



NCAA Integrated Annual Report 2023/2024



*"Together we have Accomplished Service Excellence in Safety
& Security Oversight and Air Navigation Services Provision"*



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LIST OF ACRONYMS AND DEFINITIONS

AASA	Airline Association of Southern Africa
A-CAD	Africa Central Aeronautical Database
ACI	Airports Council International
AFCAC	African Civil Aviation Commission
AFI-CIS	Africa and Indian Ocean Cooperative Inspectorate Scheme
AFTN	Aeronautical Fixed Telecommunication Network
AGA	Aerodromes and Ground Aids
AIM	Aeronautical Information Management
AIO	Aeronautical Information Officers
AMHS	Aeronautical Message Handling System
AMOs	Aircraft Maintenance Organisations
ANS	Air Navigation Services
ANSP	Air Navigation Service Provider
ANSSO	Air Navigation Services Safety Oversight
APAD	African Programme on Aviation Data
APIS	Advance Passenger Information System
ARO	Aviation Recreational Organisation
ATEL	Aeronautical Telecommunications
ATS	Air Traffic Services
ATOs	Aviation Training Organisations
AvDMP	Aviation Disaster Management Plan
AVSEC	Aviation Security
Board	Board of Directors of the Authority established in terms of Section 12 of the Act
CAAs	Civil Aviation Authorities
CAD	Central Aeronautical Database
CAPs	Corrective Action Plans
CART	Council Aviation Recovery Task Force
CARTAP	Civil Aviation Regulations Technical Advisory Panel
CMA	Continuous Monitoring Approach
CNS	Communication, Navigation and Surveillance
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CRAN	Communications Regulatory Authority of Namibia
CRR	Compliance and Regulatory Risk
EI	Effective Implementation
EMPIC	Electronic Licensing Issuance System
ESAF	Eastern and Southern Regional Office (ICAO)



FIR	Flight Information Region
FIS	Flight Information Service
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ISBP	Integrated Strategic Business Plan
MWT	Ministry of Works and Transport
NAC	Namibia Airports Company
NAirC	National Airspace Committee
NAMCARs	Namibia Civil Aviation Regulations
NAMCATS	Namibia Civil Aviation Technical Standards
NASP	National Aviation Safety Plan
NBC	National Broadcasting Corporation
NCAA	Namibia Civil Aviation Authority
NCASP	Namibia Civil Aviation Security Programme
PBN	Performance-based Navigations
PEL	Personnel Licensing
PKD	Public Key Directory
QMS	Quality Management Systems
RCC	Rescue Coordination Centre
RNP	Required Navigation Performance
ROST	Regional Office Safety Team
RPAS	Remote Piloted Aircraft System
RSOOs	Regional Safety Oversight Organisations (SADC)
SAATM	Single African Air Transport Market
SADC	Southern African Development Community
SAR	Search and Rescue
SARPs	Standards and Recommended Practices
SASO	SADC Aviation Safety Organization
SMS	Safety Management Systems
SPQ	Safety Promotion and Quality
SQA	Safety and Quality Assurance
SSP	State Safety Programme
TGM	Technical Guidance Material
The Act	The Civil Aviation Act, (Act 6 of 2016)
TMA	Terminal Control Area
UNWTO	United Nations World Tourism Organization
USOAP	Universal Safety Oversight Audit Programme

Introduction



"Together we have Accomplished Service Excellence in Safety & Security Oversight and Air Navigation Services Provision"

INTRODUCTION

ABOUT THIS REPORT

REPORTING PRINCIPLES

The Namibia Civil Aviation Authority (NCAA) has adhered to the principles of good corporate governance standards and practices outlined in the International Financial Reporting Standards (IFRS) and the Public Enterprises Governance Act, (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 2023/2024 Integrated Annual Report provides material information covering the financial year ending 31 March 2024, with respect 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 the successes and challenges experienced throughout the 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.

This report is also relevant to other key stakeholders who have an interest in our performance regarding our core mandate of safe and secure civil aviation operations in Namibia and the provision of air navigation services to all airspace users.



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

FOREWORD BY THE HONOURABLE MINISTER



HON JOHN MUTORWA

Deputy Prime Minister and Minister of Works and Transport

It is with great pleasure that I present the Namibia Civil Aviation Authority (NCAA) 2023/2024 Integrated Annual Report. This report stands as a testament to our relentless pursuit of excellence in aviation safety, security, air navigation service provisioning, and industry development, aligned with Namibia's national development goals and policies.

The aviation industry is a critical component of Namibia's Vision 2030, National Development Plan (NDP5), and the Harambee Prosperity Plan II, serving as a crucial driver for economic growth, regional integration, and socio-economic development. The aviation sector remains a strategic pillar in achieving these objectives, acting as a catalyst for trade, tourism, and socio-economic advancement.

A cornerstone of our concerted efforts is the implementation of the Single African Air Transport Market (SAATM), a key initiative under the African Union's Agenda 2063. The SAATM aims to create a single, unified air transport market in Africa, which will boost connectivity, reduce travel costs, and promote economic integration across the continent. As we work towards full implementation of the Yamoussoukro Decision, we remain focused on removing barriers to market access, streamlining regulatory frameworks, and fostering robust collaboration among African nations.

A significant achievement that underscores our commitment to excellence is the NCAA's performance in the International Civil Aviation Organization (ICAO) Universal Safety Oversight Audit Programme (USOAP) Continuous Monitoring Approach (CMA) Audit. Achieving an Effective Implementation (EI) of 72.62%, which is well above the global average, is a testament to the Government of Namibia's dedication to aviation safety and security. This accomplishment is a stepping stone towards our goal of positioning

the NCAA among the best aviation authorities globally, continually striving for higher standards of safety, efficiency, and reliability.

This achievement brings numerous benefits to the aviation ecosystem. A strong implementation rate demonstrates Namibia's commitment to upholding safety standards and regulatory compliance, enhancing the country's aviation credibility globally. This boosts trust in regulatory oversight, fostering international partnerships and attracting investment and growth opportunities.

Namibia's strategic location and our proactive efforts to create a conducive environment for air transport growth make us a key player in the regional and global aviation landscape. While our progress to date is commendable, we recognise the need for continuous improvement and innovation to achieve excellence in promoting Namibia as a logistic hub and a preferred tourist destination.

I extend my deepest gratitude to the Board of Directors, management, and staff of the NCAA, stakeholders and partners for their unwavering support and collaboration in advancing the aviation sector. Together, we will continue to elevate Namibia's aviation sector, contributing to the broader vision of transforming Africa's air transport landscape.

Honourable John Mutorwa, MP

Deputy Prime Minister and Minister of Works and Transport

STATEMENT BY THE BOARD CHAIRPERSON



BETHUEL T MUJETENGA

Chairperson

I am delighted to present the Integrated Annual Report of the Namibia Civil Aviation Authority (NCAA) for the fiscal year ending 31 March 2024. This report underscores our steadfast commitment to governance excellence, robust oversight, rigorous internal controls, and commendable financial performance amidst the dynamic challenges of the aviation sector.

Governance forms the bedrock of our operations, ensuring transparency and accountability in every facet of our activities. Throughout the year, the Board of Directors, supported by our dedicated committees: Audit and Risk; Human Resources; Safety, Security, and Enforcement; Air Navigation Service Legal and Governance provided strategic guidance to improve safety oversight and air navigation services functions. During the period under review, they formulated thirty-one policies that adhere to international best practices and regulatory standards, ensuring the effective execution of our mandate while upholding a culture of compliance and ethical conduct.

During the fiscal year, the NCAA achieved significant milestones. Financially, we reported a total comprehensive profit of N\$25.1 million, reflecting prudent financial management and strategic investments. Revenue growth was driven by enhanced operational efficiencies and strategic initiatives aimed at optimising service delivery and revenue streams. We maintained stringent cost management practices, ensuring sustainability and resilience in challenging market conditions.

Strategic initiatives were instrumental in advancing our mission of sustainable growth and operational excellence. Key interventions focused on infrastructure upgrades and technological advancements, including major air navigation projects, have positioned us to meet future challenges and enhance service delivery across Namibia's aviation landscape.

Financial and Operational Audits

We are pleased to report continued success in clean financial audits, underscoring our commitment to transparency and accountability since the inception of this organisation. Namibia underwent its inaugural ICAO USOAP CMA audit since the NCAA's establishment, achieving an Effective Implementation score of 72.62%, a testament to our adherence to global aviation safety standards.

The NCAA collaborates closely with Regional Safety Oversight Organisations (RSOOs) such as the Southern African Development Community (SADC) Aviation Safety Organisation (SASO), the African Civil Aviation Commission (AFCAC), and the ICAO Regional Office, as well as other civil aviation authorities, Namibia Airports Company (NAC) and the Aircraft Owners and Pilots Association (AOPA). These partnerships enhance our regulatory framework and ensure alignment with international standards, fostering a safe and secure aviation environment across the region. We are committed to further strengthening these relationships to advance our collective goals.

Our shareholder, the Ministry of Works and Transport (MWT), under the leadership of the Prime Minister and Minister of Works and Transport, Honourable John Mutorwa, along with the entire government, continues to provide invaluable support and guidance. We extend our sincere appreciation for their steadfast commitment and collaboration in advancing Namibia's aviation sector.

I extend my sincere gratitude to my esteemed fellow Board Directors, our dedicated management team, and our diligent staff for their unwavering commitment and exceptional contributions. Their collective efforts have been instrumental in achieving our strategic objectives and reinforcing the NCAA's reputation as a trailblazer in African civil aviation.

Looking ahead, the NCAA remains committed to advancing aviation safety, regulatory excellence, and industry leadership. We are prepared to navigate emerging challenges, including those associated with ongoing regulatory reforms. Our strategic priorities include fostering innovation, enhancing stakeholder engagement, and driving sustainable development across the aviation sector.

In conclusion, I commend our teams for their resilience and proactive approach to ensuring the NCAA's continued success. Together, we will

uphold the highest standards of governance, transparency, and operational excellence, driving Namibia's civil aviation sector forward.



Bethuel T. Mujetenga

Chairperson, NCAA Board of Directors

MESSAGE BY THE EXECUTIVE DIRECTOR



Toska Sem

Executive Director

As we reflect on the 2023/2024 period covered by this Integrated Annual Report, I am pleased to present a comprehensive overview of the Namibia Civil Aviation Authority's (NCAA) operational achievements, challenges, and strategic initiatives. This report underscores our commitment to upholding the highest standards of aviation safety and security. This year has been marked by significant milestones, including the USOAP Audit. We extend heartfelt thanks to all stakeholders for their dedicated efforts, which have been crucial to this year's success.

Reflecting on our journey, it is essential to acknowledge our steadfast dedication to enhancing aviation safety oversight. Under the stewardship of the Honourable Deputy Prime Minister and Minister of Works and Transport, and the leadership of the Executive Director in the Ministry of Works and Transport, a high-level technical committee was established to spearhead the USOAP CMA Audit.

Our efforts resulted in Namibia achieving a score of 72.62%, a remarkable improvement from our previous score of 57.39%. This reflects our dedication to upholding robust and effective civil aviation safety oversight in Namibia. Our current performance exceeds the average Effective Implementation (EI) for Eastern and Southern Africa, which stands at 60%, as well as the global average of 69.3%. This achievement is a testament to our collective efforts.

Furthermore, technical assistance missions were conducted by experts from the ICAO Regional Oversight Safety Team (ROST) Mission, the African Civil Aviation Commission (AFCAC), and SADC's Civil Aviation Safety Oversight Organisation in collaboration with AFCAC's Africa-Indian Ocean States Cooperative Inspectorate Scheme. These technical missions have been instrumental in our preparations. Similarly, the implementation of cooperation agreements among States embodies the ICAO's "No Country Left Behind" initiative. Namibia is deeply grateful for the invaluable technical support received from esteemed partners in the international aviation community.

The significant improvement in CE 1, CE 3 and CE 5 resulted from the promulgation of the Civil Aviation Act of 2016, the establishment of the NCAA, and the enhancement of technical standards and guidance materials in the respective audit areas, each achieving above 80%.

Air Navigation Services (ANS) was last audited in 2016, and the recent audit has shown significant improvement, with the score rising from 30.19% in 2016 to 75.21%. This improvement is attributed to the certification process of the ANS.

Aerodrome and Ground Aids demonstrated significant improvement, achieving a score of 72.58%. This progress is primarily due to the promulgation of regulations and certification

of the two international airports, Hosea Kutako and Walvis Bay International Airports.

The Safety Department has made substantial strides in enhancing aviation safety and regulatory compliance. Our comprehensive efforts have focused on infrastructure improvements, regulatory updates, safety oversight, and personnel training. Notable projects included refurbishing terminal buildings at key airports, upgrading runway lighting systems for improved night operations, and implementing advanced ground handling equipment to enhance operational efficiency.

Notably, the Air Navigation Services (ANS) was certified for the first time under the guidance of the Air Navigation Services Safety Oversight (ANSSO) section. This certification represents a significant milestone in enhancing the safety and efficiency of our air navigation services.

Furthermore, we launched a new inspector training programme in collaboration with international partners, enhancing our regulatory enforcement capabilities. Our commitment to continuous improvement has been reinforced through the development and implementation of the State Safety Programme, National Aviation Safety Plan, and the Quality Management Policy. Numerous safety workshops and seminars were conducted, fostering a culture of safety across the industry.

Inspector competencies continue to receive our attention, with many inspectors attending courses from entry-level to advanced. Additionally, our senior managers underwent management training at the University of Stellenbosch Business School, which has enhanced our day-to-day management practices and upheld high corporate standards.

Aviation security remains a top priority. The Safety, Security, and Enforcement Committee has worked diligently to address non-compliance issues, ensuring strict adherence to security protocols. This year, we enhanced our security framework by implementing advanced

screening technologies and procedures at our airports. We conducted rigorous training sessions for security personnel, focusing on the latest international security standards and practices. Our collaboration with international security agencies has further strengthened our ability to respond to potential threats, ensuring a safe and secure aviation environment.

Key projects included upgrading air navigation services facilities and constructing new aerodrome control towers, which are currently underway. These infrastructure improvements will significantly enhance our ability to manage air traffic and ensure the safety of air navigation. We have also implemented advanced training programmes for air traffic controllers to ensure they are equipped to manage the increasing complexity of our airspace. Consideration is being given to expanding air traffic control services to other areas of Namibia, demonstrating our commitment to advancing aviation safety. Detailed reporting on this development will be included in the next integrated annual report.

Central to our success this year has been our collaboration with RSOOs. These engagements have facilitated critical assistance missions and provided valuable training opportunities, essential for the continuous professional development of our personnel. Such interactions underscore our commitment to bolstering aviation safety and regulatory standards across the region.

A highlight of our collaborative efforts was the hosting of the SAATM PIP Roadshow in September 2023. This initiative underscores our proactive role in advancing regional integration and promoting air connectivity within Africa. By facilitating such engagements, we contribute to the realisation of the SAATM's vision.

The success of the NCAA this year would not have been possible without the strategic guidance of the Deputy Prime Minister and Minister of Works and Transport, the Board, management, and staff. Your commitment to excellence, professionalism, and teamwork

has been truly commendable. I also extend my heartfelt gratitude to all stakeholders, including our esteemed service providers, certificate holders, and licence holders, for their unwavering support and collaboration.

Looking ahead, we remain committed to advancing our standards and capabilities. While the corrective action plans derived from the audit will enhance our operational performance, we will continue to actively monitor and improve existing processes. We recognise that sustained success requires continuous improvement and

innovation. Therefore, we are steadfast in our resolve to uphold the highest standards of safety, regulatory oversight, and service delivery.



Toska Sem

Executive Director

About the NCAA



“Together we have Accomplished Service Excellence in Safety & Security Oversight and Air Navigation Services Provision”

ABOUT THE NAMIBIA CIVIL AVIATION AUTHORITY (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 Organisation (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 of 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. 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 the said finding.

Other aviation safety and security conventions must be observed by States, for example, the Tokyo Convention of 1963 deals with unruly passengers, the Hague Convention of 1973 deals with the hijacking of aircraft, the Montreal Convention of 1999 deals 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 to cause 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. Furthermore, it is imperative to be aware of legal instruments governing aviation internationally as well as locally.

FACTS ABOUT THE NAMIBIA'S CIVIL AVIATION SYSTEM

OPERATIONAL OVERSIGHT STATISTICS FOR THE 2023/2024 FINANCIAL YEAR

AIR NAVIGATION SERVICES SAFETY OVERSIGHT



Licences issued	2
ANS Transition Certificate issued	1
Flight Procedure Design Validation Certificate issued	1
Flight Calibration Validation Certificate issued	1

AERODROMES AND GROUND AIDS



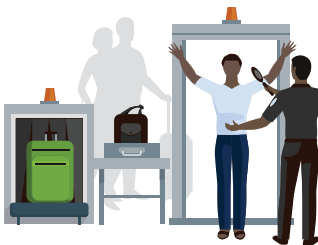
Registered Aerodromes	154
Active Airfields	172
Certified International Aerodromes	2
Interim Certified Aerodromes	1
Interim Licensed Aerodromes	5

PASSENGER VOLUMES



International	360,278
Regional	335,482
Domestic	124,158

AVIATION SECURITY



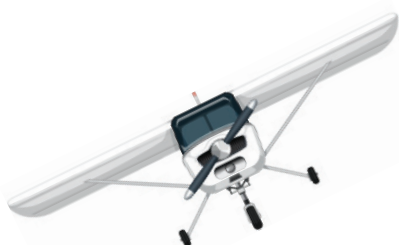
Audits	3
Inspections	20
Risk assessment	12
Covert tests	23
Certificates Issued	2

PERSONNEL LICENSING



Issued Validations:	61
Active Aircraft Maintenance Engineers	141
Active Pilots	624
Designated Examiners for Air Traffic Controllers	10
Active Air Traffic Controllers	81
Designated Examiners for Pilots	21
Medical examinations conducted	678
Aviation Medical Examiners	8
Aviation Training Organisations: Local	6
Aviation Training Organisations: Foreign	3

FLIGHT OPERATIONS



Re-certification	7
Foreign Operator Permits issued: Scheduled Operators	7
Foreign Operator Permits issued: Non-scheduled Operators	129
RPAS approvals issued: Commercial Operations	26
RPAS approvals issued: Private Operations	412
Ground handling Dangerous Goods approved	1
Foreign Dangerous Goods Training Certificates validated	42
Fit and proper person tests completed	31
Specific approvals:	
Reduced vertical separation minima operations	6
Air Operator Certificates renewed	15
Foreign Operator Permits renewed: Scheduled Operators	7

AIRWORTHINESS



Total # of Aircraft and Rotorcrafts on the National Register	603
Total # of Large Aircraft: (NAMCARs Part 121)	21
Registered Rotorcrafts	62
Aircraft registered in 2023	22
Aircraft registered in 2024 so far	8
Aircraft de-registered in 2023	5
Aircraft de-registered in 2024 so far	1
Special Flight Permits Issued in 2023	53
Special Flight Permits Issued in 2024 so far	21
Experimental Certificates Issued in 2023	79
Experimental Certificates Issued in 2024 so far	28
Local Approved Aircraft Maintenance Organisations	8
Foreign Approved Aircraft Maintenance Organisations	21

• 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 providing 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 ensure 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:

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.

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.

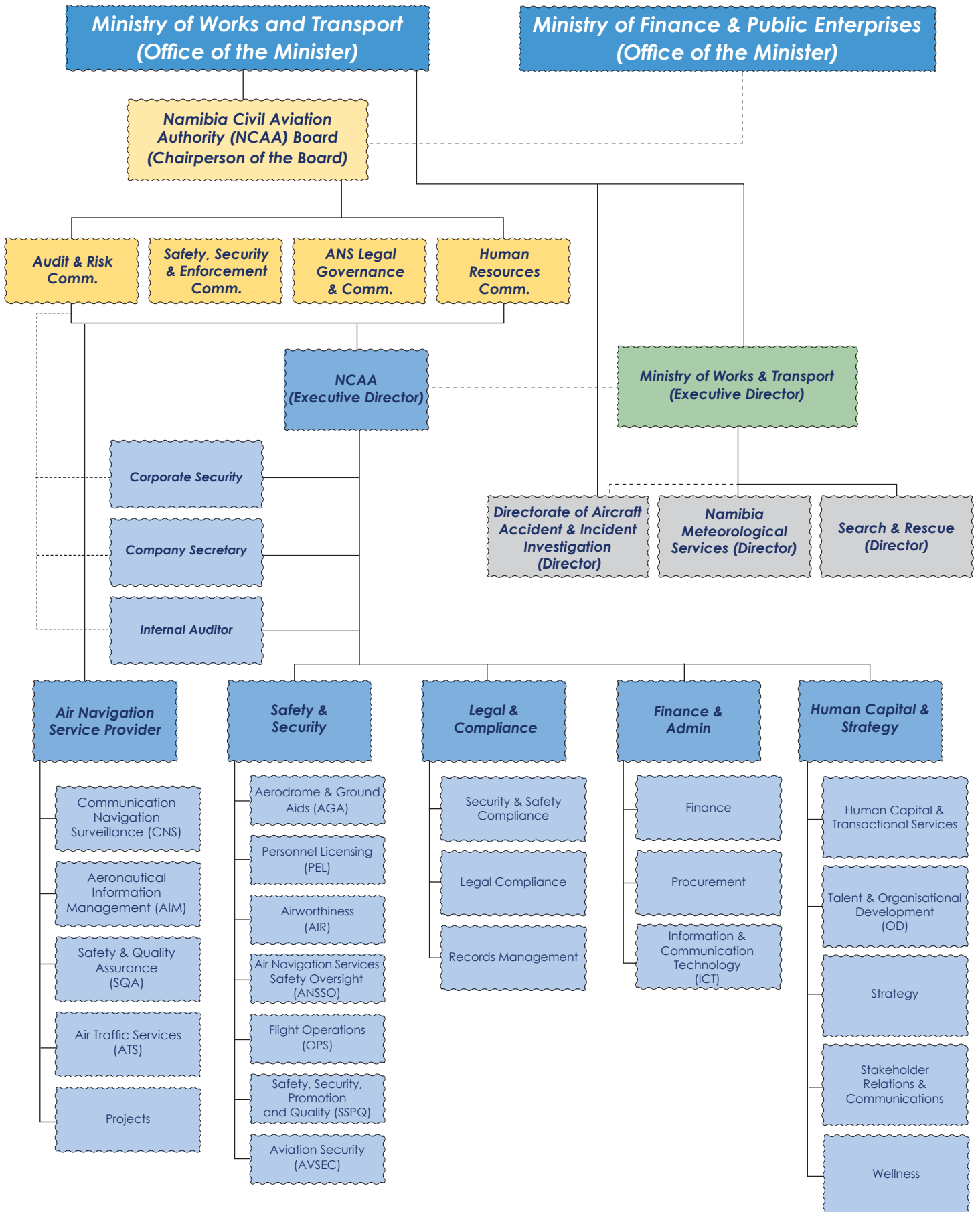
INTEGRITY

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

EXCELLENCE

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

CORPORATE STRUCTURE



OUR VALUE CREATION PROCESS

PROVIDING SAFE SKIES FOR ALL

Through our dedicated personnel, robust infrastructure, and well-defined procedures, processes, and systems, the NCAA regulates the safety and security of civil air operations within Namibia's airspace. Additionally, we provide air navigation services to all airspace users. In fulfilling these responsibilities, the NCAA is committed to ensuring a safe, secure, orderly, 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 with industry and other CAAs
 - Outreach programmes
6. **Natural capital**
 - Natural capital

CAPITAL OUTCOMES

The resources and relationships we rely on to create value:

1. **Financial capital**
 - N\$228 million revenue
 - Reduced reliance on Government funding to N\$100 million
2. **Human capital**
 - N\$116 million paid in employment-related costs
3. **Intellectual capital**
 - Spent N\$6.2 million on staff training
4. **Manufactured capital**
 - Air navigation infrastructure maintained
 - CNS infrastructure maintained
5. **Social and relationship capital**
 - Industry growth
 - Partnership agreements strengthened
 - Increased interest in aviation as a career
6. **Natural capital**
 - Reduced noise
 - Reduced carbon emissions

OVERALL VALUE WE CREATE FOR STAKEHOLDERS

Safe skies for all.

OVERALL IMPACT WE MAKE

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

KEY FACTORS THAT IMPACT OUR ABILITY TO DELIVER SHARED VALUE

WITHIN OUR CONTROL

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

BEYOND OUR CONTROL

- Shortage of skilled staff worldwide
- Global economy
- Political stability
- Rate of growth in tourism industry
- Terrorist activities

KEY STRATEGIES

Guiding 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 STAKEHOLDERS

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

KEY RISKS

1. Financial insustainability,
2. High Staff turnover,
3. Delay in the promulgation of regulations,
4. Aging Air Navigation Services infrastructure and Systems
5. Lack of capital funding.

