



Integrated
Annual
Report
2021/2022





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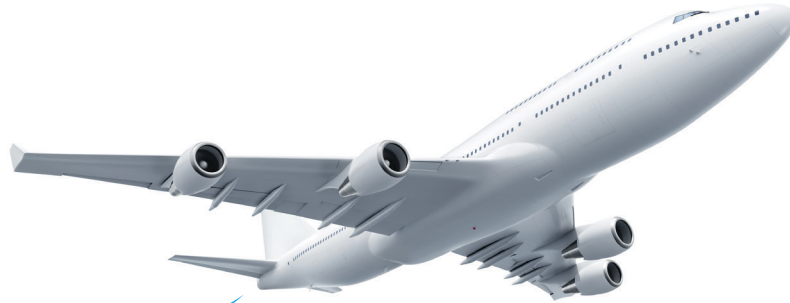
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PROMOTING SAFER SKIES THROUGH RESILIENCE AMIDST TURBULENCE



Within the aviation industry there is no way to begin any conversation without including the COVID-19 pandemic. It has had brutal and catastrophic effects on humanity, making the last three years exceedingly difficult. It robbed our world of millions of people, including family, friends, and colleagues. But we have survived, defying predictions of bankruptcies and failures.

The last three years have been some of the most challenging for aviation transport in recent memories, I am sure no country escaped the devastating effects of COVID-19 on aviation transport in particular and the economy in general, literally bringing aviation activities to a standstill. Humanity proved that no challenge is too great to bear by making a steady recovery, restarting the pillars of our economies, of which aviation is a critical driver.

As opaque as it may seem now, our generation will go down in history as the generation that experienced one of the fiercest viruses ever and recovered from it, ultimately going on to prosper beyond pre-COVID levels thanks to the resilience of humanity, lessons learned, and proactiveness to the global pandemic.

Through global reflection on the aviation industry and charting the way forward, it becomes clear that we will have to look at building stronger barriers and controls for future resilience to similar health scares. The speed at which vaccines were developed and rolled out can only be improved for future pandemics. The air transport industry was at the centre of the evolution of the spread of the virus, hence critical reactions to it were largely driven by the aviation sector to achieve suppression e.g., wearing of masks, sanitizing etc., and have become inherently part of air travel requirements, greatly contributing to reducing cross border infections and paving the way to a full air transport recovery. "We should leap forward to better skies!".

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INTRODUCTION

ABOUT THIS REPORT



REPORTING PRINCIPLES

The Namibia Civil Aviation Authority (NCAA) has applied the principles and good corporate governance standards and practices as contained in the International Financial Reporting Standards (IFRS) and the Public Enterprises Governance Act, 2019 (Act 2 of 2019 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 2020/2021 Integrated Annual Report provides material information covering the financial year ended 31 March 2022 relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects, and governance. 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.

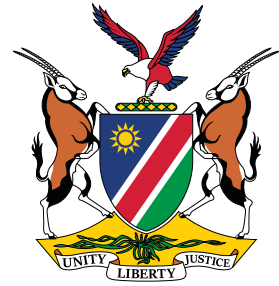
TARGET AUDIENCE

This report has been prepared primarily in accordance with the Civil Aviation Act, (Act 6 of 2016) for the Ministry of Works and Transport, as well as the civil aviation industry, as key stakeholders.

The report is additionally relevant to other key stakeholders who have an interest in our performance against our core mandate of safe and secure civil aviation operations in Namibia (and elsewhere) and the provision of air traffic services to all airspace users.

This report is available in electronic format on our website: www.ncaa.com.na.

FOREWORD BY THE MINISTER — Hon John Motorwa, MP



I am happy to report that aviation safety and security have been maintained throughout the country for both international and domestic air operators.

The year under review was coined by the President of the Republic of Namibia as *"the year of re-imagining."* Meaning that it is incumbent on us as a nation, to improve our public image. The International Civil Aviation Organization (ICAO) convened a High-Level Conference on COVID-19 from 12th to 22nd October 2021 under the theme *"One Vision for Aviation Recovery, Resilience and Sustainability beyond the Global Pandemic"*.

The objective of the Conference was to reach a global consensus on a multilateral approach, supported by political will and commitments of States, to enable the safe and efficient recovery of aviation from the COVID-19 crisis and building a foundation to strengthen resilience in aviation and make it more sustainable in the future. From the Conference some recommendations have been adopted to be presented to the 41st ICAO General Assembly for action in October 2022.

Despite economic slowdown partly brought about by COVID-19, the Government of the Republic of Namibia continued to invest in aviation infrastructure. The Hosea Kutako Congestion Alleviation Project was embarked upon mainly to relieve congestion within the terminal building and to ensure that it meets the safety compliance standards. The expansion project included inter alia expansion of checking in counter to eighteen, immigration counters, screening points to five and equally doubling its capacity with respect to airport facilitation.

Furthermore, I am glad to report that new Commissioners of the Namibian Transportation Commission have been appointed to amongst others provide licenses to applicants who want to engage in

air transport operations for reward in terms of the Air Services Act, 1949 (Act No. 51 of 1949). In the same vein, under the Bilateral Air Services Agreements between Namibia and other countries, an increased number of foreign airlines have been allowed to provide air services into Namibia. This will result in increased routes in and out of Namibia at competitive rates with reduced travel times.

Special helicopter operations were used as means of transport to oil rigs in Namibian waters which led to the discovery of oil. With our speedy approval special request, we are proud to have contributed in one way or the other to the discovery of oil in our waters. This has a potential significant impact on the expansion of aviation infrastructure and increase in air connectivity.

I am happy to report that aviation safety and security have been maintained throughout the country for both international and domestic air operators.

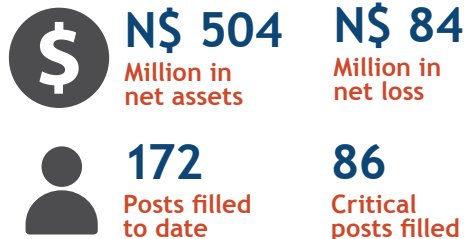
Lastly, I take this opportunity to thank the NCAA board of directors, management and staff for having navigated the Aviation Industry in the right direction despite turbulent times.

Hon. John Motorwa, MP
Minister of Works and Transport



MESSAGE FROM THE CHAIRPERSON – Mr Bethuel T Mujetenga

Notes



The Namibia Civil Aviation Authority (NCAA), together with the aviation industry as a whole, have worked tirelessly throughout 2021/2022 to mitigate the effects of COVID-19. I believe more could, however, have been done, including adopting a charges structure and flexible fees, reducing taxes, and exempting aviation equipment from custom duties.

Another such measure under consideration is to review the relevant regulations, to the extent possible, to create an environment conducive for airlines and general aviation to thrive while ensuring a high standard of safety and security.

Aviation is a catalyst for tourism and a significant contributor to the Namibian economy. Moreover, aviation is regarded as a strategic industry due to the value it contributes to economic growth, national development, and regional integration.

The primary challenge encountered during the year under review has been developing a strategy that would meet the post-pandemic needs of the regulator and the aviation industry. The aviation industry's recovery will take time. Good governance practices such as risk management, strict cost controls, and financial planning are necessary to ride out this challenging period.

Like most, if not all contracting States of ICAO, Namibia in general and the aviation sector, in particular, have faced devastating blows due to the COVID-19 Pandemic. We have witnessed a steep rise in unemployment in all sectors of the economy, especially within the aviation sector, with a sharp decline in tourism and a shrinking GDP.

Similarly, the economic impact of COVID-19 was heavily borne by airlines, particularly Air Namibia, which was liquidated, as well as travel agents, airports, and aviation in general. Additionally, several other companies, which were directly or indirectly supported by the aviation activities, were forced to

close their businesses, resulting in ripple effects on unemployment.

Despite the decline in aviation activities which in turn resulted in a decline in revenue, the NCAA was able to provide essential services comprised of air traffic control at eight major airports, aeronautical information services, calibration of equipment, and statutory regulatory oversight functions.

As the industry continues to recover, the NCAA plans to replace all our key air navigation facilities through revenue generated from aviation activities and as advised by the International Civil Aviation Organization (ICAO), to which Namibia is a Contracting State.

Serious logistical support is required for our staff to be able to maintain and replace critical equipment in the remote areas where most of our air navigation facilities are installed. Due to COVID-19, critical functions such as safety and security oversight, which, under normal circumstances, were done on-site, had to be performed online as inspectors could not travel to sites in Namibia and abroad where aircraft are maintained and operated. Electronic surveillance has, therefore, been adopted (where possible) as part of the strategy aimed at mitigating the impact of future global pandemics, which has reduced the time and cost of travel by our inspectors.

The good news is that through strict cost controls and financial planning, NCAA was able to survive this challenging period. We had the resources to ensure long-term agility and resilience.

In the financial year ending 31 March 2022, NCAA achieved a net loss of N\$ 84 million and our financial fundamentals remain strong with N\$ 504 million in net assets. The approved establishment was 281 employees and 172 posts filled to date. The Board directed that 86 critical posts be identified and filled. The Board also directed that a data base of aviation experts be developed so that NCAA could utilize them on short term contracts.

The good news is that through strict cost controls and financial planning, NCAA was able to survive this challenging period. We had the resources to ensure long-term agility and resilience.

We have been fortunate in that the Honourable Minister and Honourable Deputy Minister of Works and Transport had the political will to assist NCAA with the financial resources required to enable us to exercise surveillance functions on behalf of the Government, as required under the Civil Aviation Act, (Act 6 of 2016).

We highly appreciate the support and co-operation rendered by the Executive Director and Deputy Executive Director in the Ministry of Works and Transport, without which the sustainability of our operations would not have been possible.

Last but not the least, on behalf of the NCAA Board I would like to acknowledge the support and co-operation that the Board received from the Interim Executive Director, the Senior Managers who oversaw their respective Technical, Financial, and Managerial Departments, and all of our dedicated support staff.

Mr Bethuel T Mujetenga
NCAA Chairperson



INTERIM EXECUTIVE DIRECTOR'S REPORT – Mr Ericsson M Nengola

- *Many resources were invested to ensure staff remained upskilled and current in their various areas.*
- *One of the areas with major shortcomings remains the gaps in OPS regulations, which are outdated or insufficient.*
- *The revisioning of the charges system will require ongoing consultations as it will be crucial to place the NCAA on course to recoup the significant losses incurred from a pandemic induced 'revenue dive' and the demise of Air Namibia.*

The 2021/2022 reporting year was daunting for the NCAA in many respects. This 5th Integrated Annual Report (since the establishment of the NCAA in 2016) is testimony to the fact that the Authority remains on course to ensuring Namibia's aviation safety and security profile and air navigation services provisioning, and that it remains reliable and stable. As a signatory to the Convention on International Civil Aviation, 1944 (Chicago Convention), Namibia has, among others, undertaken to adopt measures to ensure that every aircraft flying over or within our territory complies with the rules and regulations related to the flight and maneuvering of aircraft therein. This requires that Namibia provides aerodromes, radio services, search and rescue services, meteorological services, air traffic services, and other air navigation services to facilitate air navigation within our territory. This report details our progress across a range of activities in this regard.

The year was dominated by the impact of the COVID-19 pandemic on the universal civil aviation activity of humankind. The following brief quotation from the ICAO Council Aviation Recovery Task Force (CART) provides appropriate context:

"The impact of the coronavirus disease (COVID-19) pandemic on global air transport is without precedent. ICAO estimates that, by the end of 2020, the COVID-19 impact on scheduled international passenger traffic could reach reductions of up to 71% of seat capacity and up to 1.5 billion passengers globally."

The NCAA found itself in alignment with the international effort to ensure the "restart and recovery" of civil aviation activities towards the end of the reporting period. We welcome the CART guidance as provided in our recovery planning, which has already begun with the re-establishment of compliance-level actions by the end of March 2021.

The mandate of ensuring the safety and security of Namibia's civil aviation and air transport systems is also fundamental to many sectors of our developmental economy and its related sectors, which is aligned to the vision and mission of the Authority. Reflected in this report is the contribution of the aviation industry partners who are in direct contact with participants and travellers, which is deemed equally critical to the financial sustainability of the NCAA.

With this report sufficiently prepared for our stakeholders and Parliamentary tabling, I would like to use this section to broadly reflect on the reported activities and events (as set out in detail within the various chapters) in which the Authority has been engaged in, and to look ahead to the challenges that the coming year will bring.

Effective Governance and Staff Management

The reported actions pertaining to the Authority governance framework recognises the importance our leadership plays in good governance. The range of meetings recorded, and the technical committee work outputs, points to the Authority's Board being cognisant of the responsibility it has for stewardship and accountability to its stakeholders and maintaining a close working relationship with the executive management team. This has enabled transparency, disclosure, due process, and integrity to be diligently applied and the highest standards upheld.

The Executive Director, as the Chief Executive Officer of the NCAA, and his team, have retained high levels of accountability to the Board for the Authority's performance in achieving the strategic priorities and operating intentions as set out in the NCAA's business and financial plan and performance statement. The outcomes set out in the financials of the NCAA (see annexed) confirm its going concern status as reflected in its strong balance sheet and healthy income statement.

The Authority was challenged with staffing needs, especially for some of the key operational positions that require very specialised and scarce skills. To this end, specialised technical experts were employed on a consultancy basis to enable the Authority to meet its safety oversight and regulatory obligations. Many resources were invested to ensure staff remained upskilled and current in their various areas. This involved participation in international, regional, and national meetings, seminars, workshops, and training sessions as per approved training plans. Such activities were conducted by virtual means. This has led to significant reduction of subsistence and travel outlays and paves the way forward for conducting the Authority's business processes without any loss in efficiency.

Safety and Security

The Civil Aviation Act, (Act 6 of 2016) grants the Executive Director a range of functions and powers to independently carry out civil aviation oversight functions, including the ability to control entry into, and operation within, the Namibian civil aviation system through granting, suspending, revoking, or imposing conditions on aviation documents, and to take any action that may be within the public interest to enforce the provisions of the Act and the rules made under the Act, including inspections and monitoring.

Aviation Security

There were ongoing recorded actions to develop and maintain a competent team of inspectors and support staff alike, whose task is to promote and improve the levels of a security culture, while raising the profile of aviation security through collaboration and appropriate security training (such as the National Aviation Security Committee and security service providers), throughout the year. Within the context of The Year of Aviation Security Culture and the Global Aviation Security Plan (GASep), the absence of the requisite ICAO Annex 9



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technical expertise providing tutelage and guidance for the inspectors and helping to improve Namibia’s compliance with the facilitation standards and recommended practices was felt. The endeavour to strengthen networks and engage directly with other facilitation stakeholders, such as the Ministry of Health, Ministry of Home Affairs, Immigration, Safety, and Security, Customs, and the Namibia Revenue Agency (NamRA), to enhance Annex 9 compliance, must therefore continue to be prioritised.

Aviation Safety

Much work was put into the revision of current standards documents to ensure that all amendments were incorporated and published for Annexes that had not yet been included in Namibia’s aviation regulations. It falls to the Authority to develop the equivalent regulations containing sufficient details to ensure that satisfactory compliance will result in the desired level of safety. This serious gap was earmarked for urgent resolution.

The Authority is moving towards a Performance Based Approach in our safety oversight surveillance activities. This has resulted in a review of surveillance programmes and plans. Surveillance inspection checklists are continually being reviewed and new checklists implemented accordingly.

The Authority’s enforcement philosophy recognises that voluntary compliance with the legislation is a better method of achieving safety and security than prosecuting the offenders after the fact. Preventative actions are the preferred method of achieving compliance, though there are still some cases of intentional deviations from aviation laws, resulting in the enforcement of punitive actions for deterrence purposes.

Investigations of mandatory occurrence reports were completed and closed within the 90-day window.

This enabled the operators to take timely corrective action to seal the gaps in their internal processes and strengthen their compliance levels, though challenges remain, especially in instances of absence in some quarters of management commitment and support and competing priorities for scarce resources.

The year saw significant progress in the ongoing introduction and application of the new procedures and rules of Unmanned Aerial Vehicles (UAVs), though some complexities exist around balancing adequate safety risk management with advanced air operations.

ICAO Coordinated Validation Mission (Audit) Actions

The ICAO Universal Safety Oversight Approach programme (USOAP) Effective Implementation (EI) graphs, which illustrate some areas with a more than 80% compliance level, highlight the evolution and improvements made from the original off-site audit of previous years. Completion of several protocol questions (PQs) show ongoing improvements in most audit areas. Better compliance to ICAO standards ensures that the NCAA is effectively able to carry out its oversight responsibilities so that our airport operators, air navigation service providers, and aircraft operators maintain a high level of aviation safety and security. One of the areas with major shortcomings remains the gaps in OPS regulations, which are outdated or insufficient.

Aviation Information Services retained its ISO certification status during the review period. This achievement will allow us to use multiple parties with multiple data entry points and smooth the transition to electronic processes. This will greatly minimise vulnerability to loss of data integrity, broken audit trails, disabled traceability, and delays in processing.

Future Challenges

The size of Namibia’s aviation industry vis-a-vis the level of aviation activity, and the broad mandate of this entity, makes acquiring the full range of technical expertise and maintaining pace with fast-moving technological needs a very challenging endeavour. The need for a pro-active modern approach to steer the Authority is evident. What lies ahead is a clear strategic business plan to guide an exciting future for civil aviation developments in Namibia. The leadership of the Authority has already taken steps toward completing the performance policy and business and financial planning with the inclusion of the key performance indicators required for the next reporting period.

ICAO require member States to implement a State Safety Programme (SSP) aimed at encouraging key aviation industry participants to become partners in sharing safety-critical information such as aircraft incidents and accidents, breakdowns of separation, runway incursions, airspace boundary issues, pilot incident reporting, equipment failures in the air and on the ground, and regulatory concessions to operators.

Setting up the institutional mechanism for SSP implementation will undoubtedly require a review of regulation frameworks, stronger alignment with the international aviation oversight system,

and establishment of imperatives for heightened monitoring and compliance levels by users and participants in the Namibia civil aviation industry.

The revisioning of the charges system will require ongoing consultations as it will be crucial to place the NCAA on course to recoup the significant losses incurred from a pandemic induced ‘revenue dive’ and the demise of Air Namibia.

Investment in replacement of a modern Communication, Navigation, and Surveillance System (CNS) infrastructure has been a priority for several years. Whilst the emphasis has been, and continues to be, on capital funding for this equipment, insufficient resources (both operating budget and manpower) for maintenance and proper configuration of site facilities have led to reduced reliability and an increased number of outages, which pose a threat to safety services. This problem is not solely related to CNS, but also manifests in substandard aviation meteorological data feeds to the air traffic control system, as meteorological service equipment failures are left unattended to, while aviation facilities at some airports are not properly staffed.

Conclusion

I wish to acknowledge and thank the Authority’s staff for their dedication and hard work, which has enabled our service delivery requirement to continue unabated and our key responsibilities to be discharged. Surely this will pave the way for years to come.

I also express my gratitude and appreciation to the Board for the support they have provided since 1 November 2020. Finally, let me extend my appreciation to the Minister and his executive team for their strong leadership, consistent guidance, and support to the Authority during the year.

Ericsson M Nengola
Interim Executive Director

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ABOUT THE NCAA

OUR MANDATE AND OPERATING CONTEXT

In terms of Article 54(1) of the Convention on International Civil Aviation of 1944, the Council of the International Civil Aviation Organization (ICAO) is mandated to issue international technical standards and recommended practices. Furthermore, for convenience, it is required to designate these standards and practices as Annexes to the Convention on International Civil Aviation and to notify the contracting State to the Convention of any action(s) taken.



In terms of Article 90 of the Convention on International Civil Aviation, the international technical standards and recommended practices as issued by the Council will become effective within three months (or any other applicable period as may be determined by the Council) after being issued. Effectively, the Council creates and enforces the laws applicable to the contracting States. These States must comply or file differences where necessary. This methodology ensures uniformity in regulating aviation safety and security around the world.

One hundred and ninety-three countries have either ratified or acceded to the Convention on International Civil Aviation, making it one of the most supported Conventions. The international technical standards and recommended practices are developed after intense research and observation of safe and secure practices.

The international technical standards and recommended practices also inform the domestic civil aviation regulations of each contracting State. In order to determine whether States adhere to the international technical standards as issued, ICAO conducts safety and security audits on contracting States from time to time. Where deficiencies are identified ICAO issues findings to States which must be corrected within a period determined by ICAO. In some instances, ICAO may issue a Significant Safety Concern, which must be corrected in the shortest possible time lest ICAO inform other contracting States about said finding.

There are other aviation safety and security conventions that must be observed by States, for example, the Tokyo Convention of 1963 dealing with unruly passengers, the Hague Convention of 1973 dealing with the hijacking of aircraft, the Montreal Convention of 1999 dealing with payments to victims or families of aircraft accidents, the Rome Convention of 1952 dealing with damages caused by foreign aircraft to third parties on the surface, and the General Risk Convention of 2009 dealing with compensation for damages caused by aircraft to third parties. Occasionally, Conventions are amended to deal with current situations, for example the Beijing Convention of 2010, which has been issued to deal with person/s who destroy aircraft in service or cause damage to such an aircraft rendering it incapable of flight or likely to endanger its safety in flight; or places or causes to be placed on an aircraft in service, by any means whatsoever, a device or substance which is likely to destroy that aircraft, or to cause damage to it which renders it incapable of flight, or to cause damage which is likely to endanger its safety in flight; or destroys or damages air navigation facilities or interferes with their operation, if any such act is likely to endanger the safety of aircraft in flight; or communicates information which that person knows to be false, thereby endangering the safety of an aircraft in flight; or uses an aircraft in service for the purpose of causing death, serious bodily injury, or serious damage to property or the environment.

Inspectors must be fully aware of aviation threats globally to devise means to counter such threats. Further, it is imperative to be aware of legal instruments governing aviation internationally as well as locally.

FACTS ABOUT NAMIBIA'S CIVIL AVIATION SYSTEM

 <p>58 Air Traffic Controllers</p> <p>52 (Civilian) + 6 (Military)</p>	 <p>Aviation Security Quality Control Activities</p> <p>61 Inspections 54 Risk Assessments</p>	 <p>144 Aircraft Maintenance Engineers</p>
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Aerodromes




138	Registered Aerodromes
187	Active Airfields
2	Interim Certified Aerodromes
6	Interim Licensed Aerodromes

Passenger volumes



124062	International passengers
173295	Regional passengers
77622	Domestic passengers

Active Pilots







215 Airline Transport Pilot Licence	=	200 Aeroplane Pilots	+	15 Helicopter Pilots
365 Commercial Pilot Licence	=	340 Aeroplane Pilots	+	25 Helicopter Pilots
445 Private Pilot Licence	=	425 Aeroplane Pilots	+	20 Helicopter Pilots

Aircraft Operators

17 Air Operator's Certificates	7 Foreign Operator Permits: Scheduled Operators
1 Newly issued Air Operator's Certificate	96 Foreign Operator Permits: Ad-hoc Operators
3 Specific Approvals	4 Aviation Recreational Organisation (ARO)

Registered Aircraft

			
259	69	343	57
Microlights	Rotorcraft	Small Aeroplanes <5700 Kg	Large Aeroplanes >5700 kg



Aircraft Maintenance Organisation (AMOs)

28	=	9	+	15	+	4
		Local AMOs		Regional AMOs		International AMOs
		All based at Eros and Swakopmund Airports		14 RSA and 1 Botswana		Switzerland, France and Texas USA

WHO WE ARE

The NCAA is a State-Owned Enterprise established in terms of the Civil Aviation Act, (Act 6 of 2016) with the mandate to regulate and oversee the aviation safety and security systems within Namibia and to provide safe and reliable air navigation services, and commits to provide fair and professional service to its customers.

WHAT WE DO

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

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 play in the development of an efficient civil aviation system in Namibia.

OUR VISION

Our vision is to be recognised as a leader in sustainable civil aviation safety and 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 to 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, 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 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 in every interaction. We will measure the level of stakeholder satisfaction regularly.



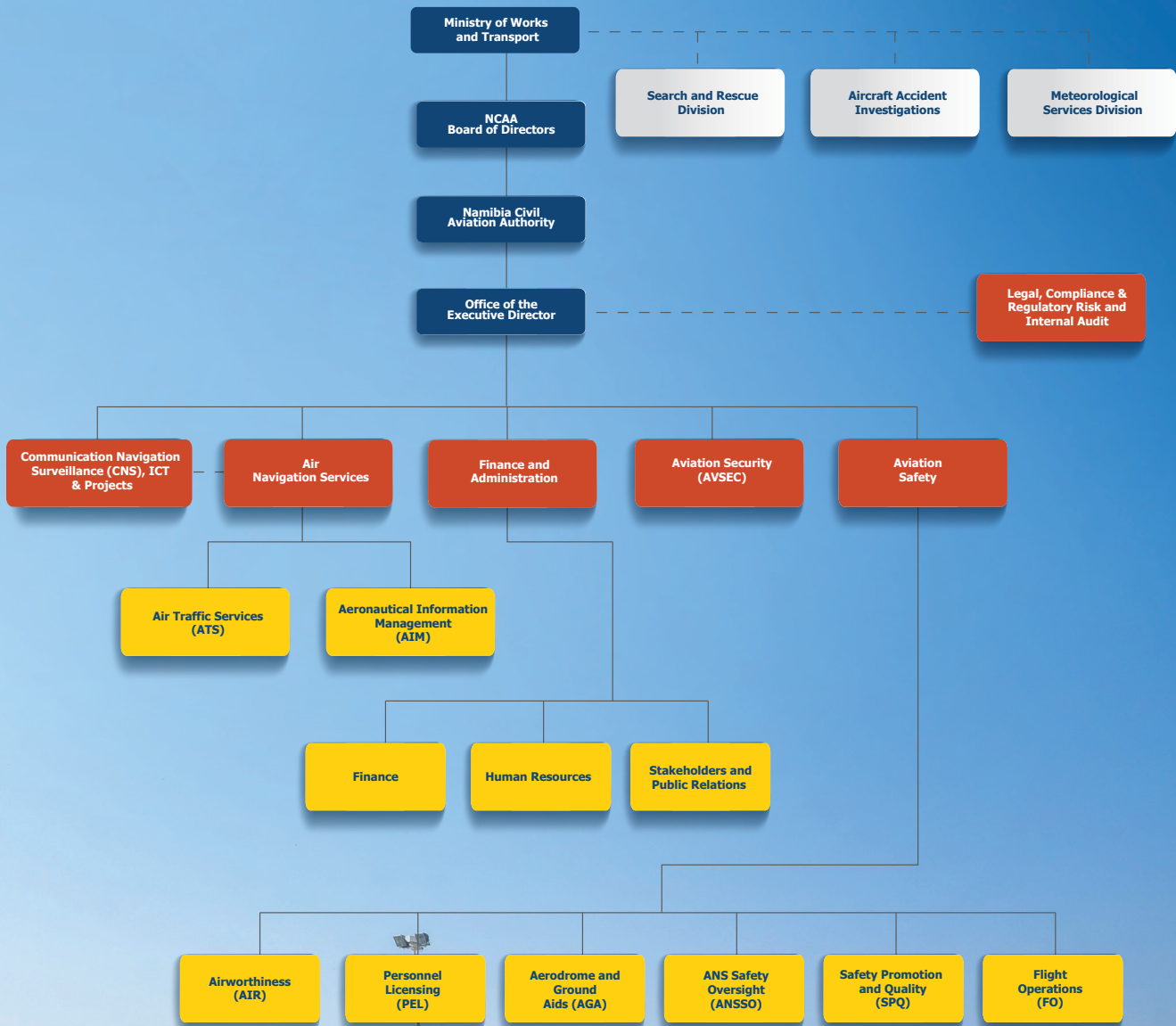
EXCELLENCE

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



OUR CORPORATE STRUCTURE

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



OUR VALUE CREATION PROCESS

PROVIDING SAFE SKIES FOR ALL

Through our people and infrastructure, our procedures, processes, and systems, the NCAA conducts the safety and security 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, secure, orderly, regular, and efficient civil aviation system.

GOVERNING THE VALUE CREATION PROCESS

While the divisional managers oversee the day-to-day operations and activities, the Board of Directors is 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

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
 - Outreach programmes
- 6. Natural capital**
 - Energy, fuel and water

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:

1. Airworthiness
2. Flight Operations
3. Personnel Licensing
4. Aerodromes and Ground Aids
5. Aviation Security
6. Air Navigation Services Safety Oversight
7. Risk, safety management and state safety programme

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.

CAPITAL INPUTS

KEY FACTORS THAT IMPACT ON OUR ABILITY TO DELIVER SHARED VALUE

WITHIN OUR CONTROL

- Skilled and motivated employees
- Operational efficiencies
- Sufficient numbers of signed-off inspectors
- Cost management
- Stakeholder relationships

BEYOND OUR CONTROL

- Shortage of skilled staff worldwide
- Global economy and COVID-19
- Political stability
- Rate of growth in tourism industry

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. Financial Sustainability
2. Staff retention
3. Delay in the promulgation of regulations, and
4. Lack of capital funding

2. PROVIDER OF AIR NAVIGATION SERVICES

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

- Aeronautical Information Services
- Air Navigation and Technical Services
- Air Traffic 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, Communication and Technology Projects (ICTP) whose function is to improve data quality and align data management with operational processes.

CAPITAL OUTCOMES

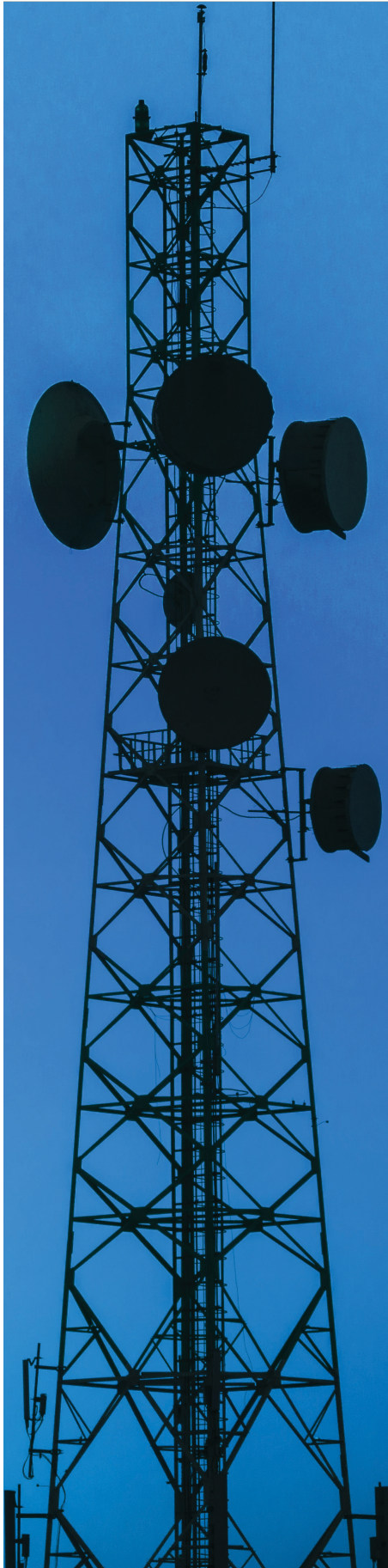
The resources and relationships we rely on to create value:

1. **Financial capital**
 - N\$250 million revenue reduced by Covid-19 to N\$102 million
 - Reduced reliance on Government funding to N\$69 million
2. **Human capital**
 - N\$108million paid in employment related cost
 - Continue with ANS bursary programme
3. **Intellectual capital**
 - Spent N\$2.8million in training despite covid-19 travel restrictions
4. **Manufactured capital**
 - Continued maintaining the Air Navigation infrastructure and systems
5. **Social and relationship capital**
 - Industry growth
 - Partnership agreements strengthened
 - Increased interest in aviation as a career
6. **Natural capital**
 - Reduced noise
 - Reduced carbon emissions

CAPITAL OUTCOMES

OVERALL IMPACT WE MAKE

An enabling environment is created for Namibia's economy to grow, and through that, for Namibians to grow and prosper



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.

The focus of our engagement across our operations has been on those stakeholders who have the most significant impact on our business and its ability to create value.

The table hereunder 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 and based on our ongoing engagements.

STAKEHOLDER	CONTRIBUTION TO VALUE	HOW WE ENGAGE	HOW WE MEET THEIR EXPECTATIONS
GOVERNMENT AS SHAREHOLDER AND OTHER GOVERNMENT DEPARTMENTS	By ensuring the achievement of an integrated, safe, secure, responsive, and sustainable transport system	Through meetings and stakeholder engagement sessions	Through reports on progress, executive summaries, and statistics
BOARD OF DIRECTORS	Provision of strategic oversight, corporate government, and policy direction	Board meetings as defined by the Civil Aviation Act, (Act 6 of 2016) and the Public Enterprises Governance Act (PEGA), Act, (Act 1 of 2019), and ad-hoc engagements through NCAA Executive Committee	Strategy and policy implementation
EMPLOYEES, SECONDED AND CONTRACTED STAFF	Engaged employees add value to the organisation by upholding safety and security obligations and providing excellent customer service	Employee Value Proposition, mass meetings, constant emails and WhatsApp, staff training, provision of services, employee satisfaction surveys	Provision of training, provision of acceptable remuneration packages, provision of a career path
INDUSTRY ORGANISATIONS	Improving safety and security standings through proactive participation	Provision of services and products, auditing, emails, meetings	Co-operative agreements on changes
CUSTOMERS	Improved service through customer feedback	Provision of services and products, auditing, emails, meetings	Provision of excellent customer service
SUPPLIERS	Provision of services and required resources on time and when in need	Procurement of services in line with the Procurement Act, (Act 15 of 2015).	Compliance with contractual agreements and on time payment
MEDIA	Maintaining the reputation of NCAA and communicating vital safety and security information to the public	Press releases, advertising, interviews, articles	Through open and honest dialogue, clear communication, and being available

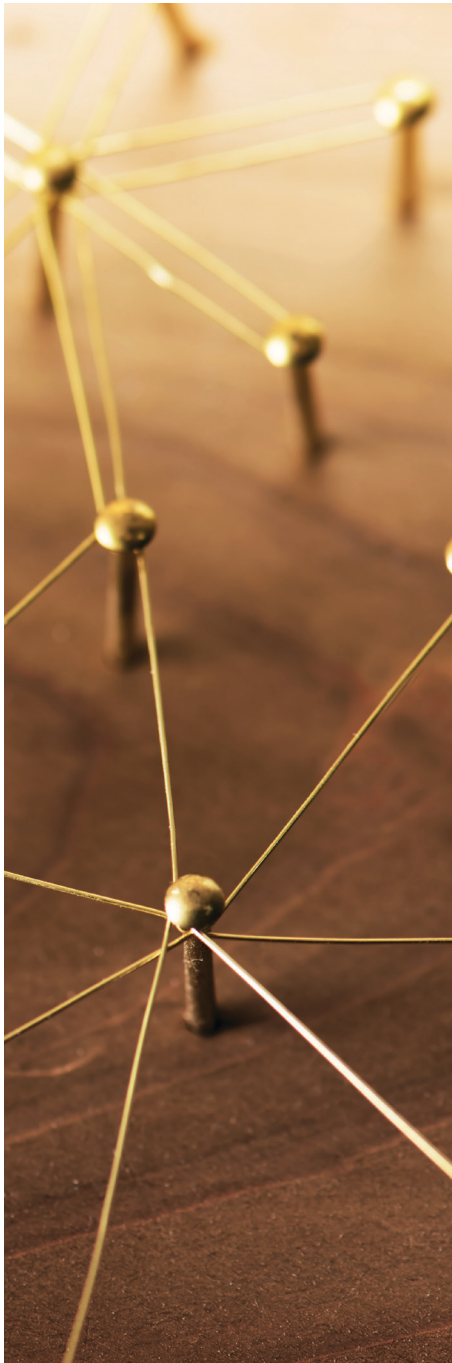
CONSULTATION

NCAA has held many public consultation events regarding the regulations development process.

