia (credit rating BBB-), with no fixed terms and earn interest at 4.35% (2019: 5.85%) p.a, compounded monthly. See note 16.2. No loss or expected credit losses have been recognised and the carrying amounts of deposits approximate their fair value.</p>		
<b>13. OPERATIONAL LOAN ACCOUNT</b>		
Inter-divisional operational account (receivable)	<u>1 957</u>	<u>2 410</u>
<p>The operational loan account is used for management fees and to fund expense payments as and when necessary. The loan account has no terms of repayment as does not bear interest.</p>		
<b>14. GOVERNMENT CONTRIBUTIONS</b>		
Balance at beginning of year	128 963	84 815
Contributions in the form of:		
- Expenses paid	<u>32 904</u>	<u>44 148</u>
Balance at end of year	<u>161 867</u>	<u>128 963</u>
<b>15. TRADE AND OTHER PAYABLES</b>		
<i>Financial Instruments</i>		
Trade payables	7 294	7 898
<i>Non-Financial Instruments</i>		
Payroll accruals	1 258	624
Lease smoothing accrual	<u>-</u>	<u>352</u>
	<u>8 552</u>	<u>8 874</u>

The average credit period on purchases is 30 days. ANS does not have any long-term liabilities. It currently has sufficient cash reserves to fund its capital and operating expenditure.

The lease smoothing accrual relates to the smoothing of the rental lease payments on sites and towers rented over their lease periods.

The Directors of the Authority and ANS division consider that the carrying amount of trade payables approximates to their fair value.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> N\$'000	<u>2019</u> N\$'000
<b>16. NOTES TO THE STATEMENTS OF CASH FLOWS</b>		
<b>16.1 Cash generated by operations</b>		
Profit before taxation	76 817	29 326
Adjusted for:		
Depreciation and amortization	72	-
Movement on provision for doubtful debts	59 270	24 201
Non-cash Government contributions	32 904	44 148
Finance income	<u>(10 151)</u>	<u>(4 987)</u>
	158 912	92 688
Working capital changes	(64 342)	(23 963)
Increase in trade and other receivables	(64 473)	(28 967)
(Decrease)/Increase in trade and other payables	(322)	811
Movement in inter-divisional operational account	453	4 193
	<u>94 570</u>	<u>68 725</u>
<b>16.2 Cash and cash equivalents</b>		
Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:		
Short-term investments	228 845	123 760
Bank balances and cash	<u>4 646</u>	<u>6 251</u>
Total cash and cash equivalents	<u>233 491</u>	<u>130 011</u>

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<u>2020</u> N\$'000	<u>2019</u> N\$'000
<b>17. COMMITMENTS</b>		
<u>Operating leases</u>		
<i>Plant and equipment</i>		
Due within one year	1 539	2 202
Due one and five years	-	3 635
Total	<u>1 539</u>	<u>5 837</u>

Operating lease commitments were renegotiated during the year to end on 30 September 2020, whereafter new terms and conditions on site and tower rentals are expected to be established.

**18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**18.1 Categories of financial instruments**

*Financial assets at amortized cost*

Current assets

Trade and other receivables	89 484	42 049
Short-term investments	228 845	123 760
Bank balance and cash	4 646	6 251
Total	<u>322 975</u>	<u>172 060</u>

*Financial liabilities at amortized cost*

Current liabilities

Trade and other payables	7 294	7 898
Total	<u>7 294</u>	<u>7 898</u>

**Capital risk management**

Currently ANS does not have debt except for normal trade payables.

Deposits with banks are kept in a one-day-call to maximize return for stakeholders.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)****18.2 Credit risk management**

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

ANS only deposits cash surpluses with major banks of high quality credit standing.

Trade account receivables comprise a wide spread customer base. Ongoing credit evaluation of the financial position of customers is performed. This is done when prompt payment is not received on a recurring basis. In such instances customers are contacted and the situation is investigated. Remedial action in the form of financial assessments and negotiations are taken, based on individual circumstances.

The granting of credit is made on application and is approved by the directors. At year end ANS did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

The credit quality of cash and cash equivalents and short-term investments that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

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

	<u>2020</u> <u>N\$'000</u>	<u>2019</u> <u>N\$'000</u>
<b>Financial instruments - at amortized cost</b>		
Trade and other receivables	89 484	42 049
Short-term investments	228 845	123 760
Bank balances and cash	<u>4 646</u>	<u>6 251</u>
Total	<u><u>322 975</u></u>	<u><u>172 060</u></u>

**18.3 Liquidity risk management**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management is satisfied that ANS will be able to settle its financial liabilities (payables and provisions) in the normal course of business.

ANS's risk to liquidity is a result of the funds available to cover future commitments. ANS manages liquidity risk through an ongoing review of future commitments.

The maturity grouping of financial assets and liabilities are all within 1 year.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)****18.4 Interest rate management**

The highest possible rate is negotiated with the banks to earn good interest returns.