NCAA'S TWO MAJOR REGULATORY FUNCTIONS:

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:

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

PROVIDER OF AIR NAVIGATION SERVICES

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

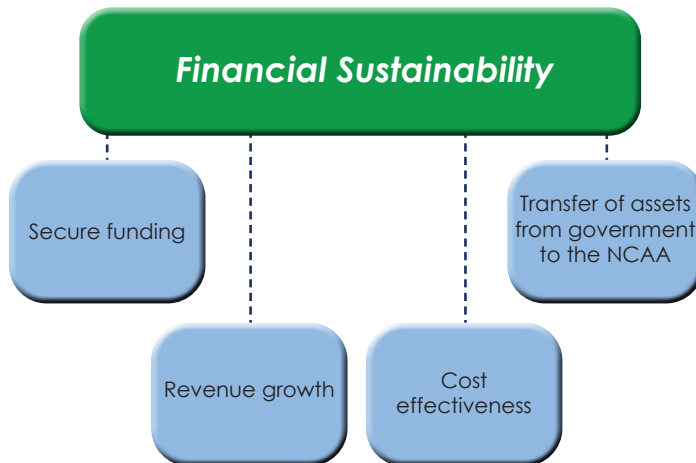
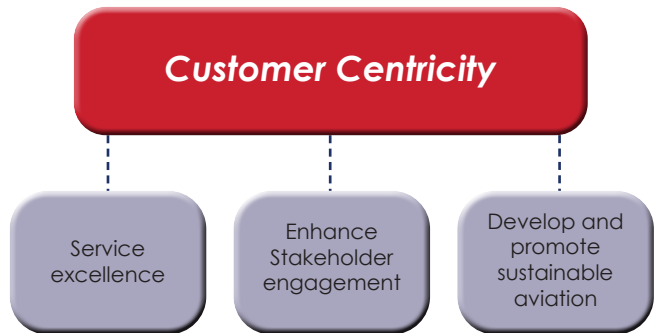
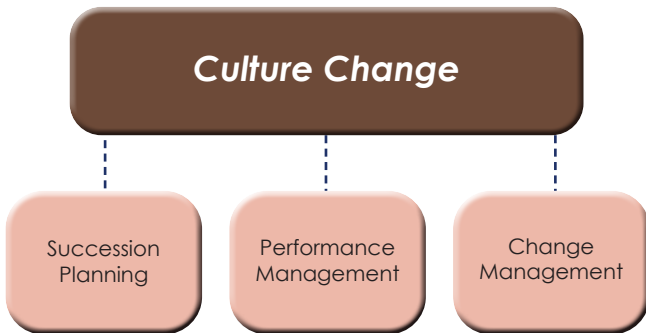
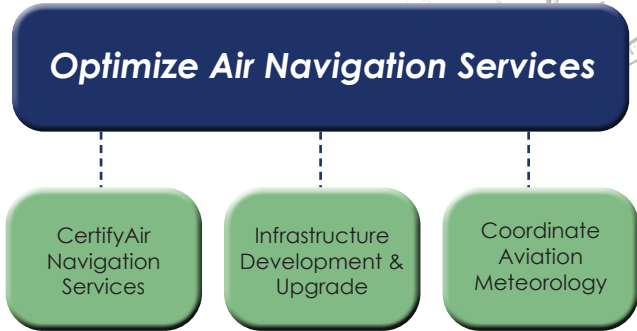
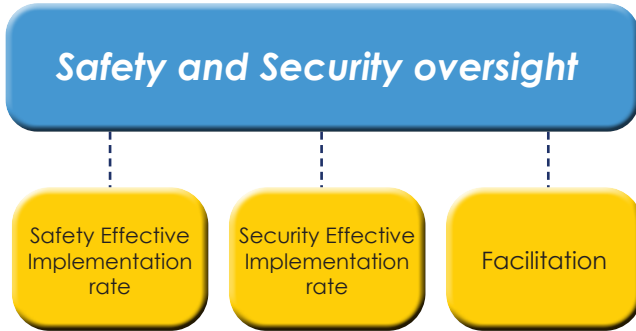
- Air Traffic Services
- Communication Navigation Services
- Aeronautical Information Management

NCAA TOP TEN KEY RISKS

Risk #	Key risk	Cause	Consequence
1	Financial sustainability.	<ol style="list-style-type: none"> 1. Liquidation of Air Namibia. 2. Highly regulated Industry. 	<ol style="list-style-type: none"> 1. Revenue reduced drastically, impacting cash reserves and ability to maintain an effective Safety/Security Oversight System.
2	System reliability.	<ol style="list-style-type: none"> 1. Aging Air Navigation Services infrastructure. 	<ol style="list-style-type: none"> 1. Inaccurate and incomplete Revenue. 2. Lack of surveillance over the national air space.
3	Retention of skilled staff.	<ol style="list-style-type: none"> 1. Salary scales perceived as not competitive or market related. 	<ol style="list-style-type: none"> 1. Disruption to operations. 2. Reputational damage. 3. Adverse ICAO audit outcome. 4. Outflow/loss of intellectual or institutional knowledge.
4	Lack of suitably qualified staff.	<ol style="list-style-type: none"> 1. Lack of local skills in certain operational areas. 2. Non-acceptance of NCAA offers. 	<ol style="list-style-type: none"> 1. ICAO Audit findings. 2. Inability to perform tasks/duties as required. 3. Non-effective safety/security oversight system.
5	Ineffective cyber security & disaster recovery & business continuity.	<ol style="list-style-type: none"> 1. International Standards not fully applied. 2. Inadequate Back-ups and disaster recovery plans. 3. Lack of business continuity plan. 	<ol style="list-style-type: none"> 1. Loss of data. 2. Security & confidentiality breaches. 3. Disruption to NCAA operations. 4. Unauthorised access. 5. No accountability by users.
6	Ineffective aviation oversight over safety, security, and resulting in non-compliance with ICAO requirements.	<ol style="list-style-type: none"> 1. Lack of adequate staffing. 2. Poor records management system. 3. Effective implementation score not achieved. oversight and facilitation . 	<ol style="list-style-type: none"> 1. Potential for significant findings. 2. Reputational damage. 3. Disruption (economic) to operations and to the industry.
7	Delay in the promulgation of the Flight Operation regulations and impact on implementation.	<ol style="list-style-type: none"> 1. Shortage of skilled staff to draft the regulations. 	<ol style="list-style-type: none"> 1. Reputation damage. 2. Poor ICAO audit outcome. 3. Increased industry risk. 4. Lack of implementation of current standards and recommended practices. 5. Failure to provide the oversight required as stipulated in the Act.
8	Lack of Corporate Governance.	<ol style="list-style-type: none"> 1. Ineffective application of delegation of authority. 2. Lack of capacity to implement corporate governance actions. 	<ol style="list-style-type: none"> 1. Poor implementation of strategies, policy and plans. 2. Reputational issues. 3. Poor enforcement of regulations.
9	Insufficient budgetary allocation for capital projects by MWT/ GRN.	<ol style="list-style-type: none"> 1. Budget cuts and provision of insufficient funding by GRN. 	<ol style="list-style-type: none"> 1. ANS equipment may collapse if not serviced and/or replaced/ upgraded at an appropriate time.
10	Non-compliance with Namibia Civil Aviation Regulations.	<ol style="list-style-type: none"> 1. Service Provider/operator not complying with regulations. 	<ol style="list-style-type: none"> 1. Incorrect safety information may be provided to pilots. 2. Serious safety risk for passengers .

Existing Control	Strategic objective	Mitigation Actions	Risk rating
1. Cost cutting measures put in place in other areas to reduce the expenditures.	Maintain Financial Sustainability	1. Lobby MWT for payment of the GRN budget of the required amount as a surveillance charge. 2. Implementation of cost-containing measures.	
1. A Revenue accountant is assigned at ANS to verify the information inputted on the Movement log for accuracy and completeness. 2. Maintenance contracts in place.	Development of air navigation infrastructure	1. Upgrade the current Aeronautical Information Management (AIM) system, Radar and all Air Navigation Services infrastructure. 2. Consider incorporating an automated billing system.	
1. Conducting exit interview. 2. Policy on retaining people over 60.	Implement the re-aligned organizational structure	1. Overall re-grading and restructuring of the current NCAA remuneration scales.	
1. Experts conducted OJT and signed out Inspectors. 2. Appointed staff who met minimum advertised requirements. 3. Most of the critical positions has been filled.	Implement a change management program	1. Implementation of the Human Capital 5-year Strategy with a focus of Performance Management and Talent Management.	
1. Implemented the password policy. 2. Created secured drives for various departments for information sharing.	Improve ICT	1. Implementation of the ICT Strategy.	
1. Internal Audits on all areas to identify findings and improve Effective implementation of Protocol Questions.	Enhance safety, security oversight and facilitation	1. Implementation of the USAP CMA CAP. 2. Implementation of the USOP CMA CAP.	
1. CARTAP was established to address the development of the missing regulations.	Improve NCAA Governance	1. Finalisation of regulations within set timelines.	
1. Board training plan in place. 2. Acting corporate secretary appointed. 3. Establishment of fourth board committee for ANS to report to.	Improve NCAA Governance	1. Recruitment of a Company Secretary.	
1. Project implementation forms are submitted to MWT on an annual basis. 2. The issue has been escalated to the Board for further escalation to MWT.	Development of air navigation infrastructure	1. Lobby MWT for payment of GRN development budget.	
1. We have developed an enforcement code 2. Aeronautical publication issued cautioning flying public about regulator shortcoming in terms of MET services.	Improve and leverage strategic partnership	1. Implementation of the Stakeholder. 2. Management Strategy with an emphasis on the Industry.	

STRATEGIC THEMES



STAKEHOLDER ENGAGEMENT OVERVIEW

Our key stakeholders

Engaging effectively with our stakeholders through open dialogue and active participation is essential to fulfilling our core mission. This is especially true in the complex and dynamic aviation industry, where diverse sectors and stakeholders possess strong and varied interests.

Our stakeholder engagement efforts are concentrated on those who have the most significant influence on our business and our ability to create value. To provide a clear understanding of these stakeholders, their contributions to our value creation process, and our engagement strategies, please refer to the table below:

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, frequent emails and WhatsApp, staff training, provision of services, employee satisfaction surveys	Provision of training, provision of acceptable remuneration packages, provision of a career path, benefits and organisational culture
INDUSTRY ORGANISATIONS	Enhancing safety and security through proactive engagement	Provision of services and products, auditing, capacity building, technical guidance and information sharing	Co-operative agreements on changes, technical support, training and in-sourcing experts
CUSTOMERS	Improved service through customer feedback	Provision of services and products, auditing, emails, meetings	Co-operative agreements on changes

SUPPLIERS	Provision of services and required resources on time and when in need	Provision of services and products, auditing, emails, meetings	Provision of excellent customer service
MEDIA	Safeguarding NCAA's reputation and disseminating crucial safety and security information to the public	Procurement of services in line with the Procurement Act, (Act 15 of 2015)	Ensuring compliance with contractual agreements and timely payment
SAFEGUARDING NCAA'S REPUTATION AND DISSEMINATING CRUCIAL SAFETY AND SECURITY INFORMATION TO THE PUBLIC	MEDIA	Press releases, advertising, interviews, articles	Promoting open dialogue, clear communication, and accessibility



CORPORATE GOVERNANCE



"Together we have Accomplished Service Excellence in Safety & Security Oversight and Air Navigation Services Provision"

OUR CORPORATE GOVERNANCE PHILOSOPHY

The NCAA is governed by a Board of six non-executive directors, appointed by the Honourable Minister of Works and Transport on a three-yearly basis, with the Chairperson appointed on a four-yearly basis. The Board, in concurrence with the Minister, appoints the Executive Director and the Head of the Air Navigation Services (ANS) Unit.

The Namibian Civil Aviation Authority (NCAA) sustains itself in part through regulatory fees charged to airlines utilizing Namibian airspace and landing facilities. Additionally, the Government of the Republic of Namibia, through the Ministry of Works and Transport, provides funding to support infrastructure and partial subsidies for the Authority's operational activities.

For the fiscal year ending March 2024, the Authority faced a funding shortfall of N\$35.0 million, a 34% decline from the N\$26.1 million shortfall reported in March 2023. This shortfall is largely attributed to increased operational costs necessary for the Authority to fulfil its regulatory mandate and maintain the standards set by the International Civil Aviation Organization (ICAO). The collapse of Air Namibia, which previously accounted for over 30% of NCAA's revenue, continues to leave a significant financial gap.

The nature of the Authority's operations requires a highly skilled and technically proficient workforce. However, retaining talent has been challenging due to competition with the private sector and the limited availability of specialized skills. Consequently, the Authority remains dependent on the State to bridge its funding gap, which is projected at N\$300 million over the MTEF period, in addition to the existing subsidies provided.

In line with Performance and Governance Agreements with the Minister, the Board provides overall leadership and management direction. As such, it is accountable for the NCAA's performance in fulfilling its statutory functions and achieving its objectives.

Through its committees, the Board has access to all necessary information to carry out its functions. The Board members bring diverse skills and experience in business, administration, finance, legal, and the aviation industry, offering a broad range of perspectives on policy issues related to civil aviation.

The main functions of the Board are to:

- Communicate with the Honourable Minister of Works and Transport and other government stakeholders to ensure their views are reflected in the planning of the country's civil aviation sector.
- Set policies and goals in the field of civil aviation and monitor organisational performance to achieve the objectives the NCAA's objectives.
- Approve an Integrated Strategic Business Plan that aligns with the Government's objectives in the civil aviation sector.
- Employ qualified and skilled personnel, determining their terms and conditions of service, including remuneration, to ensure the effective performance of the NCAA's functions and duties.
- Being accountable to the Honourable Minister of Works and Transport for all aspects of civil aviation, except for the economic regulation of aviation.

BOARD MEMBERS	HUMAN RESOURCES	SAFETY, SECURITY AND ENFORCEMENT	AUDIT AND RISK	AIR NAVIGATION SERVICES, LEGAL AND GOVERNANCE
Bethuel Mujetenga (Chairperson)		√		√
Kadiva Hamutumwa (Deputy Chairperson)	√		√	
Josephine Shigwedha	√	√		√
Melkizedek Uupindi		√	√	√
Fernando Somaeb			√	
Martha Hitenanye	√	√		√

Safety, Security and Enforcement Committee

Aspects of aviation safety, security, and enforcement in cases of non-compliance are overseen by this Committee. At each meeting, management presents detailed reports on safety, security, and enforcement.

Depending on the issue reported, the Committee may escalate it to the Board or Minister of Works and Transport for intervention. Once escalated, the issue receives focused attention until it is resolved.

During the period under review, the Committee approved the following policies after thorough review:

- State Safety Programme
- Quality Management Policy

Air Navigation Services, Legal, and Governance Committee

The ALG Committee is primarily responsible for the operational activities of the ANS, legal compliance, and governance matters. All aspects of governance across the Authority

are discussed and recommended to the Board through this Committee. Under the legislative compliance framework, the Committee ascertains whether statutes, regulations, rules, and circulars are complied with.

Furthermore, to ensure functional separation between ANS and the aviation regulatory function, the operational activities of ANS are considered by this Committee and recommended to the Board.

During the period under review, the following policies were approved after review by the Committee:

- Corporate Social Investment Policy

Furthermore, the Committee provided advice on the viability of the following capital projects.

- Construction of the New Aerodrome Control Tower at Walvis Bay International Airport.
- Replacement of Aeronautical Fixed Telecommunication Network (AFTN) with Aeronautical Message Handling System (AMHS) and Aeronautical Information Management (AIM) Solution.

- Air Navigation Services Systems Consultancy Services.
- Upgrading of the NCAA Air Navigation Services Facilities at Eros Airport, Windhoek.
- Renovation of the Aerodrome Control Tower at Hosea Kutako International Airport.

Audit and Risk Committee

The Audit and Risk Committee is responsible for ensuring the effectiveness of the NCAA's internal control mechanisms, developing the annual audit plan, managing risks, and reviewing internal control systems. The committee evaluates performance to ensure cost-effectiveness, reviews financial statements for compliance with accounting standards, and oversees the implementation of audit recommendations.

The following policies were approved after review by the Committee:

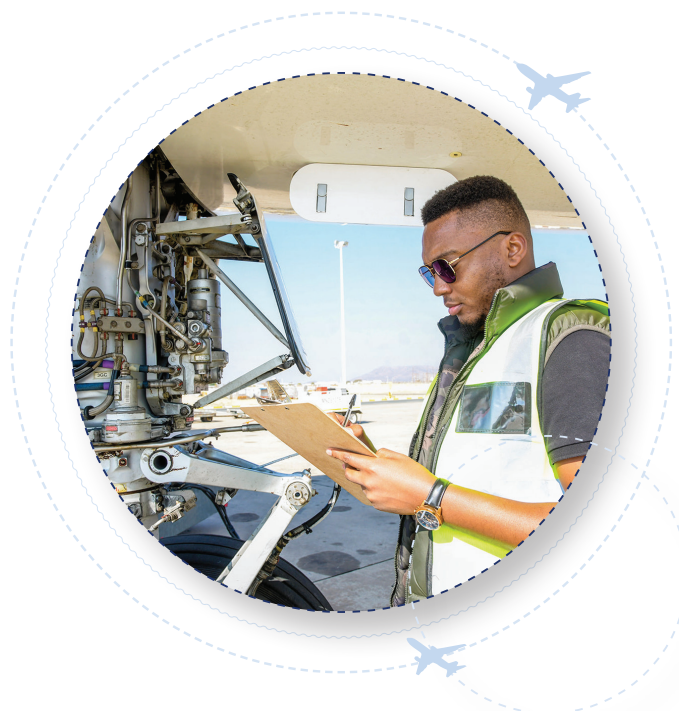
- Fleet Management Policy
- Amendment of the Mobile Policy
- Bank and Petty Cash Policy
- Delegation of Authority Policy
- Information Communication and Technology Policy

Human Resources Committee

The Human Resource Committee advises the Board on the adoption and modification of the organizational structure, determination of salaries and job grades, and the development of Staff Rules and Administrative Procedures. Further, it is responsible for updating the NCAA's Integrated Strategic Business Plan and monitoring the Annual Work Programme, as well as overseeing training policies, procedures, and programs.

During the year under review, the following policies were either reviewed or introduced:

- Wellness Policy
- Ethics Policy
- Conflict of Interest Policy
- Occupational Health and Safety Policy
- Disciplinary Policy
- Grievance Policy
- Job Evaluation and Grading Policy
- Remuneration and Reward Policy



BOARD MEETING ATTENDANCE FOR THE PERIOD FOR NON EXECUTIVE DIRECTORS 1 APRIL 2023 TO 31 MARCH 2024

Number of sittings in 2023/2024					
	Board/ Meeting	Audit and Risk Committee	Human Resource Committee	Air Navigation Services, Legal and Governance Committee	Safety, Security and Enforcement Committee
Mr. Bethuel T Mujetenga (Chairperson)	5			5	5
Ms. Kadiva Hamutumwa (Deputy Chairperson)	5	5	5	2	
Mr. Melkisedek Uupindi (Director)	5	4	1	5	5
Ms. Josephine Shigwedha (Director)	3		4	4	4
Mr. Fernando Somaeb (Director)	3	4			
Ms. Martha Hitenanye (Director)	5		3	4	5

Legislative Compliance

The NCAA acknowledges its responsibility to ensure that the Authority complies with all relevant legislation. The NCAA has delegated this responsibility to the Chief Legal Counsel, who is tasked with developing and operating a programme to systematically identify compliance issues and ensure that all employees are aware of legislative requirements pertinent to their roles. To support this, a legislative universe is being developed to identify applicable legislation, specific sections, consequences of non-compliance, and the responsible office within the NCAA.

Disclosure of interest

The NCAA places great importance on ensuring that the Board makes all decisions independently,

transparently, and free from conflicts of interest. Disclosure of interests is a standard agenda item at every Board and Committee meeting. In cases of conflict of interest, the director must recuse themselves from the deliberations and decisions after providing all relevant information at their disposal. Additionally, Board members are required to disclose their interests to the Minister at the beginning of each year.

Indemnities to Directors

The NCAA has maintained Directors' and Officers' Liability Insurance coverage throughout the year. In terms of the Policy, the Directors are not held personally liable for liabilities incurred in the performance of their duties in good faith.

OUR LEADERSHIP



1

Bethuel T Mujetenga
Chairperson



2

Ms Kadiva Hamutumwa
Deputy Chairperson



3

Mr. Fernando Somaeb
Director



4

Ms Martha Hifenanye
Director



5

M. Melkisedek Uupindi
Director



6

Ms Josephine Shigwedha
Director



7

Ms Toska Sem
Ex-Officio Director

BOARD OF DIRECTORS EXECUTIVE MANAGEMENT COMMITTEE



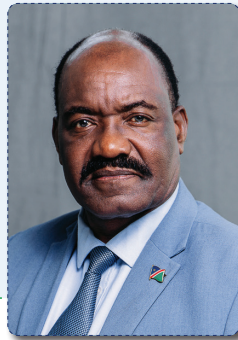
1

Toska Sem
Executive Director



2

Hilma Leonard
Head: Air Navigation
Services



3

Ericsson M. Nengola
GM Safety & Security



4

Christoph Seimelo
Chief Legal Counsel



5

Maria Haipinge
Acting CFO



6

David Nanyemba
Acting Senior Manager
Aviation Security



7

Tuyeimo Martin
Manager Human
Resources

SENIOR MANAGEMENT



1

Victoria T. Mombola
SM Flight Ops



2

Sarafina Maxwanu
SM ANSSO



3

George Matroos
SM SPQ



4

Patrick Simasiku
Acting SM CRR



5

Robert Mathe
SM AIR



6

Andrew Theron
SM PEL



7

David Nanyemba
Acting SM AVSEC



8

Erastus Hangula
SM ICT



9

Jeremia Kamati
SM ATS



10

Abraham Kahenge
SM AIM



11

Abiatar Ntinda
SM CNS



12

Philippine Lundama
SM SQA



13

Dennis Gaingob
Acting SM AGA



14

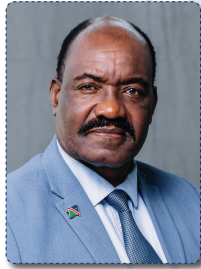
Silo Shino
Acting SM Projects

OUR TEAM

OFFICE OF THE ED



Toska Sem



Ericsson M Nengola



Christoph Seimelo



Hambeleleni Shafa

LEGAL



Christoph Seimelo

COMPLIANCE AND REGULATORY RISK DEPARTMENT (CRR)



Patrick Simasiku



Elizabeth Matheus



Yaurovandu Ndjavera



Iumue Nguvauva

PERSONNEL LICENSING (PEL)



Andrew Theron



Johanna Hashipala



Tangeni Amakali



Uendjiziri Commando



Megan Mutua



Theresia Mokwaibe



Lickius Neshuku

Absent: Eunice Anna De Groot, Bastiaan Koster, Christophine Meroro, Mandume Nghipondoka

FLIGHT OPERATIONS (OPS)



Victoria Mombola



Onesmus Kaukungwa



Evans Davies Sitali



Matty Ipinge



Manase Misika



Abraham Prince Iyambo



Fares Shikongo

Absent: Jarmaine Mbako

AIRWORTHINESS (AIR)



Robert Mathe



Lina Namundjembo



Theo Shilongo



Timothy Rundji



Herman Jonas



Paulina Tjongarero



Helena
Vaendwanawa



Elizabeth Diamante



Ndilimeke Nangolo

Absent: Laudika John, Ananias Shiweda, Emilian Kayone

AIR NAVIGATION SERVICES SAFETY OVERSIGHT (ANSSO)



Sarafina Maxwanu



Victor Kaurimuje



Abiatar Hauwanga



Victor Sitapata



Silas Kainge



Paulus Mapumba



Markus Haoseb

Absent: Isabella Kapolo, Sussana Katimba

AERODROMES AND GROUND AIDS (AGA)



Dennis Gaingob



Johannes Atti Haimbili



Ruben Mokhatu



Rauna Mungonena



Silo Shino

Absent: Theoline Kauraisa, Marx Shikongo, Lydia Haihambo

SAFETY PROMOTION AND QUALITY (SPQ)



George Matroos

Absent: Danielle Bruckert

AVIATION SECURITY (AVSEC)



David Nanyemba



Festus Mpuka



Elfrieda Kandume



Reginald Mouton



Ehrenfriede Murangi



Wendy Muller



Fillemon Ngwedha



Toivo Shongolo

AIR TRAFFIC SERVICE (ATS)



Jeremia Kamati



Erik Bruys



Charl Olivier



Pamela Goncalves



Daniel Kotze



Abiud Mbaisa



Nicodemus Narib



Joao Luzendu

Absent: Tauno Norbert Abraham, Annatjie Aibes, Moses Hidengwa Amadhila, Adolf Martin, Shoopala Martin, Ruusa Lamek, Alexander Tjahikika, Alana Tjaveondja, Elvin Tjivava, Hunga Tjondu, Tuhafeni Amon, Romeo Assegaai, Hendrik Barends, Percival Bock, Abiud Buchane, Christopher Buys, Christine Eiman, Hertha Eliasnaily Fudeni, Gregory Haraseb, Tuahangauka Hengari, Martha Mukosho, Treasure Mundi, Tamlyn Robson, Martin Shomeya, Ethan Van Wyk, Hershley Van Wyk, Pierre Sacha, Nhidiophamba Mokaxwa, Stephea Amunyela, William Mouton, Natasha Mangula, Ndapewa Namgongo, Pameka Eitaalo Ugwanga, Kuume Ulenga, Taimi Imene, Leonhardt Kamari, Eslon Kamunguma, Godfried Kamunguma, Abiatal Kwedhi, Fiona Tshokoyeni, Moses Kashamako, Ishukeni J Wj Kapapero, Hamutenya Katewa, Karina Shilongo, Elna Shiweda, Chuma Trendy Silumbu, Seun Simana Simana, Boysan Simwanza Simwanza, Godfrey Swanelo Swanelo

COMMUNICATION, NAVIGATION, SURVEILLANCE (CNS)



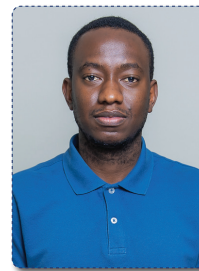
Abiatar Ntinda



Hendrick Theophilus



Tuuliki M Shikuma



Lazarus Uusiku

Absent: John Nampala Amakali, Amunkete Mathew Amunkete, Dorian Anyala, Benedictus Ashipala, Daniel Claesen, David Domingos, Petrus Heita, Josef Ipinge, Hawakeshe Kamwangha, Benestus Toromba, Maria Kanyama, James Kapolo, Teopolina Nantinda

AERONAUTICAL INFORMATION MANAGEMENT (AIM)



Abraham Kahenge



Sherley Muukua



Obey-Smile James



Kennedy Kozonguizi



Selma Kaundu



Gertrude James



Thabea Shilongo

Absent: Fransiskus Eelu, Tatekulu Armas, Philemon Fillemon, Lazarus Nuule, Veronica Kandjambanga

SAFETY QUALITY ASSURANCE (SQA)



Philippine Lundama

FINANCE AND ADMINISTRATION DEPARTMENT



Maria Haipinge



Unouzeu Mazeingo



Beulah Hishono



Festus Shilunga



Mweutota Shonghela



Helena Mutikisha



Pendukeni Nauyoma



Beata Heifa



Robert Namaseb

Absent: Ester Amupolo, Athella Strauss, Ndafelenga Hosea, Lukas Haindongo, Cosmos Witbooi, Foibe Johannes, Victoria Mutwa

INFORMATION COMMUNICATION TECHNOLOGY (ICT)



Erastus Hangula



Simon Valombola



Sofia Namupala

Absent: Melvin D April

HUMAN CAPITAL



Tuyeimo Martin



Frans Shipepe



David Uushona



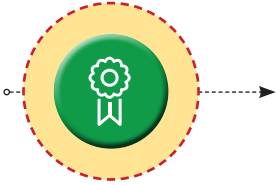
Tuyeimo Paavo-Ngenomesho



Christoph Seimelo
Chief Legal Counsel

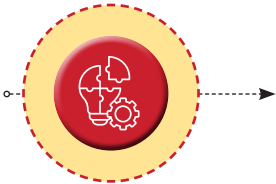
LEGAL

The objective of the Legal department is to provide comprehensive legal support to the NCAA, including regulatory compliance, labor matters, and the management of bilateral and multilateral international civil aviation agreements. Ensuring that the NCAA operates within its enabling legal framework is paramount to fulfilling its regulatory responsibilities.



KEY ACHIEVEMENTS

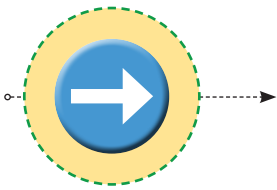
- Based on the outcome of the International Civil Aviation Organization (ICAO) USOAP CMA, which was conducted from 06 March 2024 to 18 March 2024, the Legal Division managed to close nineteen protocol questions, two were not closed, and two were not applicable. The score on the legal protocol question stands at 90.48%, a remarkable improvement from 2014, which stood at 69.57%.
- The score is a testimony to the soundness and effectiveness of the primary civil aviation legislation in Namibia.
- Despite sound primary civil aviation legislation, regulations in the following disciplines were either issued or amended: Personnel Licensing Parts 60, 61, 62, 63, 64, 65, 66, 67 and 141 Flight Operations Regulations Parts 48, 91, 121, 127, 135 and Air Navigation Services under Part 170, 171, 172, 173, 174, 175 and 179.
- Technical Standards related to these regulations have also been issued, or are at an advanced stage of being issued.



KEY CHALLENGES

- Timely enforcement of regulations remains a challenge. To this end, training sessions have been planned to capacitate inspectors to be able to enforce regulations progressively and timeously.
- The NCAA, in its capacity as a licensing authority, was joined as a party in the case of Menzies Aviation Namibia (Pty) Ltd versus Namibia Airports Company Limited (NAC) and Others. This matter was primarily concerned with the procurement of ground handling services at Hosea Kutako International Airport by NAC. The NCAA was not an active participant in the case and will abide by the decision of the court once a determination is reached.
- Government Notice 58 of 1998, although designed to protect scheduled international air transport to or from Namibia, at times proves challenging to implement. According to the Notice, a foreign air operator is prohibited from transporting more than nine passengers in Namibia, unless the same passengers are also being disembarked within the country. The sole exception to this regulation applies when the total number of passengers is fewer than nine.

- With the increase in cruise ship activity at Lüderitz and Walvis Bay ports, passengers may occasionally disembark at either port or prefer to take a direct flight to their destination. According to the notice, if there are more than nine (9) passengers and no Namibian operator is available to transport them to their intended destination, a foreign air operator cannot be permitted to convey these passengers. Similarly, the notice presents challenges for crew members destined for oil rigs. For instance, if a foreign air operator brings in crew for an oil rig and then needs to collect more than nine passengers from the oil rig destined outside Namibia, the operator cannot do so if they did not disembark any passengers at that point. The notice should be reviewed to ensure it is more business-friendly while still supporting Namibian air OPERATORS, INCLUDING FOREIGN scheduled international operators.