STAKEHOLDER MEETINGS AND EVENTS

NCAA regularly meets with various organisations, such as Aircraft Owners and Pilots Association (AOPA), Microlight Association of Namibia (MICAN), Light Sport and Amateur-Built Aircraft Association (LISAMA), and other government departments and public enterprises such as Namibian Airports Company (NAC), Namibia Meteorological Services (NMS), Directorate of Aircraft Accident and Incident Investigated (DAI), Namibian Defence Force (NDF), and Ministry of Works and Transport (MWT). Furthermore, meetings with National Airspace Committee, National Security Committee, and Facilitation Committee were conducted.

NCAA held a cultural day for all staff in celebration of the Namibian Independence Day, on 21 March 2022.



NCAA Staff enjoying the Namibian Cultural celebrations.

COMMUNITY ENGAGEMENT AND TRAINING

NCAA hosted an airport and tower visit from UNAM aeronautics and astronautics department for 20 students.

AGA holds monthly environmental impact assessment meetings and regular meetings with their service providers (municipalities, tourism operators).

AVAILABLE FORUMS

The National Airspace Committee (NAiC) is established with parties from government, industry, and military and meets quarterly. All four scheduled meetings in 2021-2022 took place as scheduled.

The State Safety Programme Steering Committee (SSP SteerCom) was convened to address matters related to the State Safety Programme, which is a requirement of ICAO Annex 19. The SSP SteerCom had its first meeting in February 2022, with parties from all the required government stakeholders (public enterprises, Ministry of Works and Transport, and military) and industry (airlines and government services) being present.



The inaugural members of the SSP Steering Committee.

The Global Runway Formats committee was established to meet ICAO requirements for reporting on runways and is involving our AGA team along with NAC and industry.

CARTAP – Civil Aviation Regulations Technical Advisory Panel has been established to address regulatory matters in compliance with Part 11.

PUBLICATIONS, GRAPHICS, MEDIA

NCAA established a safety bulletin for publication beginning with the first approved copy in January 2022.



In February 2022 NCAA developed an email signature banner to engage stakeholders about safety topics. This began with awareness of international air crash victims' day followed by a reminder that "safety is everyone's responsibility" highlighting the seven (7) key high risk category performance indicators. The project was anticipated to continue monthly or bi-monthly.



The NCAA email signatures promoting various events



3

OUR 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, (Act 6 of 2016). The NCAA subscribes to the Corporate Governance Code for Namibia (NamCode). We also adhere to our Code of Ethics and ongoing national COVID-19 compliance efforts.

The Board of Directors are appointed by the Minister of Works and Transport and are responsible for developing and controlling the affairs of the Authority.



(a) Directors:

The following board members led the NCAA Strategic Imperatives during the 2021/2022 FY

•	Mr Bethuel T Mujetenga	:	Chairperson
•	Ms Kadiva Hamutumwa	:	Deputy Chairperson
•	Mr Melkizedek Uupindi	:	Board Member
•	Mr Fernando Somaeb	:	Board Member
•	Ms Martha Hitenanye	:	Board Member
•	Ms Josephine Amukwa	:	Board Member
•	Mr Ericsson Nengola	:	Interim Executive Director and Ex Officio Board Member

(b) Corporate Secretariat

The Board Corporate Secretariat function for the period under review was performed on an interim basis by Ms Nerago Ndoroma.

(c) Number of Board Meetings and Attendance

Following the Civil Aviation Act, (Act 6 of 2016) the Board convened six (6) meetings during the period under review and the quorum was confirmed.

(d) Key activities conducted by the Board during the period under review:

- Signing of the Performance and Governance Agreement with the Minister of Works and Transport
- Creation of a new Air Navigation Services, Legal and Governance Committee
- Ongoing efforts to recruit a substantive Executive Director
- COVID-19 recovery measures

(e) NCAA Board Committees

i. 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 organisation's assets. The Committee is tasked to deal with the risk register, internal controls, financial reporting processes, auditing processes, anti-corruption, fraud, and theft.

The Committee comprises Mr Fernando Somaeb (Chairperson), Mr Melkizedek Uupindi, and Ms Kadiva Hamutumwa.

ii. HR Committee

The Human Resources Committee is mandated by the Board to create an organisational culture, structure, and process that supports the attraction and retention of key human resources both core and support, and to provision for development of employees and actualisation of potential performance.

The Committee comprises Ms Kadiva Hamutumwa (Chairperson), Ms Martha Hitenanye, and Ms Josephine Amukwa.



- iii. **Safety, Security, Regulatory, and Legal Committee**
The Committee must ensure that the NCAA carries out its core mandates, namely civil aviation safety, security, and regulatory compliance. Aspects of aviation safety and security are discussed at this Committee and recommended to the Board, including regulation-making.

The committee comprises Ms Martha Hitenanye (Chairperson), Mr Bethuel Mujetenga, Mr Melkizedek Uupindi, and Ms Josephine Amukwa.

(d) **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. NCAA is a tier 2 (two) Public Enterprise.

(e) **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. Furthermore, Board members are required to disclose their interests to the Minister at the beginning of each year.

BOARD MEETINGS

MEETING DATE:	In Attendance
9 MARCH 2021 - ORDINARY BOARD MEETING	Mr Bethuel Mujetenga Ms Kadiva Hamutumwa Ms Martha Hitenanye Mr Melkizedek Uupindi Mr Fernando Somaeb Ms Josephine Amukwa Mr Gordon Elliott
20 MAY 2021 AND 27 MAY 2021 - ORDINARY BOARD MEETING	Mr Bethuel Mujetenga Ms Kadiva Hamutumwa Ms Martha Hitenanye Mr Melkizedek Uupindi Mr Fernando Somaeb Ms Josephine Amukwa Mr Gordon Elliott
07 OCTOBER 2021 - ORDINARY BOARD MEETING	Mr Bethuel Mujetenga Ms Martha Hitenanye Mr Melkizedek Uupindi Mr Fernando Somaeb Mr Ericksson Nengola
14 DECEMBER 2021 - ORDINARY BOARD MEETING	Mr Bethuel Mujetenga Ms Kadiva Hamutumwa Ms Martha Hitenanye Mr Melkizedek Uupindi Mr Fernando Somaeb Ms Josephine Amukwa Mr Ericksson Nengola
31 JANUARY 2022 - ORDINARY BOARD MEETING	Mr Bethuel Mujetenga Ms Martha Hitenanye Mr Melkizedek Uupindi Mr Ericksson Nengola
30 MARCH 2022- ORDINARY BOARD MEETING	Mr Bethuel Mujetenga Ms Kadiva Hamutumwa Ms Martha Hitenanye Mr Melkizedek Uupindi Mr Fernando Somaeb Ms Josephine Amukwa Mr Ericksson Nengola

OUR LEADERSHIP – BOARD OF DIRECTORS



BETHUEL T. MUJETENGA
Chairperson



KADIVA HAMUTUMWA
Deputy Chairperson



MELKIZEDEK UUPINDI
Board Member



MARTHA HITENANYE
Board Member



FERNANDO SOMAEB
Board Member



ERICSSON M. NENGOLA
Ex officio Board Member



JOSEPHINE AMUKWA
Board Member

ENTERPRISE RISK MANAGEMENT

The top 4 risks identified are:

1 **Financial sustainability**

2 **Staff retention**

3 **Delay in the promulgation of regulations**

4 **Lack of capital funding**

WHO LEADS US – EXECUTIVE MANAGEMENT COMMITTEE (EXCO)



ERICSSON M NENGOLA
Interim Executive Director



HILMA LEONARD
Head:
Air Navigation
Services



CHRISTOPH SEIMELO
Chief Legal Counsel



JULIAN GOUWS
Senior Manager:
Aviation Security



NERAGO NDOROMA
Acting Corporate
Secretary



BEVERLEY S SKRYWER
Manager: Human
Resources



MARIA T HAIPINGE
Manager: Finance

WHO LEADS US – SENIOR MANAGEMENT



GOLDEN SITEKETA
*Senior Manager:
Aerodromes and
Ground Aids*



**VICTORIA T
MOMBOLA**
*Senior
Manager: Flight
Operations*



**SARAFINA
MAXWANU**
*Senior Manager:
Air Navigation
Services
Safety Oversight*



JULIAN GOUWS
*Senior Manager:
Aviation Security*



GEORGE MATROOS
*Senior Manager:
Safety Promotion
and Quality*



NERAGO NDOROMA
*Senior Manager:
Projects*



**PETERSON
TJITEMISA**
*Senior Manager:
Compliance and
Regulatory Risk*



ROBERT MATHE
*Senior Manager:
Airworthiness*



ANDREW R THERON
*Acting Senior
Manager: Personnel
Licensing*



MELVIN D APRIL
*Acting Senior
Manager:
ICT*



JEREMIA KAMATI
*Senior Manager:
Air Traffic
Services - ANS*



**ABRAHAM N
KAHENGÉ**
*Senior Manager
Aeronautical
Information
Management - ANS*



ABIATAR NTINDA
*Senior Manager:
Communications,
Navigations and
Surveillance - ANS*



**PHILIPPINE
LUNDAMA**
*Senior Manager:
Safety and
Quality
- ANS*

OUR TEAM

INTERIM EXECUTIVE DIRECTOR



ERICSSON M NENGOLA
INTERIM EXECUTIVE DIRECTOR

OFFICE OF THE ED



ERICSSON M
NENGOLA

CHRISTOPH
SEIMELO

NERAGO T
NDOROMA

GWENDOLINE
M KALI

EXCO



ERICSSON M
NENGOLA

HILMA
LEONARD

CHRISTOPH
SEIMELO

MARIA T
HAIPINGE

JULIUN P
GOUWS

BEVERLEY S
SKRYWER

NERAGO T
NDOROMA

AERODROME AND GROUND AIDS



GOLDEN
SITEKETA
(SM)

DENNIS F
GAINGOB

RAUNA
MUNGONENA

SILO T N
SHINO

THEOLINE L
KAURAIISA

MARX N
SHIKONGO

RUBEN T
MOKHATU

AIR NAVIGATION SERVICES SAFETY OVERSIGHT



SARAFINA N
H MAXWANU
(SM)

MARKUS M
HAOSEB

VICTOR
KAURIMUJE

ABIATAR
HAUWANGA

MICHA
STIEMERT

SUSANA
KATIMBA

PAULUS
MAPUMBA

VICTOR M
SITAPATA

PERSONNEL LICENSING



ANDREW
R THERON
(ACT. SM)

MEGAN N
MUTWA

THERESIA
MOKWAIBE

UENDJIZIRI
COMMANDO

ENOS
MUTYAVAVIRI

CHRISTOPHINE
MERERO

PLENTINE
KAVANDARA

BASTIAAN H
KOSTER

HUMPHREY
N MAGWA

TANGENI A
ANGULA

FLIGHT OPERATIONS



VICTORIA T
MOMBOLA
(SM)

JARMAINE
MBAKO

HAMBELELENI
N SHAFI

ABAST N
IYYAMBO

ANNE E
WILLIAMS

HELENA
MUTIKISHA

NICO
SCHOLTZ

ONESMUS S L
KAUKUNGWA

AIRWORTHINESS



ROBERT
M MATHE
(SM)

LINA K
NAMUNDJEBO

BRENDA
INNONCETIUS

MATEUS H
SHANINGWA

LAUDIKA
JOHN

PAULINA
TJONGARERO

SELINA JOB



HERMAN
JONAS

NDILIMEKE
NANGOLO

TIMOTHY
RUNJI

ANANIAS
SHIWEDA

OUR TEAM

AVIATION SECURITY



JULIEN
P. GOUWS
(SM)

ELFRIEDE M.
KANDUME

DAVID
NANYEMBA

REGINALD
MOUTON

BOY
FILEMON
NGWEDHA

TOIVO
SHONGOLO

COMPLIANCE REGULATORY RISK



PETERSEN
U. P.
TJITEMISA
(SM)

YAUROVANDU
NDJAVERA

IUMUE
NGUVAUVA

PATRICK S.
SIMASIKU

ELIZABETH
MATHEUS

ICT



MELVIN
D. APRIL
(ACT. SM)

SOFIA N.
NAMUPALA

SIMON L.
VALOMBOLA

CLINTON S.
NGHIWILEPO

PROJECTS



NERAGO T.
NDOROMA
(SM)

HUMAN RESOURCES



BEVERLEY S.
SKRYWER (M)

DAVID U.
USHONA

MARIA M.
TIBINYANE

TUYEIMO M.
PAAVO

SAFETY PROMOTION & QUALITY



GODFRIED
G MATROOS
(SM)

DANIELLE B
BRUCKERT

ADMINISTRATION AND FINANCE



MARIA T
HAIPINGE
(M)

MWEUTOTA
N
SHONGHELA

ATHELLA G
STRAUSS

LUKAS P
HAINONGO

ROBERT C
NAMASEB

ESTER
AMUPOLO

FOIBE
JOHANNES

UNOUZEU
MAZEINGO

BARBARA
HISHONO

PENDUKENI T E
NAUYOMA

AIR NAVIGATION SERVICES



HILMA LEONARD
HEAD ANS

AERONAUTICAL INFORMATION SERVICES



ABRAHAM
N KAHENGE
(SM)

OBEY SMILE
JAMES

SELMA N
KAUNDU

GERTRUD N
JAMES

VERONICA
KANDJABANGA

MWILIMA F
SASELE

OUR TEAM

AIR TRAFFIC SERVICES



JEREMIA
I KAMATI
(SM)



ADOLF N
MARTIN



ELINA
SHIWEDA



HERTHA N
S N ELIAS



TUHAFENI
AMON



NORBERT T
ABRAHAM



CHARL
OLIVIER



KARINA N
SHILONGO



NICODEMUS
NARIB



ERIK BRUYS



JACOLENE
STEENKAMP



CHRISTOPHER
R BUYS



NDAPEWA C
NAMGONGO



FRANS
SHIPEPE



ALEXANDER
TJAHIKIKA



JOAO
MUNGURI
LUZENDU

SAFETY AND QUALITY



PHILIPPINE
LUNDAMA
(SM)

COMMUNICATION NAVIGATION AND SURVEILLANCE



ABIATAR
T NTINDA
(SM)



DANIEL J
CLAASEN



JAMES T
KAPOLO



PETRUS K
HEITA



LAZARUS N
UUSIKU



BENESTUS
TOROMBA



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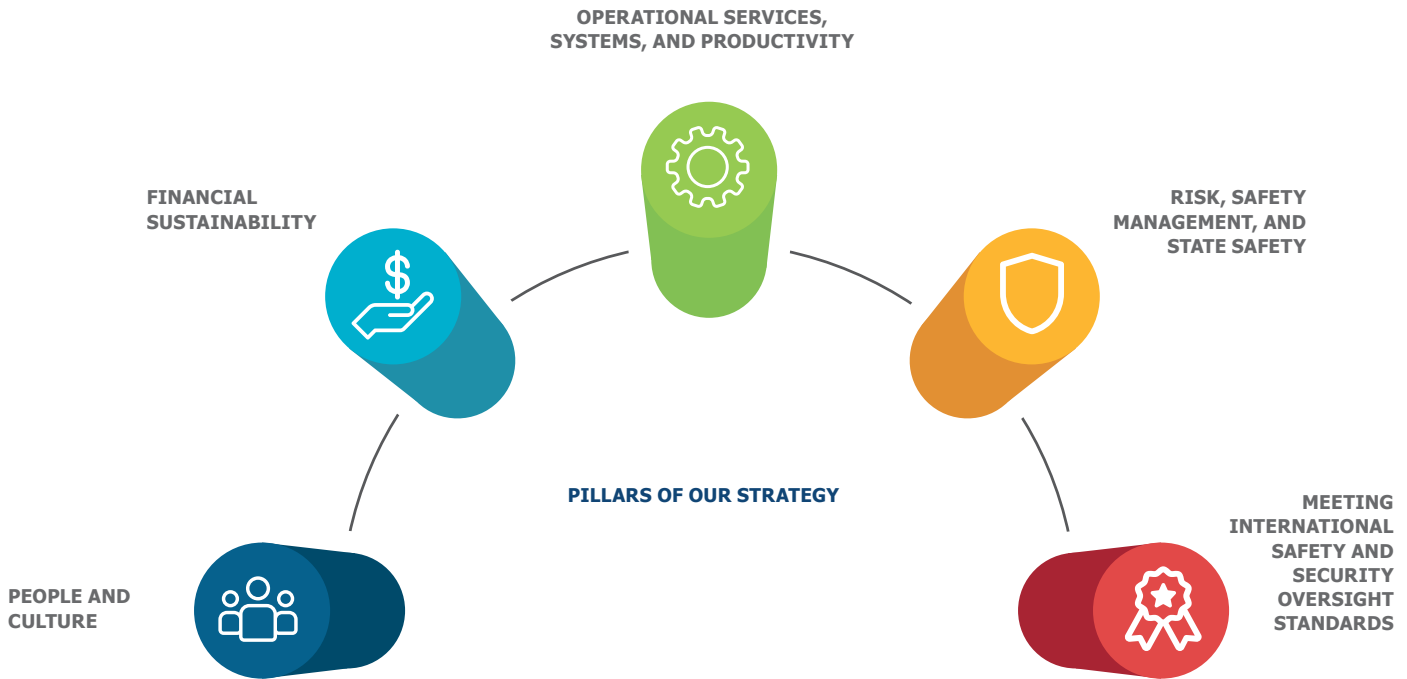
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OUR STRATEGY AND PERFORMANCE FOR 2021/2022

OUR STRATEGIC PILLARS

The NCAA has identified five pillars that form the backbone of our strategies for achieving 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, weaknesses, risks, and opportunities. Each of the five pillars is supported by strategic objectives and actions and measured by key performance indicators (KPIs) following the balanced scorecard measurement framework.



PEOPLE AND CULTURE

In an industry where regulatory compliance is paramount, having the right people with the right skills in the right positions is of critical importance. The NCAA has therefore introduced a new organisational structure making provision for 314 positions based on the ideal number of personnel required to implement and maintain international standards and recommended practices. A phased approach will be followed in order to achieve the required levels. We have targeted a staffing level of 222 staff as part of the first phase. A culture-change management programme will be formulated to ensure that our staff are aligned with our commercial business model.

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 ongoing support by the 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).

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) is 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, and therefore automation is the main priority. Investment in a modern communications, navigations, and surveillance (CNS) infrastructure has been a priority for the NCAA, but insufficient resources and manpower for both capital and operations have led to reduced system reliability, which will be addressed.

RISK, SAFETY MANAGEMENT, AND STATE SAFETY

Before the NCAA's establishment, limited risk management was exercised. 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 the member States to implement a state safety programme that 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 an integrated 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 of 2016, (Act No. 6 of 2016).

MEETING INTERNATIONAL SAFETY AND SECURITY OVERSIGHT STANDARDS

ICAO requires the member States to establish their oversight functions per the eight critical elements as outlined in this report. The NCAA has inherited different degrees of achievement concerning these critical elements.

Namibia achieved an overall effective implementation (EI) score of 59% at the 2014 ICAO Coordinated Validation Mission Audit. With the release of 2020 edition protocol questions (PQs), however, this percentage dropped to 57.34% due to the merging and deletion of some of the satisfactory PQs. The number of PQs has been reduced with the 2020 edition to 790 from the previous edition's total of 943. 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. A more recent assessment of the current profile indicates that CE3 (which relates to organisational aspects and includes sufficient numbers of staff) and CE2 (which refers to regulations) are also behind schedule due to the enactment of the new primary legislation resulting in a need to review regulations.

With regards to aviation security oversight, Namibia scored 76.75% on the compliance indicator and 70.97% on the oversight indicator during the November 2018 audit. ICAO has since changed the methodology of computing the compliance indicator, which is now set at 59.20%. ICAO will provide training to States on the new compliance indicator methodology. The Aviation Security Department has completed self-assessments attaining 78.79% compliance pending verification from ICAO.





OUR STRATEGIC OBJECTIVES

The objectives of the NCAA are to:

- 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 Civil Aviation Act (Act 6 of 2016), the Convention on International Civil Aviation (Chicago Convention), and other international civil aviation agreements applicable to Namibia
- Perform its functions most efficiently and effectively 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

STRATEGIC ALIGNMENT

The NCAA's business and financial plans are fully aligned with Namibian Government policies. It provides concrete support and backing of Vision 2030, National Development Plans, and the Harambee Prosperity Plan II (HPP2) in respect of references that are directly applicable to NCAA.

Aircraft accident and incident investigation has been separated from the NCAA to ensure independent investigation. The Director of Aircraft Accident and Incident Investigator reports directly to the Minister of Works and Transport.

KEY HIGHLIGHTS OF THE YEAR

The NCAA remained resilient and committed to its statutory obligations despite the havoc caused by the COVID-19 Pandemic and the economic upheaval that characterised the 2021/2022 financial year. We remained resolute in delivering on our mandate and ensured compliance with aviation safety and security standards and provisioning of Air Navigation Services to various spheres of our nascent industry.

Throughout what can be characterised as an extremely turbulent year, our safety oversight function continued to uphold the safety of the civil aviation system. This has included adapting to the risks emerging from the COVID -19 environment and implementing new procedures on how we work to protect the ongoing safety of participants and sectors. Notably, some sectors have been more severely affected by the COVID -19 Pandemic than others, however, safety has always been our precedence.

We are delighted to observe the gradual increase in the commercial passenger transport sector promising the enormous potential to foster the financial sustainability of the airport operations and the tourism industry.

The Authority engaged with stakeholders in the civil aviation industry throughout the pandemic and used learnings from the engagements to develop a stakeholder engagement strategy. The Authority played an enabling role in encouraging and supporting aviation operators to **build back better** despite the challenges facing the industry.

Some of the key operational achievements recorded by the Authority during the reporting period are highlighted below. More comprehensive information on these is described in various sections of this report.

Operating Regulations

- Amended and successfully promulgated the NAMCAR Parts 21, 24, 34, 36, 43, 44 and 47
- Drafting of the newly introduced NAMCAR Part 95 and the amended NAMCAR Parts 145, 147 and 148 completed
- NAMCAR/CATS Part 172, 174, and 175 including AIM and ATM Manuals amended in response to the ICAO amendments of Annexes 3, 11, 15 and PANS-AIM and PANS-ATM
- NAMCATS-SMS-140 was approved
- Facilitation Regulations were drafted and are expected to be promulgated in the next reporting period

Technical Staff Training

- Trainee CNS (Communication Navigation and Surveillance) Inspectors completed basic ATSEP (Aeronautical Telecommunication) and face-to-face ATEL Equipment Training and are expected to complete the on-job training by the next reporting period
- A total of nine training courses were successfully completed by Airworthiness Department staff
- Three ATM inspectors completed most of the basic training, of which one is signed off and issued with surveillance delegation of authority
- PEL staff and inspectors completed induction, core GSI PEL and English Language Proficiency training
- The training and designation of flight examiners was completed

- The designation of cabin crew and ATS examiners was completed

Technical Guidance Material Published

- Several guidance materials for both the industry and inspectors were published

Certification, Licensing, and Approvals

- **RPAS** - Certificates of Registration issued for Remote Piloted Aircraft Systems (RPAS) engaged in commercial and private operation - 38
- **Civil Activity Use Airspace Approvals**- Approvals issued to applicants ranging from aerial survey and photograph, drones' operation, fireworks display, sky diving and blasting - 101
- Air Operator Certificates (AOC) renewed – 17
- Aviation Recreational Organization (ARO) Certificates renewed - 4
- Commercial Hot Air Balloon certification – 1
- Specific Approvals – 3
- Foreign Operator permits issued: 7 for scheduled operators and 96 ad-hoc operators
- Remotely Piloted Aircraft Systems (RPAS) approvals issued: 42 Commercial operations and 104 for private operations – 42
- Obstacle Limitation Surface assessments and approvals issued 31
- Approval/Authorisation of unlicensed helicopter and emergency landing sites issued - 3
- Initial Certificates of Airworthiness, including Experimental and Special Flight Permits issued - 36
- Local Aircraft Maintenance Organisation Initial Issuance - 2
- Certificates of Airworthiness successfully renewed 545 of 580

Resolution of Safety Deficiencies

- More than 100 safety deficiencies were resolved

Stakeholders' Engagements

- Four National Airspace Committee (NAIRC) meetings as a national platform for the regulation and control of Namibia's sovereign airspace were held
- One Safety workshop conducted with industry
- Remarkable engagement with International Air Traffic Authority (IATA), the Airline Association of Southern Africa (AASA) and the Aircraft Operators and Pilots Association (AOPA) air navigation charges and levies.
- The NCAA technical staff actively participated in most of the ICAO Regional meetings, workshops, seminars and webinars with positive contributions by co-chairing several forums with other States and developing ICAO Regional documents

State Safety Programme (SSP)

- The SSP is currently at 45% completion
- The SSP SteerCom was established and inaugurated in February 2021 as a State platform to create an integrated set of regulations, documents, and activities with the aim to continuously improve aviation safety
- Introduction and publication of NCAA's monthly safety bulletin, "Safety Matters", and safety promotion banners
- Implementation of a Safety Data Collection and Processing System (SDCPS) including trend monitoring, tracking of investigations and their recommendations
- Establishment of the Safety Working Group

Participation in International Oversight System

- Three inspectors are actively serving members on the Interim SADC Aviation Safety Organization (iSASO) as National Safety Inspectors
- Our AGA inspectors chair the African and Indian Ocean (AFI) Aerodrome Certification Project

EMPIC

- Full implementation of Aircraft Maintenance Engineer Licensing System (AME) known as the MPL module and Air Traffic Controllers Licensing System (ATC) known as the ATS module successfully upload the Aviation Medical Certificates on EMPIC known as the MED module

Air Navigation Services Provision

- successfully conducted three consecutive QMS audits, two of which were internal and one external by an ISO 9001 -2015 accredited Organisation and the AIM ISO certificate was successfully retained

- The first ANS Bursary Programme has been completed, and all recipients of the ATS bursary, successfully validated as Aerodrome Controllers or ATS Assistants (ATSAs)
- Six air traffic controllers have successfully completed Area Procedural and Radar Control training
- The provision of air traffic services at Andimba Toivo Ya Toivo (Ondangwa) Airport has been successfully relocated to the newly constructed ATC tower
- Implementation of AFI Regional Code Management Plan, which is aimed at aligning the allocation of the SSR Codes with the new Code Management Plan completed
- 98 % successful implementation and migration of CNS to the new fiber at Hosea Kutako International Airport new optic fiber ring
- Completion of on-the-job training for the CNS technical staff second bursary ATSEP group

In conclusion

The achieved milestones would not have been possible without the clear and unambiguous guidance and leadership of the Minister of Works and Transport, Honourable Minister John Mutorwa, the Board of Directors and the resilient and dedicated NCAA's management team and staff. We will not rest until we attained our vision "to be recognised as leader in sustainable civil aviation safety and security oversight and air navigation service provisioning."

Way forward

It remains a challenge to achieve the ultimate model of a world class civil aviation authority with the mandate to assure a safe and secure environment for air transport travelers. With forever-evolving global security threats and pandemic, the responsibility rests with every civil aviation authority worldwide to be at least one step ahead to ensure a global safe and secure aviation environment.

The process is never-ending and ever demanding. We will continue to respond to these changing demands, whilst strengthening our resources and capacity to fulfil our mandate.



Christoph Seimelo
(Chief Legal Counsel)

KEY HIGHLIGHTS OF THE YEAR

A seminar on legislative drafting was organised for senior managers and inspectors in February 2022. The seminar will go a long way toward assisting senior managers and inspectors in writing legal texts such as regulations, technical standards, and aviation directives.

OUR PERFORMANCE DURING THE YEAR

Assistance rendered to safety departments issuing Aviation Directives to deal with safety issues that have emerged but are not properly covered by the regulations. The following Directives were issued during the period under review:

- Flight Operations Department – AD 1/2/3-2 on wet lease arrangement and AD 1/2/3-6 on remotely piloted aircraft
- Personnel Licensing Department - AD 1/2/1-3 on AME license issuance and AD 1/2/1-5 on issuing remote pilot instructor certificates

Assistance rendered in the drafting and renewal of service level agreements included:

- Extension of agreement between NCAA and Air Traffic and Navigation Services SOC Limited (ATNS) on the billing and collection of Air Navigation charges and Passenger Safety charges
- Memorandum of Understanding between NCAA and the South African Civil Aviation Authority (SACAA) on cooperation between the two civil aviation authorities
- Memorandum of Understanding between NCAA and the Communications Regulatory Authority of Namibia (CRAN) on cooperation

Personnel licensing regulations have been finalised and are awaiting promulgation. These regulations include Part 60, 61, 62, 63, 64, 65, 66, 67, and 141. The consultative process regarding Part 187 regulations amendment regarding fees has been completed pending promulgation.

CHALLENGES FACED DURING THE YEAR

- COVID-19 has posed a challenge in all respects, particularly certain regulations hindering certain

LEGAL

Personnel licensing regulations have been finalised and are awaiting promulgation. These regulations include Part 60, 61, 62, 63, 64, 65, 66, 67, and 141. The consultative process regarding Part 187 regulations amendment regarding fees has been completed, and the next step is to promulgate the regulations.

processes. Part 3 of the Namibia Civil Aviation Regulations requires NCAA to undertake a consultative process before promulgating regulations and technical standards. Where necessary NCAA has resorted to virtual platforms in order to fulfil the regulatory requirements.

- Concluding enforcement cases has taken longer than expected. This process will be improved going forward.
- Staffing within the Legal department is currently limited to the Chief Legal Counsel only.

LOOKING AHEAD TO 2023

- The appointment of the of corporate secretary and senior legal counsel is expected to be finalised in the financial year 2022/2023.
- The 41st ICAO Assembly is scheduled to take place from 27 September 2022 to 10 October 2022 in Montreal, Canada. As a Contracting State, Namibia shall fully participate in all decision-making papers of the Assembly.
- In respect of electing members of the ICAO Council, Namibia shall be guided by her interests first and foremost and, thereafter, the SADC and African positions regarding who to elect to Council.
- Namibia intends to ratify and/or accede to the following International Air Law Convention/Treaties and Protocols:
 - Beijing Convention of 2010 and Beijing Protocol of 2010
 - Montreal Protocol of 2014
 - Protocol Amending Article 50(1) of the Convention on International Civil Aviation
 - Protocol Amending Article 56 of the Convention on International Civil Aviation

The Legal Department looks forward to assisting the Flight Operations Department in drafting and promulgating the regulations related to that department, namely Part 91: Rules of the air, Part 93: Corporate operations, Part 94: Commercial use of non-type certified aircraft, Part 121: Large air transport operations of 19 passengers and above, including cargo, Part 127: Helicopter operations and Part 135: Small air transport operations of below 19 passengers and including cargo.





PETERSON TJITEMISA
(Senior Manager)

COMPLIANCE AND REGULATORY RISK (CRR)

The Compliance and Regulatory Risk department oversees and ensures the NCAA's efforts to operate within the standards, guidelines, and agreements governing the industry. The International Standards are as set by the UN Agency, International Civil Aviation Organisation (ICAO) under the Chicago Convention on International Civil Aviation of 1944.

In the interim, CRR is also assigned the responsibility of overseeing the operation of the Civil Aviation Registry (CAR). The CAR is established in terms of Section 52 of the Civil Aviation Act, (Act 6 of 2016). It is required to maintain records and keep copies or appropriate proof of documents and information based on the list required under Section 52(2) of the Act. The CAR division has its duties and responsibilities established in compliance with the requirements of the National Archives of Namibia. The records taxonomy (File Plan), the Records Centre and the library are established under the division.

The Role of Compliance and Regulatory Risk (CRR)

The department was set up in 2018 after various recommendations from the ICAO Universal Safety Oversight Audit Programme (USOAP) activity in 2014, as well as an internal audit carried out by the South African CAA in 2016.

The role of CRR is to advise the State on measures to ensure that the obligations to the Chicago Convention are met through the development and management of an effective Safety and Security Oversight System. The responsibility of the department's compliance expectations span two audit programmes, namely the Universal Safety Oversight Audit Programme (USOAP) and the Universal Security Audit Program (USAP). CRR serves as part of the catalyst in ensuring that the agenda behind the Namibian National Development Plan (NDP 5) targets are realised. CRR forms part of the organisation's independent monitoring system by conducting internal audits of the eight audit areas in line with the ICAO USOAP/USAP CMA eight critical elements of a Safety and Security Oversight System.

Governed by the ICAO USOAP CMA eight critical elements are the eight audit areas namely, Legislation, Organisation, Personnel Licensing, Flight Operations, Airworthiness, Air Navigation Services, Aircraft Incidents and Accidents Investigation, Aerodromes and Ground Aids. The USAP CMA is assessed on the full implementation of ICAO Annex 17 provisions.

The department is comprised of Compliance Specialists, each assigned one or two Audit areas to closely monitor compliance to the International, Regional and National Standards, including the development of the National Aviation Safety and Security Regulations, review of potential risks emanating from these processes, and emerging International Civil Aviation threats.

The scope of USOAP CMA includes the ICAO SARPs contained in all safety-related Annexes to the Convention, Procedures for Air Navigation Services (PANS), guidance material and related procedures and practices. The compliance determining factors are the Protocol Questions (PQs) which are standardised for all member States to ensure universality, transparency and disclosure. There are approximately 790 protocol questions. They form the primary tools for assessing the level of Effective Implementation (EI) of a State's

safety oversight system and each PQ is sufficiently flexible to allow the appropriate evaluation of the scope and complexity of the aviation activity in each State. EI is a measure of the State's safety oversight capability and is calculated by Number of Satisfactory PQs over the total Number of Applicable PQ's. A higher EI indicates that a State's safety oversight system has a greater degree of compliance with ICAO provisions.

The NDP5, together with Regional, Continental, and International targets, are among the baselines guiding the CRR in achieving the national goal on the setting and maintenance of an effective safety and security oversight system.