ANS is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates of interest on its investments. The cash resources are managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimizing risks. ANS places its funds in fluctuating interest earning call deposits and fixed term deposits which are adjusted on a short term basis based on changes in the prevailing market related interest rates.

Further, these call deposits are due on demand. The call account/short term deposits amounting to N\$228,845,057 (2019: N\$123,759,833) are exposed to cash flow interest rate risk, however considering the short-term maturity of these deposits, these risks are minimized.

The ANS division is not exposed to fair value interest rate risk.

**18.5 Maturity profile****Maturity profiles of financial instruments**

All financial assets and liabilities are of a short-term nature and are receivable and payable on 30 day payment terms.

	1 – 3 months N\$'000	3 months – 1 year N\$'000	1 – 5 years N\$'000	Total N\$'000
<b><u>2020</u></b>				
<b>Financial assets</b>				
Trade and other receivables (net)	17 510	2 034	936	20 480
Short-term investments	228 845	-	-	228 845
Cash and cash equivalents	4 646	-	-	4 646
	<u>251 001</u>	<u>2 034</u>	<u>936</u>	<u>253 971</u>
<b>Financial liabilities</b>				
Trade and other payables	3 256	4 038	-	7 294
	<u>3 256</u>	<u>4 038</u>	<u>-</u>	<u>7 294</u>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)****18.5 Maturity profile (continued)****Maturity profiles of financial instruments (continued)**

	1 – 3 months <u>N\$'000</u>	3 months – 1 year <u>N\$'000</u>	1 – 5 years <u>N\$'000</u>	Total <u>N\$'000</u>
<b><u>2019</u></b>				
<b>Financial assets</b>				
Trade and other receivables (net)	17 840	-	-	17 840
Short-term investments	123 760	-	-	123 760
Cash and cash equivalents	6 251	-	-	6 251
	<u>147 851</u>	<u>-</u>	<u>-</u>	<u>147 851</u>
<b>Financial liabilities</b>				
Trade and other payables	7 898	-	-	7 898
	<u>7 898</u>	<u>-</u>	<u>-</u>	<u>7 898</u>

**18.6 Fair value**

The directors are of the opinion that the book value of financial instruments approximates fair value, as the items are of a short-term nature.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**19. RELATED PARTIES**

Balances and transactions between ANS and its related party, the Government of the Republic of Namibia, through the Ministry of Works & Transport are disclosed below. A related party is a person or an entity that is related to the reporting entity: A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.

	<u>2020</u> N\$'000	<u>2019</u> N\$'000
Government of Namibia - as Shareholder		
ICAO project	1 722	1 862
Payroll costs	24 648	38 362
Other expenses	6 534	3 924
	<u>32 904</u>	<u>44 148</u>
Government equity contributions during the year		
	<u>32 904</u>	<u>44 148</u>
Government equity contributions at year end	<u>161 867</u>	<u>128 963</u>

Entities transacting with the ANS division who are under the influence of the Ministry of Works and Transport:

Air Namibia (Pty) Ltd		
- Fees and Charges	50 256	35 993
- Expenses	(1)	(24)
- Trade receivables	60 423	22 333
	<u>60 423</u>	<u>22 333</u>
Namibia Airports Company		
- Expenses	(3)	(5)
	<u>(3)</u>	<u>(5)</u>

**20. NUMBER OF EMPLOYEES**

The number of employees employed (including Executive Members) by the ANS division as at the end of the period was as follows:

Seconded staff - Government	1	63
Contract employees - ICAO Consultants	1	1
- ICAO Nationals	0	1
- other	2	2
Permanent employees	45	-
	<u>49</u>	<u>-</u>
Total	<u>49</u>	<u>67</u>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**21. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE**

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the ANS division's accounting periods beginning on or after 1 April 2019 or later periods but which the ANS division has not early adopted, as follows:

New/Revised International Financial Reporting Standards		Effective Date
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards	Annual periods on or after 1 January 2020
IAS 1	Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.	Annual periods beginning on or after 1 January 2020.
IFRS 3	Amendment to IFRS 3, 'Business combinations' Definition of a business	Annual periods on or after 1 January 2020
IFRS 17	IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2021
IAS 1, IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)	Annual periods on or after 1 January 2020
IFRS 9, IAS39 & IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	Annual periods on or after 1 January 2020

The directors are in the process of determining the impact of the adoption of these statements and interpretations, they do not however, anticipate the above to have a material effect on the ANS division's financial statements presentation.

# ANNUAL REPORT

# 2019/20



## **Namibia Civil Aviation Authority**

NCAA Headquarters

4 Rudolf Hertzog Street

Ausspannplatz

Windhoek

## **Phone**

Tel. +264 83 235 2100

Office of the Executive Director

## **Online**

Website: [www.ncaa.com.na](http://www.ncaa.com.na)