THE WAY FORWARD

- The NCAA will undertake a consultation process with stakeholders regarding proposed amendments to the Civil Aviation Act No. 6 of 2016 and the Namibian Civil Aviation Regulations.
- Namibia, in collaboration with the African Civil Aviation Commission and other like-minded organisations, should present a strong case for the growth of air transport in Africa and the global south at the upcoming ICAO 42nd General Assembly in 2025.
- Ratify the amendment of the African Civil Aviation Commission (AFCAC) constitution.
- Lately, climate change has enjoyed considerable attention in international civil aviation platforms. The dynamics around environmental sustainability in aviation in the form of the Carbon Offsetting Reduction Scheme for International Civil Aviation (CORSA) and Long-Term Aspirational Goal for International Civil Aviation CO₂ emission reductions are set to dominate environmental discussion for the foreseeable future, therefore the Namibia Civil Aviation Inspectors must be trained on CORSA.



Patrick Simasiku
Acting SM CRR

COMPLIANCE AND REGULATORY RISK DEPARTMENT (CRR)

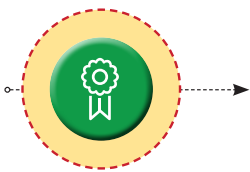
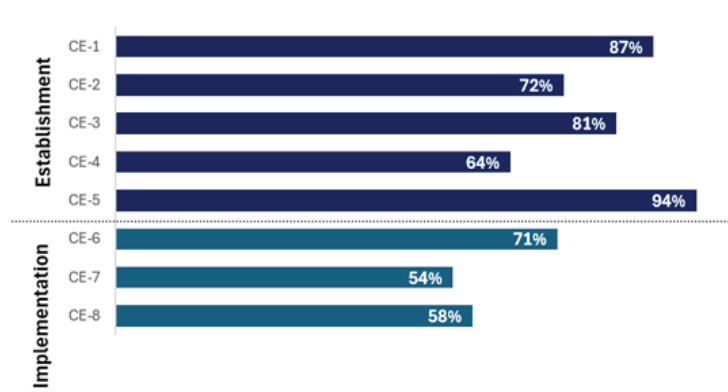
The Compliance and Regulatory Risk (CRR) Departments is responsible for ensuring that the Namibia Civil Aviation Authority on behalf of the State meets and addresses its obligation to the Chicago Convention. This is accomplished by acting as the Internal Monitoring system, conducting audits on all Safety and Security departments ensuring Compliance on all ICAO Standards and Recommended Practices and to manage regulatory risks.

EFFECTIVE IMPLEMENTATION RATE GRAPH

Effective Implementation



Critical Element View



KEY ACHIEVEMENTS

On average the audit results indicate a significant improvement in the effective implementation across the critical elements, with the percentage improving from 57.39% in 2016 to 72.6% in 2024.

The NCAA performance exceeds the average EI of Eastern and Southern Africa which stands at 60% as well as the global average which stands at 69.3%.

1. LEGISLATION (LEG) (CE – 1 and 2)

The significant improvement in CE 1 was brought about by the promulgation of the Civil Aviation Act of 2016 and regulations and the enhancement of the technical standards and guidance

material in the respective audit areas (CE-2). The critical elements achieved an EI of 87% and 72% respectively.

2. ORGANIZATION (ORG) (CE – 3)

This critical element reflects on the well-established organizational systems (CE-3) within the NCAA, encompassing regulation and service providers such as Air Navigation Services and the Directorate of Directorate of Accident Incident and Investigation as an autonomous body housed in the Ministry of Works and Transport. The critical element scored 81%.

3. QUALIFICATION OF TECHNICAL PERSONNEL (CE-4)

Notably, there is an opportunity for improvement in order to enhance the capacity (CE-4) of our inspectors to attain the desired level of competency in safety oversight. The critical element achieved an EI of 64%. Namibia established minimum qualification requirements for the technical personnel performing safety-related functions and the provision of appropriate initial and recurrent training to maintain and enhance their competence at the desired level.

4. TECHNICAL GUIDANCE AND TOOLS (CE-5)

The Civil Aviation Authority provides appropriate facilities, comprehensive and up-to-date technical guidance material and procedures, safety critical information, tools and equipment, and transportation means, to enable inspectors to perform their safety oversight functions effectively and in accordance with established procedures in a standardized manner (CE-5). This critical element achieved an EI of 94%.

5. APPROVALS, CERTIFICATIONS, LICENSING (CE 6)

It's great to note that the procedure and process of the NCAA for issuing aviation documents is sound and solid. Additionally, the fact that ICAO conducted industry visits to verify the implementation of the state safety program at aerodromes, air navigation service providers, aviation training organization, maintenance organizations, airlines and medical facilities, its pleasing to note that the evidence found were impressive. This critical element achieved an EI of 71%.

6. SURVEILLANCE OBLIGATIONS (CE – 7)

The oversight capabilities over the industry are relatively low at 51.49 per cent . Currently inspectors conduct surveillance mainly on new service providers or alternatively during the renewal phase of its business. Similarly, the critical shortage of inspectors is an area that is receiving our attention to enhance our surveillance. This critical element achieved an EI of 54%.

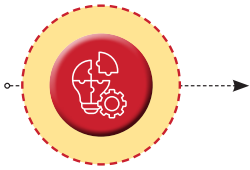
7. SAFETY RESOLUTION (CE – 8)

The outcomes show that the safety resolution of the NCAA is relatively low at 65.12 per cent and there is a need to intensify our enforcement process to ensure that industry remains compliant.

To address the critical deficiencies identified in audit report, the NCAA has prioritized the attraction, retention of critical skills and multi skilling in its Integrated Strategic Business Plan to have adequate inspectors with enhanced capabilities on surveillance and intensify its safety resolutions. This critical element achieved an EI of 58%.

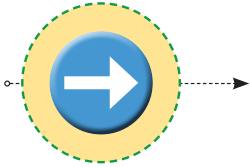
8. Regional Office Safety Teams (ROST) assistance mission in December 2023. Namibia achieved a significant milestone in its aviation oversight journey with the Regional Safety Oversight Team Mission facilitated by the International Civil Aviation Organisation's East and Southern Africa Office (ICAO ESAF). Conducted from 4 to 8 December, this mission represented a substantial step forward in enhancing regional oversight mechanisms and strengthening preparations for the upcoming ICAO USOAP audit.
9. Namibia has benefited from collaborative initiatives with esteemed aviation organisations such as the African Civil Aviation Commission (AFCAC) and SASO. Through the Africa and Indian Ocean Cooperative Inspectorate Scheme (AFI-CIS), Namibia has received invaluable technical support from AFCAC. This support has played a vital role in assisting key entities like Air Navigation Services Safety Oversight (ANSSO), Flight Operations (OPS), and Personnel Licencing (PEL) in meeting certification obligations. Furthermore, AFCAC's involvement in collaborative efforts such as the ROST and SASO support missions has significantly enhanced Namibia's aviation infrastructure and regulatory frameworks.
10. The NCAA has received crucial assistance from SASO in preparation for the ICAO Universal Safety Oversight Audit Programme Continuous Monitoring Approach (USOAP CMA) Audit. A dedicated team of experts convened between 15 and 26 January, meticulously addressing each of the audit's eight focal areas.
11. Namibia successful hosted the Aviation Security and Facilitation (AVSEC_FAL) technical mission to Namibia in June 2023 this led to review and implement the new Aviation Security Auditing procedures.
12. The Board and management of the NCAA embarked on benchmarking visits to two esteemed aviation authorities: the South African Civil Aviation Authority and the Civil Aviation Authority of Singapore. These visits provided invaluable insights into enhancing the NCAA's safety oversight capabilities, aligning with our commitment to continuous improvement and excellence in aviation safety.

13. The Unit continues to manage and secure ICAO Portal and the Library Management System. Similarly, an Electronic Records Management System has been developed. Furthermore, a centralised manufacturer's publication and Library Mailing System has been developed to improve and widen the distribution network.



KEY CHALLENGES

- Lack of adequate staffing.



THE WAY FORWARD

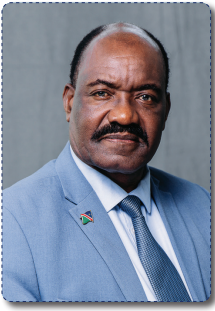
The CRR Unit is responsible to oversight all audit areas to close the findings by completing the Corrective Action Plan (CAP) from the just concluded audit. Namibia intends to invite of an ICAO Coordinated Validation Mission (ICVM) as part of ICAO's USOAP programme within the next two years provided that considerable progress has been made in the closure of the audit finding.



Safety & Security



"Together we have Accomplished Service Excellence in Safety & Security Oversight and Air Navigation Services Provision"

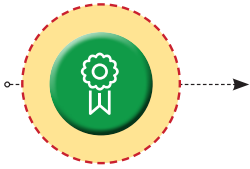


Ericsson M Nengola
GM Safety & Security

SAFETY

In the dynamic field of aviation safety, the NCAA remains committed to upholding the highest standards within our airspace.

Throughout the past year, we have worked diligently to uphold safety standards and promote a culture of safety within the NCAA and the broader aviation community. From promoting safety initiatives to ensuring regulatory compliance, our focus has been on one goal: ensuring the safety and well-being of all those who travel through our skies.



KEY ACHIEVEMENTS

Our achievements over the fiscal year reflect our dedication to safety and excellence in aviation operations:

- **Safety Promotion and Quality (SPQ):**

Despite the challenges of the past year, we remained steadfast in our commitment to safety promotion. We successfully published the National Aviation Safety Plan, providing a roadmap for enhancing aviation safety in Namibia. Additionally, we organised impactful safety workshops and initiatives aimed at fostering a culture of safety excellence within the NCAA and the broader aviation community. Continuous updates to the inspectors' handbooks have equipped them with the necessary tools and guidance to fulfil their oversight functions.

- **Flight Operations (Flight OPS):**

Flight safety is paramount. This year, we made significant strides in enhancing operational safety through improved flight safety data analysis and comprehensive operator oversight programs, ensuring that our skies remained safe for all stakeholders.

- **Aerodrome and Ground Aids (AGA):**

Our commitment to safety extends to the infrastructure supporting aviation. Through our oversight interventions and the Namibia Airports Company's commitment, we have upgraded aerodrome infrastructure, maintained ground navigation aids, and enhanced emergency response capabilities at our airports, ensuring the safety and security of aviation operations in Namibia. Additionally, members of our team contributed to global safety by serving on the safety panels of the African Civil Aviation Commission (AFCAC) and SASO.

- **Personnel Licensing (PEL):**

The competency and proficiency of our personnel are crucial for safe aviation operations. Through streamlined licensing processes, updated training standards, and training organisation oversight, we

uphold the highest standards of professionalism and competence among our aviation workforce.

- **Airworthiness:**

Aircraft safety is non-negotiable. Our airworthiness initiatives reflected this commitment through robust aircraft maintenance programmes, monitoring compliance with airworthiness directives, and conducting regular audits to ensure the safety and airworthiness of our aircraft fleet and the highest standards of maintenance organisations.

- **Air Navigation and Safety Services Oversight (ANSSO):**

Efficient air traffic management is essential for safe aviation operations. Through improved air traffic management procedures and enhanced regulatory coordination, we contributed to the safety and efficiency of our airspace.

In addition to our achievements, NCAA's safety sections embarked on projects aimed at enhancing safety oversight and regulatory compliance:

- **Regulatory Review and CARTAP Implementation:**

We are reviewing all regulations through CARTAP, a panel consisting of regulators, service providers, and other stakeholders. CARTAP assesses recommendations and amendments proposed by ICAO together with local needs and integrates them into Namibian Civil Aviation Regulations. This project is active across all safety sections as needed and is an ongoing activity.

- **Safety Management System (SMS) and State Safety Programme (SSP) Audit Planning:**

We initiated comprehensive planning for upcoming SMS and SSP audits, identifying areas for improvement and formulating targeted corrective actions to strengthen safety management processes.

- **Quality Management System (QMS) Implementation:**

We prioritised the implementation of a robust QMS. While awaiting approval of the quality system implementation and policies, we are filling key positions and training staff in preparation for the rollout of the ISO 9001 Quality System.

- **Safety Promotion Initiatives:**

Safety promotion remains a cornerstone of our efforts. Through safety awareness campaigns, interactive training programs, and stakeholder engagement initiatives, we aimed to empower our

workforce and the wider aviation community with the knowledge and tools to identify and mitigate safety risks effectively.

- **Certification:**

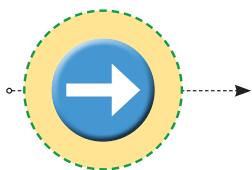
Two international airports were fully certified according to ICAO requirements. Four additional AMO satellite operations were approved. The NCAA ANSP was certified, with the assistance of AFCAC and SASO, a tremendous achievement. Oranjemund Airport's Aeronautical Meteorological Station was also successfully certified.

- **CORSIA:**

Namibia has embarked on compliance with carbon offset schemes, including serving on an international panel and incorporating FlyNamibia into the scheme.

- **Regulatory Approval:**

The operations regulations NAMCARs 91, 121, 127, and 135, governing the operation of private and commercial aviation, signifying significant effect to all aircraft and crew were promulgated. Personnel licensing NAMCARs Parts 60, 61, 62, 63, 64, 65, 66, 67 and 141 were promulgated and NAMCATS Parts 61, 65, 66, 67, and 141 were published supporting training and licensing of aviation professionals.



THE WAY FORWARD

As we look to the future, NCAA remains committed to advancing safety standards, regulatory compliance, and quality management processes. Our strategic priorities for the upcoming year include:

- **Implementing Corrective Actions:** Building upon insights from past assessments, we will implement targeted corrective actions to enhance safety oversight capabilities and regulatory compliance.
- **Strengthening SMS and SSP Audit Readiness:** We are committed to enhancing readiness for SMS and SSP audits through comprehensive planning and continuous improvement initiatives.
- **Enhancing Collaboration:** We will strengthen collaboration with regional and international partners to promote aviation safety initiatives and harmonise safety standards.
- **Investing in Staff Development:** We will provide ongoing training and capacity-building initiatives to ensure that our workforce remains skilled and competent to meet the evolving challenges of the aviation industry.

While we celebrate our achievements, we must acknowledge the ongoing challenges of staffing constraints and budgetary limitations. However, we view these challenges as opportunities for growth and

innovation rather than obstacles to progress. With strategic planning and resource optimisation, we are confident in overcoming these challenges and continuing to advance our mission of ensuring safety within our airspace.

Our dedication to safety has produced tangible results, reflecting our commitment to excellence in aviation safety. As we navigate upcoming challenges, we are determined to overcome obstacles and drive meaningful change. With a focus on safety excellence, high quality, and collaborative efforts, we are confident in our ability to continue advancing aviation safety in Namibia.

Furthermore, we are pleased to report the full implementation of our newly approved Safety Policy, highlighting our commitment to continuous improvement. We are also reviewing our regulations and technical standards to align with ICAO amendments and our oversight principles. These efforts position the NCAA to uphold the highest aviation safety standards and support the sustainable growth and development of Namibia's aviation sector.





Andrew Theron
SM PEL

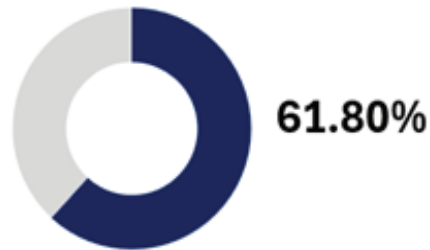
PERSONNEL LICENSING

The Personnel Licensing Unit in the NCAA is responsible for overseeing the licensing process for approximately 2,000 pilots, 85 air traffic controllers, 152 aircraft maintenance engineers, and 20 cabin crew members, in accordance with ICAO Annex 1.

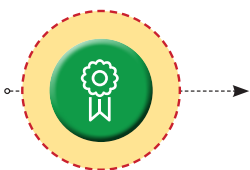
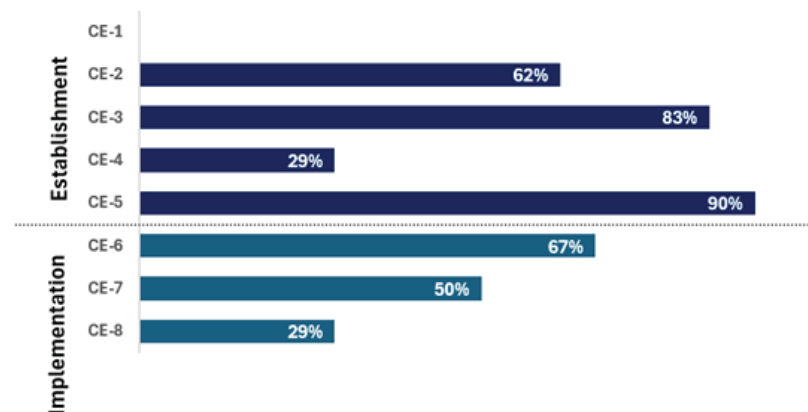
Annex 1 specifies Standards and Recommended Practises (SARPs) covering both minimum and broad requirements for personnel licensing. The aim of Annex 1 is to standardize practices and procedures so that States can issue licences based on a common standard. By accepting and adopting the provisions of Annex 1, each Contracting State will contribute to the idea expressed in Article 37 of the Chicago Convention which states that: "Each Contracting State undertakes to collaborate in securing the highest practicable degree of uniformity in regulations, standards, procedures and organization in relation to aircraft, personnel, airways and auxiliary services in all matters in which such uniformity will facilitate and improve air navigation.

EFFECTIVE IMPLEMENTATION RATE GRAPH

Effective Implementation



Critical Element View

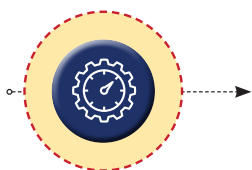


KEY ACHIEVEMENTS

- Personnel Licensing performed slightly below the other audit areas due to delay in the timely promulgation of the regulations as per the ICAO provisions. This delay led to surveillance oversight not being

satisfactory at the desired level. The audit area scored an EI of 61.8%.

- Introduction of a Memorandum of Understanding between NCAA and NSFAP pertaining to the funding and training of prospective pilots.
- Introduction of a Memorandum of Understanding between NCAA and the Communications Regulatory Authority of Namibia (CRAN) pertaining to Radio Telephony custodianship to NCAA under the Personnel Licensing Department.
- EMPIC system successfully utilised by the department for Aviation Medical Certificates, AME Licences, ATC Licences, and Cabin Crew Licences.



ANNUAL PERFORMANCE

The operational performance outlined for the reporting period was aligned with the critical elements of the Civil Aviation Oversight System.

CE 2

- NAMCATS PART 61, 65, 66, 67 and 141.
- NAMCATS PART 60, 62, 63, 64 are under review and will be subjected to industry consultation.
- Promulgation of NAMCARs Parts 60, 61, 62, 63, 64, 65, 66, 67 and 141.

CE 3

- One Medical Assessor has been appointed.
- One Pilot Inspector has been appointed.

CE 4

- Medical Assessor completed the Aviation Medicine Specialisation course.
- Senior AME Inspector completed the Train the Trainer Instructor course.
- Staff member responsible for Cabin Crew licensing attended the Cabin Crew course and the ICAO GSI – PEL Inspector course.
- Auditing Techniques, and Safety Management completed by staff members.
- Medical assessor and SM:PEL completed Management Development programme- Stellenbosch Business School (NCAA sponsored).

CE 5

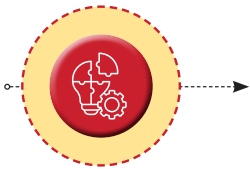
- Updating of Technical Standards, Technical Guidance Material, and PEL forms based on the promulgated regulations.
- TGMs pertaining to PEL reviewed, amended and approved by the Executive Director.

CE 6

- Recertification of 5 ATO's.
- 3 RPAS ATO under certification - phase 3 completed though still on hold due to a lack of qualified inspectors.

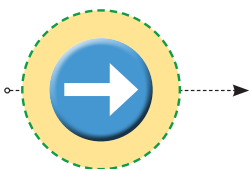
CE 7

- Renewal audit on ATO's in Namibia.
- Renewal audit on MATA in South Africa.
- Surveillance of Aviation Medical Examiners.



KEY CHALLENGES

- Shortage of experienced and fully trained PEL inspectors.
- Full implementation of the EMPIC system (Pilot Licenses) as well as the OAS Module pertaining to ATO Certification.
- The RPAS industry is growing at a rapid pace, and the lack of qualified personnel is hampering this progress. (3 ATO's certification processes, which commenced in 2021, are still on hold.)



THE WAY FORWARD

- Creation of a database to establish whether any suitably qualified aviation licence holders are unemployed and can be recruited by the NCAA.
- Completion of on-the-job training tasks for the recently appointed Flight Inspector and the Medical Assessor.
- Training plans to be updated according to the immediate training needs and capacitating the department with qualified inspectors and personnel.



Victoria T. Mombola
SM Flight Ops

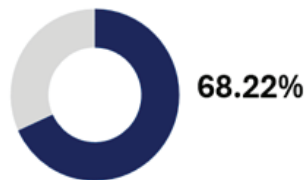
FLIGHT OPERATIONS

The Flight Operations (OPS) Section carries out all the safety oversight responsibilities assigned by the Civil Aviation Act and its Regulations as well as ensuring that Namibia fulfils its obligations under the Convention on International Civil Aviation. The OPS Section is responsible for ensuring compliance with the Standards and Recommended Practices (SARPS) for all air transport operators, by domesticating the SARPS into the Namibia Civil Aviation Regulations and Technical Standards (NAMCARs and NAMCATs).

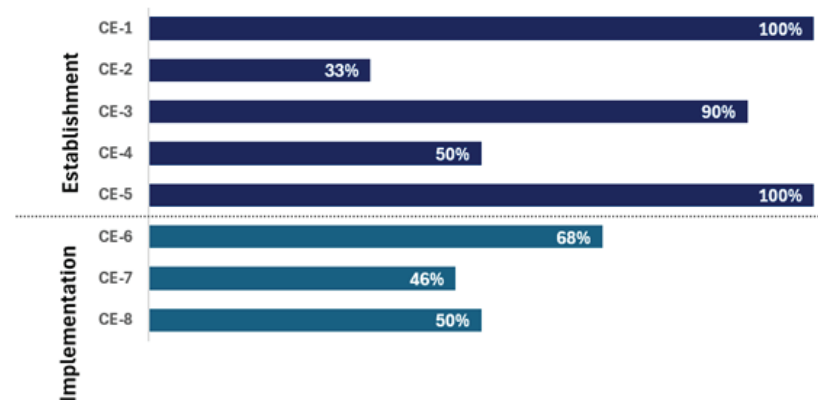
OPS section performs the Authority's obligations of maintaining regular safety oversight of the operation of aircraft (both commercial and private) in the Country. These obligations include, the certification and surveillance of air operators, aerial work operators, and oversight of any operation of aircraft engaged in civil aviation. These operators include commercial aviation service providers, general aviation, aerial work air operators (e.g. agricultural) and sporting & recreational aviation. All air operators are assessed using a standard five-phase certification process which determines the capacity and readiness of the proposed air operator to conduct commercial operations within the confines of the aviation requirements. Continuous surveillance of approved air operators is conducted on a regular basis. OPS also conduct scheduled and ad-hoc ramp inspections and Safety Assessment of Foreign Aircraft (SAFA) program.

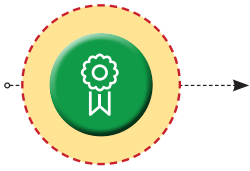
EFFECTIVE IMPLEMENTATION RATE GRAPH

Effective Implementation



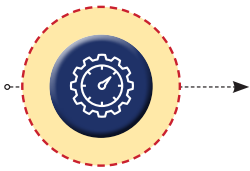
Critical Element View





KEY ACHIEVEMENTS

- Similarly, Flight Operations performed below (68.22%) although the regulations were promulgated, there was a lack of evidence in the implementation of the regulations as per the ICAO provisions.
- Promulgation of critical NAMCARs (Parts 48, 91, 121, 127, 135).
- Completion of the re-certification X7 Operators.
- X2 Exemptions granted.
- Record high of 66 Foreign Dangerous Goods Certificates validated.
- X5 and FPPT completed.
- Completed the specific operational certifications for performance-based navigations and reduced vertical separation minima.



ANNUAL PERFORMANCE

The operational performance outlined for the reporting period was aligned with the critical elements of the Civil Aviation Oversight System.

CE 1

- No amendments.

CE 2

- NAMCARs Parts 48, 91, 121, 127, 135.
- Aviation Directives X2.

CE 3

- Flight Operations Inspector appointed X1.

CE 4

- Completion of Government Safety Inspector course - OPS (GSI-OPS) X3.
- Completion of all courses:
 1. Auditing Techniques X6.
 2. Cabin Safety Theory X10.
 3. Global Reporting Format for Runway Surface Conditions x1.
 4. Overview of Unmanned Aviation Fundamentals x1.
 5. Unmanned Aviation Systems Operations x1.

6. Competency-based Training for Dangerous Goods Instructors x1.

CE 5

- TGM Volumes 4 Parts 1,2 and 4 amended and approved.
- TGM Volume 4 Part 5 approved.
- Different OPS forms and checklists developed and amended.

CE 6



- **Foreign Operator Permits issued: scheduled operators – 7.**
 - o South African Airways
 - o Fly SAFAIR
 - o Air Botswana
- **Foreign Operator Permits issued: non-scheduled operators – 129 .**
- **RPAS approvals issued: Commercial operations – 26.**
- **RPAS approvals issued: Private operations – 412.**
- **Ground handling dangerous goods approval – 1.**
- **Foreign dangerous goods training certificates validated – 42.**
- **Fit and proper person tests completed – 3.1**
- **Specific Approvals:**
 - o Reduced vertical separation minima operations x6.

CE 7

- **Air Operator Certificates renewed – 15 (two less than the previous year).**
 - o Part 121 -1

- o Part 127- 3
- o Part 135 – 9
- o Part 102 – 2
- **Foreign Operator Permits Renewed: scheduled operators – 7**
 - o Qatar Airways
 - o Eurowings Discovery
 - o Ethiopian Airline.
 - o Airlink
 - o TAAG Angola Airlines
 - o Hot Air Balloons renewed – 2 (100%)

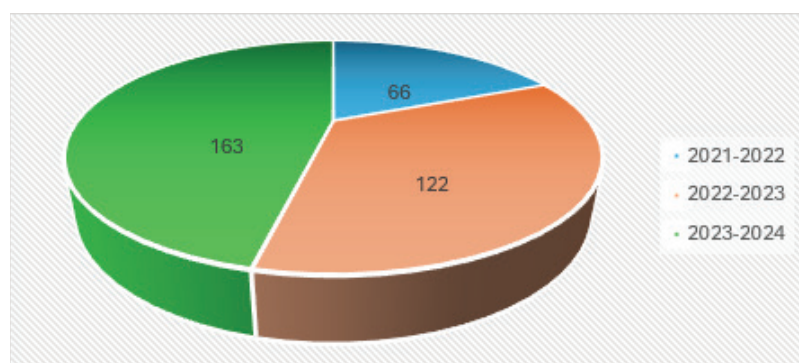
Aviation Recreational Organisation (ARO) renewals – 4 (100%).

Ground handling dangerous goods renewal – 1 (100%).

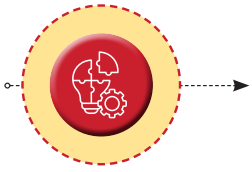
Surveillance activities implementation status:

- o Main base audits and inspections -100%.
- o Operator ramp Inspections – 100%.
- o Dangerous goods – 100%.
- o SAFA Inspections – 75%.
- o Enroute/Cabin safety Inspections – 80%.
- o Station Inspections – 45%.

CE 8

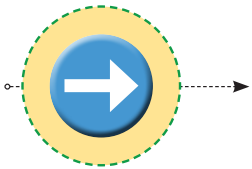


- Incident reports – Statistics at SPQ.
- Corrective Action Plans (CAPs) closed – 85%.