Total Protocol Question status in Namibia to date:

- Not Satisfactory (NS) are protocol findings whereby Namibia has shown not to be compliant as per the last activity
- Satisfactory are the PQs found to be compliant
- Not applicable (N/A) are the PQs found not to be applicable, based on the scope of activity in Namibia
- Undetermined PQs are new questions developed after periodic review of the USOAP system and are yet to be determined at the next review

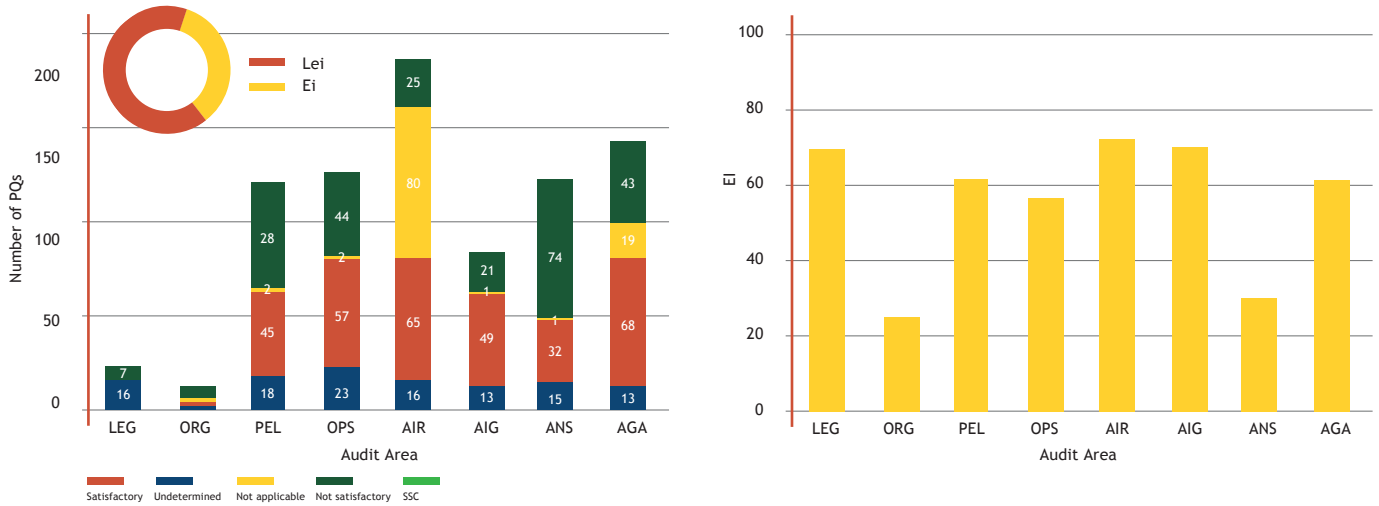
BELOW ARE THE NDP5 TARGETS

Indicator	Baseline	Targets over the NDP5 Period				
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
% Compliance relating to ICAO Standards and Recommended Practices	68% (2016)	69%	70%	71%	73%	75%

TOTAL PROTOCOL QUESTION STATUS IN NAMIBIA TO DATE:

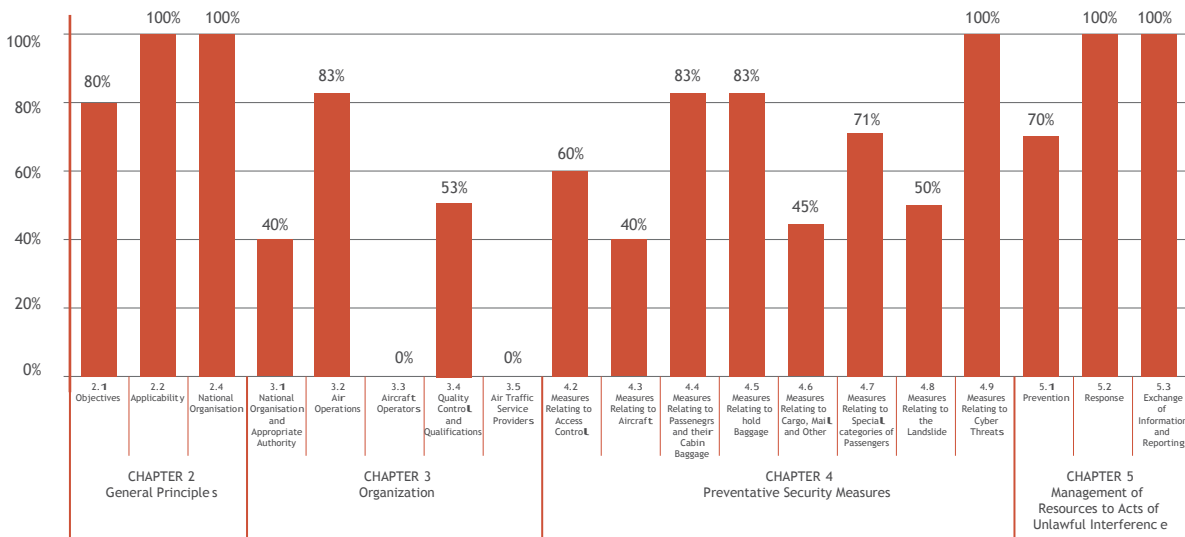


NAMIBIA'S IMPLEMENTATION STATUS AS OF LAST ICAO USOAP CMA ACTIVITY 2016 WITH EI 57.39%:



NAMIBIAN EI AS OF ICAO USOAP CMA ACTIVITY 2016:

Indicative Compliance with Annex 17 Standards: 59.20%



Expectations of Compliance and Regulatory Risk

- i. Ensure compliance to international, continental, regional and local civil aviation regulations
- ii. Review, update and communicate the regulatory applicable amendments as well as new SARP's issued by ICAO
- iii. 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
- iv. Filing and publication of regulatory differences between the Namibian Civil Aviation Regulations and ICAO SARP's
- v. To facilitate and action all regulatory or compliance communication between internal and external stakeholders of the Namibian Aviation System
- vi. Effective Management of State Letters received from ICAO and any other international body. This includes processing, distribution and replying to all State Letters.

KEY HIGHLIGHTS OF THE YEAR

- Improved knowledge of the ICAO CMA processes and applications
- Timeous responses to ICAO and other Stakeholders

ICAO COMPLIANCE AND THE 8 CRITICAL ELEMENTS OF SAFETY

To oversee the State's compliance with ICAO requirements, ICAO has established eight (8) critical elements as well as the eight (8) audit areas in the safety realm and the efficient management of State Letters.

CE-1. Primary Aviation Legislation

The provision of a 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 (Chicago Convention).

CE-2. Specific Operating Regulations

The provision of adequate regulations to address, at a minimum, national requirements emanating from the primary aviation legislation and providing for standardised operational procedures, equipment and infrastructures (including safety management and training systems) in conformance with the Standards and Recommended Practices (SARPs) contained in the Annexes to the Convention on International Civil Aviation. The term "regulations" is used in a generic sense to include, but is not limited to, instructions, rules, edicts, directives, sets of laws, requirements, policies, and orders.

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, headed by a Chief Executive Officer,

THE 8 AUDIT AREAS IN THE USOAP PROGRAMME							
ORG Organisation	LEG Legislation	PEL Personnel Licensing	AIR Airworthiness	OPS Flight Operations	ANS Air Navigation Services	AGA Aerodromes and Ground Aids	AIG Aircraft Accident Investigation
The 8 Critical Elements of the USOAP Programme							
CE 1	CE 2	CE 3	CE 4	CE 5	CE 6	CE 7	CE 8
Primary Aviation Legislation	Specific Operating Regulations	State civil aviation system and safety oversight functions	Technical personnel qualification and training.	Technical guidance, tools and the provision of safety-critical information.	Licensing, certification, authorisation and approval obligations	Surveillance obligations	Resolution of Safety Concerns

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. The term "state civil aviation system" is used in a generic sense to include all authorities with aviation safety oversight responsibility which may be established by the State as separate entities, such as: CAA, Airport Authorities, Air Traffic Service Authorities, Accident Investigation Authority, and Meteorological Authority.

CE-4. Technical Personnel Qualification And Training

The establishment of minimum knowledge and experience requirements for the technical personnel performing safety oversight functions and 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 (including processes and procedures), 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.

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 and audits, 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 State to undertake an aviation related activity for which they have been licensed, certified, authorised and/or approved to perform. This includes the surveillance of designated personnel who perform safety oversight functions on behalf of the CAA.



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. The Establishment Phases from CE 1 to CE 5 forms the foundation to the NCAA regulatory division, which 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 NAMCARs and NAMCATS.

Compliance Checklists

Compliance checklists were developed for each Annex within the scope of the USOAP CMA. They provide ICAO with information about the State's level of implementation of the ICAO SARPs. Completed compliance checklists 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 compliance checklists 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 to update the compliance checklists, which reflects our level of compliance with the ICAO SARPs, and any differences, will be notified to ICAO and published in the Namibian Aeronautical Information Publication (AIP).

OUR PERFORMANCE DURING THE YEAR

- Effective review of the 2020 edition PQs April 2021
- Enhanced engagement with the audit areas by weekly meetings
- Completion of the ICAO Self-Assessment
- Establishment of a comprehensive USOAP internal audit activity plan
- Effective reply to ICAO and AFCAC state letters.
- Employment of a permanent Senior Manager and the Security Specialist.
- Continuous provision of aviation safety and security information
- Library needs assessment
- Series of departmental engagements on the Library Integrated Management System (LIMS)
- Continuous registration of designated inspectors/ authorised officers/ authorised persons
- Joint coordination of the development and submission of the 2020/2021 Annual Report
- Completion of the LIMS specifications

CHALLENGES FACED DURING THE YEAR

- The shortage of key technical staff
- The audit areas focal participation to the CMA duties and responsibilities
- Organisation's high staff turnover



LOOKING AHEAD TO 2023



- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Comprehensive updating of the ICAO USOAP Online Framework inclusive of all eight Audit areas and all Protocol questions, State Aviation Activity Questionnaire and Compliance Checklists • Preparation of all Namibian State Aviation Stakeholders for the full ICAO USOAP audit if planned. This will include regulatory as well as service provider stakeholders within the Namibian State Aviation System | <ul style="list-style-type: none"> • Recruitment of Head of Registry, Record Officer, Registry Clerk, additional Compliance and Regulatory Risk Aviation Safety Specialist and an additional Compliance Officer to support the department • Development of the proposed technical library space | <ul style="list-style-type: none"> • Implementation of the Library Integrated Management System • Implementation of the LIMS • Development of digital register of open cases/ volumes • Overseeing the configuration of MS365 |
|---|---|---|



GODFRIED G MATROOS
Acting General
Manager: Safety



SARAFINA MAXWANU
Acting General
Manager: Safety



SAFETY

The Safety Division of the NCAA forms the core of the regulatory function of the NCAA and is responsible to ensure the effective safety oversight of the civil aviation system in Namibia. This obligation is derived from the Convention on International Civil Aviation (Chicago Convention), to which the State of Namibia is a signatory.

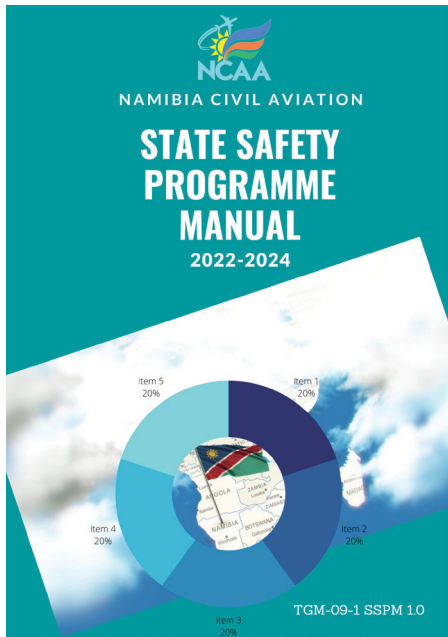
The NCAA, in conjunction with the industry, plays an integral role in ensuring the prevention and reduction of aircraft accidents. To achieve this, the NCAA Safety Division started the process of implementing risk-based oversight, which is exercised systematically and in a planned way by considering the combination of the risk profile and the safety performance of an operator. This risk-based oversight is an ICAO recommended model, which the NCAA has embraced, that focuses on the management of risk in addition to ensuring compliance.

In practical terms, the oversight of approvals and/or certificate holders presented new challenges, including operations within the confines of COVID-19 lockdown levels and safety precautions. Keeping these limitations in mind and being cognisant of the mandate of the NCAA to oversee and ensure aviation safety, the risk-based oversight approach became an ideal systematic tool in supporting both the industry and the NCAA for oversight obligations.

The NCAA will continue to engage the industry through workshops and surveys to identify hazards and risks relevant to the sector. With further engagements taking place within industry, the NCAA will identify risk owners and possible controls and treatments.

The NCAA Safety Division currently 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, navigation, and surveillance 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
- Aviation professionals such as pilots, cabin crew, air traffic service personnel, and aircraft maintenance engineers, including instructors and examiners for these professionals



STATE SAFETY PROGRAMME

The State Safety Programme (SSP) is required to be established by Annexes 1,6,8,11,13,14 and 19. Annex 19: Safety Management, along with the guidance in ICAO Document 9859 Safety Management Manual, provides States with the framework for what an SSP must contain. Namibia has followed these road maps in development and implementation of the SSP.

A seminar on legislative drafting was organised for senior managers and inspectors in February 2022. The seminar will go a long way toward assisting senior managers and inspectors in writing legal texts such as regulations, technical standards, and aviation directives.

The SSP is detailed in full in the State Safety Programme Manual, Technical Guidance Material (TGM) Volume 9 Part 1, which is scheduled for publication in August 2022.

The SSP is led by the SSP Steering Committee (SSP SteerCom) comprised of members from:

- NCAA Safety Division
- Directorate of Aircraft Accident and Incident Investigation
- Air Navigation Service Provider
- Namibian Meteorological Services
- Industry and Government operators of significance
- Namibian Air Force
- Aircraft Owners and Pilots Association
- Namibian Airports Company

It is convened according to Namibia Civil Aviation Regulations (NAMCARs) Part 11 and chaired by the General Manager: Safety, with the Safety Promotion and Quality Department acting as Secretariat.

The SSP Steering Committee met for the inaugural meeting in February 2022 and the following items were concluded:

- The Terms of Reference for the SSP Steering Committee were adopted
- A schedule of quarterly meetings was agreed to be published by way of AIC
- A Vice Chairperson was nominated from industry
- The second meeting for the SSP Steering Committee was scheduled for May 2022

The following critical documents and processes further

outline the SSP implementation and maintenance:

- SSP Implementation Plan and Gap Analysis (spreadsheet)
- National Aviation Safety Plan
- SSP Training Plan

The Safety Data Collection and Processing System (SDCPS) forms part of the SSP and reports therefrom. A database has been established and alerts are being monitored for 2022 based on the data catalogued from 2021.

Seven key areas were identified for monitoring based on the data in the SDCPS:

- Loss of Control in Flight (LOC-I)
- Mid Air Collision/Loss of Separation (MAC/LOS)
- Runway Incursions (RI)
- Runway Excursions (RE)
- Controlled Flight into Terrain (CFIT)
- Mechanical/Technical faults
- Wildlife Strikes

The SSP takes guidance from the following global documents from ICAO for development of the National Aviation Safety Plan as contained within the SSP:

- Global Aviation Safety Plan, Doc 10004
- Global Aviation Security Plan, Doc 10118

PROGRESS FOR THE YEAR 2021/2022

The SSP is currently at 45% completion. The following key tasks have been completed:

- All air operator certificate holders and aviation training organisations have implemented Safety Management Systems (SMS)
- Mandatory reporting systems are implemented
- An independent accident and incident investigation authority was established
- NAMCARs and Namibia Civil Aviation Technical Standards (NAMCATS) Part 140 is promulgated
- Development of various SSP documents, including:
 - Safety Policy

- SSP Manual (high level document for SSP)
- National Aviation Safety Plan
- SSP Training Manual
- Risk Management Manual

- Development of various safety documents, including advisory pamphlets on safety management systems and quality management systems, revision of safety management and quality management checklists
- Introduction and publication of NCAA's first monthly safety bulletin, "Safety Matters", published monthly from January 2022, to provide feedback to industry on safety occurrences and promote safety recommendations or respond to industry requests
- Introduction of safety promotion banners NCAA wide on email footers
- Implementation of a Safety Data Collection and Processing System (SDCPS) including trend monitoring, tracking of investigations and their recommendations, and establishment of safety performance indicators, targets, and alerts set up in the National Aviation Safety Plan and using the ICAO recommended standard deviation method
- Establishment of the Safety Working Group (SWG), in accordance with the technical guidance material, which has been meeting monthly since the beginning of 2022
- Establishment of a Technical Working Group (TWG) to focus on SSP Implementation

LOOKING AHEAD TO 2023

The target for 2023 is to progress the SSP Implementation from 45% to 70%, including approval of the SSP documentation and modifications to the existing TGM, increased implementation of SMS, and implementation of confidential reporting. Namibia also hopes to achieve an increase of 20% towards Safety Trend Analysis and Reporting System (iSTARS) SSP Implementation Level 4.

Namibia has planned safety and quality training for June to August 2022 and has planned two safety workshops for the coming year.

For more statistics from the SSP, see the Safety Promotion and Quality section.

AERODROMES AND GROUND AIDS



Golden Siteketa
(Senior Manager)

The primary mandate of the Aerodromes and Ground Aids (AGA) department is to ensure that the Aerodromes (Aerodromes and Heliports) under the jurisdiction of the State of Namibia offer a safe operational environment as per Namibia Civil Aviation Act, (Act 6 of 2016). The department is responsible for ensuring that all Aerodrome operators comply with the provisions under Namibia Civil Aviation Regulations (NAMCARs), Part 139 and 140.

KEY HIGHLIGHTS OF THE YEAR

- Effectively implemented stakeholder consultation on proposed amendments to NAMACARs Part 139
- Successfully domesticated the International Civil Aviation Organization (ICAO) documents into advisory pamphlets for ease of implementation by the industry
- Effectively facilitated and granted authorization to helideck operations for offshore exploration
- Successfully implemented planned surveillance activities for the reporting period
- Awarded of student assistance funding for skills development to enhance departmental competencies

- The department, is comprised of Compliance Specialists, each assigned one or two Audit areas to closely monitor compliance to the International, Regional and National Standards, including the development of the National Aviation Safety and Security Regulations, review of potential risks emanating from these processes, and emerging International Civil Aviation threats.

OUR PERFORMANCE DURING THE YEAR

The operational performance outlined for the reporting period has been aligned to both the NCAA Strategic objectives and the eight (8) critical elements of the Civil Aviation Oversight System.

	Target	Actual	Variance	Status
Critical Element CE-2 Operating Regulations and Technical Standards				
Amendment to regulation and Technical Standards	1	0	-1	Ongoing consultations with industry
Issuance of Aviation Directive and Notices	1	1	0	Target achieved, ongoing consultations with industry continuing
Participation in international oversight system	4	2	-2	Actively serving members of the interim SADC Aviation Safety Organization (ISASO) and African and Indian Ocean (AFI) Aerodrome Certification Project

Implementation Status Description

- Continuously maintain alignment with the ICAO Standards and Recommended Practices (SARPs) where appropriate by liaising with the Compliance Risk and Regulatory Department and addressing AGA-related State letters from ICAO with regards to safety-related amendments
- Ongoing review of the category D and E aerodromes of regulations and associated technical standards
- Re-issuance of the Aviation Notice 001/2020 NAMCARs 139: Aerodromes Determination on Category D & E
- Active serving member on the interim SADC

- Aviation Safety Organisation as a National Safety Inspector to develop generic regional safety standards for States and influence changes that will benefit aviation growth and safety
- Chair of the African and Indian Ocean (AFI) Aerodrome Certification Project



	Target	Actual	Variance	Status
Critical Element CE-3 Organisation System and Safety Oversight Functions				
Maintain human capacity as per organogram	9	9	0	Fully implemented the staff retention objectives of maintaining adequate technical and non-technical human resource
Financial sustainability	16	9	7	Adequate budgetary provision was availed for the implementation and execution of oversight functions
Customer-centric services to the industry	1	4	-3	Adequate allocation of state-of-the-art equipment
Enhance and foster partnerships with international CAA and other Regulatory Bodies	-	-	-	ICAO ESAF/WACF ACI Nigeria CAA Seychelles CAA Angola CAA South Africa CAA Uganda CAA French CAA (DGCA) University of Namibia Namibia Statistical Agency Surveyor General

Implementation Status Description

- The job descriptions were reviewed and aligned to other departments to facilitate staff retention as per the strategic objectives of the NCAA
- Our technical human resources skills continue to be highly recommended and sought after within the regional environment. Regional portfolios held are Chairmanship of the AFI Aerodrome Certification Project and Serving member on the interim SADC Aviation Safety Organisation as a National Safety Inspector
- Our customer care focus supports consultation obligations and facilitates operational needs and expectations hence the need to implement procedures for an efficient and excellent service delivery
- Extended assistance to industry with specialised equipment such as the runway friction testing, to enhance safety at aerodromes
- Engage in active collaboration and cooperation with other States Civil Aviation Authorities, regulatory bodies and government agencies to undertake mentorship programmes, share information, knowledge, expertise, and resources for mutual benefit
- Create partnership engagement with various government institutions for information sharing and streamlining of functions
- Implementation of a risk-based strategy to ensure optimum utilisation of financial resources

	Target	Actual	Variance	Status
Critical Element CE-4 Technical Personnel Qualification and Training				
Postgraduate studies (long-term)	0	4	4	2 Enrolments at international schools of aviation 1 Enrolment at a local school of humanities, society and development 1 Extended study leave approval
Professional courses (short-term)	9	1	-8	Basic Registry Records and Archives Management
Workshops, seminars and webinars attended	9	4	-3	<ul style="list-style-type: none"> Global Reporting Format (virtual) Obstacle Limitation Surface (virtual) ICAO Notice to Airmen (NOTAM) (virtual) Legislative Drafting

Implementation Status Description

- Pursue postgraduate studies to develop and maintain the requisite knowledge, skill and attributes required to uphold excellence in service delivery
- Full funding awarded to inspectorate personnel to undertake a three-year Masters' programme in Aviation Safety Management, Risk and Regulation at Cranfield University, United Kingdom
- Partial funding awarded to inspectorate personnel to undertake a one-year Masters' programme in Safety Management System at Ecole Nationale de l'Aviation Civile, France
- Study leave awarded to inspectorate personnel to undertake a one-year Masters' programme in Airport Management at Ecole Nationale de l'Aviation Civile, France
- Student assistance awarded to administrative personnel towards a two-year Masters' programme in Records Management and Archiving at University of Namibia, Namibia
- Various Aerodrome Safety Inspectors participated in numerous contact and online workshops and webinars, namely Legislative Drafting, Obstacle Limitation Surfaces Symposium, Basic Registry Records and Archives Management

	Target	Actual	Variance	Status
Critical Element CE-5 Technical Guidance and Tools				
Developed new chapters and reviewed the technical guidance material to personnel	4	0	-4	Ongoing review of the Inspectors Handbook and Checklists
Developed and provide technical guidance material to aerodrome operators	4	6	2	6 Advisory Pamphlets published and ongoing review of the TGM and Checklists
Delivered technical workshops to industry	2	2	0	GRF and Aeronautical data quality workshops conducted

Implementation Status Description

- Undertook a review exercise of the internal technical guidance material toolkits, namely the Inspectors Handbook and associated checklists, to align to the amendment of regulations and for guidance to inspectorate staff to effectively execute their oversight duties
 - The dry run technical trial on the Global Reporting Format for runway surface conditions at Eros Airport runway 01/19 to assess implementation with stakeholders composed in the GRF Committee
 - Aeronautical data quality workshop
- Further developed and published advisory pamphlets for aerodrome operators, namely:
 - Conduct of aeronautical studies
 - Internal quality assurance
 - Foreign object debris control
 - Certification and licensing process
 - Disabled aircraft removal at aerodromes
 - Fuelling of aircraft at aerodromes
- Reviewed and shared applicable checklists required for the certification and licensing process preparation with aerodrome operators
- Increased the frequency of engagement with aerodrome operators by conducting workshops to address imminent safety matters

	Target	Actual	Variance	Status
Critical Element CE-6 Licensing, Certification, Authorisation and Approval Obligations				
Initial Certification and licensing of aerodromes	8	0	-8	Ongoing 5-phase initial certification and licensing process
Registration of non-licensed aerodromes	153	38	-115	Ongoing exercise as per the AN 1/3/5-3
Approval/Authorisation of unlicensed helicopter and emergency landing sites	0	3	3	3 Approval/Authorisation granted
Obstacle Limitation Surface assessments and approvals	15	32	17	31 No objections 1 Objection
Approval for land use in the vicinity of an aerodrome (EIA)	24	20	-4	Ongoing exercise pending approval

Implementation Status Description

- Ongoing initial certification process of Hosea Kutako International Airport and Walvis Bay International Airport and licensing process of Katima Mulilo Airport, Rundu Airport, Andimba Toivo ya Toivo Airport, Eros Airport, Keetmanshoop Airport and Lüderitz Airport
- Demonstration of continuous improvement of the regulatory function using the assessment of the surveillance programme with a focus on strengths/weaknesses and opportunities for improvement
- Received environmental impact assessment (EIA) on renewable energy projects, establishment of townships, and various other development projects were received in the aerodrome vicinity of Hosea Kutako International, Walvis Bay International, Eros, Keetmanshoop, Immelmann, Mariental, Grootfontein, Okakarara, Karibib, Oanob Dam and Lüderitz Aerodromes
- Approval/Authorisation of unlicensed helicopter and emergency landing sites were granted for DareDevil Operation Langstrand, Maersk Voyager Helideck, Valeris Helideck

	Target	Actual	Variance	Status
Critical Element CE-7 Surveillance Obligations				
Periodic Audits	16	16	0	Approved surveillance plan successfully implemented
Follow-up audits	8	8	0	Approved surveillance plan successfully implemented
Special audits	3	3	0	Approved surveillance plan successfully implemented
Safety incidents/accidents reports	1 in 1000	77	76.999	All safety incidents and accident reports were duly investigated, and reports generated

Implementation Status Description



- Demonstration of continuous safety assurance that the civil aviation system is well managed and poses minimal safety risk
- Mandatory and Voluntary Occurrence Reporting of incidents and accidents at aerodromes were mainly reported for bird and wildlife strikes, as well as runway incursions and foreign object debris
- Most significant safety incidents and accidents reported were on electrical power surges, non-compliance of ARFF services, implementation of emergency procedures, ineffective wildlife management programmes, fuel spillage and low flying of aircrafts




	Target	Actual	Variance	Status
Critical Element CE-8 Resolution of Safety Concerns				
Safety deficiencies analysis/ investigations	0	6	6	Aerodrome operators continuously submit safety assessments and investigate incidents and accidents
Safety recommendations forwarded to aerodrome operators	0	6	6	Corrective Action Plans received and evidence of safety resolutions
Support the resolution of identified deficiencies (corrective action plans)	0	6	6	Successfully closed
Enforcement action taken	0	0	0	No incidents that required enforcement

Implementation Status Description

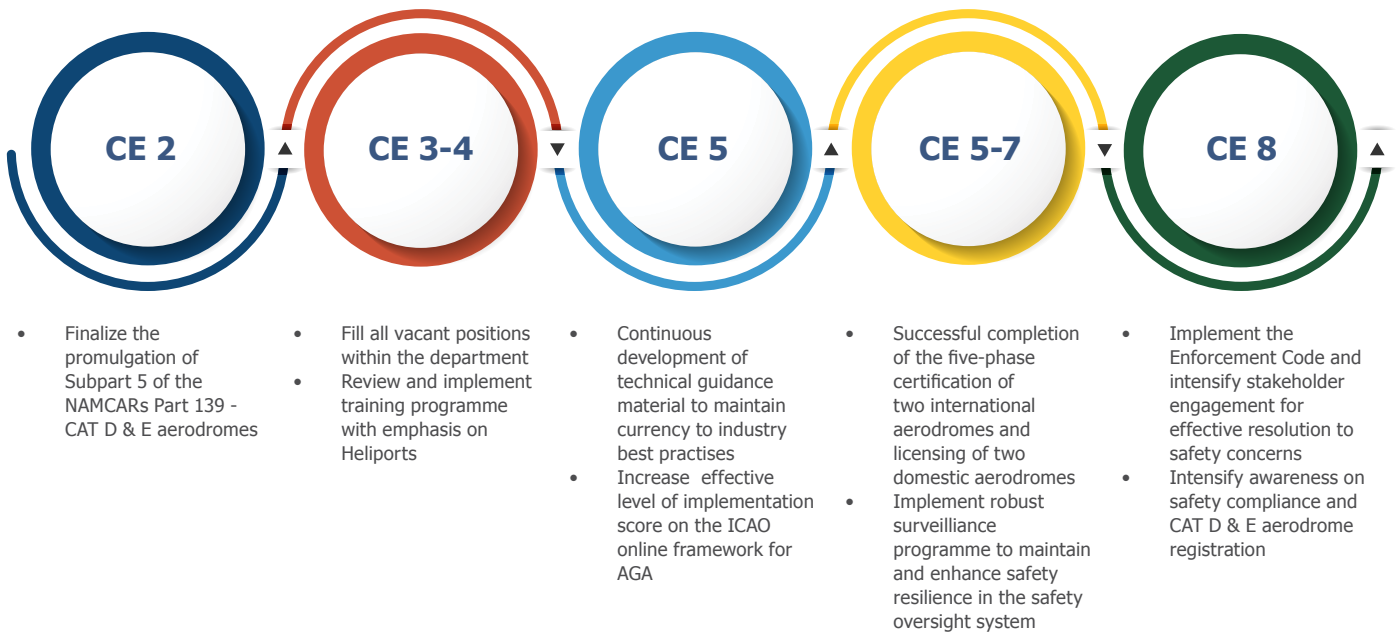
- Evidence on the resolution of safety concerns were received by the NCAA from operators concerning incidents of electrical power surges, non-compliance of ARFF services, implementation of emergency procedures, ineffective wildlife management programmes, fuel spillage and low flying of aircrafts

Main Challenges and Mitigation Measures Employed

Challenges	Mitigations
 <p>Due to COVID-19 restrictions on congregations, resulted in the delay in the promulgation of NAMCARs 139, Subpart 5 permits for D and E aerodromes</p>	<ol style="list-style-type: none"> 1. Issuance of an Aviation Directive to extend the effective date of the regulation to facilitate and allow further consultation between regulator and aviation industry 2. Issuance of an Aviation Notice to address stakeholder objections to allow the aerodrome operations to continue 3. Developed an Implementation Plan to review draft regulation on Permits of Category D Aerodromes Workshop Draft Regulation, promulgation, and establishment of a technical working group
 <p>Due to COVID-19, reduced revenue stream</p>	<ol style="list-style-type: none"> 1. Prioritised and implemented risk-based surveillance activities 2. Limited operational expenses to safety critical activities

Challenges		Mitigations
	<p>Due to COVID-19 restrictions on congregation and traveling, ineffective implementation of departmental training programme</p>	<ol style="list-style-type: none"> 1. Undertaking of virtual training and workshops were encouraged and implemented 2. Departmentally promoted vaccination exercises to enable ease of traveling and attendance of contact training 3. Facilitated funding for COVID-19 testing when required
	<p>Due to COVID-19 restrictions on traveling, delay in the implementation of the five-phase certification and licensing process</p>	<ol style="list-style-type: none"> 1. Facilitated and lead active engagements with aerodrome operators to ensure the implementation of the five-phase aerodrome certification and licensing process as prescribed in the NAMCARs 139 Regulations and Technical Guidance Material by: <ul style="list-style-type: none"> - Carrying out virtual meetings - Electronic submission of documents - Conducted desktop audits, when required
	<p>Unresolved safety concerns at aerodromes</p>	<ol style="list-style-type: none"> 1. Submission for evaluation and approval of Corrective Action Plans and/or alternative means of compliance by aerodrome operators 2. Conducted continuous surveillance activities and stakeholder engagements

LOOKING AHEAD TO 2023





Victoria T Mombola
(Senior Manager)

The division is responsible for supporting the preparation and update of flight operation specific regulations, certifying air operators to carry out commercial air services, carrying out surveillance to ensure that Air Operator Certificate Holders continue to meet regulatory requirements and maintain safe operations as per their certificates, and investigating and following up on accidents, incidents and hazards reported. The Division also approves Foreign Operators by issuing Foreign Operator Permits (FOPs) to airlines/operators for scheduled and non-scheduled commercial operations into Namibian. The Division issues all specific approvals for operations such as: Performance-Based Navigation (PBN), Reduced Vertical Separation Minima (RVSM), Low Visibility (Cat II and III) Operations, Offshore and External Load Operations, Emergency Medical Service Operations, Aerial Work, and operational approvals for the Carriage of Dangerous Goods by Air. In addition, the division is responsible for approvals of Remotely Piloted Aircraft Systems (RPAS), hot air balloon operations, and Aviation Recreational Organisations (ARO) within Namibia. Lastly, OPS is responsible for providing guidance material and other information to the Operator and the public to ensure compliance with regulations.

KEY HIGHLIGHTS OF THE YEAR

- Completed the full re-certification of a Part 135 operator
- Completed the certification of a new hot air balloon operator in Swakopmund under Aviation Directive 1/2/3-3 of 2020
- Completed the certification for Specific Approval of a Part 127 Helicopter Operator's Offshore, External Load and Emergency Medical Services operations
- Air Operator's Certificate renewal Main Base inspections, 100% implemented

FLIGHT OPERATIONS






Flight Operation (OPS) is the heart of the NCAA and an important division within the Safety Department. OPS is responsible for ensuring that Namibia has implemented, and is enforcing, the Standards and Recommended Practices (SARPS) of Annexes 2: Rules of the Air, 6: Operation of Aircraft, 18: The Safe Transport of Dangerous Goods by Air, and 19: Safety Management.