KEY CHALLENGES

- Insufficient numbers of qualified inspectors.
- Inability to attract and retain qualified inspectors.
- Inability to investigate incidences to close on time.
- Budgetary constraints hinder the full implementation of certification, surveillance, and approved training programmes.
- The insufficient number of on-the-job instructors.



THE WAY FORWARD

- Completing the review of the draft regulations NAMCARs Parts 93, 94, 96, 137 and 138.
- Completing the review of the NAMCATS Parts 48, 91, 121, 127 and 135.
- Drafting and promulgation of Operations Specific Regulations.
- Amending the TGM to align with the regulations.
- Filling of all approved vacant positions.
- Completion of the re-certification process for the two remaining operators.
- Full implementation of the approved training plans.
- Completion of on-the-job training for Certification and Surveillance for three inspectors.
- Endeavor for 95% of occurrences to be investigated to closure.
- Full implementation of the Surveillance Plan.
- Improved Service delivery and improved working relationship with the industry.
- Increased Industry workshops/engagements.
- Create more public awareness on the requirements for RPAS operational approvals.



Robert Mathe
SM AIR



AIRWORTHINESS

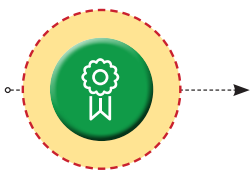
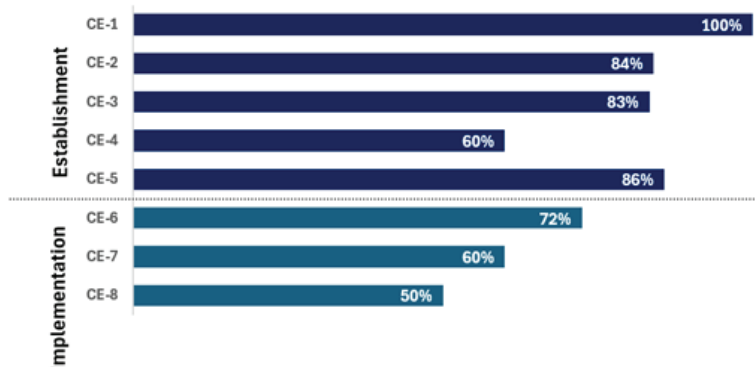
The Airworthiness Unit is responsible for issuing aircraft certificates of registration and airworthiness, ensuring compliance with International Civil Aviation Organization (ICAO) Standards and Recommended Practices (SARPs) related to Aircraft Airworthiness. The State Safety Oversight function for aircraft airworthiness includes, among other duties, regulating the importation of new aircraft, approving modifications, and certifying Aircraft Maintenance Organizations (AMOs) to ensure safe practices. Additionally, the department collaborates with the Flight Operations Department to oversee local air operators and works with the Personnel Licensing Department to ensure the certification and safety of local aviation training organizations for aircraft maintenance engineers.

EFFECTIVE IMPLEMENTATION RATE GRAPH

Effective Implementation



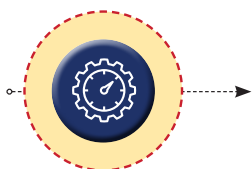
Critical Element View



KEY ACHIEVEMENTS

- The airworthiness shows a slight improvement (77.08%) compared to the 2016 audit. This is primarily due to implementation of regulations and approval of aviation operators and maintenance organizations.
- Skycore (Pty) Ltd's application was successfully adjudicated and resolved in November 2023, extending their AMO approval to include the satellite station at Swakopmund Airport.
- Westair Wings (Pty) Ltd extended their AMO approval to include three foreign Satellite Stations in Dakar Senegal, Beira, and Maputo in Mozambique to support their fleet of Namibian Registered Cessna 406 and Cessna 208B operating in those states.

- All fifteen new aircraft recorded during the reporting period were of the Aircraft types already existing.
- Five small aircraft with a Certificate of Airworthiness that included multiple commercial classifications were transferred into a private category only (F) after successful engine condition monitoring for three years. After the reclassification, the condition monitoring will be the responsibility of the contracted AMO through the Certifying Aircraft Maintenance Engineer.



ANNUAL PERFORMANCE

The operational performance outlined for the reporting period was aligned with the critical elements of the Civil Aviation Oversight System.

CE-2: Operating Regulations

- The amendments of the NAMCARs Parts 95 145 147 and 148 were drafted during the reporting period to incorporate Standard and Recommended Practices introduced in Annex 8 on Aircraft Airworthiness Annex 16 Volume IV on CORSIA. and ICAO DOC 9760 Airworthiness Manual.

CE-3: Organisation

- The Airworthiness staff complement is understaffed by six Airworthiness Inspectors. A request has been made to the Human Resources Department to fill the positions of two Senior Airworthiness Inspectors and three Airworthiness Inspectors in the year under review.

CE-4: Qualified technical staff and training of inspectors

- Although there has been a significant reduction in the training budget, the approved staff training plan for the reporting period was implemented. Additionally, a total of eight different training courses offered on virtual platforms, sponsored by the United Arab Emirates-General Civil Aviation Authority for African Civil Aviation Commission (AFCAC) member states, were attended, and completed by the Airworthiness Department staff. An Airworthiness Inspector also completed type rating training on Kubíček Balloon Inspection and Maintenance (burner maintenance and envelope maintenance) in Brno, Czechia.

CE-5: Technical Guidance and Tools

- The technical guidance material, including forms and checklists for the department, has been reviewed and updated. The development of the new technical standards (NAMCATS) for the recently promulgated NAMCARs Parts is ongoing.

CE-6: Certification, Licensing, and Approval Obligation

- A total of 74 applications for issuance of aviation documents related to Aircraft Registration were reviewed and issued.
- A total of 26 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.

ISSUED Approvals	INITIAL APPROVAL AUDIT		Surveillance		Unannounced AUDITS	
	Target	Actual	Target	Actual	Target	Actual
Certification of Registration						
New Registrations	Demand-driven	26	26	26	100%	100%
Total Registered RPAS (Drones)	Demand-driven	40	40	40	100%	100%
Change of Ownership	Demand-driven	13	13	13	100%	100%
Amendment	Demand-driven	4	4	4	100%	100%
Deregistration	Demand-driven	8	8	8	100%	100%
Certification of Airworthiness						
Initial Issuance		26	26	26	100%	100%
Amendment		8	7	8	100%	88%
Export C of A		6	6	6	100%	100%
Special C of A		0	0	0	100%	100%
Aircraft Type Acceptance		0	0	0	0	0
ISSUED Approvals	INITIAL APPROVAL AUDIT		Surveillance		Unannounced AUDITS	
	Target	Actual	Target	Actual	Target	Actual
Aircraft Maintenance Organisation		2	2	2	0%	0%
Initial Issuance (local)						
Design Organisation						
Initial Issuance (foreign)		0	0	0	N/A	N/A

CE-7: Surveillance and investigations

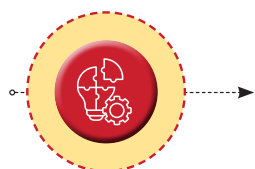
- A total of 535 certificates of Airworthiness were successfully renewed after the determination of their conformance to applicable airworthiness and serviceability requirements from the 580 targeted Certificate of Airworthiness renewals. The remaining 50 represent deregistered and inactive aircraft.
- Nine Namibian AMOs were audited, and their aviation documents were renewed following the resolution of identified deficiencies. All 21 foreign-based AMOs applied for NCAA approval. This process involved physical audits and self-assessments conducted by the Quality Assurance Manager on behalf of the NCAA for two of the three international AMOs based in Switzerland, France, and the USA.
- The Namibian Base Aviation AMO Certificate of Approval was revoked due to serious transgressions and non-compliance with regulatory requirements, as well as deficiencies in their maintenance procedure discovered during the maintenance of a Robinson R44 light rotorcraft, which crashed on 17 June 2023.

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

CE-8: Resolution of Safety Concerns

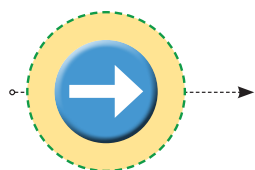
- Only 15 of the 20 Incidence and Accident Reports received were investigated and followed up. The Airworthiness Department restricts the investigations undertaken to accidents and major incidences that could affect the aviation documents issued.

ISSUED Approvals	Investigated Occurrences Reports		Closed Occurrences Reports		Ramp INSPECTIONS	
	Target	Actual	Target	Actual	Target	Actual
C of Airworthiness						
Incidence and accidents	20	20	15	15	100%	69%
Service Difficulty Reports	0	0	0	0	N/A	N/A
ISSUED Approvals	Investigated Occurrences Reports		Closed Occurrences Reports		Ramp INSPECTIONS	
	Target	Actual	Target	Actual	Target	Actual
Aircraft Maintenance Organisation						
Local AMOS	5	5	36	36	100%	100%
International AMOs	116	116	Risk driven	0	0	0



KEY CHALLENGES

- Attraction and retention of inspectors with the required skills.
- Costly aviation training for inspectors and safety oversight activities.



THE WAY FORWARD

- Promulgation of NAMCARs/NAMCATS Part 95 before the end of 2024.
- The amendment of the NAMCARs Parts 21, 43, 95, 145, 147 and 148.
- The amendments of the Technical Guidance Material to effect changes to current processes to include the latest recommended practices.



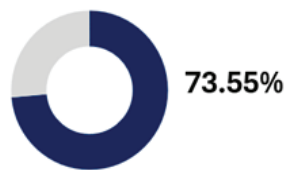
Sarafina Maxwanu
SM ANSSO

AIR NAVIGATION SERVICES SAFETY OVERSIGHT (ANSSO)

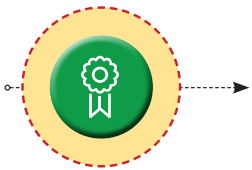
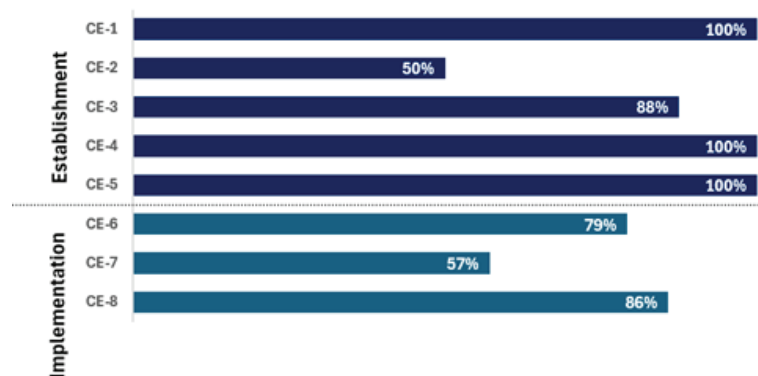
The objective of the Air Navigation Services (ANS) Safety Oversight Unit is to ensure the safety, efficiency, and reliability of air navigation services provided within the Windhoek Flight Information Region through Safety Audits and Inspections, Surveillance and Monitoring, Certification and Licensing, and Stakeholder Collaboration by providing secretariat services to the National Airspace Committee and processes approval for the use of airspace.

EFFECTIVE IMPLEMENTATION RATE GRAPH

Effective Implementation



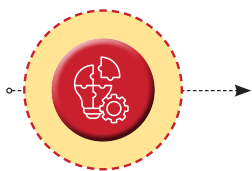
Critical Element View



KEY ACHIEVEMENTS

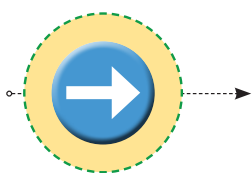
- In preparation for the audit, the certification process of the Air Navigation Services was concluded with technical assistance from the African Civil Aviation Commission (AFCAC). Similarly, all audit areas received technical assistance from the SADC Civil Aviation Safety Oversight Organisation in collaboration with AFCAC (Africa Indian Ocean States Cooperative Inspectorate Scheme).
- The department completed the certification of the ANSP and of Oranjemund Airport's Aeronautical Meteorological Station.
- The first amendments of ANS-related regulations (NAMCARs and NAMCATS).
- 80% of trainee Inspectors were signed out during the period under review.

- National Airspace Committee, with ANSSO as secretariat, hosted four meetings and reviewed nine airspace-related papers, showcasing effective management.
- Amendment of ANS regulations: Government Gazette No. 8299.
- The department conducted targeted training in safety oversight and developed critical technical guidance and advisory materials for inspectors and ANSPs.



KEY CHALLENGES

- Attraction and retention of inspectors with the required skills.
- Costly aviation training for inspectors and safety oversight activities.



THE WAY FORWARD

- Full implementation of the EMPIC System.
- Certify Namibia Meteorological Service.
- MET trainee inspector to be fully qualified and delegated inspectors.
- Participation of inspectors in webinars and workshops at the regional and global level.
- Continued training for all inspectors as required by the national and international requirements.
- Improve the effective implementation of the ANS audit area by 20%.
- Ensure re-instating the suspended RNP Instrument Approaches at various airports.
- Update ANS national regulations to comply with ICAO SARPS.



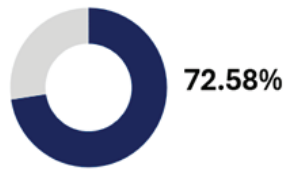
Dennis Gaingob
Acting SM AGA

AERODROMES AND GROUND AIDS (AGA)

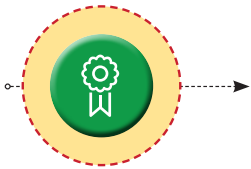
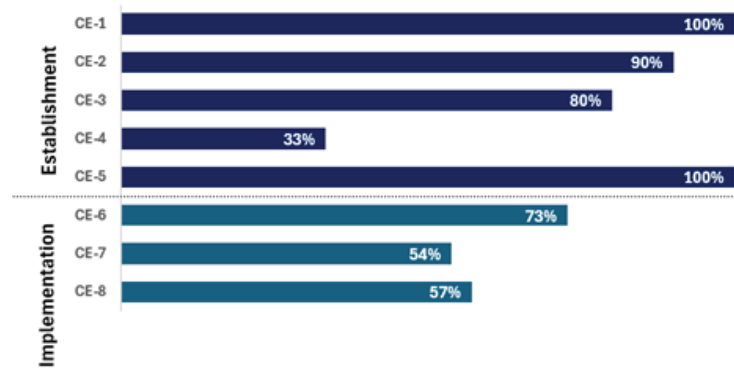
The Aerodromes and Ground Aids (AGA) Unit is primarily responsible for ensuring that all aerodromes and heliports in Namibia provide a safe operational environment in accordance with the Namibia Civil Aviation Act (Act 6 of 2016). The department ensures compliance with Namibia Civil Aviation Regulations (NAMCARs) Part 139 and 140 by overseeing aerodrome operators.

EFFECTIVE IMPLEMENTATION RATE GRAPH

Effective Implementation

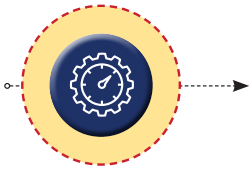


Critical Element View



KEY ACHIEVEMENTS

- AGA achieved a significant improvement of 72,58% primarily due to implementation of regulations and certification of the two international airports namely Hosea Kutako and Walvis Bay International Airports
- Successfully domesticated the International Civil Aviation Organisation (ICAO) documents into advisory pamphlets for ease of implementation by the industry.
- Successfully hosted training on Heliport Planning and Design in collaboration with Aightsight Training, which was attended by participants from various stakeholders from the African CAA's, including South Africa, Angola, and Uganda.



ANNUAL PERFORMANCE

The operational performance outlined for the reporting period was aligned with the critical elements of the Civil Aviation Oversight System.

CE 2

- Initiated the review of NAMCARs 139 (2023) to include the latest amendments to ICAO.
- Our technical expertise remains highly recommended and sought after in the region. Two members of the department are actively serving on the African Civil Aviation Commission (AFCAC) Experts Working Group for Aerodrome Certification and the Safety Management Systems Experts Working Group for African states, respectively. Additionally, one member is part of the SASO Technical Experts Working Group, providing technical support to other SADC states.
- Patriotic practices by extending assistance to industry with specialised equipment, such as runway friction testing, to enhance safety at aerodromes.
- Engage in active collaboration and cooperation with other state civil aviation authorities, regulatory bodies, and government agencies to undertake mentorship programmes, and share information, knowledge, expertise, and resources for mutual benefit.
- Created strategic partnerships and engagements with various government institutions for information sharing and streamlining of functions.
- Implementation of a risk-based strategy to ensure optimum utilisation of available resources.

CE 3

- Continuously maintain alignment with the ICAO Standards and Recommended Practices (SARPs), where appropriate, by consulting with the Compliance Risk and Regulatory Department and by addressing AGA-related State Letters from ICAO with regards to safety-related amendments.
- Successful completion of stakeholders' consultation on the drafting and promulgation of implementable regulations for NAMCARs Part 139 and NAM-CATS-AH- Subpart 5 - Registration of Category D Aerodromes.

CE 4

- All ASI have been successfully signed off in all aerodrome certification and licencing areas.

- Full funding awarded to one inspectorate personnel to undertake a three-year Masters' programme in Aviation Safety Management, Risk and Regulation at Cranfield University, United Kingdom, and the Acting Senior Manager AGA undertook a fully funded six-month Management Development Programme (MDP) - Africa Diploma with Stellenbosch University Business School.
- Continuous capacity building through the annual update and implementation of the training programme and plans.
- Completed the review of the sectional training programme with special emphasis on Heliport design and operations OJT, as well as specialisation in various aerodrome domains including ARFF, wildlife management, and aerodrome ground lighting system.

CE 5

- Ongoing review of the internal technical guidance material toolkits, namely the Inspectors Handbook and associated checklists, to align with the amendment of regulations and for guidance to inspectorate staff to effectively execute their oversight duties.
- Conducted two industry safety workshops pertaining to Wildlife Management at Aerodromes and Safeguarding Aerodromes Amidst Sustainable Development.
- Successfully hosted training on Runway Safety Management and the Global Report format, in collaboration with Airports Council International World, which was attended by participants from various stakeholders in the aviation industry.
- Further developed and published advisory pamphlets for aerodrome operators, namely, Assessment, Measurement, and Reporting of Runway Surface Conditions.
- Reviewed and shared applicable checklists required for the certification and licensing preparation process with aerodrome operators.
- Adopted and implemented a risk-based surveillance system that includes virtual audits.
- Increased the frequency of engagement with aerodrome operators by conducting workshops to address imminent safety matters.

CE 6

- Completed the initial certification process of Hosea Kutako International Airport and Walvis Bay International Airport.
- Commenced the initial certification of Oranjemund International Airport and the initial licensing process for Katima Mulilo Airport,

Rundu Airport, Andimba Toivo ya Toivo Airport, Eros Airport, and Lüderitz Airport, respectively. These aerodromes are currently operating under the granted Interim Aerodrome Certificates and Licences as per NAMCARS 139.03. and NAMCARS 139.04.

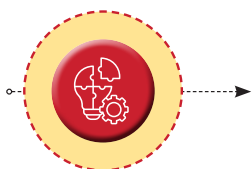
- Demonstration of continuous improvement of the regulatory function using the assessment of the surveillance programme with a focus on strengths/weaknesses and opportunities for improvement.
- Received and processed Environmental Impact Assessments on renewable energy projects, overhead power lines, construction of masks, and various other development projects in the vicinity of Hosea Kutako International, Walvis Bay International, Eros, Keetmanshoop, Lüderitz and Oranjemund aerodromes and airports.
- Approved unlicensed helicopter and emergency landing sites for Tungsten Helideck operations and Debmarine Namibia's operations in the Oranjemund Town Lands, and supporting oil and gas exploration in the area.

CE 7

- Demonstration of continuous safety assurance that the civil aviation system is professionally managed and poses minimal safety risks.
- Successfully conducted surveillance activities at aerodrome facilities for all certified and licensed aerodromes.
- Mandatory and Voluntary Occurrence Reporting of incidents and accidents at aerodromes primarily involved bird and wildlife strikes, runway incursions, and foreign object debris.
- Most significant safety incidents and accidents reported were investigated and successfully resolved.

CE 8

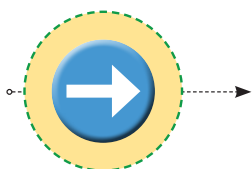
- Evidence on the resolution of safety concerns was received by the NCAA from aerodrome operators concerning findings issued in the various audit areas at aerodromes.



KEY CHALLENGES

- Budgetary constraints to effectively implement the operational tasks and the reviewed Part 187 (not yet promulgated) to enable a market-relatable revenue stream.
- Insufficient human resources to ensure optimum productivity and performance on sectional tasks.
- Ineffective implementation of the sectional training programme and plans.

- Prolonged implementation of the five-phase certification and licensing process by aerodrome operators due to a low to medium level of compliance level in most, critical/priority audit areas.
- Poor practice of the enforcement code to ensure successful resolutions of safety concerns issued to aerodrome operators.
- Digitalisation of aerodrome application and registration processes and migrating sectional tasks to the EMPIC platform to reduce sectional inefficiencies regarding applicable task/process workflows.



THE WAY FORWARD

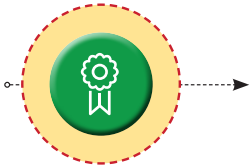
- Amendment to Part 139 to incorporate the current ICAO standards and recommended practices.
- Ensure timely implementation of the training programme and plans, including on-the-job-training, on Heliports.
- Tailor and migrate sectional tasks to the EMPIC platform to increase the sectional inefficiency on applicable task/process workflows.
- Finalise implementation of the online registration processes for - CAT D aerodromes
- Continuous development of technical guidance material to maintain currency to industry best practices.
- Increase the effective level of implementation score on the ICAO online framework for AGA.
- Successful completion of the five-phase certification and licensing processes of all aerodromes.
- Implement a robust surveillance programme to maintain and enhance safety resilience in the safety oversight system.
- Implement the Enforcement Code and intensify stakeholder engagement for effective resolution to safety concerns.



George Matroos
SM SPQ

SAFETY PROMOTION AND QUALITY

The SPQ department's objective is to ensure the highest safety standards across the aviation industry by fostering a robust safety culture nationwide. It manages the State Safety Program (SSP) in line with the National Aviation Safety Plan (NASP) to drive continuous safety improvements, oversees occurrence management using data-driven strategies, and ensures compliance with Namibia Civil Aviation Regulations Part 140. Additionally, the department sets quality standards for the NCAA in alignment with ISO 9001:2015, handles document management, and actively engages stakeholders to promote safety initiatives, ensuring the aviation industry remains resilient, compliant, and forward-looking.



KEY ACHIEVEMENTS

The following key achievements for the period under review were attained:

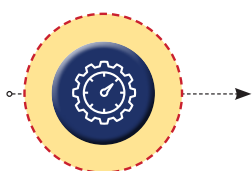
- Publication of the State National Aviation Safety Plan, which acts as a road map to improving aviation safety by setting targets and goals in a clearly defined manner and establishing safety enhancement initiatives to pave the way towards achieving them.
- Publication of the Aviation Disaster Management Plan, with input from the Directorate of Disaster Risk Management, which addresses actions and coordination in the event of a major accident and is vital for our role as regulator and oversight body.
- Successfully publishing, for 12 consecutive months, the safety bulletin, aka "Safety Matters", which promotes aviation safety within the industry, advocates important lessons learned from the occurrence reports, promotes a reporting culture, and assists with the distribution of important safety messages.
- Hosting two quality training events on auditing techniques and best practices, in conjunction with AFCAC and CAAS, as attended by NCAA and industry, along with hosting 20 participants from regional CAAs. This important training course assisted in developing inspector capabilities, thus enhancing safety oversight.
- Holding one Safety Workshop on critical safety issues identified through the safety data collection and processing system and attended by approximately 50 members of the aviation community.
- Effectively organised the hosting of the SAATM pilot implementation programme roadshow, opened by the Honourable Minister of



Works and Transport and with the Director General of the African Civil Aviation Commission (AFCAC) as a guest of honour. This conference had a variety of high-level speakers from organisations such as the Airline Association of Southern Africa (AASA), United Nations World Tourism Organization (UNWTO), African Airlines

Association (AFRAA), Airports Council International (ACI), and IATA. This important forum was aimed at enhancing regional collaboration for industry growth, attracting more visitors to Namibia, and, through growth and connectivity, achieving safer skies.

- Concluded two aviation safety competitions for the public, serving as a catalyst for increasing aviation safety awareness. One award was given to a young learner from Okadila-West School in the northern region, enhancing the NCAA's image nationwide and promoting aviation initiatives among our youth.
- Development of several safety forms, including Exemptions and Risk Assessments, to improve and answer safety recommendations.
- Improved high-risk categories of events in five of the seven monitored indicators, demonstrating an increased level of safety of the State. SPQ conducts trending and analysis on critical safety performance indicators, as detailed below. Only technical events and loss of control events were above target; all other indicators performed better than the target.
 - Loss of separation
 - Runway incursions
 - Runway excursions
 - Loss of control
 - Controlled flight into terrain
 - Bird strikes
 - Technical failures



ANNUAL PERFORMANCE

The operational performance outlined for the reporting period was aligned with the critical elements of the Civil Aviation Oversight System.

CE-2

Under CE-2, noteworthy progress was made in the following areas:

- **Namibia Civil Aviation Technical Standards (NAMCATS) Part 140 Update:** A comprehensive draft document and project plan was

developed for the update of NAMCATS Part 140. This initiative is aimed at aligning the regulations with evolving standards and best practices within the aviation industry, ensuring regulatory compliance and enhancing safety measures within the organisation.

- **Publication of Civil Aviation Regulations Technical Advisory Panel (CARTAP) Procedure Forms:** SPQ successfully published new forms related to the Coordinated Activities and Reporting Tool for CARTAP procedures. These forms were designed to streamline operational processes and facilitate regulatory compliance, enhancing efficiency and effectiveness in safety management and oversight.

CE-4

During the reporting period, the following professional development initiatives were undertaken:

- **Staff Training:** Members of the section participated in a total of 8 courses, enriching their knowledge and skills in various aspects of safety management and regulatory compliance.
- **International Workshops:** The section attended 2 international workshops, providing valuable opportunities for knowledge exchange and collaboration on global best practices in aviation safety and quality management.
- **Course Presentations:** Two courses were presented to approximately 50 internal and external entities, including guests from regional Civil Aviation Authorities (CAAs). These presentations contributed to capacity building within the organisation and fostered collaboration and information sharing with external stakeholders.
- **Safety Workshop Presentation:** The section conducted one safety workshop, offering insights and best practices to enhance safety awareness and regulatory compliance among participants.
- **Induction Training Assistance:** The section aided with induction training, ensuring that new staff members received comprehensive orientation and training on safety management practices and organisational policies.

CE-5

During the fiscal year, the following key achievements were realised in terms of technical guidance material development, publication, and quality management:

- **Approval of Technical Guidance Material Volumes:** Technical Guidance Material Volume 9 Part 2, encompassing the National Aviation Safety Plan, Part 4, the Risk Management Manual, and Part 5, the Aviation Disaster Management Plan, were successfully approved, providing essential frameworks for aviation safety and disaster preparedness.

- **Publication of Technical Guidance Material Volume 1 Part 2:** Version 5.2 of Technical Guidance Material Volume 1 Part 2, the Administration and Procedures Handbook, was published, offering comprehensive guidance on general procedures required by inspectors and management in safety oversight activities.
- **Development and Publication of Volume 2 Part 2:** The General Inspector's Handbook, Volume 2 Part 2, was developed and published, highlighting the essential sphere of coordinated activities where two or more sections collaborate on oversight tasks to ensure effective regulatory compliance and safety oversight.
- **Approval of Advisory Pamphlets:** Four advisory pamphlets related to safety were approved, providing stakeholders with valuable guidance and resources to enhance safety practices and regulatory compliance within the aviation sector.
- **Approval and Updates of Quality Forms:** Several quality forms for use by the safety division were approved and updated, facilitating efficient data collection, analysis, and reporting, thereby enabling informed decision-making and proactive safety management.
- **Submission of Quality Policy and Management System:** The quality policy and quality management system were submitted for Executive Committee review, reflecting our commitment to organisational excellence and continuous improvement in safety management practices.
- **Completion of Quality Checks:** Rigorous quality checks were conducted on all documents developed within the NCAA to ensure that minimum standards were met, enhancing the overall quality and effectiveness of regulatory documents and safety initiatives.

CE-6

Under CE-6, the SPQ section played a key role in assisting with the certification of four service providers' Safety Management Systems (SMS). Responsible for NAMCARs Part 140, SPQ evaluated SMS plans and documentation provided by the service providers, ensuring compliance with the required standards of competency, professionalism, and integrity. Through rigorous assessment and collaboration, SPQ contributed to strengthening safety cultures within these organisations and promoted proactive risk management.

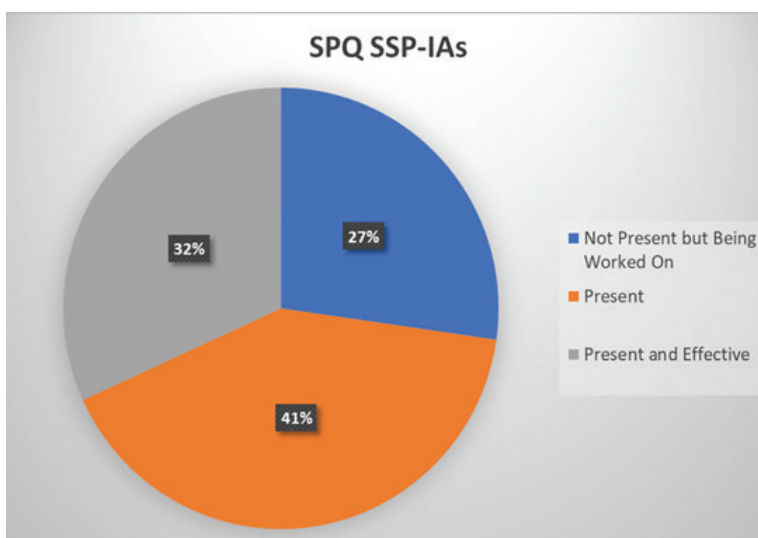
CE 8

The SPQ section made substantial advancements in several key areas throughout the year:

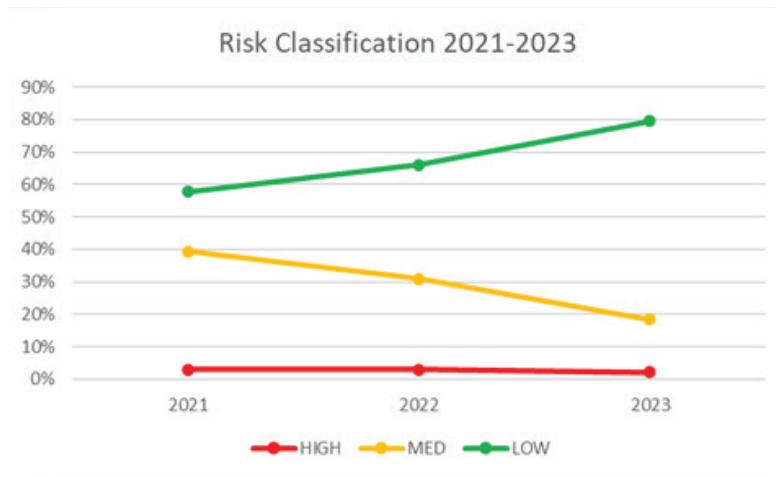
- Expansion of the safety data collection and processing system to enhance reporting and trend analysis, including the integration of a

risk-based findings database, which enables proactive identification and mitigation of safety risks.

- Provision of effective reporting feedback on safety occurrences and recommendations through the Safety Bulletin, facilitating transparent communication and organisational learning.
- Completion of self-assessments for all State Safety Programme Implementation Arrangements (SSP-IAs), with only 27% estimated in the category of “not present but being worked on,” indicating active efforts towards implementation. None were categorised as “not present,” with the remaining either “present” or “present and effective”.



- Significant progress was made in the implementation of the State Safety Programme, advancing from 60% to 74% during the period under review, reflecting notable strides in Namibian aviation safety.
- Management of the safety occurrence database by SPQ, resulting in the logging of 482 occurrences in 2023, marked a 21% increase from the previous year. This increase was primarily driven by a rise in voluntary reports, highlighting a positive trend in safety reporting culture.
- Analysis of the reported occurrences revealed that 80% were categorised as negligible risk, a notable increase from 66% in 2022, while only 2% were classified as high risk, with the remaining 18% categorised as medium risk.
- The voluntary report rate exceeded the target of 4.5 per 1,000 movements, reaching a positive rate of 6.3 per 1,000 movements, indicating a robust reporting culture within the organisation.



These achievements underscore the considerable progress made by the SPQ section in enhancing safety management processes, promoting transparency, and fostering a culture of proactive safety reporting.

State Safety Programme Steering Committee Meeting

Our dedication to the State Safety Programme Steering Committee (SSP SteerCom) remains central to our ongoing interventions that address crucial safety concerns and advance the implementation of the State Safety Programme. Throughout the year under review, the steering committee successfully convened all four planned meetings, offering a robust platform for reviewing critical safety issues.

These gatherings saw considerable progress, including the establishment of a Technical Working Group entrusted with executing the National Aviation Safety Plan (NASP) and leading the development of the Aviation Disaster Management Plan (AvDMP). Noteworthy were the committee's diligent efforts which led to the subsequent approval of the AvDMP, demonstrating our collective commitment to enhancing aviation safety measures.

As the committee continues its essential work, its focus remains on examining aviation safety events and providing informed counsel to the Executive Director. Through thorough evaluations of these events and adherence to national regulations and international standards, the committee is steadfast in its commitment to safeguarding the integrity and security of our airspace.

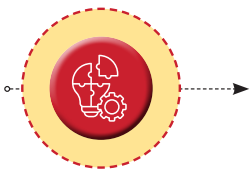
STAKEHOLDER ENGAGEMENT

Stakeholder engagement efforts were multifaceted and comprehensive, employing various communication channels and strategies to effectively disseminate safety-related information and initiatives. Through safety workshops, email lists, direct mail, bulletins, competitions, press releases, and various publications, SPQ actively

engaged with stakeholders to promote safety awareness and facilitate communication.

In its role as the public relations office for the year under review, SPQ recognised the critical importance of communication as a core safety promotion strategy. By maintaining an active presence across multiple communication platforms and channels, SPQ ensured that stakeholders remained informed, engaged, and empowered to participate in safety initiatives and activities.

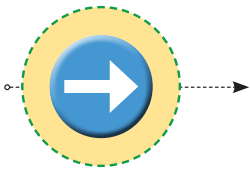
Furthermore, a detailed report providing comprehensive insights into stakeholder engagement activities and outcomes is included in this report, offering an in-depth analysis of SPQ's communication efforts and their impact on safety promotion within the aviation sector.



KEY CHALLENGES

Despite notable achievements, the SPQ section faces significant challenges that require attention and strategic solutions:

1. **Staffing Constraints:** The absence of a resolute quality specialist poses a challenge to the progress of the Quality Management System (QMS). Without specialised expertise, the development and implementation of robust quality processes may be hindered. The team has demonstrated resilience by initiating a QMS implementation project plan and brief, utilising existing resources to mitigate the impact of staffing limitations.



THE WAY FORWARD

SPQ will, in the coming year, prioritise several key initiatives aimed at enhancing safety and quality management within the organisation and across the aviation sector:

2. **Workshopping and Training for Newly Published Procedures:** All newly published procedures will be thoroughly covered in comprehensive workshops and training sessions. This approach will include coordinated activities for SMS and enforcement procedures, ensuring that staff are fully equipped with the knowledge and skills needed to adhere to established safety and quality protocols.
3. **Procurement of Additional Safety and Quality Courses:** SPQ will procure additional safety and quality courses in 2024, including a safety workshop and participation in Aviation Safety Week. These courses will provide opportunities for continuous learning and professional development, further enhancing staff competencies and capabilities in safety management.
4. **Promoting Acceptance of Safety Management Systems (SMS):** SPQ will advocate for the acceptance of SMS by the NCAA for all aviation certificate holders. This initiative is essential for ensuring compliance with Namibian regulations and ICAO SARPs, as well as

improving overall safety performance. Additionally, considering the potential audit of the SSP by ICAO in the future, SPQ will begin preparations to ensure readiness for the audit process.

5. **Continuation of Safety Promotion Activities:** SPQ will continue its safety promotion activities through workshops, publications, and maintaining a proactive approach to safety promotion, SPQ aims to raise awareness, foster collaboration, and drive improvements in safety culture and performance across the aviation sector.

Overall, these initiatives underscore SPQ's commitment to advancing safety and quality standards, fostering a culture of continuous improvement, and ensuring regulatory compliance within the organisation and throughout the aviation industry.





David Nanyemba
Acting SM AVSEC

AVIATION SECURITY

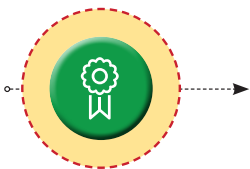
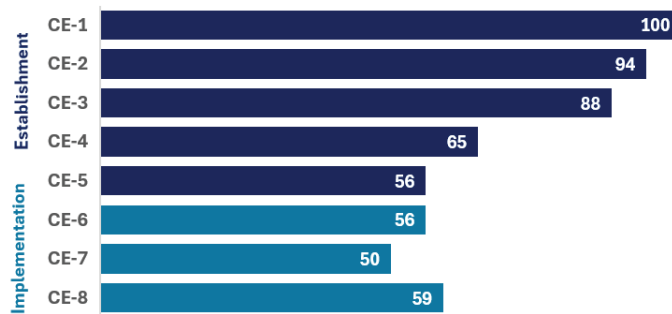
The primary objective of the Aviation Security Department is to safeguard the safety, regularity, and efficiency of civil aviation in Namibia by establishing and enforcing regulations, practices, and procedures to protect against unlawful interference. This involves defining and coordinating tasks among various departments, agencies, and stakeholders, including airport and aircraft operators, air traffic service providers, and other relevant entities. The aim is to ensure compliance with legal instruments through inspections, tests, and audits, aligning with the National Civil Aviation Security Programme and ICAO Annex 17 standards.

EFFECTIVE IMPLEMENTATION RATE GRAPH

Effective Implementation (EI)



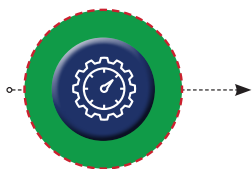
Performance across Critical Elements



KEY ACHIEVEMENTS

- AVSEC achieved a significant improvement of 70,97% Effective Implementation.
- A Ground Handling Regulated Agent application has been received and assessed and a provisional certificate was granted.
- One application for the Aviation Security Training Organisation (ASTO) has been received and assessed and a provisional certificate was granted.
- 12 Security Programme and Training Programme have been reviewed and approved.
- An ICAO Quality Control Workshop was held in Windhoek in December 2023.
- Four explosive detection dogs and their handler were assessed.

- The Public Key Directory (PKD) has been approved by the Cabinet for Namibia to become a member of PKD.
- The API cabinet decision has been signed by the Minister of Home Affairs, Immigration, Safety and Security and recommended for approval by the cabinet for Namibia to establish the Advance Passenger Information System.
- NCAA and MHAISS have drafted a Passport Manual.
- Risk assessment on critical Air Navigational Services was completed for Walvis Bay Airport.
- The NCASP was amended following Amendment 18 to Annex 17 and was approved by the Minister of Works and Transport.
- Follow up security inspection for Hosea Kutako International, Rundu, Katima, Andimba Toivo Ya Toivo and Walvis Bay Airports was completed between March and May 2024.



ANNUAL PERFORMANCE

The operational performance outlined for the reporting period was aligned with the critical elements of the Civil Aviation Oversight System.

CE 3

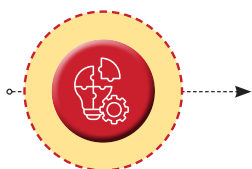
Certification obligations

CE 6

- Two Regulated Agent applications have been received, assessed, and approved.
- Three Regulated Agent Security Programmes have been reviewed and approved.

CE 7

- Develop the checklist for ATNS security assessment.
- Two full audits have been conducted at Eros Airport and Hosea Kutako Airport.
- Improved security inspection checklist for Cargo and Mail Security.
- improved the Regulated Agent Security Programme review checklists.
- Improved the Security Oversight Security checklist.

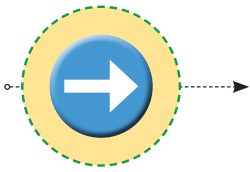


KEY CHALLENGES

- Due to the retirement of our Senior Manager, the Quality Control

Senior Inspector is currently serving in an acting capacity while continuing to manage his previous position.

- b) Lengthy process of ratification of ICAO Conventions/Protocols. It is indicated that Namibia has not ratified the Protocol Supplementary to the Beijing Convention, Montréal Protocol 2014, and the Convention on the Marking of Plastic Explosives for the purpose of detection.
- c) Currently, several airports lack valid certified screeners due to non-compliance by the airport operator.
- d) Oranjemund Airport does not fully implement the required recommendations of the NCAA for certification as a security-designated airport.



THE WAY FORWARD

- a) The ICAO National Inspector/Auditor course is planned for June 2024.
- b) The establishment of a second Aviation Security Training Organisation in Namibia
- c) Aviation Security (AVSEC) shall engage Oranjemund Airport to create a process for designating Oranjemund Airport as a security-designated airport.
- d) Enhancement of security programmes as per the ICAO Technical team's recommendations, such as:
 - i. National Civil Aviation Security Programme (NCASP).
 - ii. National Civil Aviation Security Training Policy (NCASTP).
 - iii. National Civil Aviation Security Quality Control Programme (NCASQCP).
 - iv. National Civil Aviation Security Screener Certification Programme (NCASSCP).
 - v. National Civil Aviation Security Instructor Certification Programme (NCASICP).
 - vi. Checklists for review of security programmes.
- e) Enhance the charges, penalties, and enforcement code to implement clear and straightforward penalties for non-compliance.
- f) Workshop the process of enforcement and allocate the enforcement committee's terms of reference.
- g) Conducting security inspections and tests as per the Annual Quality Control Plan.

Air Navigation Services



"Together we have Accomplished Service Excellence in Safety & Security Oversight and Air Navigation Services Provision"



Hilma Leonard
Head: Air Navigation
Services

AIR NAVIGATION SERVICES (A UNIT OF THE NCAA)

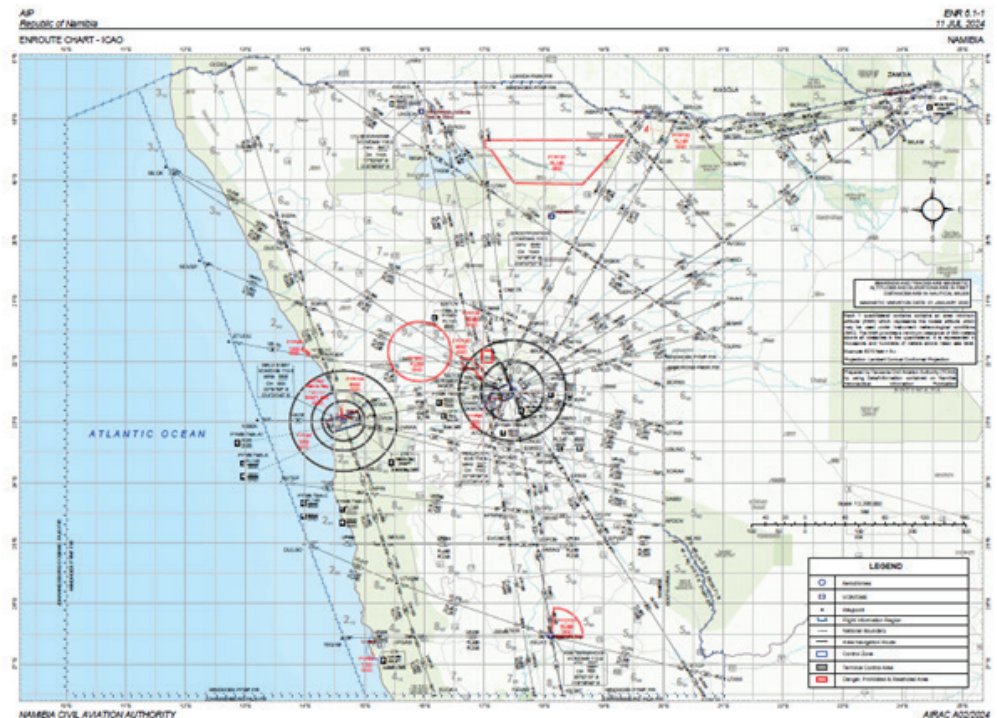
ABOUT ANS AND THE SERVICES PROVIDED

The Air Navigation Services (ANS) was established in terms of Part 6 of the Civil Aviation Act (Act 6 of 2016) and is empowered to provide air navigation services in Namibian sovereign and delegated airspace.

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

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

The Flight Information Region (FIR)



SERVICES PROVISION

ANS Unit comprises four departments mandated to manage the Namibian airspace and provide safe and efficient air navigation services to the users of the Namibian airspace, namely:

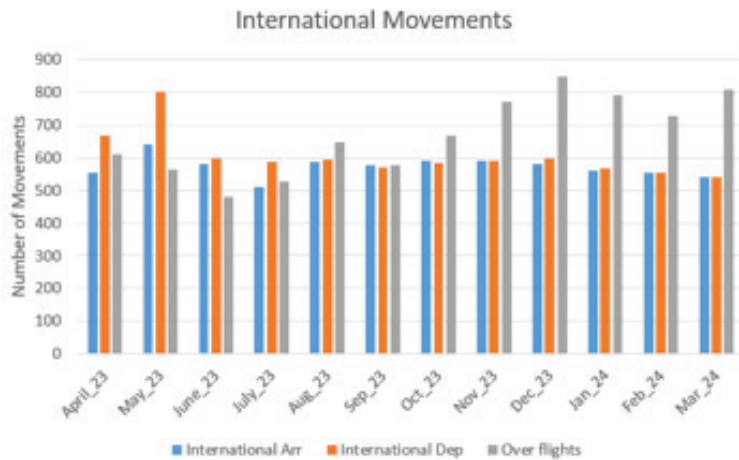
1. Aeronautical Information Management
2. Air Traffic Services
3. Communication Navigation and Surveillance
4. Safety and Quality Assurance

NB: The Office of Safety and Quality Assurance (SQA) oversees the ANSP certification process and ensures that the services provided are quality and safety assured. All QMS and SMS-related training is planned and arranged through the SQA office.

Air traffic movements

The air traffic movements operating in the airspace under the jurisdiction of the ANS are shown in the figure below. Total movements for the year 2018/2019 to the year 2023/2024 are as follows:

MONTH	International Arr	International Dep	Over flights
April_23	553	668	611
May_23	641	801	563
June_23	582	598	479
July_23	512	586	526
Aug_23	587	594	649
Sep_23	577	570	577
Oct_23	591	585	666
Nov_23	591	591	772
Dec_23	582	597	848
Jan_24	559	566	791
Feb_24	555	555	728
Mar_24	541	541	809



The annual total average for the three financial years (2017 to 2020) was 78,513 movements per year. Compared to the annual total movements for 2020/2021 of 27,466, this represents only about 35% of the previous three-year average.

In the 2021/2022 financial year, there were 47,621 total movements, a 173% increase from the previous year, but only 60.7% of the 2017-2020 average. The 2022/2023 financial year saw 74,443 movements, still below the pre-COVID average but showing significant improvement in air traffic movements.

Total international arrivals, departures and overflight movements, which generated most of the Air Navigation Services Provider revenue from 2018/2019 to 2022/2023, 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
2022/2023	19,485
2023/2024	22,142

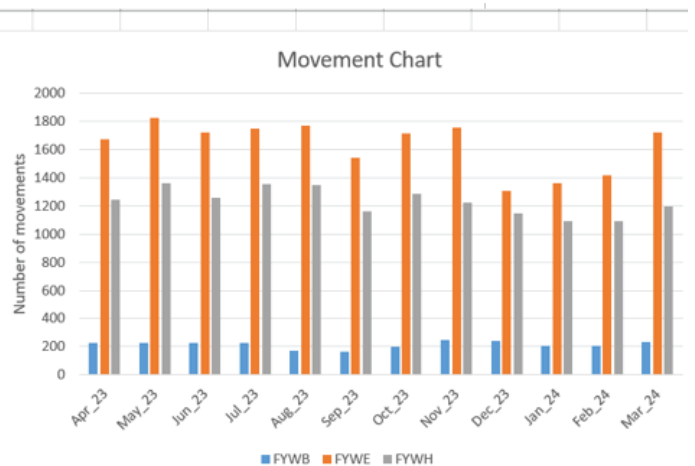
However, the total international arrivals, departures and overflight movements average for the three financial years (2017 to 2020), were 25,448 movements per year, compared to 5,794 from 2020 to 2021, representing only 23% of the previous three-year average.

During the period under review, there were 19,485 international arrivals, departures, and overflight movements, reflecting a strong post-COVID-19 recovery. However, this still represents only 76.57% of the pre-COVID average for the three financial years from 2017 to 2020.

For the year under review, we recorded 22,142 international arrivals, departures, and overflight movements – a 13.6% increase from the previous year and 87% of the three-year average (2017 to 2020).

Domestic traffic is seasonal, dependent on the tourism industry, and largely consists of commercial general aviation operators serving the tourism and charter industry. Traffic peaks between August and November and is lowest during December and January, driven by international and domestic arrivals and departures. Scheduled airline flights connect regional centres, while international arrivals, departures and overflights remain constant throughout the year. The first graph below shows air traffic movements at the three busiest airports where ANS provides air traffic control services, while the second graph displays traffic at smaller airports.

Month	FYWB	FYWE	FYWH
Apr_23	230	1672	1246
May_23	228	1822	1358
Jun_23	227	1720	1260
Jul_23	225	1745	1356
Aug_23	172	1771	1345
Sep_23	162	1538	1159
Oct_23	196	1711	1284
Nov_23	248	1755	1225
Dec_23	239	1306	1145
Jan_24	209	1363	1090
Feb_24	203	1416	1089
Mar_24	231	1721	1194



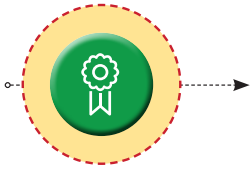


Jeremia Kamati
SM ATS



AIR TRAFFIC SERVICES (ATS)

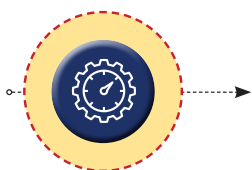
The primary objective of the Air Traffic Services (ATS) Department is ensuring the safety of aircraft operations by providing guidance and support to pilots, preventing collisions between aircraft in the air, preventing collisions between aircraft and obstructions on the maneuvering area of an aerodrome, managing the flow of air traffic within the Namibian airspace (also known as the Windhoek Flight Information Region) and delegated airspace portions to minimize delays to air traffic, as well as ensuring optimal utilization of the Namibian airspace and airport resources by facilitating the safe, efficient and orderly flow of air traffic. ATS also plays a significant role in the aircraft emergency response and search and rescue services through provision of support during emergencies, by coordinating with search and rescue services organizations and managing air traffic to ensure the safety of all aircraft involved



KEY ACHIEVEMENTS

- All units of the department have been certified by the Regulator after achieving the requirements set for certification.
- A Rescue Coordination Centre (RCC) has been established at Eros Airport, to coordinate and provide SAR services, and to ensure compliance with the ICAO standards and recommended practices as well as national (domestic) legislation.
- Six ATS staff members have been trained as SMCs at ATNS Aviation Training Academy during December 2023 and are now manning the RCC and providing SAR coordination services.
- ATS has completed the development and implementation of all operational documents.
- ATS has developed, reviewed, and signed Memoranda of Understanding, Operational Letters, Letters of Procedure/Agreement, and Service Level Agreements with stakeholders such as the Military, Namibian Police, NAC, Soaring Society of Namibia, and neighbouring Flight Information Regions.
- With the implementation of Safety and Just Culture in ATS operations, reporting of safety occurrences has significantly improved, marking progress in enhancing air navigation services safety. Consequently, there has been a notable reduction in ATS-related safety incidents during the reporting period, thanks to corrective actions such as remedial training for operational personnel, revised procedures, and regular engagements with operators.
- Annual regulatory inspections, conducted 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.

- Regular and Ad-hoc engagements have taken place between ATS and stakeholders, aimed at improving interactions between all parties involved. ATS has also consistently attended the Inter Operator Safety Group meetings, as held at Eros Airport, between all aviation stakeholders. Through these engagements, several safety concerns were analysed and successfully addressed.
- Various training interventions were conducted during the reporting period, including training and validating additional Approach Procedural and Surveillance controllers, Area Procedural and Surveillance controllers, and Flight Information Services providers. Several ATS personnel have attended and completed safety courses/training such as Safety Management Systems, Quality Management Systems, Search and Rescue Mission Coordinator, and Leadership and Management Development Programme.



ANNUAL PERFORMANCE

The operational performance outlined for the reporting period was aligned with the critical elements of the Civil Aviation Oversight System.

CE 6

Like other ANS departments, the ATS Department has made considerable progress to ensure it meets certification requirements, with the completion of the following phases:

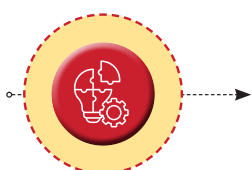
- Performance 1: Pre-Application – 100% completed
- Performance 2: Formal Application phase – 100% completed
- Performance 3: Document Review phase – 100% completed
- Performance 4: Onsite Verification audit – 100% completed
- Performance 5: Certification – 100% completed

CE 7

- Performance 1: Surveillance audits - 100% completed for the year, as all ATS units underwent regulatory surveillance audits. This is however an ongoing process.

CE 8

- Performance 1: Resolutions of Safety Concerns – CAPs were completed, submitted and accepted by the Regulator.

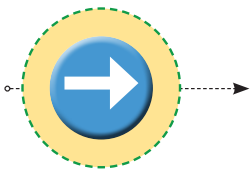


KEY CHALLENGES

- ATS is still faced with staffing challenges, especially at the Katima Mulilo Airport, a port of entry/exit, which on occasion has led to the unit becoming unmanned whenever the one unit-based controller is absent from duty for reasons beyond his/her control. This makes it difficult to adhere to the Fatigue Management requirements

currently. Plans are underway to recruit an additional air traffic controller at the unit to address the situation.

- The ATS surveillance system, procured and operationalised in 2010, has a maximum lifespan of 15 years before requiring a midlife upgrade or replacement. While it has enhanced safety and efficiency in air traffic services, it's ageing now poses a significant safety challenge, potentially impacting aviation safety, security, and efficiency.
- Since some RNP Approach procedures could not be reviewed as regulations required, the affected approaches had to be suspended for safety reasons. The unavailability of the RNP approaches has negative safety implications as instrument flight rules flights would not be able to land in instrument meteorological conditions, which is common during the rainy season.
- Various ATS units have encountered aviation meteorological equipment failures, which impacted on the provision of safe and efficient provision of air traffic services.



THE WAY FORWARD

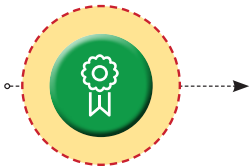
- ATS is currently working to maintain certification of all ATS units throughout the country and retain the certificate.
- It is required that the RCC is staffed on a 24-hour basis. Plans are underway to train additional SMCs to ensure that the RCC is manned accordingly, thereby ensuring compliance with the ICAO standards and recommended practices, as well as national (domestic) legislation.
- Plans are underway to have the ATS surveillance system upgraded to avoid an entire shutdown of the system.
- ICAO has urged all Contracting States to incorporate Free Route Airspace and Direct Routing Operations into their master plans to enhance efficiency. Namibia has established an implementation team for Free Route Airspace and Direct Route Operations, with provisional implementation planned for December 2024.
- The reviewed ANS/NMS MoU will be workshopped and implemented at all ATS units, to address MET-related problems which are currently hampering the provision of air traffic services.
- ATS will complete the determination/declaration of the air traffic management system capacity, leading to the implementation of the Air Traffic Flow Management within the Windhoek FIR by June 2024.
- ATS plans to recruit at least six new Aerodrome Controllers via the bursary programme to address the acute staff shortages facing the department. There is a budgetary provision for the bursary programme and plans are underway to roll the programme out in the third quarter of 2024.