OUR PERFORMANCE DURING THE YEAR

- Aviation Directives issued or updated – 9
- Renewed Air Operator certificates – 17
- Commercial Hot Air Balloon certification – 1
- Specific approvals – 3
- Foreign Operator permits issued: scheduled operators – 7
- Foreign Operator permits issued: ad-hoc operators – 96
- Aviation Recreational Organisation (ARO) renewals – 4
- Remotely Piloted Aircraft Systems (RPAS) approvals issued: Commercial operations – 42
- Remotely Piloted Aircraft Systems (RPAS) approvals issued: Private operations – 104
- Completion of Government Safety Inspector Air Cargo Course – 1
- Completion of Dangerous Goods Regulations for Security Screening Personnel Course – 1
- Namibia Airports Company (NAC) DG training program for security screeners.
- Total occurrences or incidents reported – 66
- Investigations opened – 12
- Investigations concluded – 4



Main Challenges and Mitigation Measures Employed

Challenges		Mitigations
	Outdated Ops specific Civil Aviation Regulations	<ol style="list-style-type: none"> 1. Tender has been published for the drafting of updated regulations 2. Aviation Directives issued to address shortcomings
	Lack of qualified and adequate number of inspectors	<ol style="list-style-type: none"> 1. On-the-job training for three inspectors almost completed 2. One Senior Ops Inspector has been appointed 3. A Remotely Piloted Aircraft Systems (RPAS), Hot Air Balloons (HAB) and Aviation Recreation Organisation (ARO) Inspector has been appointed 4. Government Safety Inspector (GSI) training for all new hires planned for the second half of 2022 5. iSASO (Interim SADC Aviation Safety Organisation) has been approached to provide inspectors who can offer on-the-job training to newly hired inspectors
	Retaining fully qualified inspectors; remuneration packages are not market related	<ul style="list-style-type: none"> • NCAA to formulate a retention policy
	Re-certification process slow	<ul style="list-style-type: none"> • Re-certification to be conducted one operator per inspector at a time to facilitate efficient completion
	Stakeholder engagement	<ul style="list-style-type: none"> • Industry engagements, awareness training sessions

Status of the Critical Elements

STATUS OF THE CRITICAL ELEMENTS		
	PROGRESS	
Legislation CE-01	Compliance - Aviation Act 2016	Act Promulgated In 2016
Regulations CE-02	Non-compliance - Outdated OPS specific regulations 2001	Company/Consultant to be appointed to finalise all the Flight Operations specific regulations
Organisational structures and staffing CE-03	Compliance	Fully established NCAA, with all required structures and staffing, Flight Operations has sufficient support/administration structures
Qualified Technical Staff and Training CE-04	Non-compliance - Not sufficient qualified personnel	The recruitment process to fill the vacant positions is on-going. Two Senior Inspectors were appointed during the year under review. Five more Flight Operations Inspectors to be appointed in the next financial year
Technical Guidance and Tools CE-05	Non-compliance	The current Technical guidance material is sufficient for our current regulations
Licensing, Certification, Approvals CE-06	Part-compliance- 8 operators need to be recertified: ICAO finding	We have eight Air Operators that still need to be certified. The process will move faster once more inspectors are appointed
Continuous Surveillance CE-07	Part-compliance	65% Surveillance implementation, with the new appointments; With 95% implementation rate in the next financial year
Resolution of Safety Concerns CE-08	Part-compliance	35% of incidences recorded were investigated to closure and not all CAPs are closed. A policy has been developed to ensure that all outstanding CAPs are closed before an AOC can be recommended for renewal

LOOKING AHEAD TO 2023



- Promulgation of draft Operations Regulations
- Amendment and approval of new OPS structure to increase number of inspectors and positions currently not accounted for
- Improved service delivery
- Filling of all approved vacant positions
- Completion of on-the-job training for four inspectors
- TGM to be fully amended in line with new regulations
- Increased industry workshops/engagements
- Completion of the re-certification process for all applicable operators
- Promulgation of draft Operations Regulations
- Full implementation of the Surveillance Plan
- Promulgation of draft Operations Regulations
- 85% of occurrences to be investigated to closure





Robert M Mathe
(Senior Manager)

AIRWORTHINESS

Airworthiness is responsible for ensuring that the Standards and Recommended Practices (SARPs) contained within Annexes 2, 6, 7, 8, and 16 are incorporated in the Namibian regulatory framework. The department's main responsibility is 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 with regulatory requirements and safe maintenance practices.

KEY HIGHLIGHTS

The newly introduced NAMCAR Part 95 and the amended NAMCAR Parts 145; 147 and 148 have been completed and will be presented for final internal review to the Civil Aviation Regulation Technical Panel (CARTAP) before the initiation of the promulgation processes.

Inspector Training:

A total of 9 training courses offered to African Civil Aviation Commission (AFCAC) member States by United Arab Emirates General Civil Aviation Authority (UAE GCAA) were successfully completed by Airworthiness Department staff.

Technical Standard:

The NAMCATS Part 47 is nearly complete, but the implementation of the technical standards in support of newly introduced regulatory requirements related to Aircraft Mortgage Bonds and recording of Irrevocable Deregistration and Export Request Authorisation (IDERA) has been prioritized in support of the Air Operators recovery from COVID.

RPAS:

A total of thirty eight (38) Certificates of Registration have been issued for Remote Piloted Aircraft Systems (RPAS) engaged in commercial and private operation.

OUR PERFORMANCE DURING THE YEAR

The newly introduced NAMCAR Part 95 and the amended NAMCAR Parts 145; 147 and 148 have been completed and will be presented for final internal

review to the Civil Aviation Regulation Technical Panel (CARTAP) before the initiation of the promulgation processes.

Staff Recruitment and Development

The Department currently has 13 staff members and three vacant positions (comprising two Senior Airworthiness Inspectors and one Airworthiness Inspector). The vacant positions could unfortunately not be filled during the year under review due to budgetary constraints resulting from financial losses incurred mainly as a result of the COVID-19 pandemic.

The Airworthiness Department was able to recruit an aeronautical science graduate in August 2021, who has already completed basic training and is currently doing on-the-job-training for the delegation of tasks related to the Airworthiness Function.

Initial AMO Certification

Two Aircraft Maintenance Organisation aspirants have expressed interest in conducting business from operations bases in Swakopmund and Otjiwarongo, respectively. Both AMOs are currently in the Formal Application phase (Second phase) of the Five phase Certification.

Entry New Aircraft Types into Namibia

All 19 new aircraft recorded during the reporting period were of already existing aircraft types.

Change of Certificate of Airworthiness to Private Category Only

Seven aircraft (classification 'Small Aeroplane') with Certificates of Airworthiness that included multiple commercial classifications were transferred into a private category after successfully completing engine condition monitoring for a period three years. After reclassification, the condition monitoring will be the responsibility the contracted AMO through the Certifying Aircraft Maintenance Engineer.

Critical Element CE-2: Operating Regulations

The Airworthiness Department has amended and successfully promulgated the NAMCARs Parts 21; 24; 34; 36 43; 44 and 47. The outstanding NAMCARs

Parts are 95; 145; 147 and 148, which are rated at a very high maturity stage and will be presented to the Civil Aviation Regulations Technical Advisory Panel (CARTAP) for final NCAA internal review.

Critical Element CE-3: Organisation

Airworthiness Department is experiencing staff shortage. A recruitment process is, however, underway.

Critical Element CE-4: Qualified Technical Staff And Training Of Investigators

Although there has been a significant reduction in training budget, the approved staff training plan for the reporting period was mostly implemented. Furthermore, a total of eight (8) different training courses offered on virtual platforms through sponsorship of the United Arab Emirates General Civil Aviation Authority to African Civil Aviation Commission (AFCAC) Member States were attended and successfully completed by department staff.

Critical Element CE-5: Technical Guidance And Tools

The technical guidance material, including forms and checklists for the department, were reviewed and updated. The development of the new NAMCATs for the newly promulgated NAMCARs Parts is still ongoing.

Critical Element CE-6: Certification, Licensing, And Approval Obligation

A total of 84 applications for issuance of aviation documents related to Aircraft Registration were reviewed and issued.

A total of 36 initial Certificates of Airworthiness, including Experimental and Special Flight Permits, were issued. Certificates of Airworthiness issued to Type Certificated Aircraft are issued after the successful completion of the Initial Conformity inspection.

Audits	Audits		INSPECTIONS		Ramp INSPECTIONS	
	Target	Actual	Target	Actual	Target	Actual
Certification of Registration						
New Registrations	Demand driven	32	32	32	100%	100%
Total Registered RPAS (Drones)	Demand driven	38	38	38	100%	100%
Change of Ownership	Demand driven	10	10	10	100%	100%
Amendment	Demand driven	4	4	4	100%	100%
Change of Ownership	Demand driven	10	10	10	100%	100%
Deregistration	Demand driven	23	23	23	100%	100%
Certification of Airworthiness						
Initial Issuance	36	36	36	36	100%	100%
Amendment	8	7	8	7	100%	88%
Export C of A	23	23	23	23	100%	100%
Special C of A	3	3	3	3	100%	100%
Aircraft Type Acceptance	0	0	0	0	0	0
ISSUED Approvals	INITIAL APPROVAL AUDIT		Surveillance		Unannounced AUDITS	
	Target	Actual	Target	Actual	Target	Actual
Aircraft Maintenance Organisation Initial Issuance (local)	2	2	2	2	0%	0%
Design Organisation Initial Issuance (foreign)	0	0	0	0	N/a	N/a

Critical Element CE-7: Surveillance And Investigations

A total of 545 certificates of Airworthiness were successfully renewed after the determination of their conformance to applicable airworthiness and serviceability requirements from the 580 targeted Certificate of Airworthiness renewals. The remaining 50 represents deregistered and inactive aircraft.

Eleven (11) Namibian AMOs were audited, and their aviation documents renewed after the resolution of the deficiencies identified.

Nine (9) Namibian AMOs were audited, and their aviation documents renewed after the resolution of the identified deficiencies. All 21 foreign based AMO applied for NCAA approval which was conducted using self-Assessment by the Quality Assurance Manager on behalf of the NCAA and later confirmed by means of a physical inspection when the COVID-19 restrictions were relaxed.

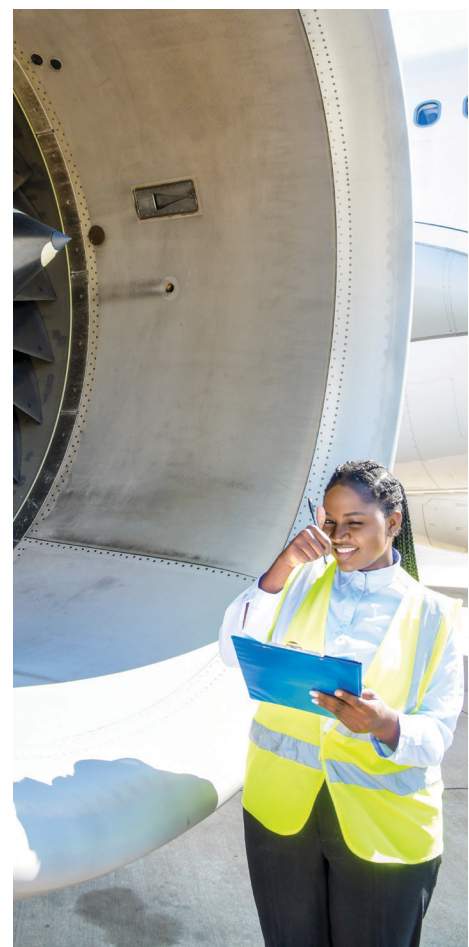
Three AMOs based in Switzerland, Spain and Czech Republic were issued with NCAA approval for the purpose of preparing the two Airbus A330-343 and two Airbus A319-112 for redelivery to lessor while they were still on the Namibian Aircraft Register. All four (4) aircraft were operated by Air Namibia.

Critical Element CE-8: Resolution Of Safety Concerns

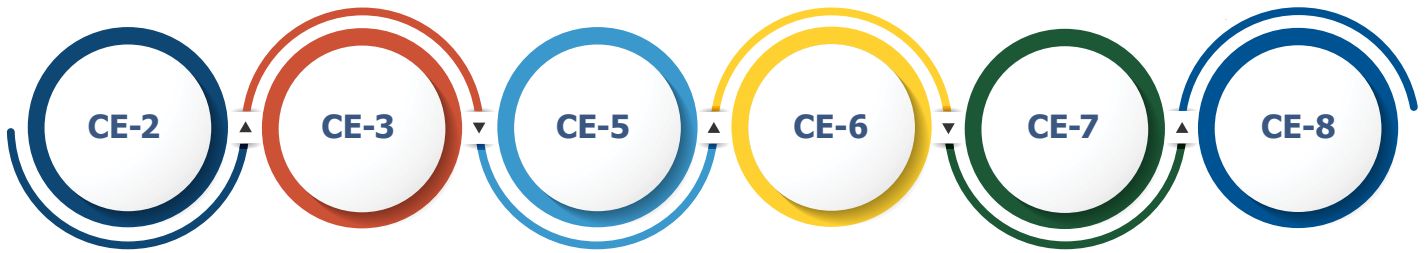
Only 22 of the 32 Incidence and Accident Reports received were investigated and followed up. Airworthiness Department restricts the investigations undertaken to accidents and major incidences that could affect the aviation documents issued.

ISSUED Approvals	Audits		INSPECTIONS		Ramp INSPECTIONS	
	Target	Actual	Target	Actual	Target	Actual
Certificate of Airworthiness						
Renewal	580	580	530	580	100	88%
ISSUED Approvals	Renewal audits		Surveillance		Unannounced AUDITS	
	Target	Actual	Target	Actual	Target	Actual
Aircraft Maintenance Organisation (AMO)						
Local AMOs	9	9	9	9	100%	100%
International AMOs	21	21	21	21	100%	100%
International AMO (Temporal Approval)	3	3	3	3	100%	100%
Design Organisation (DO)	0	0	0	0	N/A	N/A
Local DO	0	N/A	N/A	N/A	N/A	N/A
International DO	0	0	0	0	N/A	N/A

ISSUED Approvals	Investigated Occurrences Reports		Closed Occurrences Reports		Ramp INSPECTIONS	
	Target	Actual	Target	Actual	Target	Actual
C of Airworthiness						
Incidence and accidents	32	22	32	22	100%	69%
Service Difficulty Reports	0	0	0	0	N/A	N/A
ISSUED Approvals	Identified Deficiencies at Audits		Surveillance		Unannounced AUDITS	
	Target	Actual	Target	Actual	Target	Actual
Aircraft Maintenance Organisation						
Local AMOs	9	9	9	9	100%	100%
International AMOs	21	21	21	21	100%	100%
International DO	0	0	0	0	N/A	N/A



LOOKING AHEAD TO 2023



- Initiate the Promulgation of the NAMCAR Part 145 Aircraft maintenance organisations Part 147 Design organisations for products, parts, and appliances Part 148 Manufacturing organisations and their corresponding NAMCATS
- Achieve at least 85 % implementation of the year 2022/2023 Training programme that put emphasis on Aircraft type rating and Aircraft Instrumentation and Avionics
- Fill the three vacant positions of two Senior Air Inspectors and one Air Inspector
- Review the online access to maintenance and servicing manuals to ensure they include all type certified aircraft on National Aircraft Register
- Completion of the on Five Phase Certification processes of three AMOs to be based in Windhoek – Keetmanshoop; Swakopmund and Otjiwarongo
- Extend the Current Surveillance Programme to include projected Conformity Inspections on type certified aircraft and Non-Type Certified Aircraft engaged in Commercial Operation activities
- Publish the NAMCATS of Parts 24 and 44 in order to introduce new to technical standards that would enable the transfer safety oversight for Non-Type Certified Aircraft involved conducting remunerated training from Aviation Recreational Organisation to the NCAA





Andrew R Theron
(Acting Senior Manager)

PERSONNEL LICENSING

Personnel Licensing PEL is a department within the Safety Division and is responsible for the implementation of Annex 1 requirements, the Senior Manager oversees four sections which is pilots, air traffic controllers, aircraft maintenance engineers and cabin crew.



The PEL Department must carry out many functions/tasks which are normally organised around five major functional areas:

- Licensing for all aviation personnel
- Administration of theoretical examinations for flight crew, aircraft maintenance personnel, and cabin crew
- Certification and Oversight of training organisations for aviation personnel
- Enforcement of regulatory compliance
- Review of TGM, Civil Aviation Regulations, and Technical Standards in line with ICAO Standards and Recommended Practices (SARPS)

Apart from the certification of Aviation Training Organisations (ATOs), the oversight function also covers the oversight of Designated Examiners in the categories of medical, aircrew, Aviation Maintenance Engineers (AMEs), and Air Traffic Service (ATS) examiners. In addition, PEL conducts surveillance to check the effective implementation of processes that ensure that holders of aviation licences, certificates, authorisations, and/or approvals continue to meet the established requirements and maintain the levels of competency and safety required by ICAO.

OUR PERFORMANCE DURING THE YEAR CRITICAL ELEMENT CE-2: REGULATIONS

Final industry consultation was done and the PEL regulations await publication.

Critical Element CE-3 And CE 4: Technical Staff Qualifications And Training

CE-3: Technical staff numbers have decreased from eight inspectors to five inspectors during the period of review.

CE-4: All PEL staff have completed induction training for recruited staff. All PEL inspectors have completed the core GSI PEL and English Language Proficiency course. Training on NAMCARs and NAMCATS is still on-going. On-the-job training for all PEL staff is still on-going.

Critical Element CE-5: Technical Guidance And Tools

EMPIC system is in the process of being fully implemented by the PEL department, which will enable the department to use modules such as:

- Aircraft Register
- Electronic system for licensing applications
- Surveillance system for ATO's and DE's
- This will improve quality management and adequate oversight within the PEL department

Critical Element CE-6: Certification, Licensing, And Approval Obligation

The training and designation of Flight Examiners in accordance with part 61 has been completed. The designation of Cabin Crew and ATS examiners in accordance with Part 64 and Part 65 has been completed. The establishment and implementation of Aircraft Maintenance Engineer examiners has commenced and is anticipated to be completed in the next financial year.

The following tables contain figures for activities carried out during the reporting period:

Certification	New applications	NO. IN PROCESSING	NO. CERTIFIED	COMMENTS
Part 141 ATOs Local	5	5	0	certified
Part 141 ATOs foreign	1	1	0	2 certified
Aeromedical Examiner and Practice	0	0	0	7 certified
Designated Flight Examiner	6	6	0	15 appointed

License type	Total applications
Student pilots	86
Private pilots	152
Commercial pilots	283
Airport Transport Pilot Licence	116
Microlights	17
Free balloons	4
Air Traffic Controllers	174
Cabin crew	21
AME	71
Examination	376
Validations	34
Conversions	24
Exemptions	6

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD			
LEVEL	Number of findings raised	Number of findings resolved	Number pending
1	0	0	0
2	31	25	6
3	11	11	0



Enforcement- An AME license was suspended after the holder was found to have made misleading and false entries into his logbook showing noncompliance with the provision of the regulations.

LOOKING AHEAD TO 2023

For the coming year PEL has the following targets:



- Implementation and training (internally and externally) on PARTS 61,62,63,64,65,66,67 and 141, since it was approved by the Minister of Works and Transport and awaiting gazetting
- Conducting ad-hoc and renewal audits on existing and prospective Aviation Training Organisations
- Coordinate with the Compliance Department with respect to any compliance deviations identified and any corrective action required
- 100% filling of vacant positions within PEL and the inclusion of additional pilot, cabin crew and drone license inspectors
- Plan and organise training and development for the division as required and directed by ExCo and monitor the career development and talent management as defined in organisational policies and procedures
- Consciously create a workplace culture that is consistent with the overall organisational culture emphasising the identified mission, vision, guiding principles, and values of the organisation
- Review and update technical guidance material pertaining to PEL
- Review the General Technical Guidance Materials
- Identify possible shortcomings in the regulations to avoid possible under-regulating or over-regulating.
- Workshops on the regulations with the aviation industry and maintaining a continuous stream of aviation safety information activities





Godfried G Matroos
(Senior Manager)

SAFETY PROMOTION AND QUALITY

The Safety Promotion and Quality department is responsible for the establishment, implementation, and improvement of the State Safety Programme (SSP) and Quality Management System (QMS) of the NCAA, in conformity with the International Standards and Recommended Practices contained in ICAO Annex 13 and Annex 19 respectively.

This is achieved through the following coordinated activities:

- Policies and standardization measures
- Monitoring and ensuring compliance with NAMCARs 140
- Monitoring of key safety targets, alerts, and indicators
- Safety analysis and trending (recorded incidents and accidents)
- Implementing programmes, promotional material, and training to address safety issues

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, and ensuring consistent quality of safety oversight functions including certification, surveillance, and resolution of safety concerns. NCAA strives to be an industry leader in the quality-of-service provision and customer satisfaction.

KEY HIGHLIGHTS OF THE YEAR

The following summarises SPQs key achievements:

- Establishment of the SSP Steering Committee, approval of the terms of reference and holding of the inaugural and second quarter meetings.
- Development of various SSP documents, including:
 - Safety Policy
 - SSP Manual (high level document for SSP)
 - National Aviation Safety Plan
 - SSP Training Manual
 - Risk Management Manual
- Development of various safety documents and including advisory pamphlets on safety management systems and quality management systems, revision of safety management and quality management checklists, Privacy Policy, Customer Service Training Manual

- Introduction and publication of NCAA's first monthly safety bulletin, "Safety Matters", published monthly from January 2022 to provide feedback to industry on safety occurrences and promote safety recommendations or respond to industry requests
- Introduction of safety promotion banners on email footers
- Implementation of a Safety Data Collection and Processing System (SDCPS) including trend monitoring, tracking of investigations and their recommendations, and establishment of safety performance indicators, targets, and alerts set up in the National Aviation Safety Plan and using the ICAO recommended standard deviation method
- Establishment of the safety working group, in accordance with the technical guidance material, which has been meeting monthly since the beginning of 2022
- Establishment of a Joint Technical Committee with University of Namibia (UNAM) that will strengthen the training of Namibians as well as locals in the field of aviation
- Lastly, SPQ was delegated to serve on the Panel of The African Program on Aviation Data that is responsible for the development of Database for Monitoring and Evaluation mechanism of the Sustainable Development of Air Transport System in Africa, Effective Implementation (EI) of SARPs (Standards and Recommended Practices) on Safety and Security, Environmental Protection, aviation fees, taxes and charges, tourism, trade, and other related areas under the umbrella of Single African Air Transport Market

OUR PERFORMANCE DURING THE YEAR

Critical Element 2 Specific Operating Regulations

The technical standards related to Namibian Civil Aviation Regulations Part 140, NAMCATS-SMS-140 was approved.

Critical Element 3 State Civil Aviation System and Safety Oversight Functions

One temporary staff member joined SPQ to alleviate the staff shortage, critical positions have been advertised and interviews are underway.

Critical Element 4 Technical Personnel Qualifications and Training

A safety workshop was conducted with industry and safety division participants and a second one is planned for late 2022.

While most of 2021's training provision was hampered by COVID-19 protocols, in-house safety and quality training events have been planned for internal and external participants for mid-2022.

Critical Element 5 Technical Guidance Material and Tools

The SPQ TGM Volume 9 (State Safety Programme) Parts 1 through 4 have been developed and are undergoing the approval process. Technical Guidance Material Volume 9 Part 5 (AvDMP) and Technical Guidance Material Volume 10 (QMS) are under development.

Critical Element 6 Certification, Authorisation, and Approval Obligations and Critical Element 7 Surveillance and Investigation Obligations

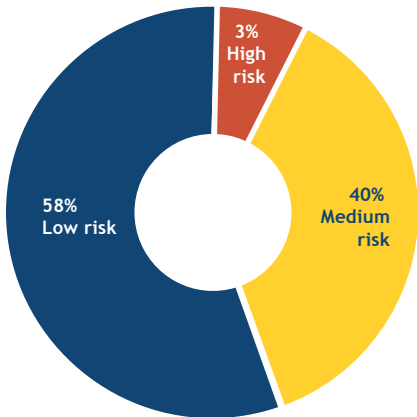
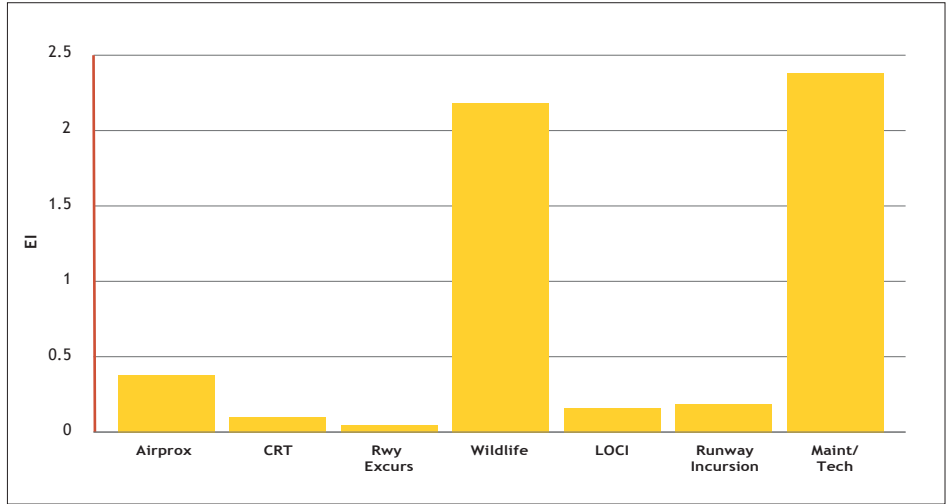
SPQ has assisted the safety division with the approval and surveillance of Safety Management Systems in line with its obligations under NAMCARs 140 to ensure certificate holders implement and maintain an SMS. SPQ assigns reported incidents for investigations to various NCAA safety departments and monitors all investigations under the Safety Data Collection and Processing System (SDCPS) within the framework of the SSP and guidance from local instruments such as the NAMCARs and ICAO Annexes.

Critical Element 8 Resolution of Safety Concerns

SPQ is responsible for maintaining the database of safety occurrences and as such logs and monitors, oversees actions, and implements safety promotion

or training related to these occurrences. For 2021, SPQ logged 317 occurrences including 284 incidents, 23 hazards, and 8 accidents. Of these occurrences, 3% were high risk, 40% medium risk, and 58% low risk. From the classification of occurrences, 51% were mandatory, 41% voluntary and 8% hazards whereupon the aim of more voluntary and hazard reporting than mandatory reporting was achieved.

From the safety performance indicators monitored, the majority of occurrences were wildlife strikes and maintenance/technical faults resulting from our environmental considerations and aging domestic fleets. These events are being promoted and mitigated for the coming year. The first few months of 2022 saw some increases in runway incursions, excursions, and controlled flight into terrain, for which safety promotion and training activities have been initiated, including the safety workshop on these categories.



The SSP, also falling under the Resolution of Safety Concerns, is progressing steadily and currently the implementation status of the SSP implementation and gap analysis Gantt chart is at 45%. From the ICAO integrated Safety Trend Analysis and Reporting System (ISTARS) SSP gap analysis, Namibia remains at level 3 for SSP implementation, that is, "States having defined an action plan for all non-implemented SSP questions", with 20% completed towards level 4, the final stage. Namibia has achieved a Universal Safety Oversight Audit Programme (USOAP) safety index of 1.21, whereupon ICAO requires a safety index of above 1.

CHALLENGES FACED DURING THE YEAR

The challenges faced include the lack of a quality specialist and data analyst. The quality side of SPQ did not advance as well as planned due to this critical staffing shortage.

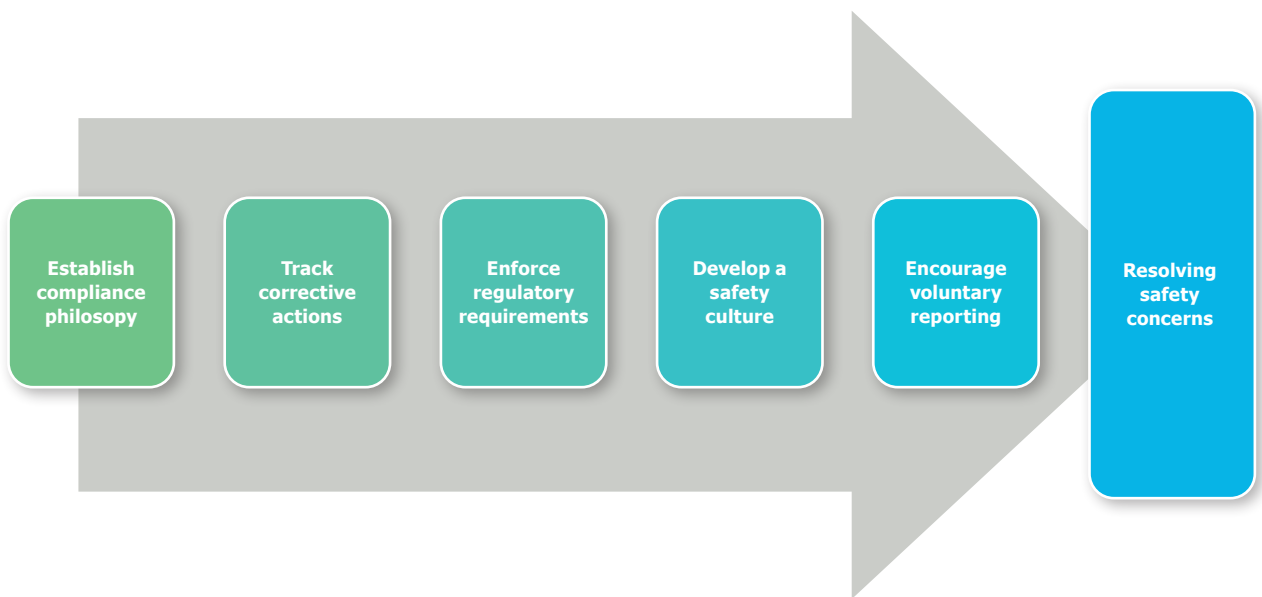
Another challenge faced was the buy in by industry to the State Safety Programme. This is being addressed by a number of stakeholder initiatives including workshops, meetings, email lists, social media, and newsletters.

SPT#	Details	Actual 2021	Target 2022
1.1.1	Accident rate	0.210	0.189
1.1.2	Fatal accident rate	0.034	0.031
1.1.3	Accident rate in scheduled air transport	0.000	0.000
1.2.1	Mandatory incident rate	4.447	4.002
1.3.1	Hazard report rate	0.867	0.953
1.4.1	Voluntary occurrence rate	5.781	6.359
1	Air-proximity precursors and events	0.341	0.307
2	CFIT precursors and events	0.068	0.061
3	Runway excursion precursors and events	0.034	0.031
4	Wildlife events	2.215	1.994
5	Loss of control precursors and events	0.136	0.123
6	Runway incursion precursors and events	0.170	0.153
7	Maintenance and technical events	2.352	2.117
2.1.1	USOAP Effective Implementation	61%	71%



SPT#	Details	Actual 2021	Target 2022
2.1.2	USOAP self-assessment	93%	100%
2.1.3	USOAP CAPs completed or in progress	45%	55%
2.1.4	Level of compliance with the SARPs	83.87%	92.26%
3.1.1	Percentage of foundational PQs completed	66%	76%
3.1.2	Maturity level of SSP	Receiving attention	Present
3.1.3	USOAP Safety Index	1.21	1.21
3.1.4	Percentage of completion of SSP Implementation Plan	45%	60%
3.1.5	Percentage of service providers with implemented SMS	93%	100%
3.1.5	Percentage of service providers with approved SMS	49%	80%

LOOKING AHEAD TO 2023





- Review NAMCARS Part 140 with the associated Technical Standards
- Workshop with relevant stakeholders the amendments
- Revising and publishing the NCAA Service Charter as well as the service standards
- Draft the NCAA quality System Manual
- 100% filling of vacant positions within SPQ, such as the Quality Specialist and the Safety Specialist
- Plan and organise training and development for the division as required and directed by EXCO and monitor the career development and talent management as defined in organisational policies and procedures
- Consciously create a workplace culture that is consistent with the overall organization's and that emphasizes the identified mission, vision, guiding principles, and values of the organisation.
- Continue with the provision of technical guidance, tools, and safety-critical information, as applicable, to technical personnel to enable them to perform safety oversight functions in accordance with established requirements and in a standardized manner
- Provide of technical guidance on the implementation of applicable regulations by the appropriate authority.
- Workshops on the implementation of the SMS within the aviation industry and maintaining a continuous stream of aviation safety promotional activities
- Completion and approval of the technical guidance material volumes 9 and 10
- Review the General Technical Guidance Materials
- Publish the SSP and workshop with stakeholders
- Publish the National Aviation Safety Plan
- Improve on the Safety bulletin and get it to be published internationally
- Update checklist and review forms as applicable
- Establish complaints and query systems
- Implementation of processes and procedures to ensure that personnel and organizations performing air navigation safety services meet the established requirements before they are allowed to conduct the relevant activities not limited to fatigue risk management, SMS manual set up and safety gap analyses
- Implement processes, such as audits, inspections, surveys, and tests, to proactively ensure that aviation safety continue to be a priority for the service providers and meet the established requirements and to operate at the level of competency and safety required within the State Safety Program.
- This will include the monitoring of designated personnel (inspectors) who perform safety oversight functions on behalf of the NCAA.
- Coordinate with the Compliance Department with respect to any compliance deviations identified and any corrective action required
- Implementation of processes and procedures to resolve identified deficiencies, including the ability to:
 - analyse safety deficiencies;
 - provide recommendations to prevent recurrence;
 - track rectification; and
 - respond to safety accordance and actively participate in investigations.
- Ensure the effective implementation of corrective actions and take enforcement action when appropriate.
- Manage the regular review and updating of the Corrective Action Plan related to the State safety Programme after USOAP audits and ICVM.

AIR NAVIGATION SERVICES SAFETY OVERSIGHT (ANSSO)



Sarafina N H Maxwanu
(Senior Manager)

The Air Navigation Services Safety Oversight (ANSSO) department is responsible for safety oversight of the Air Navigation services provision in Namibia, which are required in terms of Annexes to the Chicago Convention, i.e., 2, 3, 4, 5, 10, 11, 12,15, and 19 as domesticated into the Namibia Civil Aviation Regulations and associated Technical Standards Part 2, 71, 70-175, and 179.

In addition, the ANSSO department facilitates and provides secretariat services to the National Airspace Committee and processes approval for the use of airspace.

amended in response to the ICAO amendments of Annexes 3,11,15 and PANS-AIM and PANS-ATM.

During the review period, the department worked tirelessly to attract expertise in the following functions: Aeronautical Information Services, Cartography, Flight Procedure Design as well as Communications, Navigation and Surveillance, as recruiting and training of inspectors is of paramount importance to ensure that adequately skilled inspectors are qualified and competent to perform the safety oversight functions.

KEY HIGHLIGHTS OF THE YEAR

The following summarises ANSSO key achievements:

Certification of Air Navigation Service Providers (ANSPs)

To implement the Air Navigation Regulations, the ANSP is required to successfully complete the five-phase certification process and is actively working on the execution thereof.

Capacity Building of various SSP documents, including:

- CNS Trainee inspectors completed basic Air Traffic Safety Electronics Personnel (ATSEP) and face-to-face Aeronautical Telecommunications (ATEL) Equipment Training and are expected to complete the on-the-job training by the next reporting period
- Three ATM inspectors completed most of the basic training, one inspector is signed off and delegated
- All inspectors and the head of the department actively participated in various regional and continental virtual workshops, meetings, and webinars related to Aeronautical Meteorology, Aeronautical Information Services, Air Traffic Service and Civil Military Cooperation

Amendment of Regulations

- NAMCARs/NAMCATS Part 172,174, and 175 including Aeronautical Information Management (AIM) and ATM Manuals

OUR PERFORMANCE DURING THE YEAR

The following summarises ANSSO's key achievements:

Stakeholder Engagements:

- Technical workshops were conducted to engage relevant Air Navigation Service Providers:
- Amendment to Global Reporting Format
 - Implementation of Regulations
 - Corrective Action Plan
 - SIGMET and OPMET
 - Certification

Civil Activity Use Airspace Approvals

The table below provides a summary of Special Use of Airspace applications processed.

SPECIAL USE of AIRSPACE			
Type of Application	Received	Approved	Denied
Civil Activity Use Airspace (CAUA)	102	101	1
Aviation Events	2	2	0

ANSSO SURVEILLANCE ACTIVITIES SUMMARY

The table below provides a summary of audits and inspections conducted and the number of identified and resolved safety concerns.