Abiatar Ntinda
SM CNS

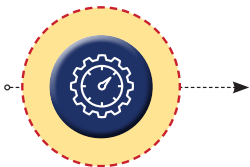
COMMUNICATION NAVIGATION AND SURVEILLANCE (CNS)

The Communication, Navigation, and Surveillance (CNS) department of ANS is responsible for maintaining, supporting, repairing, and calibrating all CNS systems to ensure reliable Air Navigation Services in Namibian airspace. This is accomplished through specialized management, testing equipment, and expertise, ensuring system serviceability and compliance with Namibia's Civil Aviation Regulatory framework across airports and remote sites nationwide.



KEY ACHIEVEMENTS

- Timely flight calibration of all Radio Navigation Aids.
- CNS Department certified as a Communication, Navigation and Surveillance Provider.
- Signing of the Memorandum of Understanding between NCAA and SACAA-FIU.
- Successful replacement of network security firewall devices at Eros and Hosea Kutako International Airport to secure Air Navigation Services networks
- Implementation of CNS Routine Maintenance Plan in the last quarter of the financial year.
- Publication of Lüderitz VOR/DME (LZV) as an enroute facility at FYLZ.

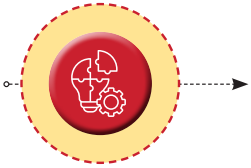


ANNUAL PERFORMANCE

- CNS, as an Engineering Technical Department of Air Navigation Services, has ensured annual continuous service provision within the Windhoek FIR with an average of 98.5% of Communication, 98.7% of Radio Navigation, 99.5% of miscellaneous systems and 86.95% of surveillance statistical equipment availability (due to ageing equipment).
- The department has ensured that all Radio Navigation facilities were calibrated before the annual certificate had elapsed and ground checks were conducted accordingly.
- The department was successfully certified as an Aeronautical Telecommunication Services (ATEL) Service Provider within the Republic of Namibia as per NAMCAR part 171, and all operational manuals were approved.
- The department ensured that the outstanding Memorandum of Understanding (MoU) between the South Africa Civil Aviation Authority-Flight Inspection Unit (SACAA-FIU) and NCAA was signed

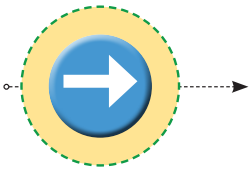
with SACAA giving assurance of the timely flight calibration services of Radio Navigation Aids facilities within the Windhoek FIR.

- The old and failing network firewall devices providing network security have been successfully replaced at Eros Area Control Centre and Hosea Kutako International Airport to enhance network security and provide network stability.
- After approval of CNS operational manuals, the department commenced with the implementation of remote site routine maintenance and has completed all CNS sites around or within the vicinity of Windhoek. The further sites are part of the annual routine maintenance plan for 2024/2025.



KEY CHALLENGES

- Ageing surveillance equipment.
- Ageing Aeronautical Fixed Telecommunication Network (AFTN).
- Absence of Work at Height Policy.



THE WAY FORWARD

- Full implementation of Remote Routine Maintenance Schedule.
- Upgrading or replacement of Surveillance systems within the Windhoek FIR.
- Decommissioning and removal of old Page systems (VCS & VHF).
- Commissioning of new CNS equipment.
- Increasing the staffing complement.



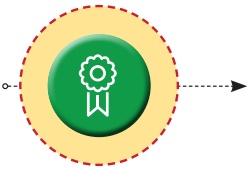


Abraham Kahenge
SM AIM



AERONAUTICAL INFORMATION MANAGEMENT (AIM)

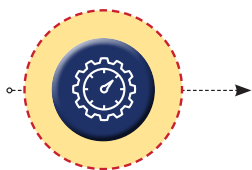
The Aeronautical Information Management department is responsible for ensuring that aeronautical data and/or information necessary for the safety, regularity and efficiency of air navigation is made available in a form suitable for the operational requirements of the air traffic management (ATM) community, including those involved in flight operations. The department receives, collates, assemble, edit, format, publish and distribute aeronautical data and information for the entire territory of the Namibia as well as those areas over the high seas for which the Namibia is responsible for the provision of ATS. The department's key functional areas are including Flight Briefing, NOTAM office, Aeronautical Publications, Aeronautical charts, Data Integrity, and Flight Procedure Design Services. AIM has also been delegated the function to manage applications and issuance of Overflight and Landing Clearance (OLC) on behalf of the Executive Director.



KEY ACHIEVEMENTS

- All Instrument Flight Procedures that are currently published in the AIP have been flight validated by the South African Civil Aviation Authority's Flight Inspection Unit (SACAA-FIU) and passed the validation assessments with minor comments that do not impact the safety of flight.
- The quality management system was initially certified as ISO 9001:2015 compliant in 2019 by Wynleigh International Certification Services (Pty) Ltd, an ISO-accredited certification company. It was recertified in 2022, with annual surveillance audits conducted each year. The 2023 surveillance audit, held in June 2023, resulted in one minor nonconformity and three observations, all of which were promptly addressed and closed.
- A new departmental structure was approved in alignment with the ISBP, adding six more Aeronautical Information Officers (AIO) to accommodate the continuous shift operations and establishment of a briefing office at Hosea Kutako International Airport, as per the recommendations of the ANS certification team. Other positions added to the structure include a Data Integrity Officer, a Cartographer, and an Instrument Flight Procedure Specialist (a specialisation that will ensure that flight procedures are designed in-house).
- During the year underreview, the department underwent three audits: one internal audit and two external audits to confirm compliance with ISO 9001:2015 standards. The external audits included a certification audit and a follow-up audit, both conducted by the regulator. Additionally, several ad hoc surveillance audits were performed, with corrective actions provided in all cases

- A total of seven agreements were signed with key stakeholders to enhance working relationships and service provision. These include the agreements with Aeronautical Services And Procedures (ASAP), Air Traffic and Navigation Services (ATNS), Tanzania Civil Aviation Authority (TCAA), NAC (inclusive of all NAC operated airports), Debmarine Namibia (Oranjemund Airport) ATS and CNS.



ANNUAL PERFORMANCE

The operational performance outlined for the reporting period was aligned with the critical elements of the Civil Aviation Oversight System.

CE 6

Considerable progress was made to ensure it meets certification requirements, the process is still ongoing, however, the following phases were completed:

- Performance 1: Pre-Application – 100% completed
- Performance 2: Formal Application phase – 100% completed
- Performance 3: Document Review phase – 100% completed.
- Performance 4: Onsite Verification audit – 100% completed.
- Performance 5: Certification – 100% completed.

CE 7

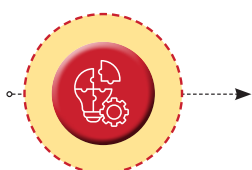
- Performance 1: Surveillance audits - 100% completed for the year and it is an ongoing process.

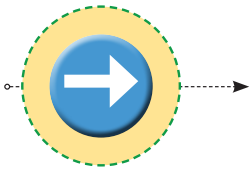
CE 8

- Performance 1: Resolutions of Safety Concerns – CAPs were submitted and accepted by the regulator.

KEY CHALLENGE

- The department currently uses an outdated AFTN that does not meet ICAO requirements.
- Most of the current Instrument Flight Procedures (IFP) in the AIP will be reaching their five-year mandatory review period.
- Lack on adequate staffing.





THE WAY FORWARD

- Recruit at least five new AIOs through the bursary programme to address the acute staff shortages facing the department.
- Alongside maintaining ISO certification, the department will focus on improving other quality and safety areas, such as Just Culture and Safety Culture.
- The AIM QMS certification is due for recertification in July 2025. With the maturity of the quality system in place, there is a strong prospect of retaining the ISO certification, ensuring the quality of aeronautical data, information, and aeronautical information products provided for and on behalf of the Government.

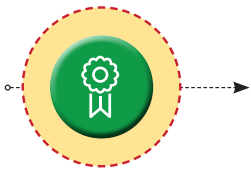




Philippine Lundama
SM SQA

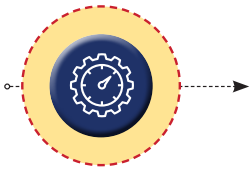
SAFETY AND QUALITY ASSURANCE (SQA)

SQA is established under Air Navigation Service (ANS) for the purpose of implementing the Safety Management (SMS) and Quality Management (QMS) systems. In addition, SQA provides guidance and direction for planning, implementation and operation 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. SQA maintain and enhance service delivery to that part of the aviation industry which is reliant on the Air Navigation Service (ANS) provider (ANSP), to complete its mandate of delivering people and goods safely to their destinations, domestically and internationally.



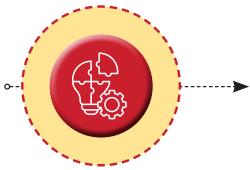
KEY ACHIEVEMENTS

- Training a total of 24 ANS staff in SMS and QMS as was planned for the reporting period.
- Reviewing and developing all SQA (SMS and QMS) manuals and related procedures as well as providing oversight over the ANS departments (AIM, ATS and CNS) during reviewing and development of their respective manuals as precursors to the ANSP certification.
- Overseeing the ANS through the ANSP certification process and successfully obtaining the ANSP Provider certificate.
- Conducting AIM ISO 9001:2015 QMS internal audits while providing OJT for internal auditors.
- Overseeing the ANS throughout the preparations for the ICAO USOAP CMA and consequently contributed to the Namibian State obtaining 72% success in the audit.
- Overseeing the ANS during the development of CAPs for findings raised from AIM ISO 9001:2015 External audit, the ANSP certification and ICAO USOAP CMA.
- Training of six ANS staff in Root Cause Analysis enabling them to better respond to audit findings and identifying mitigations that prevent the reoccurrence of such nonconformities.
- Overseeing the ANS while developing Safety recommendations for internal incident investigations, as well as conducting follow-up activities to ensure implementation thereof.



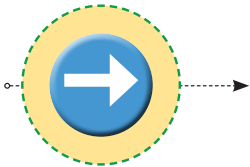
ANNUAL PERFORMANCE

- SQA as the internal oversight department for ANS, has nearly completed the development phase of the SMS and QMS, with only minor tasks pending for the implementation phase. Training for all ANS staff in SMS and QMS, as well as for internal investigators and auditors, has been achieved at approximately 70%. We expect to reach 100% SMS and QMS training by the end of 2024, while training for internal investigators and auditors, including on-the-job training, continues.
- The SMS and QMS implementation phase commenced at a steady pace, with manual workshopping for all ANS staff in the second week of March 2024. It is expected that eight manuals and their related procedures will be workshopped with the ANS staff before the full implementation of the SMS and QMS. The implementation phase is planned for the second half of 2024.
- As per the certification process, the SQA Department drafted all mandatory manuals: the SMS Manual, including the Incident Investigation Manual and Emergency Response Plan, and the QMS Manual and its related procedures (Internal Audit, Change Management, Corrective Action, Management Review, Communication, Training and Assessment, Document Control, Record Control, QMS Planning, and QMS Scope. These documents were approved by the Regulator during the ANSP certification process.



KEY CHALLENGES

- Lack of adequate staffing.



THE WAY FORWARD

- Completion of the ANS staff training in SMS and QMS by the end of 2024.
- Full implementation of ANS manual
- Commencing of the SMS and QMS implementation phase in the 2nd half of 2024.

Support Functions



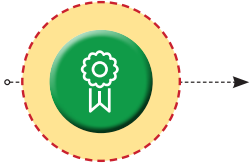
"Together we have Accomplished Service Excellence in Safety & Security Oversight and Air Navigation Services Provision"



Maria Haipinge
Acting CFO

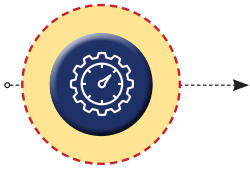
FINANCE AND ADMINISTRATION

The objective of the Finance and administration department is to ensure the NCAA's financial sustainability and operational efficiency by managing budgets, financial planning, resource allocation, procurement and fleet administration. It safeguards assets through risk management, supports daily operations with administrative services, and contributes to strategic decision-making by providing financial insights. The department also ensures compliance with regulatory standards and maintains effective communication with stakeholders to uphold transparency and accountability.



KEY ACHIEVEMENTS

- The external audit for the 2023/2024 fiscal year was completed on time, and the auditors issued an unqualified opinion.
- During the year under review, the Board approved new policies, namely the Fleet Management Policy, Bank & Petty Cash Management Policy, and Delegation of Authority policy.
- Sixteen vehicles were added to the fleet operations.



FINANCIAL PERFORMANCE

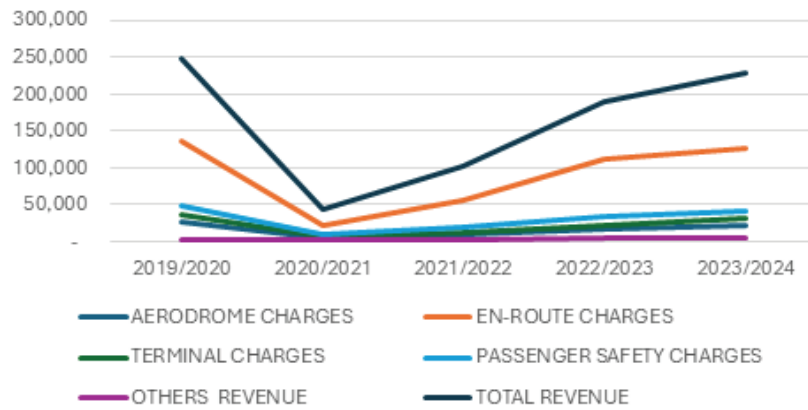
The Authority recorded a total comprehensive profit of N\$25.1 million for the year ended 31 March 2024, a significant increase from the N\$1.9 million profit in the previous year. This improvement is attributed to effective cost-control measures and increased revenue. Revenue for the year rose by 20%, from N\$189.4 million in 2022/2023 to N\$228.1 million in 2023/2024, driven by a rise in passenger numbers visiting Namibia and a revival in aviation and tourism-related activities in the country.

Operating expenses increased by 14%, from N\$206.5 million in 2022/2023 to N\$236.0 million in 2023/2024. This rise is due to significant changes in the provision for doubtful debts during the fiscal year compared to the previous period.

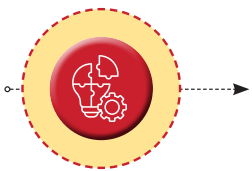
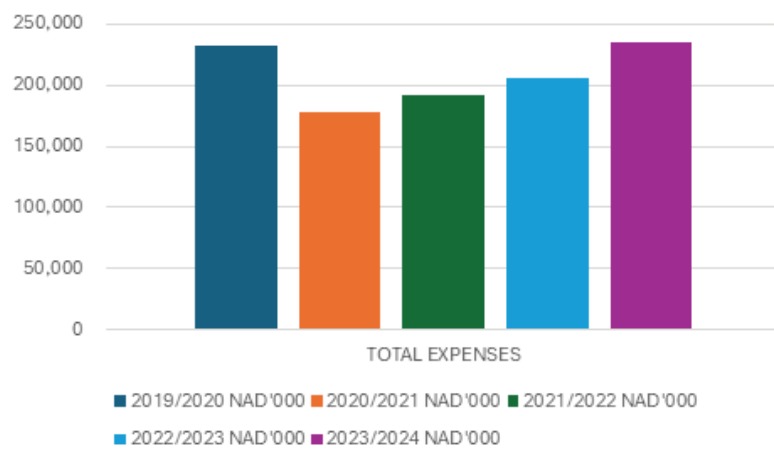
The Minister of Finance and Public Enterprises appropriated N\$100 million for operational support, and N\$121.1 million was received for government project development support.

As of 31 March 2024, the Authority's total assets amounted to N\$842.9 million, an increase of N\$224.7 million from N\$618.2 million on 31 March 2023. The NCAA remains in a strong liquidity position, with a substantial rise in cash and cash equivalents and short-term investments from N\$364.0 million in the prior year to N\$628.4 million in the current year.

5 YEAR REVENUE TREND - N\$ 000

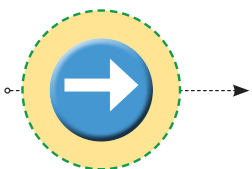


5 YEAR TOTAL EXPENSES TREND - N\$ 000



KEY CHALLENGES

- Managing interactions with stakeholders and overseeing the processes required for transferring the ownership of the headquarters building and ANS building to NCAA.
- The current finance and administration systems, organisational structure, and job descriptions are inadequate, leading to inefficiencies, mediocre performance, and ineffective implementation of financial controls within the department.
- Shortage of staffing levels, impacting operational efficiency and productivity.



THE WAY FORWARD

- Develop policies currently missing, revise policies due for revision to effectively guide and regulate the Finance department and implement the approved Finance policies.
- Finalise the revision of regulatory fees (Part 187 regulation) and explore additional revenue streams.

- Maintain cost-cutting measures to ensure only necessary expenses are incurred.
- Acquire and implement a new finance and administration system to eliminate inefficiencies and incorporate automation as part of the digital transformation strategy.
- Restructure the Finance and Administration department in alignment with the new organisational structure, pending approval.

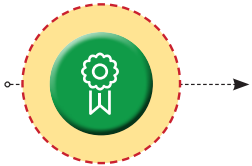




Erastus Hangula
SM ICT

INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)

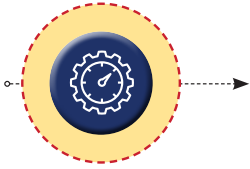
The ICT Unit's primary objective is to enhance and secure the ICT infrastructure by providing reliable support for both hardware and software systems. It ensures protective security and operational integrity across computer systems and telecommunications, facilitates integrated communication tools and workflows for both ANS and regulatory units, and supports industry-wide collaboration while accommodating organizational and technological changes to maintain stability and continuity.



KEY ACHIEVEMENTS

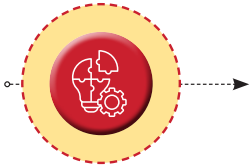
The department continued to maximise the use of assigned resources. It is responsible for enhancing business resilience and continuity, thereby improving organisational capacity.

- To standardise ICT infrastructure and identify key critical focus areas, the department annually contracts an external IT environmental audit. During the year under review, the department conducted an IT and risk management audit to ensure that internal controls are satisfactory, and risks are effectively managed.
- Operational decisions need to be guided by an effective internal policy framework. The NCAA ICT Policy was approved by the Board.
- In response to the ICAO call to take action to address cyber threats to civil aviation systems, the NCAA has established an Aviation Cyber Security Standing Committee and has appointed an Aviation Cyber Security Focal for the State.
- The department has also deployed 40 new PCs and laptops for staff members.
- The Centralised Printing Project has been deployed to optimise the use of printing resources.
- A work-from-anywhere approach is maintained, allowing employees to work productively and autonomously from any location. This is facilitated by the successful implementation of NCAA Secure Tunnel (NCAA VPN) infrastructure, ensuring alignment with company culture and goals while staying connected.
- Three staff members have passed their certifications, two in IT Service Management (ITIL) and one in Azure Microsoft Certified: Azure Fundamentals. Such upskilling enhances ICT self-subsistence.



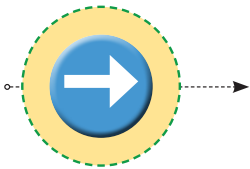
ANNUAL PERFORMANCE

- The department has managed the performance of NCAA ICT, enhanced service delivery, run an efficient and effective IT operation, and succeeded in controlling IT costs and managing identified threats and risks.



KEY CHALLENGES

- Lack of adequate staffing.
- Lack of appropriate legislation and coordination of the activities among various ICT security arms of government are critical issues that need addressing.
- Inadequate IT infrastructure optimisation, and cyber security.
- Inadequate Supply Chain Security.



THE WAY FORWARD

- Continue to develop IT policies and standards (priority is given to the Aviation Cyber Security Action Plan and the ICT Strategy).
- Continue to manage business ICT risk.
- Compliance with external laws and regulations (e.g., ICAO ANNEX 17).
- Build a resilient automatic workload failover to our business service continuity and availability Disaster Recovery site in the event of a disaster.
- Continue to build skills within the department, improve motivation, and productivity.
- Manage digital transformation and innovation programmes.
- Fully implement the COBIT framework for the governance and management of enterprise information and technology.
- Fully implement ITIL framework for the IT Service Management.
- Fully implement and roll out the EMPIC System.



Silo Shino
Acting SM Projects

PROJECTS OFFICE

The Projects Office serves as a centralised hub for project management framework within the NCAA, ensuring the successful planning, execution, and monitoring of projects. It is pivotal in driving project success through effective governance, resource management, risk mitigation, quality assurance, communication, knowledge sharing and performance monitoring.

KEY ACHIEVEMENTS

- The approval of the five Capital Project charters by the Board.
- Securing project funding from the Government.

ANNUAL PERFORMANCE

- The commencement of two capital projects (Upgrade of the Air Navigation Services Facilities at Eros Airport and the Construction of the new Aerodrome Control Tower at Walvis Bay International Airport).
- Timely submission of the 2022/2023 Integrated Annual Report.

KEY CHALLENGES

- Inadequate Staff complement within the Projects office.
- Lack of a Project Management Framework Policy.

THE WAY FORWARD

- Continue to facilitate and coordinate the finalisation and approval of the ISBP by the Minister of Works and Transport.
- Commence with the remaining crucial capital projects and closely monitor their execution.
- Increase the staff complement within the Project Office.
- Drafting and Implementing the Project Management Framework Policy.

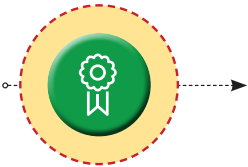


Tuyeimo Martin
Manager Human Resources

HUMAN CAPITAL DEPARTMENT

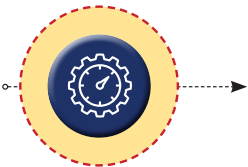
The Human Capital Department manages the organisation's human resources and various strategic and administrative functions related to employee management and development. The primary objective is to foster employee engagement, increase productivity, and enhance the value that employees contribute. The department further oversees talent management, workforce planning, employee engagement, change management, diversity, equity, inclusion, and performance management interventions aligned with business objectives to drive high performance and fair rewards.

Our employees are a great asset to our organisation and thus it is important to ensure that the NCAA institutes effective Human Resources programmes to achieve its strategic goals. Various Human Capital programmes were implemented to manage employee-related matters and to make NCAA the best company to work for.



KEY ACHIEVEMENTS

- Successfully developed five policies that were approved by the Board during the period under review: The Technical Personnel Competency and Qualification Framework, Job Evaluation and Grading Policy, Disciplinary Policy, Remuneration and Reward Policy, and the revised Grievance Policy.
- The NCAA has complied with the requirements of the Affirmative Action (Employment) Act, of 1998, and the Affirmative Action Compliance Certificate from the Employment Equity Commission was issued.



ANNUAL PERFORMANCE

1. Recruitment

A total of thirteen employees were recruited during the period under review, of which eleven are on short-term contracts and two are permanent employees. In addition, the NCAA has engaged the services of seven experts to assist with the Universal Safety Oversight Audit Programme Continuous Monitoring Approach (USOAP CMA) audit.

2. Capacity Building

2.1. Training and Development

Building capacity for the NCAA remains a key priority. Over 100 technical employees received training in various specialised courses, amounting to N\$6,087,4655 per the Technical Training Policy and framework.

2.2. Professional Development

NCAA investing in leadership development is key to promoting the long

term success and sustainability of the entity by establishing a robust pipeline of qualified leaders capable of guiding the company in a dynamic and demanding environment.

A total of 23 employees in management positions underwent leadership programmes in partnership with the Stellenbosch University Business School to the value of N\$1,723,580.00 per the NCAA's Professional Development Policy.

Number of staff	Type of course	Cost (N\$)
23	<ul style="list-style-type: none"> • Executive Development Programme • Senior Management Development Programme • Management Development Programme 	1,723,580.00



3. Terminations during the period of reporting



Turnover rate (Resignation and Retirements) = $16/196=8.16\%$

4. Employee wellness initiative: Wellness Day Event

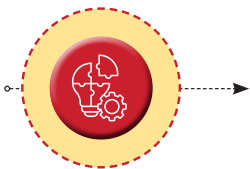
The NCAA hosted a Wellness Day in September 2023 to promote a healthy lifestyle and foster a culture of self-care and resilience. Various stakeholders, including a dietician who gave a presentation, were invited to engage with NCAA employees.

5. 2023 Annual Awards Ceremony

The NCAA celebrated its 2023 Annual Awards Ceremony on 20 December 2023. This prestigious event honoured and recognised the exceptional contributions and achievements of our dedicated team members, highlighting the hard work, commitment and outstanding performance that have been key to our success throughout the year.

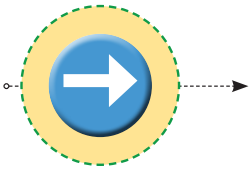
The categories were as follows:

Customer Service Award	Sports Person of the Year Award
Leadership Award	Most Talented Employee Award
Employee of the Year Award	Cool Employee Award
Best Advice Giver Award	Superstar Award
Intern of the Year Award	Volunteer Award



KEY CHALLENGES

- Staff retention remains a challenge to the NCAA, which the Company intends to address through strategic interventions.
- Costly Aviation training and employees are required to keep current with international standards.
- Staff shortage remains a challenge.
- Lack of HRIMS for effective HR reporting and service delivery.



THE WAY FORWARD

- Recruitment of qualified technical personnel to address the USOAP audit findings.
- Implementation of attraction and retention strategies i.e. remuneration review and regrading of roles and responsibilities.
- Conducting skills audits and change management to address skills gaps.





Annual Financial Statements

NCAA



“Together we have Accomplished Service Excellence in Safety & Security Oversight and Air Navigation Services Provision”

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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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 2024**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.

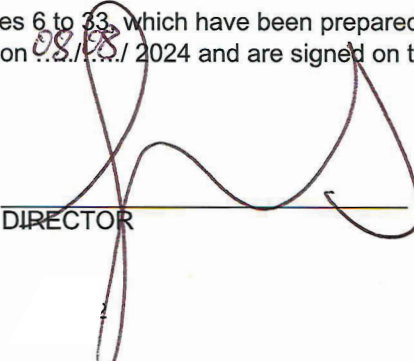
The directors have reviewed the Authority's cash flow forecast for the year to 31 March 2025 and, in light of this review and the current financial position, they are satisfied that the Authority has access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented on pages 3 to 5.

DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 6 to 33, which have been prepared on the going concern basis, were approved by the board of directors on 28/3/2024 and are signed on their behalf by:


CHAIRPERSON


DIRECTOR



Tel: +264 833 224 125
Fax: +264 833 224 126
Email: info@bdo.com.na

61 Simeon Shixungileni Street
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 32, which comprise the statement of financial position as at 31 March 2024, 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 material 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 2024, 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 director's report, the detailed statement of profit and loss and other comprehensive income, 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.

BDO, a Namibian partnership, is registered with the Public Accountants and Auditors Board (Practice Number: 9402). Our firm has offices in Windhoek, Walvis Bay and Oshakati. BDO is a member of BDO International Limited, a UK Authority limited by guarantee, and forms part of the International BDO network of independent member firms.

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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WINDHOEK
Namibia

- 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
20 August 2024

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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 2024**REPORT OF THE DIRECTORS**

for the year ended 31 March 2024

The directors have pleasure in presenting their report on the annual financial statements of Namibia Civil Aviation Authority for the year ended 31 March 2024.

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\$100 036 000 (2023: N\$ 57 334 000). 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

At 31 March 2024, Property, Plant, and Equipment amounted to N\$ 182 140 000 (2023: N\$ 218 747 000) of which N\$ 5 839 000 (2023: N\$ 4 396 000) was added in the current year through additions.

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.

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 its establishment has been renting towers & sites for it is communication, navigation, and surveillance (CNS) purposes and has entered into a contractual agreement with its suppliers. An amount of N\$3 808 000 (2023: N\$3 492 000) has been incurred 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 respectively.

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**REPORT OF THE DIRECTORS**

for the year ended 31 March 2024

TAXATION

The Namibia Civil Aviation Authority (NCAA) is a regulatory established in terms of the Civil Aviation Act of 2016. The NCAA is mandated to regulate and oversee aviation safety and security as well as to provide safe and reliable air navigation services to the State and inhabitants of Namibia in general. Furthermore, the NCAA derives its income from appropriation by Parliament, charging air operators safety, security, and air navigation fees/charges, and by grants or donations made for a specific purpose. These funds are utilised to defray the expenses of the Authority incurred in the exercise and performance of its powers and functions in terms of the Act or any other law. In the same vein, the NCAA is not permitted to distribute these funds to any person except in the furtherance of its objectives.

Income received by the NCAA is exempted from Income tax in terms of section 16(1)(e)(i) of the Income Tax Act.

DIVIDEND

In accordance with Section 24 of the Civil Aviation Act of 2016, no dividend has been declared and paid during the year (2023: 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
Mr. Bethuel T Mujetenga (Chairperson)	04 November 2020	
Ms. Kadiva Hamutumwa (Deputy Chairperson)	04 November 2020	
Mr. Melkizedek Uupindi (Director)	04 November 2020	
Ms. Josephine Shigwedha (Director)	04 November 2020	
Mr. Fernando Somaeb (Director)	04 November 2020	
Ms. Martha Hitenyane (Director)	04 November 2020	
Ms. Toska Sem (Executive Director)	01 July 2022	

COMPANY SECRETARY

Name	Date of appointment	Date of resignation
Ms. Nerago Ndoroma (Acting Corporate Secretary)	01 January 2021	31 May 2023
Mr. Christoph Seimelo (Additional responsibility)	01 December 2023	

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

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**REPORT OF THE DIRECTORS**

for the year ended 31 March 2024

GOING CONCERN

The Authority incurred a net profit of N\$25 116 000 (2023: N\$1 946 000) for the year ended 31 March 2024 and cash generated from operating activities amounting to N\$147 818 000 (2023: (N\$32 534 000)). During the current financial year, Revenue has picked up above pre-Covid 19 levels and some airlines have resumed flights to Namibia.

As a regulator of the industry and a service provider of air navigation services in Namibia, the NCAA's major revenue streams from the airlines are passenger safety charges, en route charges, terminal charges, and aerodrome charges.

The Authority is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover the 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 liquidation of one major customer (Air Namibia) which resulted in loss of revenue. This has resulted in receivables 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 of 31 March 2024 as adjusting events. However, any new information/ change in circumstance will be considered as non-adjusting events which will be disclosed if material.

New information and changes in circumstances that arise in the post-balance sheet period, that relate to assets and liabilities in existence on 31 March 2024, should be considered adjusting 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.

CONTINGENT LIABILITY

There is a possible obligation due to the Value Added Tax (VAT) Act concerning VAT on imported services. Since the inception of the NCAA, no import VAT on services has been remitted to the Namibia Revenue Agency (NAMRA). We have sought an opinion from PricewaterhouseCoopers, a tax advisory firm, and are currently awaiting a ruling from NAMRA on the matter. At this moment, the amount of the obligation cannot be measured reliably.

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**STATEMENT OF FINANCIAL POSITION**

as at 31 March 2024

	<u>Notes</u>	<u>2024</u> <u>N\$ 000</u>	<u>2023</u> <u>N\$ 000</u>
ASSETS			
Non-current assets		182,140	218,747
Property, plant and equipment	11	182,140	218,747
Intangible assets	12	-	-
Current assets		660,737	399,477
Trade and other receivables	13	32,317	35,512
Short-term Investments	14	317,712	205,471
Cash and cash equivalents	17.2	310,708	158,494
Total assets		842,877	618,224
Capital and reserves			
Government contributions	15	1,008,029	914,096
Retained loss		(325,674)	(350,790)
Non-current liabilities			
Lease liability	18	9,132	14,156
Current liabilities			
Trade and other payables	16	146,262	36,802
Lease liability	18	5,128	3,960
Total equity and liabilities		842,877	618,224

NAMIBIA CIVIL AVIATION AUTHORITY

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the year ended 31 March 2024

	Notes	<u>2024</u> <u>N\$ 000</u>	<u>2023</u> <u>N\$ 000</u>
Revenue	5	228,092	189,418
Operating costs	7	(235,954)	(206,533)
Operating (loss)		<u>(7,862)</u>	<u>(17,115)</u>
Finance income	8	31,400	15,794
Other Income		2,161	19
Finance costs	9	(583)	3,247
Profit before taxation		<u>25,116</u>	<u>1,946</u>
Taxation	10	-	-
Profit for the year before other comprehensive income		<u>25,116</u>	<u>1,946</u>
Other comprehensive income		-	-
Total comprehensive profit for the financial year		<u>25,116</u>	<u>1,946</u>

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 March 2024

	<u>Notes</u>	<u>Government contribution</u> <u>N\$ 000</u>	<u>Retained loss</u> <u>N\$ 000</u>	<u>Total</u> <u>N\$ 000</u>
Balance as at 31 March 2022		856,849	(352,736)	504,113
Correction of prior year error		721	-	721
Government contributions	15	57,334	-	57,334
Total comprehensive profit for the financial year		-	1,946	1,946
Expenses paid by NCAA on behalf of Government		(808)	-	(808)
Balance as at 31 March 2023		914,096	(350,790)	563,306
Government contributions	15	100,036	-	100,036
Total comprehensive profit for the financial year		-	25,116	25,116
Expenses paid by NCAA on behalf of Government		(6,103)	-	(6,103)
Balance as at 31 March 2024		1,008,029	(325,674)	682,355

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**STATEMENT OF CASH FLOWS**

for the year ended 31 March 2024

	<u>Notes</u>	<u>2024</u> <u>N\$ 000</u>	<u>2023</u> <u>N\$ 000</u>
Cash flow from operating activities		161,754	36,947
Cash receipt from customers		231,287	178,435
Cash paid to suppliers and employees		(83,468)	(145,901)
Cash generated from operations	17.1	147,818	32,534
Interest received from operational activities	8	13,936	4,413
Cash flow from investing activities		(98,721)	(4,254)
Acquisition of property, plant and equipment	11	(5,839)	(4,396)
Investment in short-term investments	14	(317,712)	(11,760)
Withdrawal of short-term investment	14	205,471	-
Proceeds from disposal of property, plant and equipment		1,895	521
Interest received from investment	8	17,464	11,381
Cash flow from Financing activities		89,181	51,132
Government operational expenses paid by the NCAA on its behalf	15	(6,103)	-
Government operational contributions	15	100,036	57,334
Lease payments	18	(4,752)	(6,202)
Net cash flow		152,214	83,825
Cash and cash equivalents at beginning of year		158,494	74,669
Cash and cash equivalents at end of year		310,708	158,494

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2024

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 2024. 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 IFRS on a basis consistent with the prior year.

3 Material 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.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

3 Material accounting policies (continued)

3.3 Provisions

Provisions represent liabilities of uncertain timing or amount. Provisions are recognized when the Authority has a present legal 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

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 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 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 whether the lessee is reasonably certain to exercise a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using the 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 commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Moreover, they are subsequently adjusted for any remeasurement of the lease liability as specified in paragraph 30 of IFRS 16.

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.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

3 Material accounting policies (continued)

3.5 Taxation

The Namibia Civil Aviation Authority (NCAA) is a regulatory established in terms of the Civil Aviation Act of 2016. The NCAA is mandated to regulate and oversee aviation safety and security as well as to provide safe and reliable air navigation services to the State and inhabitants of Namibia in general. Furthermore, the NCAA derives its income from appropriation by Parliament, charging air operators safety, security, and air navigation fees/charges, and by grants or donations made for a specific purpose. These funds are utilised to defray the expenses of the Authority incurred in the exercise and performance of its powers and functions in terms of the Act or any other law. In the same vein, the NCAA is not permitted to distribute these funds to any person except in the furtherance of its objectives.

Income received by the NCAA is exempted from Income tax in terms of section 16(1)(e)(i) of the Income Tax Act.

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:

	New assets	GRN transferred Assets
Buildings/Towers	2-4%	4%
Containers	5%	8%
Furniture and fittings	10%	20%
Office machines and equipment	12%	25%
Computer equipment	33,3%	67%
Motor vehicles	20%	33%
Right of use asset	10%	10%
Air Navigation Equipment		
- Surveillance equipment	7%	14%
- Communication equipment	7%	14%
- Navigation equipment	7%	14%
- Operations IT equipment	7%	14%
- Electrical & Mechanical equipment	7%	14%
- Test equipment and tools	7%	14%
- Power	25%	14%

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 that are transferred or donated are recognized at estimated current fair value. The remaining useful life was determined with the assistance of an expert (asset valuator).

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

3 Material 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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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

3 Material 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.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

3 Material 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.
<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.
<u>Impairment</u>	The Authority recognizes the expected credit losses (ECL) on trade receivables in accordance with IFRS 9. The ECL for trade receivables was calculated using the Provision matrix approach. The loss rates are calibrated based on historical credit loss experience, considering both the time value of money and further adjustment for forward-looking information. Historical loss rates are calculated as a product of the monthly roll rates across buckets using real outstanding debtors considering the time value of money components. Historical loss rates are then adjusted for forward-looking information to derive the expected loss as of the measurement date.

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 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.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

3 Material 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.

NAMIBIA CIVIL AVIATION AUTHORITY

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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 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

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.

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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for the year ended 31 March 2024

	<u>2024</u> N\$ 000	<u>2023</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	42,613	33,429
Regulatory Services (transferred at a point in time)		
Safety Regulation Fees	5,120	4,227
Air Navigation Services (transferred at a point in time)	180,359	151,762
En-route Navigation Charges	127,210	112,977
Terminal Charges	30,488	22,070
Aerodrome Charges	22,661	16,713
Sundry Charges	-	2
Total Revenue	228,092	189,418

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.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

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:

	<u>2024</u>	<u>2023</u>
Fixed term contracts	8	9
Temporary employees	7	-
Permanent employees	186	178
Total employees	<u>201</u>	<u>187</u>

7 Operating costs

Operating costs comprises of:

Audit fees	(518)	(542)
Bad debts	(7,903)	2,255
Board expenses	(1,329)	(817)
Commission paid	(3,238)	(2,826)
Consulting fees	(3,298)	(804)
Depreciation and amortization	(42,926)	(38,972)
Directors fees	(1,625)	(1,028)
Employment costs	(116,362)	(122,817)
Insurance	(7,320)	(6,075)
(Loss)/ profit on Asset Disposal	944	(150)
Legal fees	(900)	(829)
Membership fees	(1,224)	(936)
Operating lease charges:		
- Properties	(60)	(56)
- Telecommunication service costs	(10,144)	(4,435)
Other operating expenses	(40,053)	(28,501)
	<u>(235,954)</u>	<u>(206,533)</u>

8 Finance income

Financial instruments measured at amortised cost:

	<u>2024</u>	<u>2023</u>
	N\$ 000	N\$ 000
- Trade debtors	-	-
- Call account	13,936	4,413
- Investment	17,464	11,381
	<u>31,400</u>	<u>15,794</u>

9 Finance cost

Financial instruments measured at amortised cost:

- Leases(adjustment due to remeasurement)	<u>(583)</u>	<u>3,247</u>
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10 Taxation

Income received by the NCAA is exempted from Income tax in terms of section 16(1)(e)(i) of the Income Tax Act.

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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 31 March 2022	45,939	7,907	261,850	6,752	322,448
Additions during the year	-	2,408	1,967	21	4,396
Disposal during the year	-	(1,181)	(148)	-	(1,329)
Balance as at 31 March 2023	45,939	9,134	263,669	6,773	325,515
Additions during the year	-	4,360	1,405	74	5,839
Disposal during the year	-	(2,887)	(7)	(47)	(2,941)
Other adjustments – Lease measurement	1,429				1,429
Balance as at 31 March 2024	47,368	10,607	265,067	6,800	329,842
Accumulated depreciation					
Balance as at 31 March 2022	(24,884)	(2,516)	(39,427)	(1,721)	(68,548)
Disposal during the year	-	104	486	-	590
Depreciation charge for the year	(2,872)	(1,955)	(33,153)	(830)	(38,810)
Balance as at 31 March 2023	(27,756)	(4,367)	(72,094)	(2,551)	(106,768)
Disposal during the year	-	1,968	4	19	1,991
Depreciation charge for the year	(5,370)	(4,300)	(32,423)	(832)	(42,925)
Balance as at 31 March 2024	(33,126)	(6,699)	(104,513)	(3,364)	(147,702)
Book value					
Balance as at 31 March 2023	18,183	4,767	191,575	4,222	218,747
Balance as at 31 March 2024	14,242	3,908	160,554	3,436	182,140

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.

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.

12 Intangible assets

	<u>2024</u> N\$ 000	<u>2023</u> N\$ 000
Computer Software - Available-For-Use		
Opening balance	1,326	1,326
Additions	-	-
	1,326	1,326
Amortization		
Opening amortization	(1,326)	(1,164)
Amortization	-	(162)
	(1,326)	(1,326)
Closing balance	-	-

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for the year ended 31 March 2024

13 Trade and other receivablesFinancial Instruments

Trade receivables	135,906	127,426
Provision for doubtful debts	(105,273)	(97,370)
	30,633	30,056

Non-Financial Instruments

Prepayments - ICAO project	-	3,714
Prepayments - other	1,685	1,742

Balance at end of year	32,317	35,512
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Movement in provision for doubtful debts

	Collectively assessed	Individually assessed	Total
	N\$ 000	N\$ 000	N\$ 000
Balance as at 31 March 2022	(7,859)	(94,103)	(101,962)
Transfer from credit impaired	7,859	11,042	18,901
Transfer to credit impaired	(14,309)	-	(14,309)
Balance as at 31 March 2023	(14,309)	(83,061)	(97,370)
Transfer from credit impaired	14,309	-	14,309
Transfer to credit impaired	(22,212)	-	(22,212)
Balance as at 31 March 2024	(22,212)	(83,061)	(105,273)

The Authority applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Authority has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles over a period of 12 months, as well as the adverse economic impact of the global pandemic on customers, being a significant increase in credit risk to the Authority. The historical loss rates have accordingly been adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 March 2024 was determined as follows for trade receivables:

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for the year ended 31 March 2024

13 Trade and other receivables (continued)

Trade debtors - days past due

	<u><30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>>90</u>	<u>Total</u>
	<u>N\$ 000</u>	<u>N\$ 000</u>	<u>N\$ 000</u>	<u>N\$ 000</u>	<u>N\$ 000</u>
31 March 2023					
Trade debtors	19,539	7,939	1,817	98,131	127,426
Expected credit loss	0%	0%	0%	99%	76%
Estimated impairment carrying value	<u>-</u>	<u>-</u>	<u>-</u>	<u>(97,370)</u>	<u>(97,370)</u>
31 March 2024					
Trade debtors	21,138	9,055	875	104,838	135,906
Expected credit loss	4%	6%	58%	99%	77%
Estimated impairment carrying value	<u>(763)</u>	<u>(575)</u>	<u>(508)</u>	<u>(103,427)</u>	<u>(105,273)</u>

	<u>2024</u>	<u>2023</u>
	<u>Credit not impaired</u>	<u>Credit impaired</u>
	<u>N\$ 000</u>	<u>N\$ 000</u>
The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance	<u>Credit not impaired</u>	<u>Credit impaired</u>
	<u>N\$ 000</u>	<u>N\$ 000</u>

One customer's account with a gross carrying amount of N\$83,061,000 (2023: N\$83,061,000) has been liquidated, and claims have been filed with the liquidators.

-	(83,061)	-	(83,061)
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Other air service operators have been provided due to increased credit risk.

-	(22,212)	-	(14,309)
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During the current year, we have observed substantial progress in the repayment capabilities of the liquidated debtor. Comprehensive assessments and recent communications indicate a strong likelihood of settlement. The liquidators have demonstrated the debtor's financial stability, supported by a series of asset liquidations and favorable market conditions.

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

14 Short term investments

	<u>2024</u>	<u>2023</u>
	<u>N\$ 000</u>	<u>N\$ 000</u>
Current assets	317,712	205,471
Money market investment- Capricorn Asset Management	104,107	-
Treasury Bills- Bank of Namibia	213,605	-
Fixed deposit investment- Standard Bank Namibia	-	205,471

A sum of N\$ 100,000,000 is placed with Capricorn Asset Management in the Money Market, while N\$ 202,065,446 is invested with the Bank of Namibia in Treasury Bills. These investments have fixed terms of 12 months and accrue interest at annual rates of 8.55% and 8.9% respectively, compounded monthly. No losses or expected credit losses have been recognized, and the carrying amounts of the investment approximate their fair value.

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15 Government contributions	2024	2023
	N\$ 000	N\$ 000
Start-up Government contributions:		
Balance as at 31 March 2023	914,096	856,849
Correction of prior year error	-	721
Contributions in the form of:		
- Expenses paid by NCAA on behalf of Government	(6,103)	(808)
- Cash received for budgetary support	100,036	57,334
Balance as at 31 March 2024	1,008,029	914,096

NCAA has received a total of N\$ 221 087 000 (2023: N\$ 78 334 037) from the Government in the current financial, N\$100 036 000 (2023: N\$ 57 334 037) was for NCAA operational support, and N\$ 121 051 000 (2023: N\$ 21 000 000) for development support to facilitate Government projects. Expenses paid by NCAA on behalf of the Government amounting to N\$ 6 103 000 (2023: N\$808 000) were paid to SASO and AFCAC for membership fees.

16 Trade and other payables

Financial Instruments

Trade payables	6,247	6,838
Government development project payables	127,897	15,562

Non-Financial Instruments

Other provisions	82	915
Telecom lease accrual	3,734	-
Payroll accruals	8,302	13,487
	146,262	36,802

Government development project payables pertain to Government capital projects that have yet to begin. However, funds have already been transferred to the NCAA, enabling the facilitation of payments once the projects are underway.

As of 31 March 2024, the Spanish project account had a balance of N\$ 3,734,150, which has been accrued. The Authority has directed Telecom Namibia to discontinue the associated services and write off the entire balance, as the services are no longer in use. The last utilization of the Spanish project account services occurred in February 2019, following the installation of the Jotron system, which employs Voice Over Internet Protocol (VOIP) and Multiprotocol Label Switching (MPLS) by Telecom Namibia. Since then, the account has been under dispute, and no payments have been made to Telecom Namibia since February 2019.

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

Profit before taxation	25,116	1,946
Adjusted for:		
Depreciation and amortization	42,925	38,972
(Loss) /profit on Asset Disposal	(944)	150
Other Income	(2,161)	-
Non-cash movements	1,044	-
Finance income	(31,400)	(15,794)
Finance cost	583	(3,266)
	35,163	22,008
Working capital changes	112,655	10,526
Decrease/(increase) in trade and other receivables	3,195	(10,983)
(Decrease)/increase in trade and other payables	109,460	21,509
Cash generated from operations	147,818	32,534

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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:

Funds on call account	304,029	149,300
Bank balances and cash	6,679	9,195
Total cash and cash equivalents	310,708	158,495

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.

	<u>2024</u>	<u>2023</u>
	N\$ 000	N\$ 000
18 Leases		
Lease Liability	14,260	18,116
Short term portion	5,128	3,960
Long term portion	9,132	14,156

	<u>Sites and</u>	<u>Telecommunica</u>	<u>Total</u>
	<u>Tower rentals</u>	<u>tion liners</u>	
		<u>rentals and</u>	
		<u>charges</u>	
Balance as at 31 March 2022	13,222	14,344	27,566
Correction of opening balance	188	(3,698)	(3,510)
Finance cost	1,243	995	2,238
Lease payments	(3,492)	(2,710)	(6,202)
Lease measurement	(250)	(1,726)	(1,976)
Balance as at 31 March 2023	10,911	7,205	18,116
Finance cost	1,074	696	1,770
Lease payments	(3,243)	(1,509)	(4,752)
Lease accrued payments	(565)	(947)	(1,512)
Lease measurement	565	74	639
Balance as at 31 March 2024	8,742	5,519	14,261

Maturity analysis of lease liabilities

	Due within 1	Due between 1	Beyond 5 years	Total
	year	and 5 years		
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
2023				
Minimum lease payments	6,213	16,868	-	23,081
Less future finance charges	(2,253)	(2,712)	-	(4,965)
Balance as at 31 March 2023	3,960	14,156	-	18,116
2024				
Minimum lease payments	6,472	10,713	-	17,185
Less future finance charges	(1,343)	(1,581)	-	(2,924)
Balance as at 31 March 2024	5,129	9,132	-	14,261

19 Financial instruments and risk management

19.1 Categories of financial instruments

Financial assets at amortized cost

Current assets	659,052	394,022
Trade and other receivables	30,633	30,057
Short-term investments	317,712	205,471
Cash and cash equivalents	310,708	158,494

Financial liabilities at amortized cost

Current liabilities	6,247	22,400
Trade and other payables	6,247	22,400

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19.1 Categories of financial instruments

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 maximize return for stakeholders.

19.2 Credit risk management

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure: 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 customer performed. This is done when prompt payment is not received on a recurring basis. In such instances customers are contacted ; the situation is investigated. Remedial action in the form of financial assessments and negotiations are taken, based on indivic 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 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 assessec 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>2024</u>	<u>21</u>
	N\$ 000	N\$ 000
Financial instruments - at amortized cost		
Trade and other receivables	30,633	30,0
Short-term investments	317,712	205,4
Cash and cash equivalents	310,708	158,4
Total	<u>659,052</u>	<u>394,0</u>

19.3 Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through adequate amount of committed credit facilities and the ability to close out market positions. Management is satisfied that the Authc 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 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 rates are negotiated with banks and other financial institutions to earn favorable interest returns. The Authc faces various risks due to fluctuations in market interest rates affecting its investments. Cash resources are managed to ensure surplus funds are invested to achieve maximum returns while minimizing risks. The Authority places its funds in interest-earr money markets and treasury bills, which are adjusted on a short-term basis according to changes in prevailing market interest rates

Additionally, these investments are due on demand. The short-term investments, amounting to N\$317,712,000 (2021: N\$205,471,000), are exposed to cash flow interest rate risk. However, considering the short-term maturity of these deposits, the risks are minimized.

The Authority is not exposed to fair value interest rate risk.

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19.5 Foreign currency risk management	<u>2024</u> N\$ 000	<u>2023</u> 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)	(414)	(381)
Canadian Dollar (CAD)	(567)	(540)
	<u>(681)</u>	<u>(349)</u>
Payroll (USD)	(681)	(349)

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)	41	38
Canadian Dollar (CAD)	57	54
Payroll (USD)	68	35

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
2023				
Financial assets				
Trade and other receivables - net	28,855	1,810	8,903	39,568
Short-term investments	205,471	-	-	205,471
Cash and cash equivalents	158,494	-	-	158,494
	<u>392,820</u>	<u>1,810</u>	<u>8,903</u>	<u>403,533</u>
Financial liabilities				
Trade and other payables	22,400	-	-	22,400
	<u>22,400</u>	<u>-</u>	<u>-</u>	<u>22,400</u>

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for the year ended 31 March 2024

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
2024				
Financial assets				
Trade and other receivables - net	28,855	367	1,411	30,633
Short-term investments	317,712	-	-	317,712
Cash and cash equivalents	310,708	-	-	310,708
	657,275	367	1,411	659,052
Financial liabilities				
Trade and other payables	6,247	-	-	6,247
	6,247	-	-	6,247

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.

	2024	2023
	N\$ 000	N\$ 000
<u>Government of Namibia - as Shareholder</u>		
Expenses paid by NCAA on behalf of Government	(6,103)	(808)
Government expenditure-Projects	(8,716)	(7,148)
Government equity contributions at year end	1,008,029	914,096
Contribution in the form of: Cash-retained earnings	100,036	57,334
Contribution in the form of: Projects development	121,051	21,000
Government development projects payables	127,897	15,562
<u>Entities transacting with the Authority who are under the influence of the Ministry of Works and Transport:</u>		
Air Namibia (Pty) Ltd		
- Trade receivables	83,061	83,061
- Provision for doubtful debts	(83,061)	(83,061)
Namibia Airports Company		
- Trade receivables	11	15
- Expenses	(7)	(7)

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for the year ended 31 March 2024

	<u>2024</u> N\$ 000	<u>2023</u> N\$ 000
20 Related parties (continued)		
<u>Board member emoluments</u>		
Directors fees	<u>(1,625)</u>	<u>(1,028)</u>
<u>Key management personnel emoluments</u>		
Salaries	(6,433)	(6,047)
Benefits / allowances	(452)	(747)
	<u><u>(6,885)</u></u>	<u><u>(6,794)</u></u>

21 Standards, interpretations, and amendments published but are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are not mandatory and material for the Authority's accounting periods beginning on or after 1 April 2023 or later periods as follows:

New / Revised International Financial Reporting Standards		Effective date
Revised		
IFRS 18 Presentation and Disclosure in Financial Statements	Replaces IAS 1 Presentation of Financial Statements.	1 January 2027
IAS 1 Presentation of Financial Statements	Clarifications on the classification of liabilities as current or non-current.	1 January 2024
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.	1 January 2027

New

IFRS S2 Climate-related Disclosures	Specific requirements for climate-related disclosures.	1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	General disclosure requirements for sustainability-related financial information.	1 January 2024

New / Revised Amendments		Effective date
Revised		
IFRS 16 Leases	Lease liabilities in a sale and leaseback transaction.	1 January 2024
IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Addresses a known inconsistency between the requirements in IFRS 10 and IAS 28.	Deferred indefinitely

New

IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	Clarification and simplification of disclosure requirements for accounting policies.	1 January 2024
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The directors have evaluated the impact of these standards, amendments, and interpretations. Nevertheless, they do not expect them to impact the Authority's annual financial statement presentation significantly.

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for the year ended 31 March 2024

22 Going concern

The Authority incurred a net profit of N\$25 116 000 (2023: N\$1 946 000) for the year ended 31 March 2024 and cash generated from operating activities amounting to N\$147 818 000 (2023: (N\$32 534 000)). During the current financial year, Revenue has picked up above pre-Covid 19 levels and some airlines have resumed flights to Namibia.

As a regulator of the industry and a service provider of air navigation services in Namibia, the NCAA's major revenue streams from the airlines are passenger safety charges, en route charges, terminal charges, and aerodrome charges.