NATIONAL AIRSPACE COMMITTEE

ANSSO is the Secretariat to the National Airspace Committee (NAiRC), which is chaired by the Air Vice Marshall of the Namibian Airforce. The NAiRC convened four (4) meetings during the period under review. A total of twelve (12) proposals received, ranging from:

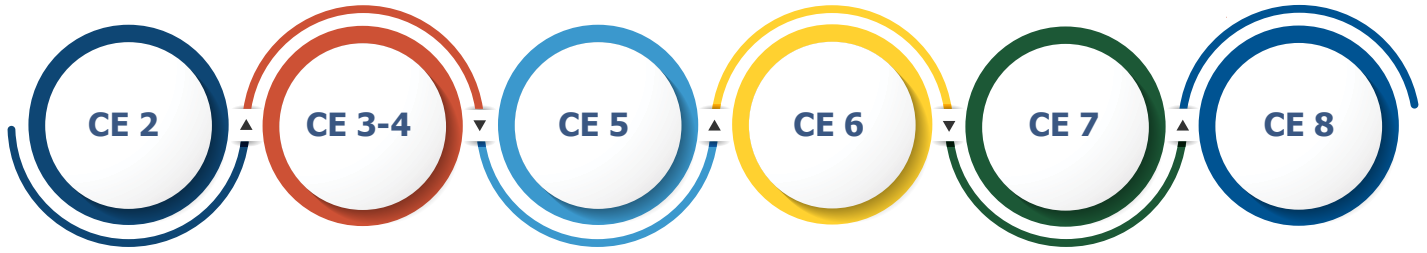
- Paragliding areas
- RPAS operations beyond visual line of site
- Glider operations
- Airspace Classifications and vertical limits

ANSSO Audit Area Received	Audits/Inspections	
	Planned	Actual
Periodic inspections/audits of ANS Facilities	8	8
Ad-hoc surveillance of ANS facilities	2	0
CNS - Facilities and Infrastructure	0	0
MET - Facilities and Infrastructure	8	8
AIS - Facilities and infrastructure	1	0
Ad-hoc surveillance of ANS facilities	2	0
Neighbouring Flight Info. Regions (delegated Airspaces)	0	0
Findings		
ANSSO resolution of safety concerns	Raised Resolved	Actual
Current period	162	22
Previous (2020/2021) period	223	26

Notes: 1. Resolution of safety deficiencies in the ANS area showed degradation of -6.21% from the previous year.



LOOKING AHEAD TO 2023



- Review and amend Part 179
- Recruitment and training of AIS, PANS-OPS ATM inspector
- Secondment of the ATM inspector to ICAO HQ and additional inspector to iSASO
- Joining the Africa Flight Procedures Programme (AFPP)
- Continues development and improvement of the TGM
- Continues updating of the ICAO OLF Development of Advisory Pamphlet for industry
- Complete the certification of Air Navigation Service Providers mainly ANSP NCAA and FYOG A- MET.
- Namibian Meteorological Service to commence with the certification process
- Implementation of surveillance plan in AIS, CNS and PANS-OPS
- Increase ad hoc surveillance activities
- Effective implementation of Part 13 and continues engagement with ANSP and improve the resolution of safety concerns by at least 50%





AVIATION SECURITY

The primary objective of Aviation Security is to safeguard Civil Aviation against Acts of Unlawful Interferences.

Julin P Gouws
(Senior Manager)

According to Section 9 of the Civil Aviation Act, (Act 6 of 2016), our main objectives are as follows:

According to Section 9 of the Civil Aviation Act, (Act 6 of 2016), our main objectives are as follows:

- a. To control and regulate and promote civil aviation security within Namibia
- b. Oversee the implementation of, and compliance with, the national aviation security programme

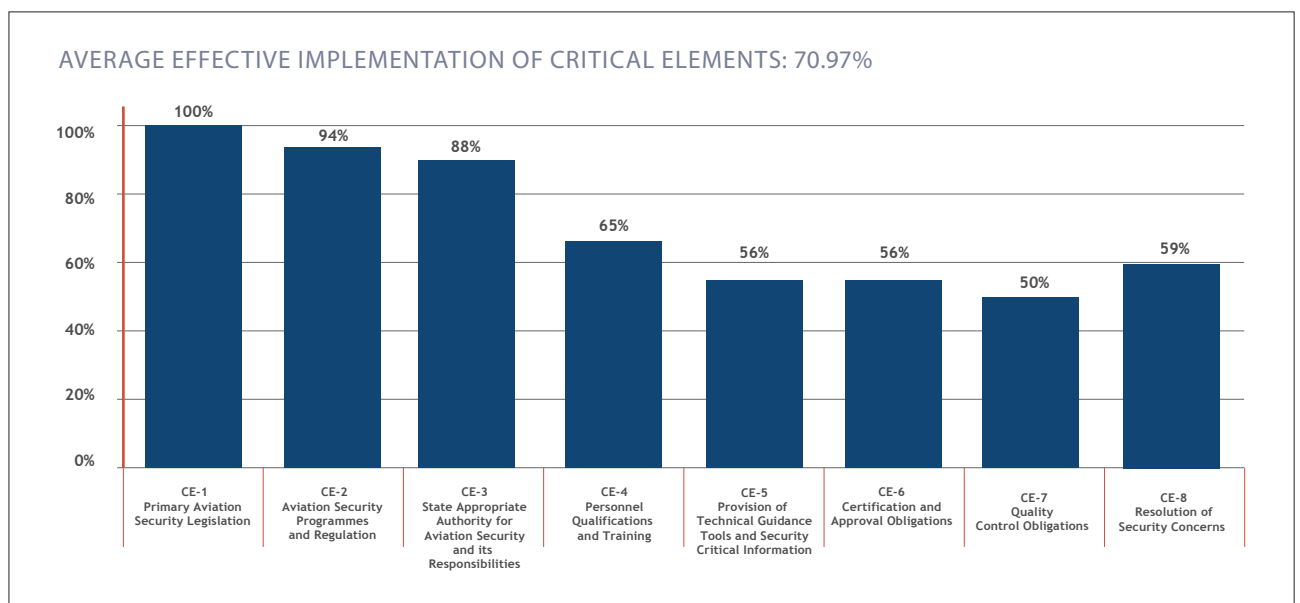
To achieve the abovementioned objectives, we conduct oversight of civil aviation security in Namibia by:

- Developing regulatory requirements, and technical aviation security standards

- Developing effective enforcement strategies to ensure compliance with aviation security standards
- Conducting comprehensive surveillance on the civil aviation security sector, including the assessment of security-related decisions taken by industry management at all levels for their impact on aviation security
- Implementing, monitoring and enforcing the National Civil Aviation Security Programme (NCASP)
- Develop national standards relating to the specifications of security equipment, systems, and airport design

- Coordinate security measures and procedures with appropriate organisations, agencies, and relevant departments
- Certification of Instructors, screeners, Regulated agents and Aviation Security Training Organisations

This is the 3rd post-Universal Service Audit Programme (USAP) Continuous Monitoring Approach (CMA) Audit annual report, and it also covers the corrective actions under the review period. The effect of the change in methodology in Namibia is that the Compliance Indicator of 76.75% that was achieved during the November 2018 USAP-CMA audit has been revised downwards to 59.20%.

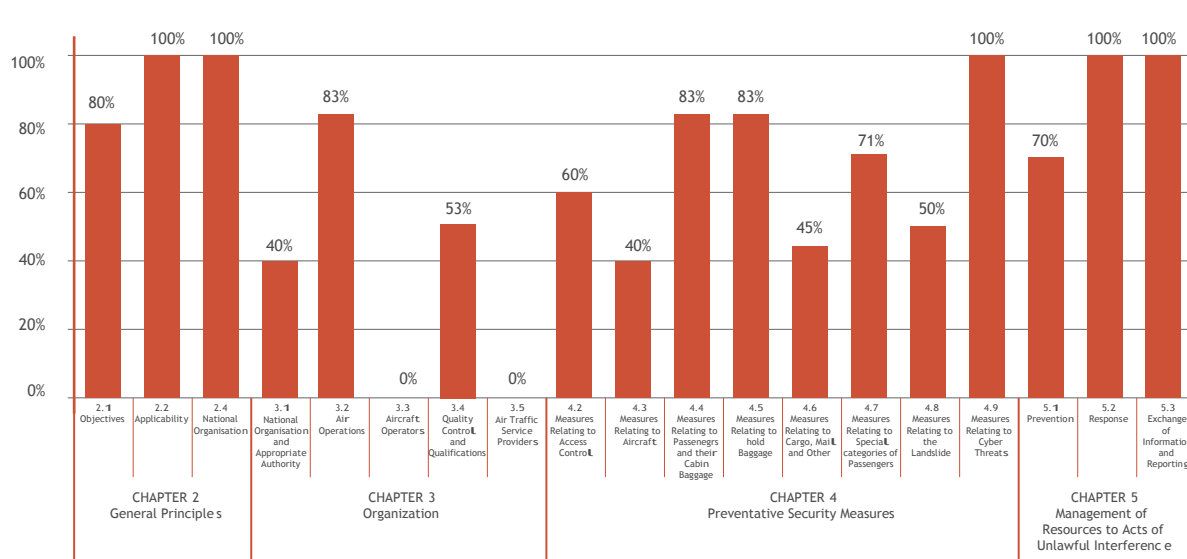


AVERAGE EL OF ANNEX 17 STANDARDS AFTER USAP-CMA AUDIT: 76.75%



NAMIBIAN EIAS OF ICAO USAP-CMA ACTIVITY OF 2018 AFTER THE CHANGE IN METHODOLOGY

Indicative Compliance with Annex 17 Standards: 59.20%



KEY HIGHLIGHTS OF THE YEAR

- At international level, ICAO has proposed to introduce a new Recommended Practice on security culture, a new Standard on Aircraft Operator Security Programmes, and a new Standard on methods to detect explosives in hold baggage as part of Proposed Amendment 18 to Annex 17 – Security, which will become applicable in November 2022
- Facilitation Regulations have been drafted and a programme for internal and industrial consultation to have these regulations enacted will commence in due course
- Aviation Security (AVSEC) is to certify the first Regulated Agent for Namibia, the process is at 56% and is the first of its kind in Namibia
- The responsibility of Overflight Landing Clearance function has been allocated to the AVSEC Department under the Facilitation Portfolio to officially oversee and guide the transitional process until fully operational.
- Cyber Security: ICAO (International Civil Aviation Organisation) has requested member States to nominate a security expert to serve on the Cyber Security panel as a member or observer. Namibia has sent two nominations to ICAO

Security Programmes	Airline	Airport Operator	Ground Handler	Cargo Handler	AVSEC Service Provider
	6		2	1	
Quality Control Programme					1
CERTIFICATION	K9 EDD.	Screeners	Instructors		
	6	45	2		

	2021/2022								
	Audit		Inspection		Risk assessment		System test		Actual
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Actual
Airports	0	0	34	18	9	9	35	0	0
Airlines	0	0	6	6	9	9	35	0	0
Ground Handling Agents	0	0	7	7	9	9	35	0	0
General Aviation	0	0	34	18	9	9	35	0	0
Caterings	0	0	8	4	9	9	35	0	0
Air Traffic Control	0	0	28	14	9	9	35	8	0

QUALITY CONTROL ACTIVITIES

The annual quality control activity schedule for 2022 has been compiled and approved by the interim Executive Director.

Emphasis is being placed on the importance of the submission of corrective action plans by regulated entities i.e. Airports

The Hosea Kutako International Airport and the Eros Airport are the only two airports that have cargo operations in Namibia. The largest volume of cargo operations is at the Hosea Kutako International Airport and is handled by Menzies Aviation, a foreign entity, since the closure of Air Namibia. There are currently no inflight catering entities that are providing services to any airlines, local or foreign, amongst the nine (9) airports in Namibia.

TRAINING

- AVSEC inspectors attended the CASE II project - Best practice on Security Equipment inspection held at Hosea Kutako International Airport. The training provided knowledge and practical skills on legal frameworks related to security equipment assessments
- Participated in the UN Office of Counter-terrorism under the Travel programme. The training provided skills and knowledge on the UN counterterrorism initiative

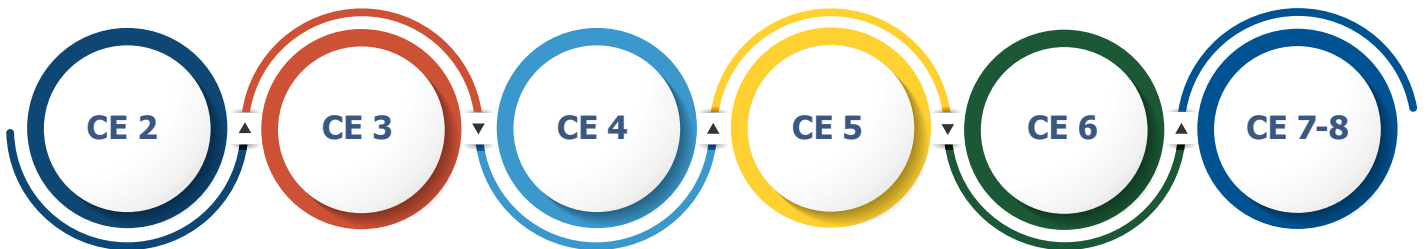
SECURITY ASPECTS OF FACILITATION

The NCAA has drafted the Facilitation Regulations. The Regulation is aim at addressing the provisions of Annex 9 to the the Chicago Conventions of 1944.

Amendment 29 to Annex 9 of the Chicago Convention will be applicable on 18 November 2022. These amendments will be incorporated into the National documents.



LOOKING AHEAD TO 2023



- Seek to have the Facilitation Regulations, Advance Passenger Information Regulations promulgated
- To have the Facilitation programme approved
- Aviation Department restructuring to accommodate the Over-Flight and Landing Clearance
- Successful transition of OLC functions and staff of critical positions within the department.
- Facilitate the compilation of the Cyber Security Action Plan with the various agencies and allocate responsibilities
- Continuous training of National Inspectors
- Training OLC staff and On-The-Job training
- Improvement of technical guidance materials for Facilitation Standards and Recommended practices
- Improve guidance materials relating to the security standards of amendment 18 of Annex 17
- Facilitate the guidance materials for best practices to the aviation sector on the cyber security provisions
- Certification of Aviation Security Training Organizations (ASTO) in part 109 of NAMCARS
- Certification and Implementation of Regulated Agents regime in part 108 of NAMCARS
- Certification of screeners, instructors, Canine, and security equipment with the provisions of the Certifications programmers
- Security exercises to test effectiveness of Airports contingency plans
- Identify and make recommendation to ensure corrective measures are taken to address security concerns





SUPPORT FUNCTIONS



INFORMATION COMMUNICATION TECHNOLOGY (ICT)



Melvin D April
(Acting Senior Manager)

The former CNS and ICTP Division previously had two components. The Communication, Navigation, and Surveillance (CNS) component was discussed and moved under ANS since it was an integrated part of the Air Navigation Services. The ICTP component stands for Information and Communication Technology and Projects and will be discussed independently for the current reporting period.



ICTP is a service provider within the NCAA and provides the required ICT infrastructure required for the NCAA to operate efficiently and effectively through a safe and secure ICT network.

The ICT department has four major areas of concern, which include governance of the company's technological systems, maintenance of the infrastructure, safeguarding and protecting company data, and ensuring the overall functionality of the systems. It is our primary objective to provide world-class service to our internal customers on the subjects of computer software, hardware, and telecommunication. With the fourth industrial revolution looming we strive as a team to keep abreast of all new technologies for us to find innovative ways to carry out our mandate.

KEY HIGHLIGHTS OF THE YEAR

- In our attempts to standardise ICT infrastructure we have completed the procurement process for VMware. This is a cost effective and reliable virtualisation technology solution that will allow us to manage our datacentre resources and implement high availability and redundancy for business continuity.

OUR PERFORMANCE DURING THE YEAR

- We have had a very productive year working tirelessly to provide solutions to all of the issues faced by our internal clients and with a focus on education and training

CHALLENGES DURING THE YEAR

- Due to the Covid-19 pandemic and all the restrictions, the NCAA could not implement new technologies and resolve all pending issues

LOOKING AHEAD TO 2023

- We look forward to finding innovative ways to perform our tasks efficiently and effectively by introducing remote support
- Perform a network audit on the NCAA network and standardising
- Becoming a self-sufficient ICT Department, providing all system support internally





THE PROJECTS OFFICE

The Project section develops, manages, and oversees various projects within the NCAA.

Nerago T Ndoroma
(Senior Manager)

These projects have included the construction of the NCAA Head Office, completion of the 2020-2021 Annual report, the implementation of the EMPIC regulatory oversight database and software (which will ultimately enable the NCAA to test pilots locally), issuing licenses to various aviation professionals, maintaining the highly confidential database of all medical records of pilots and others, and maintaining the database for all Namibian Registered Aircraft. Other projects handled by the Projects section relate to regulatory compliance, updating of regulations and standards, audit readiness, and strategy implementation.

KEY HIGHLIGHTS OF THE YEAR

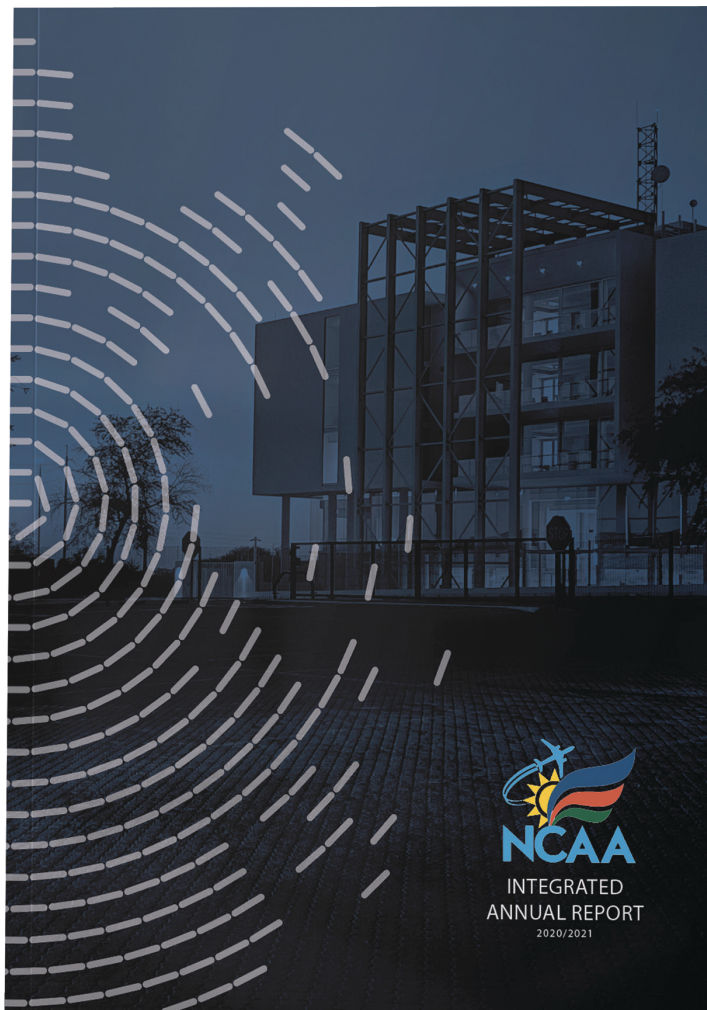
- Completion of the Integrated Annual Report
- Full implementation of Aircraft Maintenance Engineer licensing system (AME) known as the MPL module
- Full implementation of Air Traffic Controllers Licensing System (ATC) known as the ATS module
- Aviation Medical Certificates are uploaded on EMPIC known as the MED module

OUR PERFORMANCE DURING THE YEAR

- Processing and approval of AME and ATC licenses within an acceptable time as per the NCAA service charter
- Due to COVID-19 restrictions, the PEL department adopted the method whereby all applications should be sent electronically, this became an ideal opportunity to synchronize the emailed applications with EMPIC
- The inspectors and licensing officers can easily access medical certificates' validity period for processing or oversight

CHALLENGES DURING THE YEAR

- Change Management challenges experienced
- To utilise the Organization Approval and Surveillance module for ATO oversight
- Utilise the Aircraft Register Module
- Upload and populate the FCL module by adding more than 2000 files (full implementation of the pilot licensing system)
- Implement the Customer Management module, whereby applications are captured, processed, and approved on EMPIC with reference numbers
- Synchronize the Lplus Exam system with EMPIC





Beverley S Skrywer
(Manager)

HUMAN RESOURCES

The Human Resources Department is responsible for designing and implementing human resource programmes and policies that enable NCAA Managers to better manage the workforce. The Human Resources Department plays a key role that is both strategic and operational, with an overall goal of building and developing a workforce that is capable of helping the NCAA to meet its strategic goals.

The NCAA has introduced an organisational structure with an establishment of 281 positions, which is based on the ideal number of human resources required to implement and maintain ICAO Standards and Recommended Practices (SARPS). This establishment is derived by formulas for the number of technical staff required to achieve regulatory oversight and provide air navigation services.

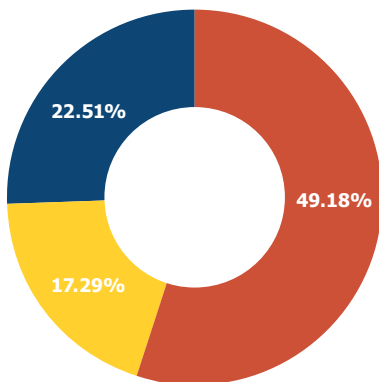
The ability to maintain the required staffing levels is affected by the aviation industry's capacity to remunerate candidates accordingly, and the ability of NCAA to attract sufficient qualified staff in an internationally competitive market where many skills are in short supply.

CULTURE CHANGE PROGRAMME

The NCAA identified a culture change programme (through induction training) to ensure that staff who join the NCAA are fully committed to the values, vision, and mission of the NCAA for efficient and effective service delivery. This will foster unity among our staff members and instil a sense of identity with the NCAA.

CULTURE CHANGE PROGRAMME

The workforce profile of the NCAA as of 31 March 2022 is depicted in the chart below:



- 91 Air Navigation Services
- 32 Support Functions
- 62 NCAA Regulator

HUMAN RESOURCES METRICS

The NCAA strives to retain staff and to actively engage them in order to avoid the high costs involved in recruiting and training staff until they are signed out. This process can take from two to three years.

A total of eight staff members resigned during the period 01 April 2021 to 31 March 2022. The staff turnover rate, however, remained at an acceptable level of $(8/185 \times 100)$ 4.32%.

Staff Movements

The NCAA believes in staff development and promoting internal staff to higher positions. It maintains a performance-based work environment that fosters personal and professional growth for all employees.

Five employees were promoted to higher positions between April 2021 and February 2022, after a fair recruitment process.

Length of Service Distribution

The majority of NCAA staff members have been in the employ of the Authority for three years, following the establishment of the NCAA by an Act of Parliament in 2016 (Civil Aviation Act No. 6 of 2016). The first permanent staff member was appointed on 01 July 2019.

DIVERSITY MANAGEMENT

NCAA has since its establishment complied with the provisions of the Affirmative Action (Employment) Act, (Act 29 of 1998). A compliance certificate was issued to the NCAA on 23 March 2022.

The NCAA subscribes to the policy of non-discrimination and promotes equal treatment for all employees or persons seeking employment, without having regard to race, creed, colour, nationality, sex, age, mental or physical disability, subject to the inherent requirements of the job.

The Affirmative Action Committee was established in the first year of NCAA's operation (2016). The committee is responsible for, inter alia, the implementation and monitoring of the three-year Affirmative Action Plan.

The NCAA's Affirmative Action reporting period is from 01 November to 31 October annually.



The figures of the last reporting period are depicted in the table below:

Job Category	Racially disadvantaged		Racially advantaged		Persons with disabilities		Non-Namibian(s)		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Executive Directors	0	0	0	0	0	0	0	0	0	0
Senior Management	2	1	0	0	0	0	0	0	2	1
Middle Management	8	3	0	0	0	0	1	0	9	3
Specialised/Skilled/Senior supervisory	20	8	2	2	0	0	1	0	23	10
Skilled	47	33	3	1	1	0	2	0	53	34
Semi-skilled	13	13	0	0	0	0	0	0	13	13
Unskilled	2	0	0	0	0	0	0	0	2	0
Total permanent	92	58	5	3	1	0	4	0	102	61
Casual/Temporary and seasonal	2	3	0	0	0	0	0	0	2	3
Total permanent	94	61	5	3	1	0	4	0	104	64

INDEPENDENCE DAY CELEBRATIONS

In order to promote cultural diversity, teamwork and harmony, the NCAA hosted the quarterly staff meeting and the Independence Day celebration on Friday, 25 March 2022. Staff members wore their traditional attire and brought and shared food representing their cultures. All cultural groups in Namibia were represented.

The day ended on a happy note, with laughter, socialising and dancing.

LABOUR RELATIONS

The Human Resources Department is responsible for maintaining a harmonious working environment and ensuring compliance with the relevant laws regulating the employer-employee relationship. The Department ensures that employees are adequately equipped and resourced and that they remain committed towards achieving the strategic goals of the NCAA.

During the period of reporting fourteen (14) employees were members of the Namibia Public Workers Union (NAPWU). At present there is no recognised exclusive bargaining agent at the NCAA.

The NCAA had one (1) formal disciplinary case. More than twenty (20) salary and benefits related grievances were reported and resolved via a Board resolution in November 2021.

EMPLOYEE WELLNESS

COVID-19 had a severe impact on the working activities of the NCAA.

A total of forty (40) employees tested positive since the outbreak of this disease, resulting in a work loss of 393 working days.

NCAA drafted a policy in line with the regulations of the Ministry of Health and also monitored the regulations as announced from time to time by the President on COVID-19 related matters. Occupational Health and Safety

The Health and Safety Representatives Committee was established in March 2021. It is the responsibility of all employees who have health and safety concerns to identify potential hazards and report such to the committee. The committee members attended training and developed a manual on health and safety in the workplace, which is currently under review by management.

HUMAN RESOURCES DEVELOPMENT

Staff development and training

The NCAA continued to promote and encourage staff development through job specific training and development interventions and initiatives. **N\$2,837,375.00** was spent on training and developing NCAA staff skills for the 2021/2022 financial year. The qualified and non-qualified training provided is indicated in the tables below:

Qualifying Training

Qualifying Courses	No. of staff financially assisted
Area Procedural and Radar Control	6
Advance Master Safety Management System	1
Master of Science in Aviation Safety Management Risk and Regulation	2
AVSEC Air Cargo and Mail Security	1
Aeronautical Information Officer AIMO Course	1
Aviation Security Managers Course	5
Master of Business Administration Management	2
Master of Human Resources Management	1
Master of Management	1
Postgraduate in Finance Management	1
Higher Certificate in Business and Marketing	1
Diploma in Management	1
Data Integrity	1
Strategic Management	1
Renewal of Instrument	1
CGISA Corporate Secretarial/Governance Course - Professional Distance Education	1
International Air Law Course	1
ICAO Government Safety Inspector Operations - Air Cargo Certification Course	1
TOTAL	30



Non-Qualifying Training

Non-Qualifying Courses	No of staff attending training
Advance Microsoft Excel	6
Civil Aviation Law	1
Basic Registry, Record and Archives Management Course	3
Risk Management for Human Resources Management Training	2
COVID-19 Strategic Procurement Management	2
Occupational Health and Safety	4
Fatigue and Risk Management for Air Traffic Controllers	1
National Aviation Safety Plan	2
TOTAL	21

AIR NAVIGATION SERVICES BURSARY PROGRAMME AIR NAVIGATION SERVICES BURSARY PROGRAMME

The Air Navigation Services (ANS) initiated a bursary programme in 2018. The programme is aimed at providing bursaries for Namibian nationals in Air Navigation Services. The bursars were trained as follows over a period of 3 years:

Designation	Number of bursars
Air Traffic Controllers	20
Aeronautical Information Officers (AIO)	6
Air Traffic Service Assistants (ATSA)	10
Air Traffic Safety Electronics Personnel (ATSEP)	12
TOTAL	48

The first training sessions commenced at the beginning of 2019 and the second training sessions commenced beginning of 2020. All academic trainings were completed in 2021 at Air Traffic Navigation Services (ATNS) in Johannesburg, South Africa.

After completing the academic training, all bursary students underwent six months of on-the-job training. The successful students were subsequently considered for employment and were deployed to the respective operational units. The last successful student was recruited on 01 March 2022.

TOP THREE (3) KEY HUMAN RESOURCE RISKS

The following top three (3) Human Resource risks were identified during the reporting period.

1. Retention of skilled talent and compliance with ICAO Doc 9734

Retention of skilled talent is a challenge for the NCAA as employment opportunities are available to staff members worldwide. In order to attract and retain employees and provide employment conditions which are competitive compared to those offered by the industry, the NCAA commenced with the enterprise-wide restructuring process.

2. Qualified staff and skills shortages

In order to staff the NCAA with qualified personnel capable of accomplishing the required wide range of technical duties, the NCAA recruits and provides technical training to the newly appointed staff until they are accredited to perform their duties by the relevant signatories. The qualifying process can take up to two to three years, thus it is in the interest of the NCAA to retain qualified staff.

3. Work Permits and Visa Applications

In order to comply with international standards, NCAA is required to source expertise from other States based on the needs and tasks required. The NCAA has therefore established a good facilitation relationship with the Ministry of Home Affairs, Immigration, Safety, and Security for work permits and visa applications.





Maria T Haipingwe
(Manager)

ADMINISTRATION AND FINANCE

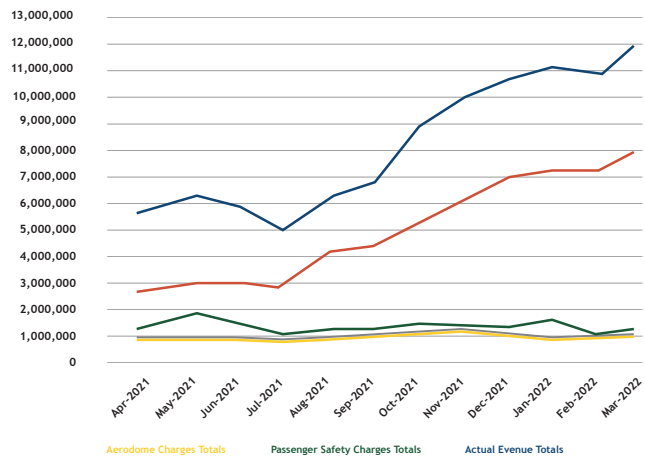
KEY HIGHLIGHTS OF THE YEAR

- 2021/2022 Financial year external audit was completed timeously and an unqualified opinion has been issued by the Auditors
- Successful completion of Internal audit on Revenue Cycle, Risk Assessment, Financial Close Process, and Procure to Pay
- GRN budgetary support has been paid to the NCAA for operational and developmental support, which has assisted the NCAA with a financial boost during challenging times
- Employment of key positions within Finance that have been vacant for some time, such as Finance Manager, Fleet Officer, and Maintenance Officer
- Drafting of the Debtors and Finance Standard Operating Manual Procedures, which is currently awaiting Board approval
- The tagging and verification of assets exercise was successfully completed and overall valuation of assets transferred from GRN was finalised

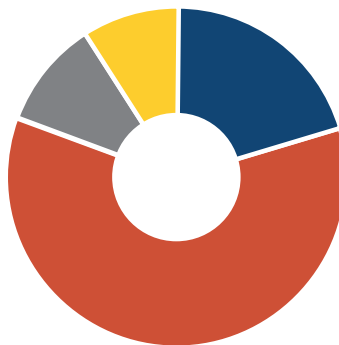
OUR PERFORMANCE DURING THE YEAR

The pandemic continues to affect the aviation activity and, due to this, the Authority has incurred an Accounting loss of N\$ 84 million for the year ended 31 March 2022. This is partially offset by N\$ 56 million in Government operational financial support. Revenue from industry has started to recover, with overall revenue recorded having increased significantly from N\$ 45 million during the period ended March 2022, to N\$ 102 million in the current financial year. This trend continues to be observed in the 2023 Financial year. There were no changes to the fees and charges during the year ended March 2022.

Monthly Total Revenue



Total Regulator Revenue and ANS Revenue



Passenger Safety Charges Totals
Terminal Charges Totals
En-route Charges Totals
Aerodrome Charges Totals

Total Other Regulator Revenue



Airworthiness - Certifications
Other Regulator Charges
Flight Operation - Certifications
Licence & Renewals

OUR PERFORMANCE DURING THE YEAR

Operating expenditures increased by 23% during the current year when compared to the prior financial year, mainly due to an increase of 8% in staff, a result of critical positions having been filled in the current financial year, as well as the recent implementation of salary corrections. Moreover, there was a drastic increase in bad debts by 55% as a result of the movement in the provision for doubtful debts due to the airlines' increase in credit risk, especially Air Namibia, which has been fully provided for. There was also a drastic increase in depreciation from N\$14 million to N\$41 million as a result of the transfer of assets from GRN that were depreciated over the full 12 month period, and the resulting valuation thereof.

The Statement of Financial Position shows a reduction in Total Net Assets from N\$ 580 million to N\$547 million due mainly to the depreciation charged during the current financial year. NCAA remains in a strong liquidity position.

CHALLENGES DURING THE YEAR

- Continued Covid-19 impact on aviation activity and liquidation of Air Namibia, which was a significant customer, has caused loss of income and cash inflow
- Finance's current structure and job descriptions hindering effective performance and implementation of financial controls

LOOKING AHEAD TO 2023

- Procurement of new vehicles and registration of GRN transferred vehicles
- Disposal and auctioning of old and unroadworthy vehicles as well as obsolete furniture and equipment
- Transfer of the Headquarters and ANS building to NCAA
- Compile and draft policies to guide and regulate the Finance department and implement the approved Finance policies currently not in place
- There is a need to review our current fees and implement other revenue streams
- Continue with cost cutting measures and ensure that only necessary costs are incurred
- Implementation of a new revenue billing system





AIR NAVIGATION SERVICES (A UNIT OF THE NCAA)

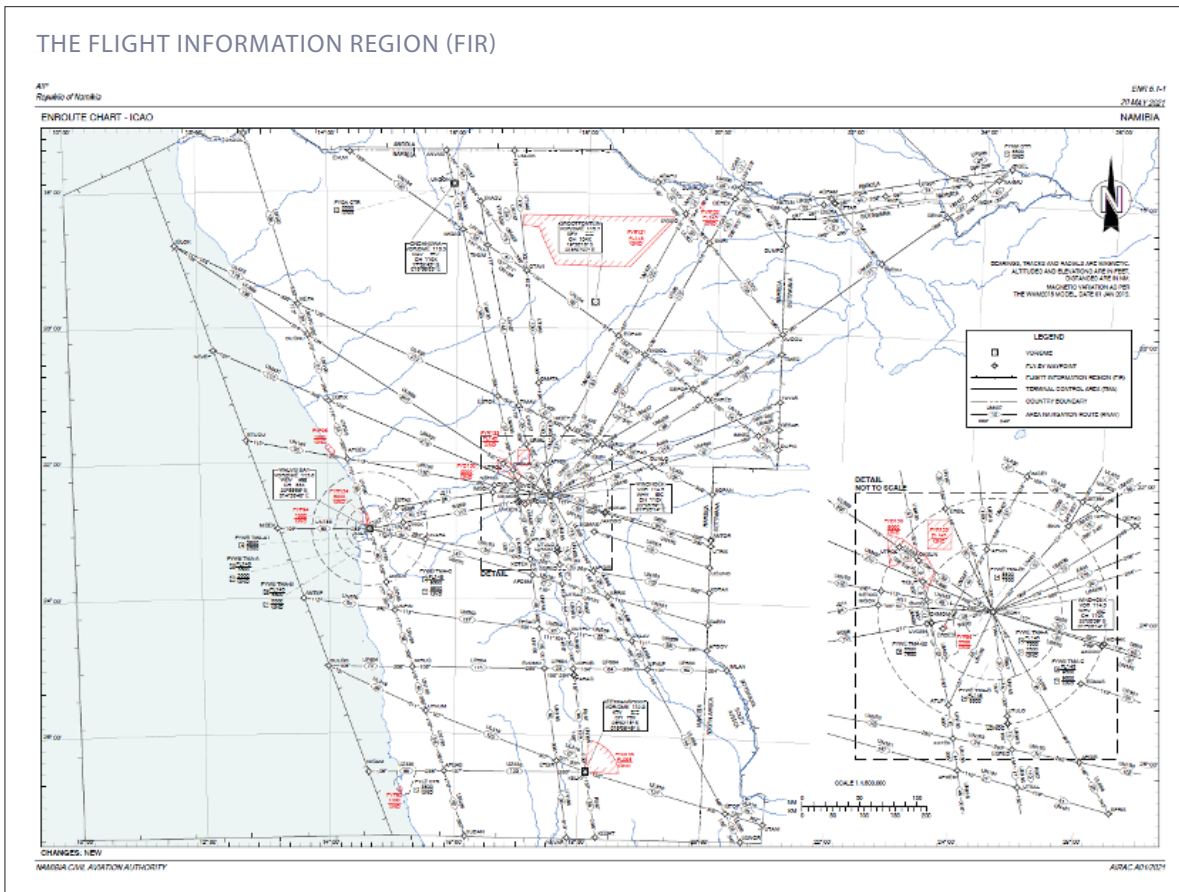
HILMA LEONARD
Head ANS

The NCAA Air Navigation Services (ANS) was established in terms of Part 6 of the Civil Aviation Act, (Act 6 of 2016) and is responsible for the provision of air navigation services in sovereign and delegated Namibian airspace.

The NCAA Board appoints the Head of Air Navigation Services, who reports to the Board on the provision of air navigation services, as well as to the Executive Director, on matters related to Regulatory compliance.

The ANS maintains its records and bank accounts and is audited independently of the NCAA in order to functionally separate the provision of air navigation services from the other functions of the NCAA.

The airspace in which the ANS provides services, being the Windhoek Flight Information Region (FIR), is depicted below:



SERVICES PROVISION

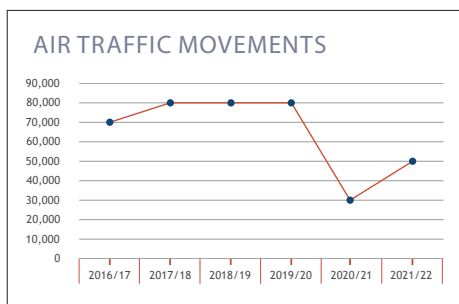
The ANS Unit is comprised of three departments mandated to manage Namibian airspace and provide safe and efficient air navigation services to the users of Namibian airspace, namely:

1. Aeronautical Information Management
2. Air Traffic Services
3. Communication Navigation and Surveillance

Air traffic movements

The air traffic movements operating within the airspace falling under the jurisdiction of the ANS are shown in the following figure. Total movements for the year 2018/19 to the year 2021/22 are as follows:

Financial Year	Total Movements
2017/2018	78,986
2018/2019	78,565
2019/2020	78,018
2020/2021	27,466
2021/2022	47,621

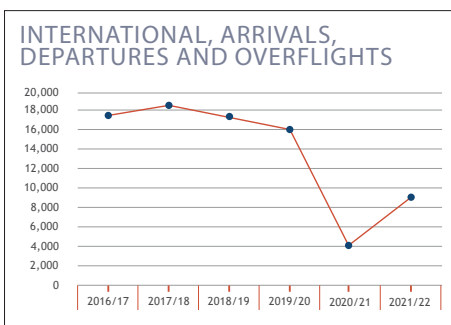


The Annual Total Average for the Financial Years 2017 to 2020 was 78,513 movements per Financial Year, compared to the Annual Total Movements for 2020/21 of 27,466 which represents 35% of the previous 3-year average.

For the 2021/22 Financial Year we had 47,621 Total Movements, which represents an increase of 173% on the previous year's Total Movements, though it only counts 60.7% towards the Annual Total Average for the 3 Financial Years 2017 to 2020.

Total International Arrivals, Departures and Overflight movements (which generates the majority of the Air Navigation Services Provider revenue) for the year 2018/19 to the year 2021/2022 are as follows

Financial Year	Total International Arrivals, Departures and Overflight Movements
2017/2018	26,476
2018/2019	26,041
2019/2020	23,826
2020/2021	5,794
2021/2022	12,669

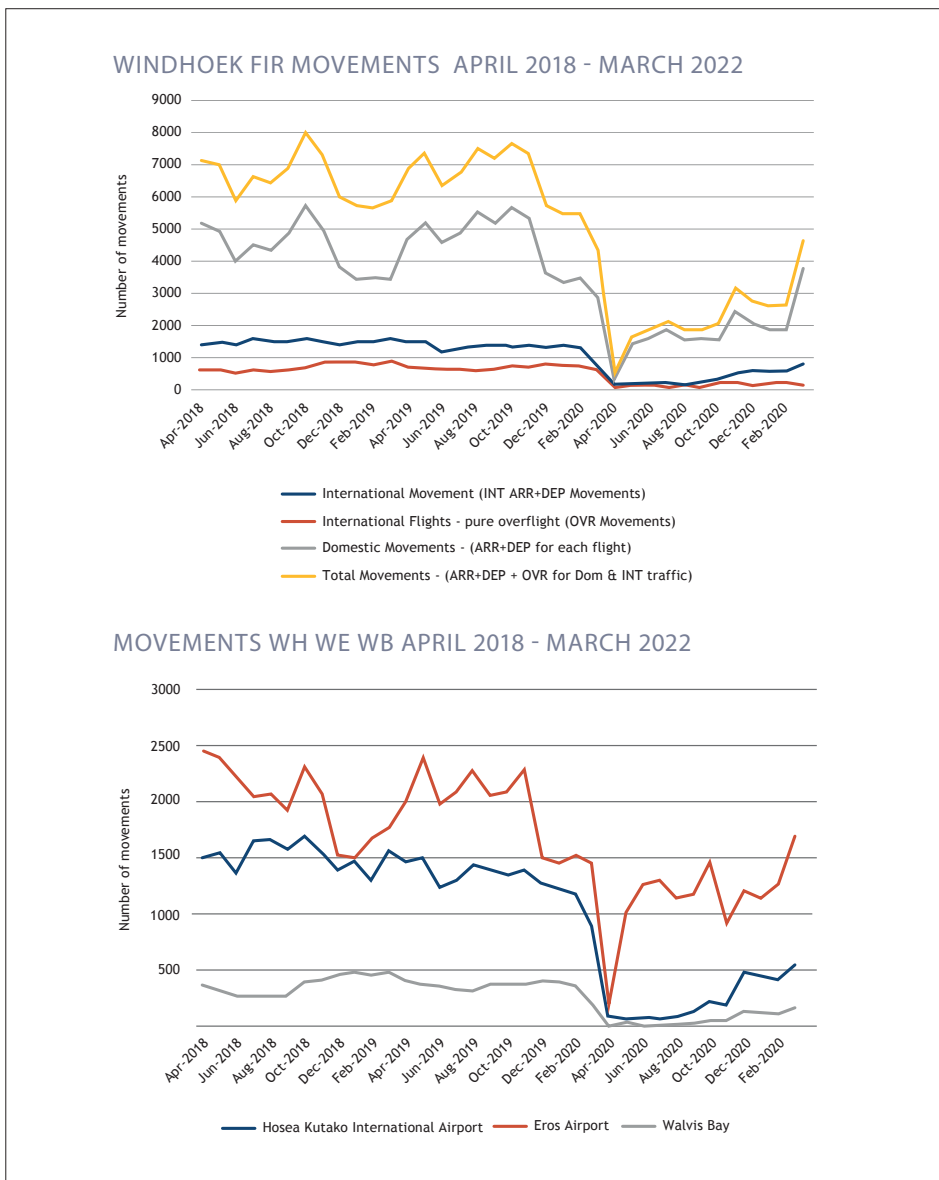


The Total International Arrivals, Departures and Overflight Movements Average for the Financial Years 2017 to 2020 was 25,447 movements per Financial Year, compared to the Total International Arrivals, Departures and Overflight Movements for 2020/2021 of 5,794, which represents only 23% of the previous 3-year average.

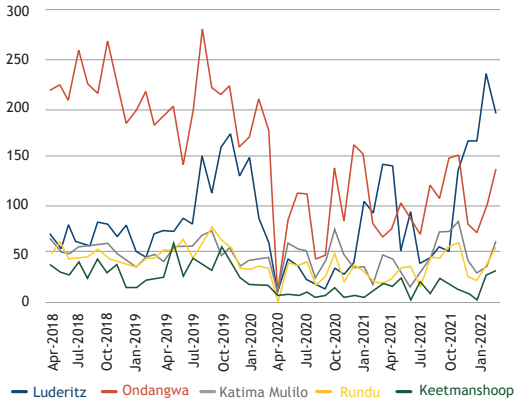
For the 2021/2022 Financial Year the Total International Arrivals, Departures and Overflight Movements was

12,669, which is an increase of 219% on the previous year's (2020/2021) total of 5,794, but still represents only 49.8% of the Annual Total International Arrivals, Departures and Overflight Average for the Financial Years 2017 to 2020.

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. One can however clearly see the impact of COVID-19 on the traffic in Southern Africa, especially from November 2021 to March 2022. 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, while the traffic for the other smaller airports are shown in the third graph below.



MOVEMENTS LZ OA KM RU KT
APRIL 2018 - MAR 2022





Abraham N Kahenge (SM)

Aeronautical Information Service consists of six sections:

1. Aeronautical MAP/Chart
2. Aeronautical Publication
3. International NOTAM Office
4. Aerodrome Briefing Office
5. Overflight and Landing Authorisation
6. Data Integrity

AERONAUTICAL MAP/CHARTS

Aeronautical maps is responsible for the management of aeronautical charts by ensuring the adequacy, accuracy and timely preparation and production of all aeronautical charts required to be provided by the Aeronautical Information Service in line with regulations, legislation and best practice.

AERONAUTICAL PUBLICATION

Aeronautical publications is responsible for the management of publication and distribution of aeronautical information products such as the 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

International NOTAM Office is responsible for the management of aeronautical data and/or information necessary for the generation of NOTAM, SNOWTAM and ASHTAM into an internationally acceptable language and format. The office is responsible for the timely promulgation of such information for the safety, efficiency, and regularity of air navigation, which is essential to personnel concerned with flight operations.

AERONAUTICAL INFORMATION SERVICES

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

AERODROME BRIEFING OFFICE

Aerodrome Briefing Office is responsible for the provision of aeronautical information (flight plan, pre-flight information bulletin, post-flight information report). The Aerodrome Briefing Office uses the Africa Central Aeronautical Database (A-CAD) SDO database for pre-flight briefing and combines it with other relevant documentation for briefing purposes.

OVERFLIGHT AND LANDING AUTHORISATION

Overflight and Landing Information is responsible for facilitating the process of approval to foreign registered aircraft which intend to overfly or land in Namibia, including State aircraft.

DATA INTEGRITY

Data integrity is responsible for safeguarding the highest accuracy, completeness, timeliness, and quality of up-to-date electronic aeronautical data as maintained within all Aeronautical Information Systems, to ensure that validated data is available to all personnel who need them to perform their duties, and also to ensure the quality of information contained within the A-CAD in according to ICAO and NCAA regulations.

AN AFI CENTRAL AERONAUTICAL DATABASE

Since late 2017, the AIS Department 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 aeronautical information products are based on the same data source in the database (SDO).

Aeronautical information is also provided 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.

AERONAUTICAL DATA COLLECTION

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, airspace (FIR, UIR, TMA, P-D-R pre-determined routes), routes, NAV-AIDS, and waypoints.

Data from the 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) has helped AIS to improve its overall performance and provides a solid base for sustainable development. In addition, it helps in the continuous provision of services that meet customer, organisational, and regulatory requirements through continuous improvement.

AIS has established a QMS that is ISO 9001:2015 certified. 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

The Data Integrity Office plays the role of verification and validation of all the aeronautical data to ensure the desired quality specification is maintained.

The management ensures, by employing its Quality Policy, that customer requirements are identified and considered. The Head: 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 services is granted by an integrated QMS which is periodically reviewed and assessed for its long-term suitability, adequacy, and effectiveness.

KEY HIGHLIGHTS OF THE YEAR

The following are some of the critical activities that took place in AIS department during the year under review:

- Filling of key positions such as that of the Senior Manager, Manager AIM Operations, Data Integrity Specialist, and a NOTAM Specialist
- Training of five AIM officers on ICAO Aeronautical Information Officers (AIO)-021 Course, which is a requirement by law
- AIM underwent three successful QMS audits, two of which were internal and one external by an ISO 9001-2015 accredited organisation
- On-the-job training of the Data Integrity Specialist
- Successful elimination of all the outdated NOTAMs as per the ICAO NOTAM campaign
- Adherence to Aeronautical Information Regulation and Control (AIRAC) publication schedule
- Validation of more than 30 unpublished aerodromes, all route segments in the Windhoek FIR, missing reporting points, and updating of all the AIP published aerodrome data sets on the A-CAD database.

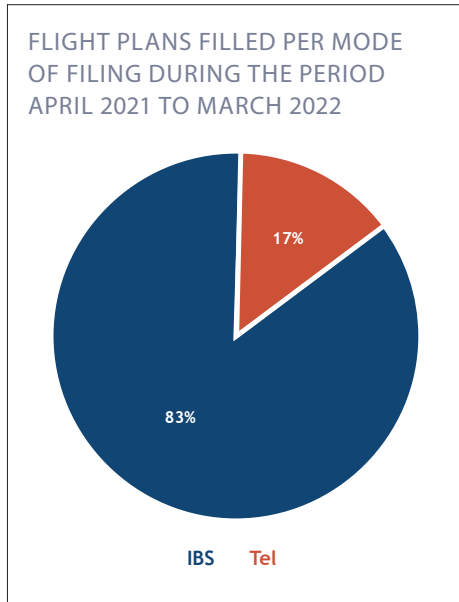
FLIGHT PLANS

The following are some of the critical activities that took place in AIM department during the year under review:

LOOKING AHEAD TO 2023

Transitioning to Aeronautical Information Management (AIM)

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 given its data-centric nature, as opposed to the product-centric nature of AIS. An automated system was purchased to facilitate the transition from telex-based Aeronautical Information Services (AIS) to satellite-based Aeronautical Information Management (AIM) system. The roadmap for the transition from AIS to AIM and the Aviation System Block Upgrades (ASBU) methodology for air navigation plan implementation requires major development for AIM activities in Namibia. The implementation of the A-CAD enabled



AIS to fully implement 12 of the 21 steps of the roadmap, while the implementation of the remaining 8 steps are still in progress. As part of continuous improvement, and consistent with the requirements of System Wide Information Management (SWIM), the procurement of Aeronautical Message Handling Services (AMHS) is currently under the procurement process.

Implementation of Electronic Aeronautical Information Publication (eAIP)

The production of electronic AIP for Namibia is well underway thanks to the successful onboarding of a data integrity specialist, but requires a secure internet connection. If all needed resources are secured, the department envisage to fully implement the eAIP within 12 months.

Aeronautical Information Management department regulatory certification (NAMCARs Part 175)

AIM, together with other ANS departments, will continue to strive to meet all the regulatory requirements for certification. Certification is expected to be completed by 2024 as per the Certification Plan provided by the Regulator.

Formal Arrangement /Memorandum of Understanding

AIM, together with other ANS departments, will continue to review and sign formal arrangement/MoU with aeronautical data originators.

Aeronautical Charts/Maps

The A-CAD system bundled with the charting solution (Smart Charting) is used to produce charts, which requires an internet bandwidth of at least 10 Mbps. Plans are ongoing with Telecom to upgrade the bandwidth and charts will be produced by the AIM department within the next 12 months

ISO 9001:2015 RECERTIFICATION

The ISO 9001:2015 certification that AIM has acquired in 2019 is due for recertification in July 2022 and preparations are underway to ensure that the certification is retained. An internal audit was carried out in February 2022 and all the nonconformities issued have already been closed.

Month	Modes of Filing FPL Used				Total FPL/Month
	Airline	Airport Operator	Ground Handler	Cargo Handler	
March 2021	176	2	0	742	920
April 2021	241		1	85	327
May 2021	398	29	15	591	1,033
June 2021	242	0	0	805	1,047
July 2021	232	0	0	940	1,172
August 2021	239	1	15	1,504	1,759
September 2021	351	0	7	1,708	2,066
October 2021	369	3	1	2,067	2,422
November 2021	340	0	1	2,250	2,591
December 2021	239	1	15	1,504	1,552
January 2022	351	0	7	1,708	1,325
February 2022	369	3	1	2,067	1,783
March 2022	340	0	1	2,250	2,595
April 2022	370	7	0	2,773	3,150
Total FPL/Mode	4,257	15	48	20,994	
Total FPL Filled in a year 2021/2022					20592



Jeremia I Kamati (SM)

Air Traffic Services (ATS) consists of:

- Air Traffic Control (ATC) Service
- Flight Information Service
- Alerting Service
- Air Traffic Advisory Service

AIR TRAFFIC CONTROL (ATC) SERVICE

The service is provided to prevent collision between aircraft, to provide guidance within the maneuvering area between aircraft and obstructions within that area, and to expedite and maintain a safe and orderly flow of air traffic. ATC services may be provided by:

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

Approach Controller: Responsible for providing ATC service 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 rather use procedures or follow them on radar system displays.

Area Controller: Responsible for providing ATC service to controlled flights in control areas within the Namibian airspace, also known as the Windhoek Flight Information Region (FIR), between 14 500 Feet and 46 000 Feet. Like Approach Controllers, Area Controllers also use procedures to control aircraft or follow them on their radar system displays.

AIR TRAFFIC SERVICES

The main purpose of ATS is to provide appropriate service to air traffic within the airspace for which a respective ATS unit is responsible.





FLIGHT INFORMATION SERVICES (FIS)

FIS is provided to all aircraft that are likely to be affected by such information and which are provided with ATC service or are otherwise known to the relevant ATS unit as the Flight Information Centre (FIC). FIS is provided to air traffic operating between 1 500 Feet (above ground level) and Flight Level 145 within Windhoek FIR but outside the TMAs and CTRs/ATSs. FIS is provided to give advice and information useful for the safe and efficient conduct of flights.

ALERTING SERVICE

A service provided to notify appropriate organisations regarding aircraft in need of search and rescue aid and assist such organisations as required. Alerting services are provided to all aircraft provided with air traffic service and, as far as practical, 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.

AIR TRAFFIC ADVISORY SERVICE

A service provided to make information on collision hazards more effective than it would be in the mere provision of flight information services. It may be provided to aircraft conducting Instrument Flight Rules (IFR) flights in advisory airspace or on advisory routes (Class F airspace).

KEY HIGHLIGHTS OF THE YEAR

Training Interventions

Validation of ATS Bursars: The first ANS Bursary Programme has been completed and all recipients of the ATS bursary who underwent validation training were successfully validated as Aerodrome Controllers or ATS Assistants (ATSAs). They have been absorbed into the NCAA as permanent employees.

Internal Auditors: Two ATS staff members have successfully completed an Internal Auditors course/training and they will now be able to conduct ANS internal audits which will assist in improving safety of air navigation services provisioning.

Area Procedural and Radar Control Training: Six air traffic controllers have successfully completed Area Procedural and Radar Control training to ease the staffing constraint hampering provision of air traffic services, especially area control.

Reduction in ATS Attributed Safety Occurrences

Validation of ATS Bursars: The first ANS Bursary Programme has been completed and all recipients of the ATS bursary who underwent validation training were successfully validated as Aerodrome Controllers or ATS Assistants (ATSAs). They have been absorbed into the NCAA as permanent employees.

Safety occurrence reporting

Following the implementation of the Safety and Just Cultures within ATS operations, reporting of all types of safety occurrences has improved tremendously, thereby improving safety within the air navigation services provisioning.

Reduction in Regulatory Findings

Annual regulatory inspections carried out at all ATS units countrywide have recorded a substantial decrease in Level 1 and 2 audit findings, which is an indication of improved and safe ATS operations at all units.

Relocation Of ATS From Old to new ATC Tower At Ondangwa

The provision of air traffic services at Andimba Toivo Ya Toivo (Ondangwa) Airport has been successfully relocated from the old ATC tower to the newly constructed ATC tower after approval was obtained from the regulatory authority.

Staffing at Regional U=units

With the successful validation of ATS bursary recipients having been concluded, some of the new Aerodrome Controllers (the Bursars) are now stationed at Regional Units and are currently providing services at units such as Luderitz and Ondangwa, which are now manned by three permanent staff members each.

Regional SSR Code Allocation

The ATS has fully complied with the implementation of the AFI Regional Code Management Plan, which is aimed at aligning the allocation of the SSR Codes with the new Code Management Plan, with effect from 2 December 2021.

Stakeholder Engagement

Regular and Ad-hoc engagements have taken place between numerous stakeholders, which were aimed at improving interactions between the ATS and operators. Through these engagements, numerous safety concerns were analysed and successfully addressed.

Letters Of Procedure/Agreements, Service Level Agreements And Memorandums Of Understanding

Letters of Procedure/Agreements with all ATS providers from neighbouring States have all been reviewed, updated, and signed. In addition, LOP/As between all domestic ATS units, as well as between ATS Units and respective Airports, have been reviewed, updated, and signed. Service Level Agreements between ATS and other ANS departments have been reviewed and updated.

Provision of Service

In spite of serious challenges caused by the COVID-19

pandemic, uninterrupted provision of ATS services has continued at all ATS units, barring exceptional circumstances such as short-notice absences due to illness or other reasons (which only occurred at Katima Mulilo, which is a single-manned ATS unit).

Unit Station Standing Instructions

Station Standing Instructions (SSIs) for all ATS units have been reviewed and updated and all units are in possession of their respective updated SSI versions.

LOOKING AHEAD TO 2023

Continuous Reduction Of ATS Attributed Safety Occurrences

ATS will carry out various activities such as the reviewing of operational procedures, training of operational personnel, development of required operational documents, full implementation of Safety and Quality Management Systems, and continuous engagement of aviation stakeholders to ensure that safety occurrences attributed to ATS personnel's actions or inaction are significantly reduced.

ATS Units' Certification

Together with other ANS departments, ATS will continue to strive for certification of all ATS units as required by Namibia Civil Aviation Regulations (NAMCARS). Certification is expected to continue during the year 2024 as per the Certification Plan provided by the Regulator.

Full Implementation of Safety and Quality Management Systems

The process of implementing Safety Management Systems (SMS) and Quality Management Systems (QMS) in Air Traffic Services is ongoing and full implementation is expected to be achieved during the year 2022.

Staffing at Katima Mulilo ATS Unit

The plan is in place to train and recruit additional Aerodrome Controllers, some of which will be stationed at Katima Mulilo ATS unit, to ensure that the unit will be permanently manned by at least three air traffic controllers.

Internal Safety And Standards Audits Inspections

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



Abiatar T Ntinda (SM)

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

Although currently limited by human resources limitations, the CNS focused on ensuring the availability of the various CNS systems, achieving the following:

KEY HIGHLIGHTS OF THE YEAR

- Sustained the performance and reliability of essential equipment by achieving minimum of 85% statistical availability for all ANS systems despite surveillance aged equipment.
- Human resources capacity increased with two (2) ATSEP in first quarter and five (5) permanent additional ASTEPs in the final quarter of the financial year
- Flight calibration of our NAVAIDS successfully calibrated during first quarter of the financial year
- Development of CNS (Communication, Navigation and Surveillance) documents

OUR PERFORMANCE DURING THE YEAR

- Completion of on-the-job training for the second bursary ATSEP group
- Successful commissioning of Ondangwa Air Traffic Control Tower
- 98 % successful implementation and migration of CNS (Communication, Nav aids and Surveillance) services to the new fibre at Hosea Kutako International Airport new optic fibre ring
- More ad-hoc remote maintenance performed on ANS (Air Navigation Services) facilities that provide Air Traffic Services (ATS)

COMMUNICATION, NAVIGATION AND SURVEILLANCE

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

CHALLENGES FACED DURING THE YEAR

Inadequate human resources to perform all CNS functions (routine maintenance, shift duties at Eros Area Control Centre, Hosea Kutako International Airport, Walvis Bay International Airport and Andimba Toivo ya Toivo Airport)

Voice Communication Switch (VCS) System

The system is waiting to be commissioned.

Voice Recording System

The Voice Recording System at Walvis Bay International Airport was successfully repaired and now fully functional.

Instrument Landing System

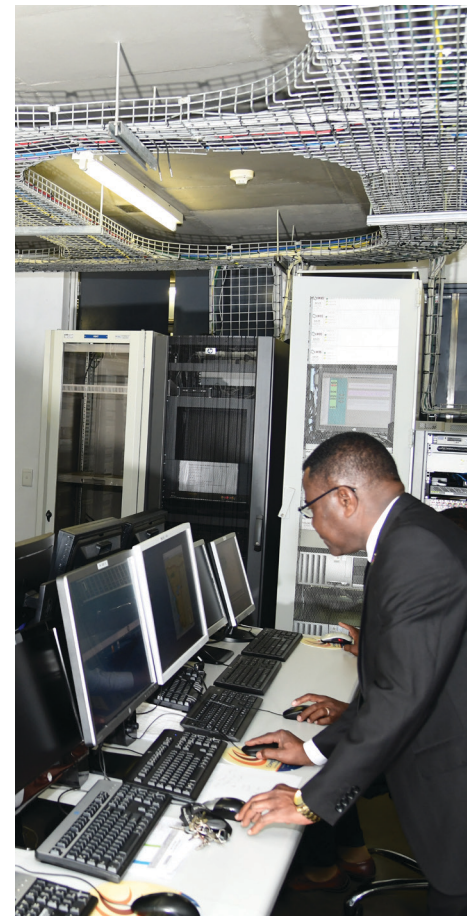
The Instrument Landing System at Walvis Bay is also operational with all the requirements implemented by ANSP. There are however some outstanding matters on the airport authority side, and once these have been attended to by the Namibia Airports Company (NAC) the ILS at Walvis Bay can also be placed into operation.

Performance-based Navigation (PBN) Project

The PBN project is a continuous process, as the need to improve the route structures within FIR continues to ensure a safe, expedient, and economical air navigation route network through the airspace. A project team has been established and is continuously working on the project deliverables.

New ATC Tower for Walvis Bay Airport and Improvements to the Windhoek Area Control Centre

The NCAA has started the process. The tender has been awarded and the contracts with the consultancy have been signed. It seems, however, that due to



budgetary cuts this project may be delayed to some extent.

Installation of a fibre Network at the Hosea Kutako International Airport

This project has been 98% completed, though there remains an outstanding issue that needs to be finalized by the contractor.

LOOKING AHEAD TO 2023

- Perform routine and continuous corrective maintenance
- To further enhance the Air Traffic Service (ATS) delivery, publish Lüderitz VOR/DME
- Decommissioning of old non-functional and functional replaced CNS equipment
- Commissioning of new CNS equipment (Aeronautical Message Handling System -AMHS)
- Upgrade of the Surveillance systems (Primary and Secondary surveillance RADAR, Wide Area Multilateration and Topsy)



Philippine Lundama
(Senior Manager)

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 safe practices.

KEY HIGHLIGHTS OF THE YEAR

While still in its infancy, the Safety and Quality Office, is in the midst of developing and implementing the ANS Safety Management System, as well as the Quality Management system, with success being achieved through the AIM department acquiring ISO 9000:2015 certification following the certification audits which were carried out. The AIM internal audit took place on 7 – 13 September and again during February 2022, while the external audit took place during February 2021. The AIM ISO certificate was successfully retained.

With the appointment of a full-time key SMS person (Senior Manager Safety and Quality Assurance) only since October 2021, a considerable number of tasks has been carried out as part of the office mandate:

KEY HIGHLIGHTS OF THE YEAR

- Appointment of the SMS and QMS Implementation Team
- Training of ATS Incident Investigator
- Training of ANS Internal Auditors
- Development of the ANS Safety and Quality Training Programme and Annual Training Plan
- Development of the SMS Gap Analysis and Implementation Plan
- Spearheading the development of ANS Departments' documents required for the ANS certification such as, CNS, AIM and ATS Training Programmes
- Carrying out AIM ISO 9001:2015 Internal Audit successfully 21 - 25 February 2022

OUR PERFORMANCE DURING THE YEAR

- Since October 2021, the office made steady progress with its deliverables, having commenced with the appointment of the SMS and QMS Implementation Team by the SM: SQA. The Team comprises of representatives (including operational staff) of all ANS departments who were nominated by their respective departmental heads and approved

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 Air Navigation Service Provider (ANSP) Safety Management (SMS) and Quality Management (QMS) systems, to maintain and enhance service delivery to that part of the aviation industry which is reliant on the Air Navigation Service Provider (ANSP), to complete its mandate of delivering people and goods safely to their destinations, domestically and internationally.

by the HANS in December 2021. The Team is chaired by the SM: SQA and meets every Thursday.

- By February 2022, the SM: SQA in conjunction with the ANS departmental heads also had six (6) internal auditors nominated. The first three (3) internal auditors underwent a virtual classroom IATA Aviation Internal Auditor course on 21 – 24 March 2022. The auditors and the ATS Investigator have commenced with on-the-job training.
- The Implementation Team has worked tirelessly during the past months to develop the SQA Workplan Schedule Dec 2021 – Dec 2022 for Phase 1 SMS and QMS Implementation. In addition, the team developed the SQA Training Programme, as well as the ANS Quality Manual. Other documents developed are Stated under "Key highlights of the year" above.
- The SQA office successfully conducted the AIM ISO 9001:2015 Internal Audit as well as provided oversight of the preparation for the AIM re-certification audit planned to take place in May 2022. This latter process involved the review and closing of all AIM Corrective Action Requests for non-conformances identified during the internal audit as well as a detailed review of all AIM QMS Procedures and Processes.

CHALLENGES FACED DURING THE YEAR

- A number of ANS related incidents were reported during the reporting period. These incidents included runway incursions, coordination failures, unauthorised entry into Namibian airspace, flight crew non-compliance with ATC clearances, and aircraft technical failures. ANS conducted internal investigations and discovered that most of the root causes were attributable to human error, system error, and technical failures. Corrective actions taken included (but were not limited to) remedial training to ANS personnel involved, safety meetings/sessions with operators affected, review of existing operational procedures, and development of new operational procedures to ensure recurrence of such incidents is prevented where possible.
- ANS has applied the policy of a Just Culture environment, whereby errors will be identified and corrected without prejudicing the person concerned. The transgression of policies and procedures, however, is not acceptable within this environment and disciplinary action may be taken.
- This is expected to improve significantly with the training of additional investigators expected to take place in October 2022.

- In addition to daily administrative work, the SQA office has been overwhelmed with the task of developing and/or reviewing outstanding safety and quality documents/procedures forming part of the SMS Manual, such as the Investigation Manual and Procedure Manual for Safety Occurrence Reporting and Investigation, as well as those documents forming part of the Quality Manual such as the ANS Internal Audit Procedure, Communication Procedure, Management Review Procedure, etc, including their related Forms and Templates. The documents are required for the ANS certification process planned to commence as from the last week of July 2022. The main challenge has been the absence of admin support personnel and Safety and Quality Officers as well as the negative effect of SMS/QMS Team members that are constantly re-assigned operational duties while scheduled for team assignments due to staff shortage.

LOOKING AHEAD TO 2023

- The SQA office will continue interacting with all ANS departments to develop the required Quality Procedures for the ANS, supporting another step in obtaining full ISO 9001:2015 certification for the NCAA ANS. Activities envisaged in this regard include training of ANS personnel on SMS and QMS, training of additional internal auditors including Lead Auditor, as well as training of ANS safety occurrences investigators (both theoretically at an ATO and via On-the-Job Training).
- Overseeing preparations for the ANS Certification as an ANSP by the NCAA (Regulator), the formal document submission for certification process will commence towards the end of July 2022.
- Completion of the QMS Gap Analysis and Implementation Plan is envisaged by end of July 2022.
- Workshopping with all ANS personnel of ANS Manuals, such as the SMS Manual, FRM Manual, Manual of Procedures, QMS Manual, ERP, ATS Manual, CNS Manual of Operation and SSIs, AIM Manual of Operation, et al, to ensure that all personnel are trained and aware of the contents thereof and their respective responsibilities.

While these efforts, which are all catalysts to ANS SMS and QMS implementation process could take longer than the next twelve months, the objective is to complete as much of the work as possible towards achieving the goal of certification of ANS as an ANSP as well as ISO 901:2015 certification for the entire ANS within the next four years in accordance with regulatory requirements.



Hendrik Barends'
ATS Search and Rescue Specialist

Search and Rescue Service

Namibia as a Member State recognises the great importance of saving lives and the need to be directly involved in rendering aeronautical and maritime search and rescue (SAR) services to persons in distress, with a focus on the humanitarian nature of their work.

The Aeronautical Rescue Coordination Centre (ARCC) is situated at the ATCC at Eros Airport. The unit is responsible for promoting the efficient organisation of search and rescue services and for coordinating the conduct of search and rescue operations within a search and rescue region.

Namibia is a Rescue sub-centre (RSC) to the ARCC Johannesburg, RSA. A Rescue sub-centre is a unit subordinate to a rescue coordination centre established to complement the latter according to particular provisions of the responsible authorities. All ATS units in Namibia serve as alerting posts. Alerting posts will alert the SMC when there is a need for SAR and the SMC will activate the Rescue Coordination Centre.

KEY HIGHLIGHTS OF THE YEAR

- ELT detections were reported by Johannesburg Aeronautical Rescue Coordination Centre (JBARCC) to Search and Rescue point of Contact (SPOC) in Namibia who attended to them without delay.
- South Africa installed their MEOSAR LUT. The MEOSAR has a lot of extra features of which one is automatic SPOC notifications. In the light of this, Namibia was requested to forward the dimensions of its SRR's (Aeronautical and Maritime) for inclusion.
- South African Search and Rescue (SASAR) Sub Committee meeting took place on 2nd July 2021, and Namibia being a Rescue Sub-Centre (RSC) of South Africa, was invited and attended the meeting.
- Regular AFTN SPOC tests were conducted during the reporting period, most of which were successfully conducted. The tests conducted unsuccessfully are redone by means of secondary SPOC tests via the WhatsApp communication link. A successful response requires a reply within 30 minutes of transmission of the message.