The Authority is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover the 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 liquidation of one major customer (Air Namibia) which resulted in loss of revenue. This has resulted in receivables 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 of 31 March 2024 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 on 31 March 2024, should be considered adjusting 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 Contingent liability

There is a possible obligation due to the Value Added Tax (VAT) Act concerning VAT on imported services. Since the inception of the NCAA, no import VAT on services has been remitted to the Namibia Revenue Agency (NAMRA). We have sought an opinion from PricewaterhouseCoopers, a tax advisory firm, and are currently awaiting a ruling from NAMRA on the matter. At this moment, the amount of the obligation cannot be measured reliably.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**DIVISIONAL INCOME STATEMENT****ADDITIONAL INFORMATION PRESENTED NOT FORMING PART OF THE AUDITED ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2024

	REGULATORY		AIR NAVIGATION SERVICES	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Revenue	47,733	37,655	180,359	151,763
Audit fees	(259)	(271)	(259)	(271)
Bad debts	(6,981)	4,980	(922)	(2,725)
Board expenses	(748)	(409)	(580)	(409)
Commission paid	(560)	(655)	(2,678)	(2,171)
Consulting fees:	(3,298)	(804)	-	-
Depreciation and amortization	(5,213)	(3,128)	(37,713)	(35,844)
Directors fees	(813)	(514)	(813)	(514)
Employment costs	(58,579)	(60,281)	(57,784)	(62,536)
Inter-divisional management and other fees	17,374	15,946	(17,374)	(15,946)
Insurance	(823)	(731)	(6,497)	(5,344)
Legal fees	(900)	(829)	-	-
Membership fees	(1,224)	(936)	-	-
Operating lease charges:				
- Properties	-	-	(60)	(56)
- Telecommunication service costs	(891)	(1,068)	(9,253)	(3,367)
Motor vehicle expenses	(1,203)	(1,749)	(377)	(665)
Repairs & Maintenance	(605)	(236)	(2,555)	(3,103)
Travel & Accommodation	(5,453)	(4,835)	(2,237)	(2,072)
Security	(319)	(537)	-	-
Printing & Stationery	(724)	(307)	(166)	(205)
Levies	(975)	(929)	-	-
General Expenses	(633)	(475)	(5)	(165)
Electricity & Water	(913)	(919)	(855)	(806)
Computer Expenses - Licences	(5,232)	(2,247)	(3,145)	(1,932)
Computer Expenses - Support	(1,814)	(1,169)	(2,263)	(36)
Courier & Postage	(6)	(18)	(156)	(451)
Cleaning	(650)	(596)	(958)	(964)
Calibration charges	-	-	(6,195)	(2,859)
Certification charges	-	-	(9)	(113)
Donations	(35)	-	-	-
Subscriptions	(45)	-	-	-
Stakeholder engagements	(860)	-	(31)	-
Bank Charges	(107)	(79)	(63)	(62)
Licences & permits	-	-	(16)	(16)
Advertising & Promotions	(499)	(350)	(2)	(16)
Advisory and training related costs	(621)	(440)	(97)	(85)
Telephone costs	(112)	(34)	(114)	(32)
(Loss)/profit on Asset Disposal	936	(139)	7	(12)
Total operating costs	(82,785)	(63,755)	(153,170)	(142,778)
Operating (loss)/ profit	(35,052)	(26,100)	27,188	8,985
Finance income	2,052	713	29,349	15,081
Other (expense)/ income	2,089	19	72	-
Finance cost	41	-	(624)	3,247
Net result	(30,870)	(25,368)	55,985	27,313

Annual Financial Statements

ANS



"Together we have Accomplished Service Excellence in Safety & Security Oversight and Air Navigation Services Provision"

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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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 2024

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

The directors of the Authority and Air Navigation Services 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 Air Navigation Services 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 Air Navigation Services division and all employees are required to maintain the highest ethical standards in ensuring the Air Navigation Services 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 Air Navigation Services division. While operating risk cannot be fully eliminated, the Air Navigation Services 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.

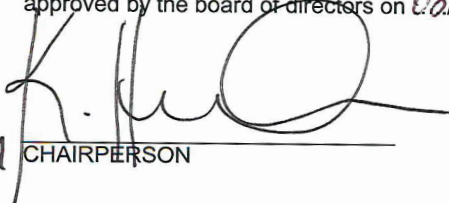
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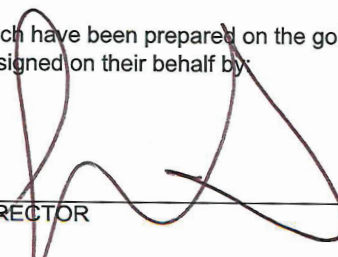
The directors have reviewed the Air Navigation Services cash flow forecast for the year to 31 March 2025 and, in light of this review and the current financial position, they are satisfied that the Air Navigation Services has access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Air Navigation Services 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 28/03/2024 and are signed on their behalf by:


CHAIRPERSON


DIRECTOR

2



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

61 Simeon Shixungileni Street
P.O. Box 2184
WINDHOEK
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 2024, 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 material 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 2024, 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.

BDO, a Namibian partnership, is registered with the Public Accountants and Auditors Board (Practice Number: 9402). Our firm has offices in Windhoek, Walvis Bay and Oshakati. BDO is a member of BDO International Limited, a UK Authority limited by guarantee, and forms part of the international BDO network of independent member firms.

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
20 August 2024

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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 2024**REPORT OF THE DIRECTORS**

for the year ended 31 March 2024

The directors have pleasure in presenting their report on the activities of Air Navigation Services for the year

NATURE OF BUSINESS

The 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. Air Navigation Services 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

At 31 March 2024, Property, Plant, and Equipment amounted to N\$ 173 799 000 (2023: N\$ 209 161 000) of which N\$ 955 000 (2023: N\$ 137 000) was added in the current year through additions.

Immovable assets currently in use such as the Air Navigation Services 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. Although ANS is 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.

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 Air Navigation Services property, plant, and equipment, nor are any of these assets pledged as security.

SIGNIFICANT LEASE ARRANGEMENTS**Sites and Tower rentals**

The Air Navigation Services division since its establishment has been renting towers & sites for it is communication, navigation, and surveillance (CNS) purposes and has entered into contractual agreements with it is suppliers. An amount of N\$3 808 000 (2023: N\$3 492 000) has been incurred 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 respectively.

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 2024**REPORT OF THE DIRECTORS**

for the year ended 31 March 2024

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

Over the financial year, the Air Navigation Services division incurred N\$2 456 000 (2023: N\$2 710 000) service

TAXATION

The Namibia Civil Aviation Authority (NCAA) is a regulatory established in terms of the Civil Aviation Act of 2016. The NCAA is mandated to regulate and oversee aviation safety and security as well as to provide safe and reliable air navigation services to the State and inhabitants of Namibia in general. Furthermore, the NCAA derives its income from appropriation by Parliament, charging air operators safety, security, and air navigation fees/charges, and by grants or donations made for a specific purpose. These funds are utilised to defray the expenses of the Authority incurred in the exercise and performance of its powers and functions in terms of the Act or any other law. In the same vein, the NCAA is not permitted to distribute these funds to any person except in the furtherance of its objectives.

Income received by the Authority and Air Navigation Services is exempted from Income tax in terms of section 16(1)(e)(i) of the Income Tax Act.

DIVIDEND

In accordance with Section 24 of the Civil Aviation Act of 2016, no dividend has been declared and paid during the year (2023: 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
Mr. Bethuel T Mujetenga (Chairperson)	04 November 2020	
Ms. Kadiva Hamutumwa (Deputy Chairperson)	04 November 2020	
Mr. Melkizedek Uupindi (Director)	04 November 2020	
Ms. Josephine Shigwedha (Director)	04 November 2020	
Mr. Fernando Somaeb (Director)	04 November 2020	
Ms. Martha Hitenyane (Director)	04 November 2020	
Ms. Toska Sem (Executive Director)	01 July 2022	

COMPANY SECRETARY

Name	Date of appointment	Date of resignation
Ms. Nerago Ndoroma (Acting Corporate Secretary)	01 January 2021	31 May 2023
Mr. Christoph Seimelo (Additional responsibility)	01 December 2023	

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

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 2024**REPORT OF THE DIRECTORS**

for the year ended 31 March 2024

GOING CONCERN

The Air Navigation Services incurred a net profit of N\$55 985 000 (2023: N\$27 313 000) for the year ended 31 March 2024 and cash generated from operating activities amounting to N\$186 688 000 (2023: N\$61 007 000). During the current year, revenue has picked up above pre-Covid 19 levels and most airlines have resumed flights to Namibia.

As a service provider of air navigation services in Namibia, the Air Navigation Services' major revenue streams from the airlines are en-route 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 the 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 liquidation of one major customer (Air Namibia) which resulted in loss of revenue. This has resulted in receivables amounting to N\$ 60 505 000 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 of 31 March 2024 as adjusting events. However, any new information/ change in circumstance will be considered as non-adjusting events which will be disclosed if material.

New information and changes in circumstances that arise in the post-balance sheet period, relating to assets and liabilities on 31 March 2024, should be considered adjusting 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.

CONTINGENT LIABILITY

There is a possible obligation due to the Value Added Tax (VAT) Act concerning VAT on imported services. Since the inception of the NCAA, no import VAT on services has been remitted to the Namibia Revenue Agency (NAMRA). We have sought an opinion from PricewaterhouseCoopers, a tax advisory firm, and are currently awaiting a ruling from NAMRA on the matter. At this moment, the amount of the obligation cannot be measured reliably.

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 2024**STATEMENT OF FINANCIAL POSITION**

as at 31 March 2024

	<u>Notes</u>	<u>2024</u> <u>N\$ 000</u>	<u>2023</u> <u>N\$ 000</u>
ASSETS			
Non-current assets		173,799	209,161
Property, plant and equipment	11	173,799	209,161
Current assets		568,178	356,904
Trade and other receivables	12	26,808	25,903
Short-term Investments	13	317,712	205,473
Cash and cash equivalents	17.2	223,658	125,528
Total assets		741,977	566,065
Capital and reserves			
Government contributions	15	463,093	463,093
Retained income		69,554	13,570
Non-current liabilities			
Lease liability	18	9,132	14,156
Current liabilities			
Trade and other payables	16	136,836	16,016
Loan account	14	58,233	55,270
Lease liability	18	5,129	3,960
Total equity and liabilities		741,977	566,065

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 2024**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
for the year ended 31 March 2024

	Notes	<u>2024</u> <u>N\$ 000</u>	<u>2023</u> <u>N\$ 000</u>
Revenue	5	180,359	151,762
Operating costs	7	<u>(153,170)</u>	<u>(142,778)</u>
Operating profit		27,188	8,984
Finance income	8	29,349	15,081
Other Income		72	-
Finance costs	9	<u>(624)</u>	<u>3,247</u>
Profit before taxation		55,985	205,473
Taxation	10	<u>-</u>	<u>-</u>
Profit for the year before other comprehensive income		55,985	205,473
Other comprehensive income		-	-
Total comprehensive profit for the financial year		<u>55,985</u>	<u>205,473</u>

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 2024**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 March 2024

	<u>Government contribution</u>	<u>Retained income</u>	<u>Total</u>
<u>Notes</u>	<u>N\$ 000</u>	<u>N\$ 000</u>	<u>N\$ 000</u>
Balance as at 31 March 2022	463,093	(13,743)	449,350
Total comprehensive profit for the financial year	-	27,312	27,312
Balance as at 31 March 2023	<u>463,093</u>	<u>13,569</u>	<u>476,662</u>
Total comprehensive profit for the financial year	-	55,985	55,985
Balance as at 31 March 2024	<u>463,093</u>	<u>69,554</u>	<u>532,647</u>

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 2024**STATEMENT OF CASH FLOWS**

for the year ended 31 March 2024

	<u>Notes</u>	<u>2024</u> <u>N\$ 000</u>	<u>2023</u> <u>N\$ 000</u>
Cash flow from operating activities		198,572	64,707
Cash receipt from customers		179,454	143,376
Cash paid to suppliers and employees		7,234	(82,369)
Cash generated from operations	17.1	186,688	61,007
Interest received from operational activities	8	11,884	3,700
Cash flow from Investing activities		(95,690)	(517)
Proceeds from disposal of property, plant and equipment	11	40	-
Investment in short-term investments	13	(317,712)	(11,761)
Withdrawal of short-term investment	13	205,472	-
Acquisition of property, plant and equipment	11	(955)	(137)
Interest received from Investment	8	17,465	11,381
Cash flow from Financing activities		(4,752)	(6,202)
Lease payments	18	(4,752)	(6,202)
Net cash flow		98,130	57,988
Cash and cash equivalents at beginning of year		125,528	67,540
Cash and cash equivalents at end of year		223,658	125,528

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 2024**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2024

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 2024. 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 IFRS on a basis consistent with the prior year.

3 Material 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 2024**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2024

3 Material 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.

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. Moreover, they are subsequently adjusted for any remeasurement of the lease liability as specified in paragraph 30 of IFRS 16.

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for the year ended 31 March 2024

3 Material accounting policies (continued)

3.4 Leasing

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 Namibia Civil Aviation Authority (NCAA) is a regulatory established in terms of the Civil Aviation Act of 2016. The NCAA is mandated to regulate and oversee aviation safety and security as well as to provide safe and reliable air navigation services to the State and inhabitants of Namibia in general. Furthermore, the NCAA derives its income from appropriation by Parliament, charging air operators safety, security, and air navigation fees/charges, and by grants or donations made for a specific purpose. These funds are utilised to defray the expenses of the Authority incurred in the exercise and performance of its powers and functions in terms of the Act or any other law. In the same vein, the NCAA is not permitted to distribute these funds to any person except in the furtherance of its objectives.

Income received by the Authority and Air Navigation Services is exempted from Income tax in terms of section 16(1)(e)(i) of the Income Tax Act.

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 annual rates:

	New assets	GRN transferred Assets
Buildings/Towers	2-4%	4%
Containers	5%	8%
Furniture and fittings	10%	20%
Office machines and equipment	12%	25%
Computer equipment	33,3%	67%
Motor vehicles	20%	33%
Right of use asset	10%	10%
Air Navigation Equipment		
- Surveillance equipment	7%	14%
- Communication equipment	7%	14%
- Navigation equipment	7%	14%
- Operations IT equipment	7%	14%
- Electrical & Mechanical equipment	7%	14%
- Test equipment and tools	7%	14%
- Power	25%	14%

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3 Material 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 that are transferred or donated are recognized at estimated current fair value. The remaining useful life was determined with the assistance of an expert (asset valuator).

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).

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3 Material 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 the expected credit losses (ECL) on trade receivables in accordance with IFRS 9. The ECL for trade receivables was calculated using the Provision matrix approach. The loss rates are calibrated based on historical credit loss experience, considering both the time value of money and further adjustment for forward-looking information. Historical loss rates are calculated as a product of the monthly roll rates across buckets using real outstanding debtors considering the time value of money components. Historical loss rates are then adjusted for forward-looking information to derive the expected loss as of the measurement date.

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3 Material 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.
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<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.
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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.
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<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.
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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.
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<u>Reclassification</u>	Financial liabilities are not reclassified.
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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.

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>2024</u> N\$ 000	<u>2023</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)	180,359	151,762
En-route Navigation Charges	127,210	112,977
Terminal Charges	30,488	22,070
Aerodrome Charges	22,661	16,713
Sundry Charges	-	2
Total Revenue	180,359	151,762

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 follows:

	<u>2024</u>	<u>2023</u>
Fixed term contracts	2	2
Temporary employee	2	-
Permanent employees	92	92
Total	96	94

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7 Operating costs	2024	2023
	N\$ 000	N\$ 000
Operating costs comprises of:		
Audit fees	(259)	(271)
Bad debts	(922)	(2,725)
Board expenses	(580)	(409)
Commission paid	(2,678)	(2,171)
Depreciation and amortization	(37,713)	(35,844)
(Loss)/profit on Asset Disposal	7	(12)
Directors fees	(813)	(514)
Employment costs	(57,784)	(62,536)
Inter- departmental management and other fees	(17,374)	(15,946)
Insurance	(6,497)	(5,344)
Operating lease charges:		
- Properties	(60)	(56)
- Telecommunication service costs	(9,253)	(3,367)
Other operating expenses	(19,247)	(13,583)
	(153,170)	(142,778)
8 Finance income		
Financial instruments measured at amortised cost:		
- Call account	11,884	3,700
- Investment	17,465	11,381
	29,349	15,081
9 Finance cost		
Financial instruments measured at amortised cost:		
- Leases (adjustment due to remeasurement)	(624)	3,247
10 Taxation		

Income received by the Authority and Air Navigation Services is exempted from Income tax in terms of section 16(1)(e)(i) of the Income Tax Act.

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11 Property, plant and equipment

	Right of Use Asset	Network & Computer Equipment	Furniture, fixtures and fittings	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Cost				
Balance as at 31 March 2022	45,939	259,832	2,156	307,927
Additions during the year	-	116	21	137
Disposal during the year	-	(42)	-	(42)
Balance as at 31 March 2023	45,939	259,906	2,177	308,022
Additions during the year	-	932	23	955
Disposal during the year	-	(7)	(47)	(54)
Other adjustments – Lease measurement	1,429	-	-	1,429
Balance as at 31 March 2024	47,368	260,831	2,153	310,352
Accumulated depreciation				
Balance as at 31 March 2022	(24,884)	(37,647)	(516)	(63,047)
Disposal during the year	-	30	-	30
Depreciation charge for the year	(2,872)	(32,533)	(439)	(35,844)
Balance as at 31 March 2023	(27,756)	(70,150)	(955)	(98,861)
Disposal during the year	-	4	19	21
Depreciation charge for the year	(5,370)	(31,905)	(438)	(37,713)
Balance as at 31 March 2024	(33,126)	(102,051)	(1,374)	(136,553)
Book value				
Balance as at 31 March 2023	18,183	189,756	1,222	209,161
Balance as at 31 March 2024	14,242	158,780	779	173,799

Immovable assets currently in use such as Air Navigation Services 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.

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	2024	2023
	N\$ 000	N\$ 000
<u>Financial Instruments</u>		
Trade receivables	98,782	96,965
Provision for doubtful debts	<u>(72,411)</u>	<u>(71,488)</u>
	26,371	25,477
<u>Non-Financial Instruments</u>		
Prepayments	437	426
Balance at end of year	<u>26,808</u>	<u>25,903</u>

Movement in provision for doubtful debts

	Collectively	Individually	Total
	assessed	assessed	
	N\$ 000	N\$ 000	N\$ 000
Balance as at 31 March 2022	(5,716)	(74,074)	(79,790)
Transfer from credit impaired	5,716	-	5,716
Transfer to credit impaired	-	2,586	2,586
Balance as at 31 March 2023	-	(71,488)	(71,488)
Transfer to credit impaired	-	(923)	(923)
Balance as at 31 March 2024	<u>-</u>	<u>(72,411)</u>	<u>(72,411)</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 12 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 2024 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 2023					
Trade debtors	16,490	6,866	1,582	72,027	96,965
Expected credit loss	0%	0%	0%	99%	74%
Estimated impairment carrying value	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71,488)</u>	<u>(71,488)</u>
31 March 2024					
Trade debtors	17,580	7,864	355	72,983	98,782
Expected credit loss	0%	0%	0%	99%	73%
Estimated impairment carrying value	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,411)</u>	<u>(72,411)</u>

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12 Trade and other receivables (continued)	<u>2024</u>		<u>2023</u>	
The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance	Credit not impaired	Credit impaired	Credit not impaired	Credit impaired
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
One customer's account with a gross carrying amount of N\$60,505,000 (2023: N\$60,505,000) has been liquidated, and claims have been filed with the liquidators.	-	(60,505)	-	(60,505)
Other air service operators have been provided due to the increased credit risk.	-	(11,906)	21,081	(10,983)

During the current year, we have observed substantial progress in the repayment capabilities of the liquidated debtor. Comprehensive assessments and recent communications indicate a strong likelihood of settlement. The liquidators have demonstrated the debtor's financial stability, supported by a series of asset liquidations and favorable market conditions.

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

	<u>2024</u>	<u>2023</u>
	N\$ 000	N\$ 000
13 Short term investments		
Current assets	317,712	205,473
Money market investment- Capricorn Asset Management	104,107	-
Treasury Bills- Bank of Namibia	213,605	-
Fixed deposit investment- Standard Bank Namibia	-	205,473

A sum of N\$ 100,000,000 is placed with Capricorn Asset Management in the Money Market, while N\$ 202,065,446 is invested with the Bank of Namibia in Treasury Bills. These investments have fixed terms of 12 months and accrue interest at annual rates of 8.55% and 8.9% respectively, compounded monthly. No losses or expected credit losses have been recognized, and the carrying amounts of the investment approximate their fair value.

14 Operational loan account		
Inter-divisional operational account (payable)	<u>(58,233)</u>	<u>(55,270)</u>

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 2023	463,093	463,093
Balance as at 31 March 2024	<u>463,093</u>	<u>463,093</u>

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16 Trade and other payables	2024	2023
	N\$ 000	N\$ 000
<u>Financial Instruments</u>		
Trade payables	6,117	4,959
Government development project payables	122,840	4,425
<u>Non-Financial Instruments</u>		
Other provisions	144	2,589
Telecom lease accrual	3,734	-
Payroll accruals	4,000	4,043
	136,836	16,016

Government development project payables pertain to Government capital projects that have yet to begin. However, funds have already been transferred to the NCAA, enabling the facilitation of payments once the projects are underway.

As of 31 March 2024, the Spanish project account had a balance of N\$ 3,734,150, which has been accrued. The Authority has directed Telecom Namibia to discontinue the associated services and write off the entire balance, as the services are no longer in use.

The last utilization of the Spanish project account services occurred in February 2019, following the installation of the Jotron system, which employs Voice Over Internet Protocol (VOIP) and Multiprotocol Label Switching (MPLS) by Telecom Namibia. Since then, the account has been under dispute, and no payments have been made to Telecom Namibia since February 2019.

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**

Profit before taxation	55,985	27,313
Adjusted for:		
Depreciation and amortization	37,713	35,844
Loss/(profit) on Asset Disposal	(7)	12
Non-cash movements	(1,084)	-
Other income	(72)	-
Finance income	(29,349)	(15,081)
Finance cost	624	(3,247)
	63,810	44,841
Working capital changes	122,878	16,166
Decrease/(increase) in trade and other receivables	(905)	(8,386)
Movement in inter-divisional operational account	2,963	16,971
(Decrease)/increase in trade and other payables	120,820	7,582
Cash generated by operations	186,688	61,007

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:

Funds on call account	218,245	118,987
Bank balances and cash	5,412	6,541
Total cash and cash equivalents	223,658	125,528

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	2024 N\$ 000	2023 N\$ 000		
Lease Liability	14,261	18,115		
Short term portion	5,129	3,960		
Long term portion	9,132	14,155		
	Sites and Tower rentals	Telecommunication liners rentals and charges	Total	
Balance as at 31 March 2022	13,222	14,344	27,566	
Correction of opening balance	188	(3,698)	(3,510)	
Finance cost	1,243	995	2,238	
Lease payments	(3,492)	(2,710)	(6,202)	
Lease measurement	(250)	(1,726)	(1,976)	
Balance as at 31 March 2023	10,911	7,205	18,116	
Finance cost	1,074	696	1,770	
Lease payments	(3,243)	(1,509)	(4,752)	
Lease accrued payments	(565)	(947)	(1,512)	
Lease measurement	565	74	639	
Balance as at 31 March 2024	8,742	5,519	14,261	
Maturity analysis of lease liabilities				
	Due within 1 year	Due between 1 and 5 years	Beyond 5 years	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
2023				
Minimum lease payments	6,213	16,868	-	23,081
Less future finance charges	(2,253)	(2,712)	-	(4,965)
Balance as at 31 March 2023	3,960	14,156	-	18,116
2024				
Minimum lease payments	6,472	10,713	-	17,185
Less future finance charges	(1,343)	(1,581)	-	(2,924)
Balance as at 31 March 2024	5,129	9,132	-	14,261

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19 Financial instruments and risk management	2024	2023
	N\$ 000	N\$ 000
19.1 Categories of financial instruments		
<u>Financial assets at amortized cost</u>		
Current assets	567,741	356,477
Trade and other receivables	26,371	25,477
Short-term investments	317,712	205,472
Cash and cash equivalents	223,658	125,528
<u>Financial liabilities at amortized cost</u>		
Current liabilities	64,351	64,654
Loan payable	58,233	55,270
Trade and other payables	6,117	9,384

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 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:

	2024	2023
	N\$ 000	N\$ 000
Financial instruments - at amortized cost		
Trade and other receivables	26,371	25,477
Short-term investments	317,712	205,472
Cash and cash equivalents	223,658	125,528
Total	567,741	356,477

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 rates are negotiated with banks and other financial institutions to secure good interest returns. Air Navigation Services is exposed to various risks due to fluctuations in market interest rates affecting its investments. Cash resources are managed to ensure that surplus funds are invested to achieve maximum returns while minimizing risks. Funds are placed in interest-earning money market and treasury bills, which are adjusted on a short-term basis according to changes in market interest rates.

Additionally, these investments are due on demand. The short-term investments, amounting to N\$317,712,000 (2023: N\$205,471,000), are exposed to cash flow interest rate risk. However, the short-term maturity of these deposits minimizes these risks.

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
2023	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Financial assets				
Trade and other receivables - net	22,649	2,828	-	25,477
Short-term investments	205,477	-	-	205,477
Cash and cash equivalents	125,528	-	-	125,528
	353,654	2,828	-	356,482
Financial liabilities				
Loan payable	-	55,270	-	55,270
Trade and other payables	9,384	-	-	9,384
	9,384	55,270	-	64,654
	1 – 3 months	3 months – 1 year	1 – 5 years	Total
2024	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Financial assets				
Trade and other receivables - net	17,580	8,219	572	26,371
Short-term investments	317,712	-	-	317,712
Cash and cash equivalents	223,658	-	-	223,658
	558,950	8,219	572	567,741
Financial liabilities				
Loan payable	-	58,233	-	58,233
Trade and other payables	6,117	-	-	6,117
	6,117	58,233	-	64,351

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.

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20 Related parties (continued)

	<u>2024</u>	<u>2023</u>
	N\$ 000	N\$ 000
<u>Government of Namibia - as Shareholder</u>		
Government project payments	(1,636)	(2,075)
Contribution in the form of: Projects development	120,051	6,000
Government equity contributions at year end	463,093	463,093
Government development projects payables	122,840	4,425
<u>Entities transacting with Air Navigation Services who are under the influence of the Ministry of Works and Transport:</u>		
Air Namibia (Pty) Ltd		
- Trade receivables	60,505	60,505
- Provision for doubtful debts	(60,505)	(60,505)
Namibia Airports Company		
- Trade receivables	6	15
- Expenses	(7)	(7)
<u>Board member emoluments</u>		
Directors fees	<u>(813)</u>	<u>(514)</u>
<u>Key management personnel emoluments</u>		
Salaries	(1,116)	(1,009)
Benefits / allowances	(106)	(153)
	<u>(1,222)</u>	<u>(1,162)</u>

21 Standards, interpretations, and amendments published but are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are not mandatory and material for the Air Navigation Services accounting periods beginning on or after 1 April 2023 or later periods as follows:

New / Revised International Financial Reporting Standards		Effective date
Revised		
IFRS 18 Presentation and Disclosure in Financial Statements	Replaces IAS 1 Presentation of Financial Statements.	1 January 2027
IAS 1 Presentation of Financial Statements	Clarifications on the classification of liabilities as current or non-current.	1 January 2024
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.	1 January 2027
New		
IFRS S2 Climate-related Disclosures	Specific requirements for climate-related disclosures.	1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	General disclosure requirements for sustainability-related financial information.	1 January 2024
New / Revised Amendments		Effective date
Revised		
IFRS 16 Leases	Lease liabilities in a sale and leaseback transaction.	1 January 2024
IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Addresses a known inconsistency between the requirements in IFRS 10 and IAS 28.	Deferred indefinitely
New		
IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	Clarification and simplification of disclosure requirements for accounting policies.	1 January 2024

The directors have evaluated the impact of these standards, amendments, and interpretations. Nevertheless, they do not expect them to impact the Air Navigation Services annual financial statement presentation significantly.

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22 Going concern

The Air Navigation Services incurred a net profit of N\$55 985 000 (2023: N\$27 313 000) for the year ended 31 March 2024 and cash generated from operating activities amounting to N\$186 688 000 (2023: N\$61 007 000). During the current year, Revenue has picked up above pre-Covid 19 levels and most airlines have resumed flights to Namibia.

As a service provider of air navigation services in Namibia, the Air Navigation Services' major revenue streams from the airlines are en route 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 the 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 liquidation of one major customer (Air Namibia) which resulted in loss of revenue. This has resulted in receivables amounting to N\$ 60 505 000 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 Air Navigation Services 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 of 31 March 2024 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 on 31 March 2024, should be considered adjusting 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 Contingent liability

There is a possible obligation due to the Value Added Tax (VAT) Act concerning VAT on imported services. Since the inception of the NCAA, no import VAT on services has been remitted to the Namibia Revenue Agency (NAMRA). We have sought an opinion from PricewaterhouseCoopers, a tax advisory firm, and are currently awaiting a ruling from NAMRA on the matter. At this moment, the amount of the obligation cannot be measured reliably.





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