SEARCH AND RESCUE

The purpose of SAR is operating a rescue coordination centre or rescue sub-centre using available personnel and facilities to locate persons in distress. Search and rescue service in Namibia is provided to all aircraft operating within the Windhoek FIR and the Namibian territorial boundaries as well as to aircraft and vessels over the high seas.

CHALLENGES FACED DURING THE YEAR

- Establishment of a Rescue Coordination Centre (RCC) - Namibia is currently a Rescue Sub-centre of South Africa and only performs coordination of SAR activities affecting the Namibian airspace.
- SAR Documentation - The SAR section is currently busy with the process of reviewing and developing all required SAR documents/manuals, which might take a little longer than initially anticipated, due to staffing constraints.

LOOKING AHEAD TO 2023

SMC Training

The plan is to train ATS personnel to act as Search and Rescue Mission Coordinators (SMCs) when the ARCC is fully functional, as per the approved Training Plans and Programs.

Staffing

The most critical positions within the SAR establishment to be filled once training is completed. This will result in increased efficiency regarding provision of SAR services.

Establishment of a fully functional RCC

There is a need for an establishment of a fully functional ARCC at the ANS building, which will be equipped with the essential tools and staffed with qualified personnel.





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ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2022

NAMIBIA CIVIL AVIATION AUTHORITY
(Established under Section 8 of the Civil
Aviation Act, 2016)

**ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2022**

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NAMIBIA CIVIL AVIATION AUTHORITY

(Established under Section 8 of the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS**

The directors of the Authority are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Civil Aviation Act of 2016 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgement and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Authority and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 2023 and, in light of this review and the current financial position, they are satisfied that the Authority has access to adequate resources including the N\$318million overflight monies anticipated to be returned by GRN 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 3 to 5.

DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 6 to 34, which have been prepared on the going concern basis, were approved by the board of directors on 29/08/2022 and are signed on their behalf by:



CHAIRMAN



DIRECTOR



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Fax: +264 833 224 126
Email: info@bdo.com.na

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P.O. Box 2184
WINDHOEK
Namibia

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Namibia Civil Aviation Authority

Opinion

We have audited the annual financial statements of Namibia Civil Aviation Authority set out on pages 9 to 33, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibia Civil Aviation Authority as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Civil Aviation Act of 2016.

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 are independent of the Authority in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Divisional income statement, which we obtained prior to the date of this auditor's report. Other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Civil Aviation Act of 2016 of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.



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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO

BDO (Namibia)
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: A Musarurwa
Partner

Windhoek
02 September 2022

NAMIBIA CIVIL AVIATION AUTHORITY

(Established under Section 8 of the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**REPORT OF THE DIRECTORS**

for the year ended 31 March 2022

The directors have pleasure in presenting their report on the annual financial statements of Namibia Civil Aviation Authority for the year ended 31 March 2022.

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.

GOVERNMENT EQUITY CONTRIBUTIONS

Government equity contributions during the financial year in the form of cash equity contributions received related to budgetary supports amounted to N\$68,686,000 (2021: N\$ 74,736,157). 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.

PROPERTY, PLANT AND EQUIPMENT

Assets worth N\$300,468,294 had been statutorily transferred from the Ministry of Works and Transport as per the Gazette No. 7446 dated 1 February 2021 to the Authority under Section 23 of the Civil Aviation Act, 2016 during the last financial year. Transferred assets had been recorded at statutory value of N\$292,453,555 as verified by the Authority however a valuation of these assets was performed during the current year in terms of the current market value, appropriateness of useful lives and residual values of these assets in accordance with the applicable financial reporting standards of the NCAA. Prior year figures were restated in the current year March 2022.

The depreciation expense for property, plant and equipment is detailed within the Statement of Comprehensive Income in Note 7. There are no title restrictions for any of the Authority's property, plant and equipment, nor are any of these assets pledged as security.

SIGNIFICANT LEASE ARRANGEMENTS**Sites and Tower rentals**

The NCAA since establishment has been renting tower & sites for it is communication, navigation, and surveillance (CNS) purposes and have entered into contractual agreement with its suppliers. An amount of N\$3,821,000 (2021: N\$3,901,000) has been spent on sites & tower rentals during the period. The impact of IFRS 16 on sites and tower rentals was assessed and incorporated in the annual financial statements. The right-of use assets as well as the lease liability were recognised and disclosed on Notes 11 and 18 to the annual financial statements.

SIGNIFICANT LEASE ARRANGEMENTS (CONTINUED)**Telecommunication lines rentals and charges**

Over the financial year, the NCAA paid N\$2,988,000 (2021: N\$3,971,000) service charge incurred in the use of landlines and data lines for its communication, navigation, and surveillance purposes. The Authority's including the ANS division IFRS 16 assessment concluded that some of these arrangements are leases and incorporated in the annual financial statements. The right-of use assets as well as the lease liability were recognised as disclosed on Notes 11 and 18 to the annual financial statements.

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 annual 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 (2021: N\$nil).

DIRECTORS

The following persons act as directors of the Authority, including Air Navigation Services, during the year and to the date of this report:

Name	Date of appointment	Date of resignation
Bethuel T Mujetenga (Chairperson)	04 November 2020	
Kadiva Hamutumwa (Deputy Chairperson)	04 November 2020	
Melkizedek Uupindi (Director)	04 November 2020	
Josephine Amukwa (Director)	04 November 2020	
Fernando Somaeb (Director)	04 November 2020	
Martha Hitenyane (Director)	04 November 2020	
G D Elliott (Acting Interim Executive Director)	01 December 2020	31 August 2021
Ericksson M. Nengola (Acting Interim Executive Director)	01 September 2021	

COMPANY SECRETARY

Name	Date of appointment	Date of resignation
Nerago Ndoroma (Acting Corporate Secretary)	01 January 2021	

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

GOING CONCERN

The Authority incurred a net loss of N\$83,661,000 (2021: N\$101,668,000) for the year ended 31 March 2022 and utilized cash from operating activities amounting to N\$68,040,000 (2021: N\$47,725,000). During the last financial year, the aviation industry experienced a material decline in operating activity, due to the declaration of a global pandemic COVID 19 in early 2020. This had resulted in lockdown of borders and travel restrictions implemented in various countries across the globe. During the current financial year, Revenue has picked up and some airlines have resumed flights to Namibia.

It has been forecasted that the conditions will remain and the return to normality or pre Covid-19 time is only expected in 2024.

As a regulator of the industry and a service provider of the air navigation services in Namibia, the NCAA major revenue streams from the airlines are passenger safety charge, enroute charge, terminal charge, and aerodrome charge.

The Authority's is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable the entity to assess these risks and implement appropriate mitigation measures to respond to the challenge posed by the Covid-19 and the liquidation of one major customer (Air Namibia) which resulted into loss of revenue. This has resulted in receivable amounting to N\$ 83,061,000 being claimed through the liquidation legal process.

Given the above, the annual financial statements have been prepared based on 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.

SUBSEQUENT EVENTS

The Authority considers known events and expected eventualities identified as at 31 March 2022 as adjusting events. However, any new information/ change in circumstance will be considered as non-adjusting events which will be disclosed if material.

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 2022, should be considered adjusting events. New events and circumstances which occur after 31 March 2022 related to Covid-19 is disclosed if material.

The Authority is satisfied that the appropriate considerations have been considered with regards to the impact of Covid-19 to the annual financial statements for the year ended 31 March 2022 with regards to subsequent events.

There were no significant events or circumstances between the date of the annual financial statements and the date of this report that would require disclosure or amendment in the annual financial statements.

NAMIBIA CIVIL AVIATION AUTHORITY

(Established under Section 8 of the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**STATEMENT OF FINANCIAL POSITION**

as at 31 March 2022

	<u>Notes</u>	<u>2022</u> <u>N\$ 000</u>	<u>Restated</u> <u>2021</u> <u>N\$ 000</u>
ASSETS			
Non-current assets		254,062	294,308
Property, plant and equipment	11	253,900	293,752
Intangible assets	12	162	556
Current assets		292,910	285,249
Trade and other receivables	13	24,530	19,387
Short-term Investments	14, 17.2	259,836	260,570
Cash and cash equivalents	17.2	8,544	5,292
Total assets		546,972	579,557
Capital and reserves		504,113	535,941
Government contributions	15	856,849	805,016
Accumulated loss		(352,736)	(269,075)
Non-current liabilities		23,577	25,421
Lease liability	18	23,577	25,421
Current liabilities		19,282	18,195
Trade and other payables	16	15,293	13,316
Lease liability	18	3,989	4,879
Total equity and liabilities		546,972	579,557

NAMIBIA CIVIL AVIATION AUTHORITY

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
for the year ended 31 March 2022

	Notes	2022 N\$ 000	Restated 2021 N\$ 000
Revenue	5	102,100	44,858
Operating costs	7	<u>(191,873)</u>	<u>(156,440)</u>
Operating (loss)		(89,773)	(111,582)
Finance income	8	9,432	13,439
Other Income		313	47
Finance costs	9	<u>(3,633)</u>	<u>(3,572)</u>
(Loss) before taxation		(83,661)	(101,668)
Taxation	10	-	-
(Loss) for the year before other comprehensive income		<u>(83,661)</u>	<u>(101,668)</u>
Other comprehensive income		-	-
Total comprehensive (loss) for the financial year		<u>(83,661)</u>	<u>(101,668)</u>

NAMIBIA CIVIL AVIATION AUTHORITY

(Established under Section 8 of the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 March 2022

	<u>Notes</u>	<u>Government contribution N\$ 000</u>	<u>Accumulated loss N\$ 000</u>	<u>Total N\$ 000</u>
Restated balance as at 1 April 2020		414,212	(146,257)	267,955
Previously disclosed		414,212	(141,457)	272,755
Correction of prior error		-	(4,800)	(4,800)
Government contributions	15	390,804	-	390,804
Total comprehensive loss for the financial year		-	(101,668)	(101,668)
Balance as at 31 March 2021		805,016	(247,925)	557,091
Adjustment-Depreciation GRN transfer	11	-	2,100	2,100
Adjustment fair value-GRN transfer	11	-	(23,250)	(23,250)
Restated - Balance as at 31 March 2021		805,016	(269,075)	535,941
Government contributions	15	51,833	-	51,833
Total comprehensive loss for the financial year		-	(83,661)	(83,661)
Balance as at 31 March 2022		856,849	(352,736)	504,113

NAMIBIA CIVIL AVIATION AUTHORITY

(Established under Section 8 of the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**STATEMENT OF CASH FLOWS**

for the year ended 31 March 2022

	<u>Notes</u>	<u>2022</u> <u>N\$ 000</u>	<u>2021</u> <u>N\$ 000</u>
Cash flow from operating activities		(68,040)	(47,725)
Cash receipt from customers		102,100	62,462
Cash paid to suppliers and employees		(170,140)	(110,187)
Cash (utilized) by operations	17.1	(68,040)	(47,725)
Cash flow from investing activities		8,682	6,392
Acquisition of property, plant and equipment	11	(750)	(71)
Proceeds on disposal of property, plant and equipment		-	-
Acquisition of intangible assets of intangibles and fixed assets	12	-	(74)
Interest received	8	9,432	6,537
Cash flow from Financing activities		61,876	66,864
Government contributions	15	68,686	74,736
Lease payments	18	(6,810)	(7,872)
Net cash flow		2,518	25,531
Cash and cash equivalents at beginning of year		265,862	240,331
Cash and cash equivalents at end of year	17.2	268,380	265,862

NAMIBIA CIVIL AVIATION AUTHORITY

(Established under Section 8 of the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

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 annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The annual 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.

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 2022. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Note 22.

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.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year.

NAMIBIA CIVIL AVIATION AUTHORITY

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022

3 Significant accounting policies**3.1 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 a 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 is earned. Other revenue is recognised on the accrual basis at fair value.

3.2 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.

3.3 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.

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3 Significant accounting policies (continued)**3.4 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.

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.

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3 Significant accounting policies (continued)**3.5 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 annual financial statements.

3.6 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%
Right of use asset	10%
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.

Assets transferred or donated are recognized at approximate current fair value. The remaining useful life determined with the assistance of experts where available.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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3 Significant accounting policies (continued)**3.7 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.

3.8 Impairment of non-financial 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.

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3 Significant accounting policies (continued)**3.9 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. Government grants that are receivable as shareholder's budgetary support given without conditions, or repayment obligations but are for the purpose of giving immediate financial support to the Authority with no future related costs are recognized in equity in the period in which the grant becomes receivable.

3.10 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).

3.11 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.

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3 Significant accounting policies (continued)**3.11 Financial instruments (continued)**Trade and other receivables

<u>Classification</u>	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.
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<u>Recognition and measurement</u>	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.
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<u>Impairment</u>	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.
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Trade and other payables

<u>Classification</u>	Trade and other payables and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.
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<u>Recognition and measurement</u>	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.
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3 Significant accounting policies (continued)**3.11 Financial instruments (continued)**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.

Financial assets

<u>Derecognition</u>	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.
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<u>Reclassification</u>	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.
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Financial liabilities

<u>Derecognition</u>	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.
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<u>Reclassification</u>	Financial liabilities are not reclassified.
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3.12 Income from investments

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

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4 Critical accounting estimates and judgements

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:

4.1 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.

4.2 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.

Estimated useful lives for all assets transferred to the NCAA by the Government on 1 February 2021 have been adjusted to midlife to reflect the past years in use since the inception of the Authority prior to the transfer date. The Authority expects zero residual values to the equipment's transferred given the nature of the industry and specialized equipment's. Vehicles transferred are expected to have a residual value of 10% at the end of their useful life.

4.3 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 13 for more details on Trade Receivable impairments.

4.4 IFRS 16 assessment of leases assets

The Authority determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend or terminate the lease. In making this judgement, the Authority evaluates whether it is reasonably certain to exercise the option to renew or break the lease term.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal and the circumstances and facts for each lease including past experience to determine the likely lease term and whether the break option is likely to be exercised. This includes an assessment on the length of time remaining before the option is exercisable, current trading conditions and future trading forecasts on the strategic plan of the Authority.

After the lease commencement date, the Authority reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (for example, a change in business strategy).

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	<u>2022</u> N\$ 000	<u>2021</u> N\$ 000
5 Revenue		
The following table provides an analysis of the disaggregated disclosure of major service lines and timing of recognition:		
Regulatory Services (transferred continually)		
Passenger Safety Charge	20,311	8,699
Regulatory Services (transferred at a point in time)		
Safety Regulation Fees	3,000	2,064
Air Navigation Services (transferred at a point in time)	78,789	34,095
En-route Navigation Charges	57,212	22,588
Terminal Charges	11,802	6,194
Aerodrome Charges	9,402	5,313
Sundry Charges	373	-
Total Revenue	<u>102,100</u>	<u>44,858</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 13, 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.

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6 Number of employees

The number of employees employed (including Executive Members) by the Authority as at the end of the period was as follows:

	2022	2021
Seconded staff - Government	-	1
Contract employees - ICAO	-	2
Consultants		
- Fixed term contracts	13	18
Permanent employees	172	135
Total	185	156
Bursars	1	25
Total employees	186	181

7 Operating costs

Operating costs comprise:

Audit fees		
- Current year	(821)	(418)
- Prior year	-	(23)
Bad debts	(4,921)	(3,178)
Board expenses	(147)	(46)
Commission paid	(1,760)	(1,961)
Consulting fees		
- ICAO project	(1,104)	(5,771)
- Other	(1,707)	(1,677)
Depreciation and amortization	(41,045)	(14,136)
Directors fees	(1,053)	(868)
Employment costs	(108,844)	(100,940)
Insurance	(4,241)	(3,392)
Legal fees	(855)	(1,389)
Membership fees	(784)	(728)
Operating lease charges:		
- Properties	(53)	(52)
- Telecommunication service costs	(5,154)	(2,441)
Motor vehicle expenses	(1,441)	(5,174)
Repairs & Maintenance	(926)	(762)
Travel & Accommodation	(3,014)	(1,494)
Other expenses	(14,004)	(11,990)
	(191,873)	(156,440)

Note 13

8 Finance income

Financial instruments measured at amortised cost:

- Trade debtors	-	6,902
- Bank interest	9,432	6,537
	9,432	13,439

9 Finance cost

Financial instruments measured at amortised cost:

- Leases	(3,633)	(3,572)
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10 Taxation

The Authority did not earn any taxable income during the financial year nor prior financial reporting year. 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.

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11 Property, plant and equipment

	Right of Use Asset	Vehicles	Network & Computer Equipment	Furniture, fixtures and fittings	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Cost					
Balance as at 1 April 2020	34,548	-	2,527	3,956	41,031
Additions GRN transfer during the year	-	3,242	278,714	10,499	292,455
Additions during the year	-			71	71
Other adjustments – Lease re-measurement	(154)				(154)
Balance as at 31 March 2021	34,394	3,242	281,241	14,526	333,403
Adjustment fair value-GRN transfer	-	4,665	(20,115)	(7,800)	(23,250)
Restated - Balance as at 31 March 2021	34,394	7,907	261,126	6,726	310,153
Additions GRN transfer during the year	-	-	-	-	-
Additions during the year	-	-	724	26	750
Other adjustments – Lease re-measurement	443	-	-	-	443
Balance as at 31 March 2022	34,837	7,907	261,850	6,752	311,346
Accumulated depreciation					
Balance as at 1 April 2020	(4,594)	-	(150)	(39)	(4,783)
Depreciation charge for the year	(4,594)	(97)	(8,294)	(733)	(13,718)
Balance as at 31 March 2021	(9,188)	(97)	(8,444)	(772)	(18,501)
Adjustment-Depreciation GRN transfer	-	(262)	2,085	277	2,100
Restated-Balance as at 31 March 2021	(9,188)	(359)	(6,359)	(495)	(16,401)
Depreciation charge for the year	(4,594)	(2,157)	(33,068)	(1,226)	(41,045)
Balance as at 31 March 2022	(13,782)	(2,516)	(39,427)	(1,721)	(57,446)
Book value					
Restated-Balance as at 31 March 2021	25,206	7,548	254,767	6,231	293,752
Balance as at 31 March 2022	21,055	5,391	222,423	5,031	253,900

Immovable assets currently in use such as Headquarter building, ANS building, Control towers, Navigation and communication mast, VHF Equipment building and others 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.

Movable assets worth N\$300,468,294 had been statutorily transferred from the Ministry of Works and Transport as per the Gazette No. 7446 dated 1 February 2021 to the Authority under Section 23 of the Civil Aviation Act, 2016 during the last financial year. Transferred assets had been recorded at statutory value of N\$292,453,555 as verified by the Authority however a valuation of these assets was performed during the current year in terms of the current market value, appropriateness of useful lives and residual values of these assets in accordance with the applicable financial reporting standards of the NCAA. Prior year figures were restated in the current year March 2022.

The depreciation expense for property, plant and equipment is detailed within the Statement of Comprehensive Income in Note 7. There are no title restrictions for any of the Authority's property, plant and equipment, nor are any of these assets pledged as security.

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12 Intangible assets	2022	2021
	N\$ 000	N\$ 000
Computer Software - Available-For-Use		
Opening balance	1,326	1,252
Additions	-	74
	<u>1,326</u>	<u>1,326</u>
Amortization		
Opening amortization	(770)	(352)
Amortization	(394)	(418)
	<u>(1,164)</u>	<u>(770)</u>
Closing balance	<u>162</u>	<u>556</u>
	2022	2021
	N\$ 000	N\$ 000
13 Trade and other receivables		
<u>Financial Instruments</u>		
Trade receivables	120,500	105,404
Provision for doubtful debts	(101,962)	(97,041)
	<u>18,539</u>	<u>8,363</u>
<u>Non-Financial Instruments</u>		
Prepayments - ICAO project	1,885	5,076
Prepayments - other	4,106	5,948
	<u>24,530</u>	<u>19,387</u>
Balance at end of year	<u>24,530</u>	<u>19,387</u>

Movement in provision for doubtful debts

	Collectively assessed	Individually assessed	Total
	N\$ 000	N\$ 000	N\$ 000
Balance as at 1 April 2020	(4,815)	(89,673)	(94,488)
Transfer from credit impaired	4,815	-	4,815
Transfer to credit impaired	(5,726)	(1,642)	(7,368)
Balance as at 31 March 2021	<u>(5,726)</u>	<u>(91,315)</u>	<u>(97,041)</u>
Transfer from credit impaired	5,726	-	5,726
Transfer to credit impaired	(7,859)	(2,788)	(10,647)
Balance as at 31 March 2022	<u>(7,859)</u>	<u>(94,103)</u>	<u>(101,962)</u>

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 24 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 2022 was determined as follows for trade receivables:

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

13 Trade and other receivables (continued)**Trade debtors - days past due**

	<30	31 - 60	61 - 90	>90	Total
31 March 2021	N\$ 000	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Trade debtors	6,233	5,907	2,685	90,427	108,252
Expected credit loss	37%	65%	75%	98%	92%
Estimated impairment carrying value	(2,306)	(3,840)	(2,014)	(88,618)	(96,972)
31 March 2022					
Trade debtors	21,193	3,160	1,992	94,155	120,500
Expected credit loss	33%	95%	83%	96%	86%
Estimated impairment carrying value	(6,994)	(3,002)	(1,653)	(90,389)	(103,630)

	2022		2021	
	Credit not impaired	Credit impaired	Credit not impaired	Credit impaired
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance				
One customer's account with a gross carrying amount of N\$83,061,000 (2021: N\$83,051,114) has been liquidated and the process is currently underway.	-	(83,061)	-	(83,051)
Seven large 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.	1,659	(11,041)	1,203	(8,264)

The directors of the Authority consider that the carrying amount of trade receivables approximate fair values.

14 Short term investments

		2022	2021
		N\$ 000	N\$ 000
Current assets		259,836	260,570
Funds on call	Note 17.2	66,125	260,570
Funds on fixed deposit	Note 17.2	193,711	-

The funds are on deposit with Standard Bank Namibia (credit rating BBB-), with no fixed terms and earn interest at 3.75% (2021: 2.25%) p.a, compounded monthly. No loss or expected credit losses have been recognised and the carrying amounts of deposits approximate their fair value.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

15 Government contributions	2022	2021
	N\$ 000	N\$ 000
Start-up Government contributions:		
Balance as at 31 March 2021	805,016	414,212
Contributions in the form of:		
- Assets transferred to the Authority under Section 23 of the Civil Aviation Act, 2016	-	292,455
- Expenses paid by Government on behalf of NCAA	-	23,613
- Expenses paid by NCAA on behalf of Government	(16,853)	-
- Cash received for budgetary support	68,686	74,736
Balance as at 31 March 2022	856,849	805,016

NCAA has received a total of N\$ 68,686,000 from the Government in the current financial, N\$55,504,000 (2021: N\$ 74,736,000) was for NCAA operational support and N\$ 13,182,000 (2021: 21,649,000) for development support to facilitate Government projects. Expenses paid by NCAA on behalf of Government amounting to N\$ 16,853,000 was paid to SITA for calibration, ATNS for A-CAD system, Thale for drawings review, EMPIC for maintenance and Anjamba construction, Manda Backers and Jordaan & Associations for towers construction and upgrade.

16 Trade and other payables

<u>Financial Instruments</u>		
Trade payables	7,839	8,651
<u>Non-Financial Instruments</u>		
Other provisions	230	-
Payroll accruals	7,224	4,665
	15,293	13,316

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 Directors of the Authority consider that the carrying amount of trade payables approximates to their fair value.

17 Notes to the Statement of cashflows**17.1 Cash (utilized)/generated by operations**

	(83,661)	(101,668)
(Loss) before taxation		
Adjusted for:		
Depreciation and amortization	41,045	14,136
Movement on provision for doubtful debts	4,921	2,553
Non-cash Government contributions	(15,182)	23,613
Finance income	(9,432)	(13,439)
Finance cost	3,633	3,572
	(58,677)	(71,233)
Working capital changes	(9,364)	23,508
Decrease/(increase) in trade and other receivables	(10,176)	33,497
(Decrease)/increase in trade and other payables	812	(9,989)
Cash (utilized) by operations	(68,040)	(47,725)

17.2 Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:

Short-term investments	259,836	260,570
Bank balances and cash	8,544	5,292
Total cash and cash equivalents	268,380	265,862

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. The directors of the Authority consider that the carrying amount of cash and cash equivalents approximate fair values.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

18 Leases	<u>2022</u> N\$ 000	<u>2021</u> N\$ 000
Lease Liability	27,566	30,300
Short term portion	3,989	4,879
Long term portion	23,577	25,421

	<u>Sites and Tower rentals</u>	<u>Telecommu- nication liners rentals and charges</u>	<u>Total</u>
Balance as at 1 April 2020	16,986	17,768	34,754
Finance cost	1,769	1,803	3,572
Lease payments	(3,901)	(3,971)	(7,872)
Lease measurement	(154)	-	(154)
Balance as at 31 March 2021	14,700	15,600	30,300
Finance cost	2,010	1,623	3,633
Lease payments	(3,821)	(2,988)	(6,810)
Lease measurement	150	109	260
Adjustment	183	-	183
Balance as at 31 March 2022	13,222	14,344	27,566

Maturity analysis of lease liabilities

	Due within 1 year N\$ 000	Due between 1 and 5 years N\$ 000	Beyond 5 years N\$ 000	Total N\$ 000
2021				
Minimum lease payments	7,970	33,381	5,082	46,433
Less future finance charges	(3,091)	(11,319)	(1,723)	(16,133)
Balance as at 31 March 2021	4,879	22,062	3,359	30,300
2022				
Minimum lease payments	6,758	25,229	-	31,987
Less future finance charges	(2,769)	(1,652)	-	(4,421)
Balance as at 31 March 2022	3,989	23,577	-	27,566

19 Financial instruments and risk management	<u>2022</u> N\$ 000	<u>2021</u> N\$ 000
--	------------------------	------------------------

19.1 Categories of financial instrumentsFinancial assets at amortized cost

Current assets	286,919	274,225
Trade and other receivables	18,539	8,363
Short-term investments	259,836	260,570
Bank balance and cash	8,544	5,292

Financial liabilities at amortized cost

Current liabilities	7,839	8,651
Trade and other payables	7,839	8,651

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.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

19.2 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>2022</u>	<u>2021</u>
	N\$ 000	N\$ 000
Financial instruments - at amortized cost		
Trade and other receivables	18,539	8,363
Short-term investments	259,836	260,570
Bank balances and cash	8,544	5,292
Total	<u>286,919</u>	<u>274,225</u>

19.3 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.

19.4 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\$259,836,000 (2021: N\$260 569 806) 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.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

19.5 Foreign currency risk management	2022 N\$ 000	2021 N\$ 000
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:		
Currency		
Trade creditors		
United States Dollar (USD)	(310)	(312)
Canadian Dollar (CAD)	(455)	(438)
	<u> </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.		
Impact - 10% fluctuation		
United States Dollar (USD)	31	31
Canadian Dollar (CAD)	45	43
	<u> </u>	<u> </u>

19.6 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.

	1 – 3 months	3 months – 1 year	1 – 5 years	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
2021				
Financial assets				
Trade and other receivables - net	5,269	1,825	1,269	8,363
Short-term investments	260,570	-	-	260,570
Cash and cash equivalents	5,292	-	-	5,292
	<u>271,131</u>	<u>1,825</u>	<u>1,269</u>	<u>274,225</u>
Financial liabilities				
Trade and other payables	8,651	-	-	8,651
	<u>8,651</u>	<u>-</u>	<u>-</u>	<u>8,651</u>

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(Established under Section 8 of the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

19.6 Maturity profiles of financial instruments (continued)

	1 – 3 months	3 months – 1 year	1 – 5 years	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
2022				
Financial assets				
Trade and other receivables - net	2,967	2,614	12,958	18,539
Short-term investments	259,836	-	-	259,836
Cash and cash equivalents	8,544	-	-	8,544
	271,347	2,614	12,958	286,919
Financial liabilities				
Trade and other payables	7,839	-	-	7,839
	7,839	-	-	7,839

19.7 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.

20 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.

	2022	2021
	N\$ 000	N\$ 000
<u>Government of Namibia - as Shareholder</u>		
Expenses paid by Government on behalf of NCAA	-	-
Expenses paid by NCAA on behalf of Government	(16,853)	-
Payroll costs	-	(906)
Other expenses	(707)	(22,707)
Government equity assets transferred during the year	-	292,454
Government equity contributions at year end	856,849	730,280
Contribution in the form of: Cash-retained earnings	68,686	74,736

Entities transacting with the Authority who are under the influence of the Ministry of Works and Transport:

Air Namibia (Pty) Ltd		
- Fees and Charges	-	9,779
- Expenses	-	(33)
- Finance charge/penalties	-	(6,903)
- Reversal of impairment trade receivables	-	2,501
- Trade receivables	83,061	83,051
- Provision for doubtful debts	(83,061)	(83,051)
Namibia Airports Company		
- Trade receivables	10	-
- Fees and Charges	-	78
- Expenses	(13)	(16)

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

20 Related parties (continued)	2022 N\$ 000	2021 N\$ 000
<u>Board member emoluments</u>		
Directors fees	<u>(1,053)</u>	<u>(2,346)</u>
<u>Key management personnel emoluments</u>		
Salaries	(4,905)	(4,031)
Benefits / allowances	(630)	(2,602)
	<u>(5,537)</u>	<u>(6,633)</u>

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 2022 or later periods but which the Authority has not early adopted, as follows:

New / Revised International Financial Reporting Standards		Effective date
IFRS 3	Updating a reference to the Conceptual Framework	Annual periods beginning on or after 1 January 2022
IAS 16	Amendments regarding proceeds before intended use	Annual periods on or after 1 January 2022
IAS 37	Amendments regarding onerous contracts	Annual periods on or after 1 January 2023
IFRS 17	Insurance contracts	Annual periods beginning on or after 1 January 2023
IAS 8	Amendments on disclosure of accounting policies	Annual periods on or after 1 January 2023
IAS 1	Amendments on classification of liabilities	Annual periods on or after 1 January 2023
IAS 37	Annual improvements cycle	Annual periods on or after 1 January 2022

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 annual financial statements presentation.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

22 Going concern

The Authority incurred a net loss of N\$83,661,000 (2021: N\$101,668,000) for the year ended 31 March 2022 and utilized cash from operating activities amounting to N\$68,040,000 (2021: N\$47,725,000). During the last financial year, the aviation industry experienced a material decline in operating activity, due to the declaration of a global pandemic COVID 19 in early 2020. This had resulted in lockdown of borders and travel restrictions implemented in various countries across the globe. During the current financial year, Revenue has picked up and some airlines have resumed flights to Namibia.

It has been forecasted that the conditions will remain and the return to normality or pre Covid-19 time is only expected in 2024.

As a regulator of the industry and a service provider of the air navigation services in Namibia, the NCAA major revenue streams from the airlines are passenger safety charge, enroute charge, terminal charge, and aerodrome charge.

The Authority's is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable the entity to assess these risks and implement appropriate mitigation measures to respond to the challenge posed by the Covid-19 and the liquidation of one major customer (Air Namibia) which resulted into loss of revenue. This has resulted in receivable amounting to N\$ 83,061,000 being claimed through the liquidation legal process.

Given the above, the annual financial statements have been prepared based on 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.

23 Subsequent events

The Authority considers known events and expected eventualities identified as at 31 March 2022 as adjusting events. However, any new information/change in circumstance will be considered as non-adjusting events which will be disclosed if material.

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 2022, should be considered adjusting events. New events and circumstances which occur after 31 March 2022 related to Covid-19 is disclosed if material.

The Authority is satisfied that the appropriate considerations have been considered with regards to the impact of Covid-19 to the annual financial statements for the year ended 31 March 2022 with regards to subsequent events.

There were no significant events or circumstances between the date of the annual financial statements and the date of this report that would require disclosure or amendment in the annual financial statements.

24 Restatement of Government transferred assets due to Valuation

During the current year, management restated the value of 2021 Government transferred assets due to the valuation that took place. Management believes that the restatement results in the financial statements providing reliable and more relevant information about the value of the Government transferred taking into account the current market value, appropriateness of useful lives and residual values of these assets.

The restatement of Government transferred assets results in the following adjustments:

	<u>2022</u> N\$ 000	<u>2021</u> N\$ 000
Statement of Financial position		
Property, plant and equipment	-	(21,150)
Statement of changes in Equity		
Accumulated loss	-	(21,150)
Statement of profit or loss and other comprehensive income.		
Depreciation	-	2,100
Impairment loss	-	(23,250)

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**DIVISIONAL INCOME STATEMENT****ADDITIONAL INFORMATION PRESENTED NOT FORMING PART OF THE AUDITED ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

	REGULATORY		AIR NAVIGATION	
	2022	2021	2022	2021
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Revenue	23,311	10,764	78,789	34,094
Audit fees				
- Current year	(411)	(209)	(411)	(209)
- Prior year	-	(11)	-	(12)
Bad debts	(3,976)	(1,649)	(944)	(1,529)
Board expenses	(74)	(29)	(73)	(17)
Commission paid	(386)	(464)	(1,374)	(1,497)
Consulting fees				
- ICAO project	(1,104)	(5,771)	-	-
- Other	(1,707)	(1,662)	-	(15)
Depreciation and amortization	(3,806)	(1,734)	(37,239)	(12,401)
Directors fees	(526)	(434)	(526)	(434)
Employment costs	(55,971)	(59,510)	(52,873)	(41,430)
Inter-divisional management and other fees	13,057	13,733	(13,057)	(13,733)
Insurance	(502)	(58)	(3,739)	(3,334)
Legal fees	(855)	(1,389)	-	-
Membership fees	(784)	(728)	-	-
Operating lease charges:				
- Properties	-	-	(53)	(52)
- Telecommunication service costs	(1,153)	(914)	(4,001)	(1,527)
Motor vehicle expenses	(1,057)	(2,587)	(384)	(2,587)
Repairs & Maintenance	(248)	(30)	(678)	(732)
Travel & Accommodation	(1,777)	(991)	(1,237)	(503)
Other expenses	(8,631)	(8,234)	(5,373)	(3,756)
Total operating costs	(69,912)	(72,671)	(121,962)	(83,768)
Operating loss	(46,601)	(61,907)	(43,173)	(49,674)
Finance income	1,727	2,159	7,705	11,280
Other (expense)/ income	311	47	2	-
Finance cost	-	-	(3,633)	(3,572)
Net result	(44,562)	(59,701)	(39,099)	(41,966)

AIR NAVIGATION SERVICES “ANS”
(A division of the
Namibia Civil Aviation Authority)

ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2022

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AIR NAVIGATION SERVICES

(Established as a division of the Namibia Civil Aviation Authority under the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors of the Authority and ANS division are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The ANS annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Civil Aviation Act of 2016 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgement and estimates.

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 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 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.

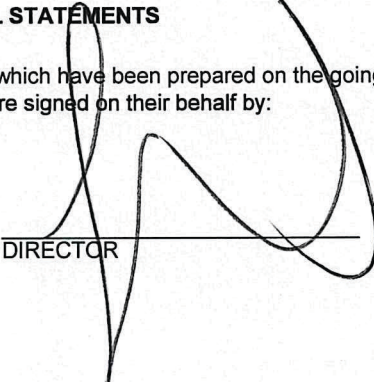
The directors have reviewed the ANS cash flow forecast for the year to 31 March 2023 and, in light of this review and the current financial position, they are satisfied that the ANS has access to adequate resources including the N\$318million overflight monies anticipated to be returned by GRN to continue 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 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 3 to 5.

DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 6 to 30, which have been prepared on the going concern basis, were approved by the board of directors on ~~29/08~~ 2022 and are signed on their behalf by:


CHAIRMAN


DIRECTOR



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Namibia

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Air Navigation Services

Opinion

We have audited the annual financial statements of Air Navigation Services set out on pages 9 to 30, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Air Navigation Services as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Civil Aviation Act of 2016.

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 are independent of the Authority in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report. Other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Civil Aviation Act of 2016 of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.



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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO

**BDO (Namibia)
Registered Accountants and Auditors
Chartered Accountants (Namibia)**

**Per: A Musarurwa
Partner**

**Windhoek
02 September 2022**

AIR NAVIGATION SERVICES

(Established as a division of the Namibia Civil Aviation Authority under the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**REPORT OF THE DIRECTORS**

for the year ended 31 March 2022

The directors have pleasure in presenting their report on the activities of ANS for the year ended 31 March 2022.

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. 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.

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.

PROPERTY, PLANT AND EQUIPMENT

Assets worth N\$289,211,340 had been statutorily transferred from the Ministry of Works and Transport as per the Gazette No. 7446 dated 1 February 2021 to the Authority and the ANS division under Section 23 of the Civil Aviation Act, 2016 during the last financial year. Transferred assets had been recorded at statutory value as verified by the Authority and the ANS division however a valuation of these assets was performed during the current year in terms of the current market value, appropriateness of useful lives and residual values of these assets in accordance with the applicable financial reporting standards of the NCAA. Prior year figures were restated in the current year March 2022.

The depreciation expense for property, plant and equipment is detailed within the Statement of Comprehensive Income in Note 7. There are no title restrictions for any of the Authority's property, plant and equipment, nor are any of these assets pledged as security.

SIGNIFICANT LEASE ARRANGEMENTS**Sites and Tower rentals**

The ANS division since establishment has been renting tower & sites for it is communication, navigation, and surveillance (CNS) purposes and have entered into contractual agreement with its suppliers. An amount of N\$3,821,000 (2021: N\$3,901,000) has been spent on sites & tower rentals during the period. The impact of IFRS 16 on sites and tower rentals was assessed and incorporated in the annual financial statements. The right-of use assets as well as the lease liability were recognised and disclosed on Notes 11 and 18 to the annual financial statements.

SIGNIFICANT LEASE ARRANGEMENTS (CONTINUED)**Telecommunication lines rentals and charges**

Over the financial year, the ANS division paid N\$2,988,000 (2021: N\$3,971,000) service charge incurred in the use of landlines and data lines for its communication, navigation, and surveillance purposes. The Authority's including the ANS division IFRS 16 assessment concluded that some of these arrangements are leases and incorporated in the annual financial statements. The right-of use assets as well as the lease liability were recognised as disclosed on Notes 11 and 18 to the annual financial statements.

TAXATION

The provisions of the Civil Aviation Act of 2016 do not specify if the Authority and the ANS division 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 and 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 annual 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 (2021: N\$nil).

DIRECTORS

The following persons act as directors of the Authority, including Air Navigation Services, during the year and to the date of this report:

Name	Date of appointment	Date of resignation
Bethuel T Mujetenga (Chairperson)	04 November 2020	
Kadiva Hamutumwa (Deputy Chairperson)	04 November 2020	
Melkizedek Uupindi (Director)	04 November 2020	
Josephine Amukwa (Director)	04 November 2020	
Fernando Somaeb (Director)	04 November 2020	
Martha Hitenyane (Director)	04 November 2020	
G D Elliott (Acting Interim Executive Director)	01 December 2020	31 August 2021
Ericksson M. Nengola (Acting Interim Executive Director)	01 September 2021	

COMPANY SECRETARY

Name	Date of appointment	Date of resignation
Nerago Ndoroma (Acting Corporate Secretary)	01 January 2021	

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

GOING CONCERN

The Air Navigation Services incurred a net loss of N\$39,088,000 (2021: N\$41,966,000) for the year ended 31 March 2022 and cash generated from operating activities amounting to N\$19,033,000 (2021: N\$8,830,000). During the last financial year, the aviation industry experienced a material decline in operating activity, due to the declaration of a global pandemic COVID 19 in early 2020. This had resulted in lockdown of borders and travel restrictions implemented in various countries across the globe. During the current financial year, Revenue has picked up and some airlines have resumed flights to Namibia.

It has been forecasted that the conditions will remain and the return to normality or pre Covid-19 time is only expected in 2024.

As a service provider of the air navigation services in Namibia, the NCAA major revenue streams from the airlines are enroute charge, terminal charge, and aerodrome charge.

ANS is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable the entity to assess these risks and implement appropriate mitigation measures to respond to the challenge posed by the Covid-19 and the liquidation of one major customer (Air Namibia) which resulted into loss of revenue. This has resulted in receivable amounting to N\$ 69,186,000 being claimed through the liquidation legal process.

Given the above, the annual financial statements have been prepared based on 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.

SUBSEQUENT EVENTS

Air Navigation Services considers known events and expected eventualities identified as at 31 March 2022 as adjusting events. However, any new information/ change in circumstance will be considered as non-adjusting events which will be disclosed if material.

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 2022, should be considered adjusting events. New events and circumstances which occur after 31 March 2022 related to Covid-19 is disclosed if material.

Air Navigation Services is satisfied that the appropriate considerations have been considered with regards to the impact of Covid-19 to the annual financial statements for the year ended 31 March 2022 with regards to subsequent events.

There were no significant events or circumstances between the date of the annual financial statements and the date of this report that would require disclosure or amendment in the annual financial statements.

AIR NAVIGATION SERVICES

(Established as a division of the Namibia Civil Aviation Authority under the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**STATEMENT OF FINANCIAL POSITION**

as at 31 March 2022

	<u>Notes</u>	<u>2022</u> <u>N\$ 000</u>	<u>Restated</u> <u>2021</u> <u>N\$ 000</u>
ASSETS			
Non-current assets		244,881	282,272
Property, plant and equipment	11	244,881	282,272
Current assets		278,769	252,942
Trade and other receivables	12	17,518	12,226
Short-term Investments	14, 17.2	257,926	237,056
Cash and cash equivalents	17.2	3,325	3,660
Total assets		523,650	535,214
Capital and reserves		449,350	488,438
Government contributions	15	463,093	463,093
Retained income /(loss)		(13,743)	25,345
Non-current liabilities		23,577	25,421
Lease liability	18	23,577	25,421
Current liabilities		50,723	21,355
Trade and other payables	16	8,435	8,875
Loan account		38,299	7,601
Lease liability	18	3,989	4,879
Total equity and liabilities		523,650	535,214

AIR NAVIGATION SERVICES

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the year ended 31 March 2022

	Notes	2022 N\$ 000	Restated 2021 N\$ 000
Revenue	5	78,789	34,094
Operating costs	7	(121,962)	(83,768)
Operating (loss)		(43,173)	(49,674)
Finance income	8	7,717	11,280
Other Income		1	-
Finance costs	9	(3,633)	(3,572)
(Loss) before taxation		(39,088)	(41,966)
Taxation	10	-	-
(Loss) for the year before other comprehensive income		(39,088)	(41,966)
Other comprehensive income		-	-
Total comprehensive (loss) for the financial year		(39,088)	(41,966)

AIR NAVIGATION SERVICES

(Established as a division of the Namibia Civil Aviation Authority under the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 March 2022

	<u>Notes</u>	<u>Government contribution N\$ 000</u>	<u>Accumulated loss N\$ 000</u>	<u>Total N\$ 000</u>
Restated balance as at 1 April 2020		161,867	92,864	254,731
Previously disclosed		161,867	97,664	259,531
Correction of prior error		-	(4,800)	(4,800)
Government contributions	15	301,226	-	301,226
Total comprehensive loss for the financial year		-	(41,966)	(41,966)
Balance as at 31 March 2021		463,093	50,898	513,991
Adjustment-Depreciation GRN transfer	11	-	2,361	2,361
Adjustment fair value-GRN transfer	11	-	(27,915)	(27,915)
Restated - Balance as at 31 March 2021		463,093	25,345	488,438
Total comprehensive loss for the financial year		-	(39,088)	(39,088)
Balance as at 31 March 2022		463,093	(13,743)	449,350

AIR NAVIGATION SERVICES

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**STATEMENT OF CASH FLOWS**

for the year ended 31 March 2022

	<u>Notes</u>	<u>2022</u> <u>N\$ 000</u>	<u>2021</u> <u>N\$ 000</u>
Cash flow from operating activities		19,033	8,830
Cash receipt from customers		78,789	47,457
Cash paid to suppliers and employees		(59,756)	(38,627)
Cash generated by operations	17.1	19,033	8,830
Cash flow from investing activities		8,312	6,267
(Acquisition) / disposal of property, plant and equipment	11	595	(7)
Interest received	8	7,717	6,274
Cash flow from Financing activities		(6,810)	(7,872)
Lease payments	18	(6,810)	(7,872)
Net cash flow		20,535	7,225
Cash and cash equivalents at beginning of year		240,716	233,491
Cash and cash equivalents at end of year	17.2	261,251	240,716

AIR NAVIGATION SERVICES

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

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 annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The annual 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 Air Navigation Services 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 Air Navigation Services 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.

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 as at 31 March 2022. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Note 22.

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.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year.

3 Significant accounting policies**3.1 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.

Air Navigation Services has rights and obligations between itself and its customers. The services provided by 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 a point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The accounting policies for Air Navigation Services revenue from contracts with customers are further explained in note 5.

Revenue is recognised on interest when it is earned. Other revenue is recognised on the accrual basis at fair value.

AIR NAVIGATION SERVICES

(Established as a division of the Namibia Civil Aviation Authority under the Civil Aviation Act, 2016)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

3 Significant accounting policies (continued)**3.2 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.

3.3 Provisions

Provisions represent liabilities of uncertain timing or amount. Provisions are recognized when Air Navigation Services 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.

3.4 Leasing

Air Navigation Services leases sites and towers for air navigation equipment usage. Air Navigation Services assesses whether a contract is or contains a lease, at inception of the contract. Air Navigation Services 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, Air Navigation Services 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, Air Navigation Services 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.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

3 Significant accounting policies (continued)**3.4 Leasing**

Air Navigation Services 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. Air Navigation Services 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 Air Navigation Services 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 Air Navigation Services 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. Air Navigation Services 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.

3.5 Taxation

The provisions of the Civil Aviation Act of 2016 do not specify if the Authority and the ANS division 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 and 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 annual financial statements.

3.6 Property, plant and equipment

Property, plant and equipment are accounted for at cost to Air Navigation Services 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

Buildings/Towers	2-4%
Furniture and fittings	10%
Office machines and equipment	12%
Computer equipment	33,3%
Motor vehicles	20%
Right of use asset	10%
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%

AIR NAVIGATION SERVICES

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

3 Significant accounting policies (continued)**3.6 Property, plant and equipment**

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 Air Navigation Services, 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.

Assets transferred or donated are recognized at approximate current fair value. The remaining useful life determined with the assistance of experts where available.

3.7 Impairment of non-financial assets

At each reporting date, the directors of the Authority and Air Navigation Services 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.

3.8 Government contributions and grants

Contributions from government for the establishment of the Authority and Air Navigation Services are recorded as equity contributions.

Government grants are not recognized until there is reasonable assurance that the Authority and Air Navigation Services 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 and Air Navigation Services 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. Government grants that are receivable as shareholder's budgetary support given without conditions, or repayment obligations but are for the purpose of giving immediate financial support to the Authority and Air Navigation Services with no future related costs are recognized in equity in the period in which the grant becomes receivable.

3.9 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, Air Navigation Services enters into forward contracts and options (see below for details of Air Navigation Services accounting policies in respect of such derivative financial instruments).

AIR NAVIGATION SERVICES

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

3 Significant accounting policies (continued)**3.10 Financial instruments**

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

Broadly, the classification possibilities, which are adopted by Air Navigation Services, 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 Air Navigation Services based on their specific classifications. The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by Air Navigation Services are presented below:

Air Navigation Services 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

<u>Classification</u>	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 Air Navigation Services business model is to collect the contractual cash flows on trade and other receivables.
<u>Recognition and measurement</u>	Trade and other receivables are recognised when Air Navigation Services 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.
<u>Impairment</u>	Air Navigation Services 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. Air Navigation Services 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.

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3 Significant accounting policies (continued)**3.10 Financial instruments (continued)**Trade and other payables

<u>Classification</u>	Trade and other payables and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.
<u>Recognition and measurement</u>	Trade and other payables are recognised when Air Navigation Services 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.

Financial assets

<u>Derecognition</u>	Air Navigation Services 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 Air Navigation Services 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 Air Navigation Services 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.
<u>Reclassification</u>	Air Navigation Services 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

<u>Derecognition</u>	Air Navigation Services derecognises financial liabilities when, and only when, Air Navigation Services 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.
<u>Reclassification</u>	Financial liabilities are not reclassified.

3.11 Income from investments

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

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4 Critical accounting estimates and judgements

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 Air Navigation Services 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:

4.1 Impairment of non-financial 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.

4.2 Useful lives and residual values of property, plant and equipment and intangible assets

Air Navigation Services 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.

Estimated useful lives for all assets transferred to the NCAA and Air Navigation Services by the Government on 1 February 2021 have been adjusted to midlife to reflect the past years in use since the inception of the Authority and Air Navigation Services prior to the transfer date. Air Navigation Services expects zero residual values to the equipment's transferred given the nature of the industry and specialized equipment's. Vehicles transferred are expected to have a residual value of 10% at the end of their useful life.

4.3 Loans and receivables

Air Navigation Services 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, Air Navigation Services 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.

4.4 IFRS 16 assessment of leases assets

Air Navigation Services determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend or terminate the lease. In making this judgement, Air Navigation Services evaluates whether it is reasonably certain to exercise the option to renew or break the lease term.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal and the circumstances and facts for each lease including past experience to determine the likely lease term and whether the break option is likely to be exercised. This includes an assessment on the length of time remaining before the option is exercisable, current trading conditions and future trading forecasts on the strategic plan of Air Navigation Services.

After the lease commencement date, Air Navigation Services reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (for example, a change in business strategy).

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	<u>2022</u> N\$ 000	<u>2021</u> N\$ 000
5 Revenue		
The following table provides an analysis of the disaggregated disclosure of major service lines and timing of recognition:		
Air Navigation Services (transferred at a point in time)	78,789	34,095
En-route Navigation Charges	57,212	22,588
Terminal Charges	11,802	6,194
Aerodrome Charges	9,402	5,313
Sundry Charges	373	-
Total Revenue	<u>78,789</u>	<u>34,095</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 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 Air Navigation Services are published by Government Gazette periodically and form the basis of amounts invoiced to customers, based on the services provided.

Air Navigation Services 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.

Air Navigation Services 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.

6 Number of employees

The number of employees employed (including Executive Members) by Air Navigation Services as at the end of the period was as

	<u>2022</u>	<u>2021</u>
Seconded staff - Government	-	1
Fixed term contracts	1	2
Permanent employees	93	60
Total	<u>94</u>	<u>63</u>

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7 Operating costs	2022	2021
	N\$ 000	N\$ 000
Operating costs comprise:		
Audit fees		
- Current year	(411)	(209)
- Prior year	-	(12)
Bad debts	(944)	(1,529)
Board expenses	(73)	(17)
Commission paid	(1,374)	(1,497)
Consulting fees		
- Other	-	(15)
Depreciation and amortization	(37,239)	(12,401)
Directors fees	(526)	(434)
Employment costs	(52,873)	(41,430)
Inter- departmental management and other fees	(13,057)	(13,733)
Insurance	(3,739)	(3,334)
Operating lease charges:		
- Properties	(53)	(52)
- Telecommunication service costs	(4,001)	(1,527)
Motor vehicle expenses	(384)	(2,587)
Repairs & Maintenance	(678)	(732)
Travel & Accommodation	(1,237)	(503)
Other expenses	(5,373)	(3,756)
	(121,962)	(83,768)
8 Finance income		
Financial instruments measured at amortised cost:		
- Trade debtors	-	5,006
- Bank interest	7,717	6,274
	7,717	11,280
9 Finance cost		
Financial instruments measured at amortised cost:		
- Leases	(3,633)	(3,572)
10 Taxation		

Air Navigation Services did not earn any taxable income during the financial year nor prior financial reporting year. It is Management's assessment that Air Navigation Services 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.

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11 Property, plant and equipment

	Right of Use Asset N\$ 000	Network & Computer Equipment N\$ 000	Furniture, fixtures and fittings N\$ 000	Total N\$ 000
Cost				
Balance as at 1 April 2020	34,548	1,236	46	35,830
Additions GRN transfer during the year	-	278,712	10,498	289,210
Additions during the year	-		7	7
Other adjustments – Lease re-measurement	(154)			(154)
Balance as at 31 March 2021	34,394	279,948	10,551	324,893
Adjustment fair value-GRN transfer Restated - Balance as at 31 March 2021	-	(20,115)	(7,800)	(27,915)
	34,394	259,833	2,751	296,978
Additions or disposal during the year	-	-	(595)	(595)
Other adjustments – Lease re-measurement	443	-	-	443
Balance as at 31 March 2022	34,837	259,832	2,156	296,826
Accumulated depreciation				
Balance as at 1 April 2020	(4,594)	(70)	(3)	(4,667)
Depreciation charge for the year	(4,594)	(7,456)	(351)	(12,401)
Balance as at 31 March 2021	(9,188)	(7,526)	(354)	(17,068)
Adjustment-Depreciation GRN transfer	-	2,085	276	2,361
Restated-Balance as at 31 March 2021	(9,188)	(5,441)	(78)	(14,707)
Depreciation charge for the year	(4,594)	(32,206)	(438)	(37,239)
Balance as at 31 March 2022	(13,782)	(37,647)	(516)	(51,944)
Book value				
Restated-Balance as at 31 March 2021	25,206	254,392	2,673	282,272
Balance as at 31 March 2022	21,055	222,185	1,640	244,881

Immovable assets currently in use such as ANS building , Control towers, Navigation and communication mast, VHF Equipment building and others 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.

Movable assets worth N\$300,468,294 had been statutorily transferred from the Ministry of Works and Transport as per the Gazette No. 7446 dated 1 February 2021 to Air Navigation Services and under Section 23 of the Civil Aviation Act, 2016 during the last financial year. Transferred assets had been recorded at statutory value of N\$292,453,555 as verified by the Air Navigation Services however a valuation of these assets was performed during the current year in terms of the current market value, appropriateness of useful lives and residual values of these assets in accordance with the applicable financial reporting standards of the NCAA. Prior year figures were restated in the current year March 2022.

The depreciation expense for property, plant and equipment is detailed within the Statement of Comprehensive Income in Note 7. There are no title restrictions for any of Air Navigation Services property, plant and equipment, nor are any of these assets pledged as security.

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12 Trade and other receivables	2022	2021
	N\$ 000	N\$ 000
<u>Financial Instruments</u>		
Trade receivables	96,257	76,864
Provision for doubtful debts	(79,790)	(70,156)
	<u>16,467</u>	<u>6,708</u>
<u>Non-Financial Instruments</u>		
Prepayments - ICAO project	-	-
Prepayments - other	1,051	5,518
Balance at end of year	<u>17,518</u>	<u>12,226</u>

Movement in provision for doubtful debts

	Collectively assessed	Individually assessed	Total
	N\$ 000	N\$ 000	N\$ 000
Balance as at 1 April 2020	(4,652)	(64,352)	(69,004)
Transfer from credit impaired	3,784	-	3,784
Transfer to credit impaired	(3,933)	(1,003)	(4,936)
Balance as at 31 March 2021	(4,801)	(65,355)	(70,156)
Transfer from credit impaired	4,801	-	4,801
Transfer to credit impaired	(5,716)	(8,719)	(14,435)
Balance as at 31 March 2022	<u>(5,716)</u>	<u>(74,074)</u>	<u>(79,790)</u>

Air Navigation Services 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. Air Navigation Services 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 24 months, as well as the adverse economic impact of the global pandemic on customers, being a significant increase in credit risk to Air Navigation Services. 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 2022 was determined as follows for trade receivables:

Trade debtors - days past due

	<30	31 - 60	61 - 90	>90	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000	N\$ 000
31 March 2021					
Trade debtors	4,708	4,575	1,977	65,604	76,864
Expected credit loss	39%	65%	79%	97%	91%
Estimated impairment carrying value	<u>(1,836)</u>	<u>(2,974)</u>	<u>(1,562)</u>	<u>(63,636)</u>	<u>(69,946)</u>
31 March 2022					
Trade debtors	18,133	2,549	939	74,635	96,257
Expected credit loss	26%	95%	91%	96%	83%
Estimated impairment carrying value	<u>(4,789)</u>	<u>(2,423)</u>	<u>(851)</u>	<u>(71,727)</u>	<u>(79,790)</u>

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12 Trade and other receivables (continued)	2022		2021	
	Credit not impaired	Credit impaired	Credit not impaired	Credit impaired
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance				
One customer's account with a gross carrying amount of N\$69,186,000 (2021: N\$60,489,973) has been liquidated and the process is currently underway.	-	(69,186)	-	(60,490)
Seven large 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.	1,659	(4,888)	123	(4,865)

The directors of Air Navigation Services consider that the carrying amount of trade receivables approximate fair values.

13 Short term investments	2022		2021	
	N\$ 000		N\$ 000	
Current assets		257,926		237,056
Funds on call	Note 17.2	64,215		237,056
Funds on fixed deposit	Note 17.2	193,711		-

The funds are on deposit with Standard Bank Namibia (credit rating BBB-), with no fixed terms and earn interest at 3.75% (2021: 2.25%) p.a, compounded monthly. No loss or expected credit losses have been recognised and the carrying amounts of deposits approximate their fair value.

14 Operational loan account

Inter-divisional operational account (payable)	(38,299)	(7,601)
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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. The directors of Air Navigation Services consider that the carrying amount of the loan approximate fair values.

15 Government contributions

Start-up Government contributions:

Balance as at 31 March 2021	463,093	161,867
Contributions in the form of:		
- Assets transferred to the Authority under Section 23 of the Civil Aviation Act, 2016	-	289,211
- Expenses paid by Government on behalf of NCAA	-	12,015
- Expenses paid by NCAA on behalf of Government	-	-
Balance as at 31 March 2022	463,093	463,093

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16 Trade and other payables	2022	2021
	N\$ 000	N\$ 000
<u>Financial Instruments</u>		
Trade payables	5,332	7,284
<u>Non-Financial Instruments</u>		
Other provisions	143	-
Payroll accruals	2,960	1,591
	8,435	8,875

The average credit period on purchases is 30 days. Air Navigation Services does not have any long-term liabilities. It currently has sufficient cash reserves to fund its capital and operating expenditure.

The Directors of Air Navigation Services consider that the carrying amount of trade payables approximates to their fair value.

17 Notes to the Statement of cashflows**17.1 Cash generated by operations**

(Loss) before taxation	(39,088)	(41,966)
Adjusted for:		
Depreciation and amortization	37,239	12,401
Movement on provision for doubtful debts	9,634	1,152
Non-cash Government contributions	(10,853)	12,015
Finance income	(7,717)	(11,280)
Finance cost	3,633	3,572
	(7,153)	(24,106)
Working capital changes	26,185	32,936
Decrease/(increase) in trade and other receivables	(9,759)	22,645
Movement in inter-divisional operational account	37,896	1,957
(Decrease)/increase in trade and other payables	(1,952)	8,334
Cash generated by operations	19,033	8,830

17.2 Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:

Short-term investments	257,926	237,056
Bank balances and cash	3,325	3,660
Total cash and cash equivalents	261,251	240,716

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. The directors of Air Navigation Services consider that the carrying amount of cash and cash equivalents approximate fair values.

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18 Leases

Lease Liability	27,566	30,300
Short term portion	3,989	4,879
Long term portion	23,577	25,421

	<u>Sites and Tower rentals</u>	<u>Telecommunica tion liners rentals and charges</u>	<u>Total</u>
Balance as at 1 April 2020	16,986	17,768	34,754
Finance cost	1,769	1,803	3,572
Lease payments	(3,901)	(3,971)	(7,872)
Lease measurement	(154)	-	(154)
Balance as at 31 March 2021	14,700	15,600	30,300
Finance cost	2,010	1,623	3,633
Lease payments	(3,821)	(2,988)	(6,810)
Lease measurement	150	109	260
Adjustment	183	-	183
Balance as at 31 March 2022	13,222	14,344	27,566

Maturity analysis of lease liabilities

	<u>Due within 1 year</u>	<u>Due between 1 and 5 years</u>	<u>Beyond 5 years</u>	<u>Total</u>
	<u>N\$ 000</u>	<u>N\$ 000</u>	<u>N\$ 000</u>	<u>N\$ 000</u>
2021				
Minimum lease payments	7,970	33,381	5,082	46,433
Less future finance charges	(3,091)	(11,319)	(1,723)	(16,133)
Balance as at 31 March 2021	4,879	22,062	3,359	30,300
2022				
Minimum lease payments	6,758	25,229	-	31,987
Less future finance charges	(2,769)	(1,652)	-	(4,421)
Balance as at 31 March 2022	3,989	23,577	-	27,566

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19 Financial instruments and risk management	2022	2021
	N\$ 000	N\$ 000
19.1 Categories of financial instruments		
<u>Financial assets at amortized cost</u>		
Current assets	277,718	247,424
Trade and other receivables	16,467	6,708
Short-term investments	257,926	237,056
Bank balance and cash	3,325	3,660
<u>Financial liabilities at amortized cost</u>		
Current liabilities	43,631	14,885
Loan payable	38,299	7,601
Trade and other payables	5,332	7,284

Capital risk management

Currently Air Navigation Services does not have debt except for normal trade payables. Deposits with banks are kept in a one-day-call to maximize return for stakeholders.

19.2 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.

Air Navigation Services 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 Air Navigation Services 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:

	2022	2021
	N\$ 000	N\$ 000
Financial instruments - at amortized cost		
Trade and other receivables	16,467	8,363
Short-term investments	257,926	260,570
Bank balances and cash	3,325	5,292
Total	277,718	274,225

19.3 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 will be able to settle its financial liabilities (payables and provisions) in the normal course of business.

Air Navigation Services risk to liquidity is a result of the funds available to cover future commitments. Air Navigation Services manages liquidity risk through an ongoing review of future commitments.

The maturity grouping of financial assets and liabilities are all within 1 year.

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19.4 Interest rate management

The highest possible rate is negotiated with the banks to earn good interest returns. Air Navigation Services 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. Air Navigation Services 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\$257,926,000 (2021: N\$260 570 000) are exposed to cash flow interest rate risk, however considering the short-term maturity of these deposits, these risks are minimized. Air Navigation Services is not exposed to fair value interest rate risk.

19.5 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	3 months – 1 year	1 – 5 years	Total
2021	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Financial assets				
Trade and other receivables - net	4,745	1,963	-	6,708
Short-term investments	237,056	-	-	237,056
Cash and cash equivalents	3,660	-	-	3,660
	245,461	1,963	-	247,424
Financial liabilities				
Loan payable	-	7,601	-	7,601
Trade and other payables	8,875	-	-	8,875
	8,875	7,601	-	16,476
	1 – 3 months	3 months – 1 year	1 – 5 years	Total
2022	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Financial assets				
Trade and other receivables - net	3,102	2,003	11,362	16,467
Short-term investments	257,926	-	-	257,926
Cash and cash equivalents	3,325	-	-	3,325
	264,353	2,003	11,362	277,718
Financial liabilities				
Loan payable	-	38,299	-	38,299
Trade and other payables	5,332	-	-	5,332
	5,332	38,299	-	43,631

19.6 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.

20 Related parties

Balances and transactions between Air Navigation Services 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.

AIR NAVIGATION SERVICES

(Established as a division of the Namibia Civil Aviation Authority under the Civil Aviation Act, 2016)

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for the year ended 31 March 2022

20 Related parties (continued)

	<u>2022</u>	<u>2021</u>
	N\$ 000	N\$ 000
<u>Government of Namibia - as Shareholder</u>		
Payroll costs	-	(906)
Other expenses	(660)	(11,108)
Government equity assets transferred during the year	-	278,712
Government equity contributions at year end	463,093	463,093
Expenses paid by Government on behalf of NCAA	-	-
Expenses paid by NCAA on behalf of Government	-	-
<u>Entities transacting with Air Navigation Services who are under the influence of the Ministry of Works and Transport:</u>		
Air Namibia (Pty) Ltd		
- Fees and Charges	-	7,620
- Finance charge/penalties	-	(5,006)
- Trade receivables	69,186	61,172
- Provision for doubtful debts	(69,186)	(61,172)
Namibia Airports Company		
- Trade receivables	10	-
- Expenses	(13)	(16)
<u>Board member emoluments</u>		
Directors fees	(526)	(1,025)
<u>Key management personnel emoluments</u>		
Salaries	(186)	(2,578)
Benefits / allowances	(16)	(1,465)
	(202)	(4,043)

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 Air Navigation Services accounting periods beginning on or after 1 April 2022 or later periods but which Air Navigation Services has not early adopted, as follows:

New / Revised International Financial Reporting Standards		Effective date
IFRS 3	Updating a reference to the Conceptual Framework	Annual periods beginning on or after 1 January 2022
IAS 16	Amendments regarding proceeds before intended use	Annual periods on or after 1 January 2022
IAS 37	Amendments regarding onerous contracts	Annual periods on or after 1 January 2023
IFRS 17	Insurance contracts	Annual periods beginning on or after 1 January 2023
IAS 8	Amendments on disclosure of accounting policies	Annual periods on or after 1 January 2023
IAS 1	Amendments on classification of liabilities	Annual periods on or after 1 January 2023
IAS 37	Annual improvements cycle	Annual periods on or after 1 January 2022

The directors are in the process of determining the impact of the adoption of these standards and interpretations, they do not however, anticipate the above to have a material effect on Air Navigation Services annual financial statements presentation.

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22 Going concern

Air Navigation Services incurred a net loss of N\$39,088,000 (2021: N\$41,966,000) for the year ended 31 March 2022 and cash generated from operating activities amounting to N\$19,033,000 (2021: N\$8,830,000). During the last financial year, the aviation industry experienced a material decline in operating activity, due to the declaration of a global pandemic COVID 19 in early 2020. This had resulted in lockdown of borders and travel restrictions implemented in various countries across the globe. During the current financial year, Revenue has picked up and some airlines have resumed flights to Namibia.

It has been forecasted that the conditions will remain and the return to normality or pre Covid-19 time is only expected in 2024.

As a service provider of the air navigation services in Namibia, Air Navigation Services major revenue streams from the airlines are enroute charge, terminal charge, and aerodrome charge.

Air Navigation Services is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable the entity to assess these risks and implement appropriate mitigation measures to respond to the challenge posed by the Covid-19 and the liquidation of one major customer (Air Namibia) which resulted into loss of revenue. This has resulted in receivable amounting to N\$ 69,186,000 being claimed through the liquidation legal process.

Given the above, the annual financial statements have been prepared based on 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.

23 Subsequent events

Air Navigation Services considers known events and expected eventualities identified as at 31 March 2022 as adjusting events. However, any new information/change in circumstance will be considered as non-adjusting events which will be disclosed if material.

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 2022, should be considered adjusting events. New events and circumstances which occur after 31 March 2022 related to Covid-19 is disclosed if material.

Air Navigation Services is satisfied that the appropriate considerations have been considered with regards to the impact of Covid-19 to the annual financial statements for the year ended 31 March 2022 with regards to subsequent events.

There were no significant events or circumstances between the date of the annual financial statements and the date of this report that would require disclosure or amendment in the annual financial statements.

24 Restatement of Government transferred assets due to Valuation

During the current year, management restated the value of 2021 Government transferred assets due to the valuation that took place. Management believes that the restatement results in the financial statements providing reliable and more relevant information about the value of the Government transferred taking into account the current market value, appropriateness of useful lives and residual values of these assets.

The restatement of Government transferred assets results in the following adjustments:

	<u>2022</u> N\$ 000	<u>2021</u> N\$ 000
Statement of Financial position		
Property, plant and equipment	-	(25,554)
Statement of changes in Equity		
Accumulated loss	-	(25,554)
Statement of profit or loss and other comprehensive income.		
Depreciation	-	2,361
Impairment loss	-	(27,915)

LIST OF ACRONYMS AND DEFINITIONS

<IR>	International Integrated Reporting
A-CAD	Africa Central Aeronautical Database
AFCAC	African Civil Aviation Commission
AGA	Aerodromes and Ground Aids
AIM	Aeronautical Information Management
AIO	Aeronautical Information Officers
AIS	Aeronautical Information Services
AMO	Aircraft Maintenance Organisation
ANS	Air Navigation Services
ANSP	Air Navigation Service Provider
ANSSO	Air Navigation Services Safety Oversight
ARCC	Aeronautical Rescue Coordination Centre
ARO	Aviation Recreational Organisation
ATCC	Air Traffic Control Centre
ATEL	Aeronautical Telecommunications
ATO	Aviation Training Organisation
ATS	Air Traffic Services
ATSEP	Air Traffic Safety Electronics Personnel
AVSEC	Aviation Security
Board	Board of Directors of the Authority established in terms of Section 12 of the Act
CART	Council Aviation Recovery Task Force Chicago Convention on International Civil Aviation, 1944
CMA	Continuous Monitoring Approach
CNS	Communication, Navigation and Surveillance
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CRAN	Communications Regulatory Authority of Namibia
DOA	Design Organisations
FIC	Flight Information Centre
FIR	Flight Information Region
FOP	Foreign Operator's Permit
GASeP	Global Aviation Security Plan
HPP2	Harambee Prosperity Plan II
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
iSASO	Interim SADC Aviation Safety Organization

iSTARS	Safety Trend Analysis and Reporting System
JBARCC	Johannesburg Aeronautical Rescue Coordination Centre
MWT	Ministry of Works and Transport
NAMCAR	Namibia Civil Aviation Regulation
NAMCATS	Namibia Civil Aviation Technical Standards
NAirC	National Airspace Committee
NCAA	Namibia Civil Aviation Authority
NOTAM	Notice to Airmen
PBN	Performance-based Navigation
PEL	Personnel Licensing
QMS	Quality Management Systems
RCC	Rescue Coordination Centre
RPAS	Remote Pilot Aircraft System
SARP	Standards and Recommended Practice
SASO	SADC Aviation Safety Organisation
SDCPS	Safety Data Collection and Processing System
SLA	Service Level Agreement
SMS	Safety Management Systems
SSI	Station Standing Instruction
SSP	State Safety Programme
STAR	Standard Instrument Arrival
TGM	Technical Guidance Material
The Act	The Civil Aviation Act, (Act 6 of 2016)
USAP	Universal Security Audit Programme
USOAP	Universal Safety Oversight Approach Programme
VFR	Visual Flight Rules

NCAA 2021/2022
Integrated Annual Report Coordinators



Elizabeth Matheus
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