



INTEGRATED
ANNUAL REPORT

2020/2021





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LIST OF OFTEN-USED DEFINITIONS/ACRONYMS

<IR>	International Integrated Reporting
A-CAD	Africa Central Aeronautical Database
AGA	Aerodromes and Ground Aids
AIDC	ATS Interfacility Data Communication
AIM	Aeronautical Information Management
AIOs	Aeronautical Information Officers
AMO	Aircraft Maintenance Organisation
AMOs	Aircraft Maintenance Organisations
Annex 1-19	Annexes to the Chicago Convention
ANS	Air Navigation Service
ANSP	Air Navigation Service Provider
ANSSO	Air Navigation Services Safety Oversight
AOC	Air Operator's Certificate
APV	Approach with Vertical Guidance
ARCC	Aeronautical Rescue Coordination Centre
ARO	Aviation Recreational Organisation
ATCC	Air Traffic Control Centre
ATCOs	Air Traffic Control Officers
ATEL	Aeronautical Telecommunications
ATOs	Aviation Training Organisations
ATPL	Airline Transport Pilot Licence
ATZ	Aerodrome Traffic Zone
ATS VRS	Air Traffic Services Voice Recording System
ATS	Air Traffic Services
ATSEP	Air Traffic Safety Electronics Personnel
AVSEC	Aviation Security
Baro-VNAV	Barometric Vertical Navigation
Board	Board of Directors of the Authority established in terms of Section 12 of the Act
CART	Civil Aviation Recovery Task Force
CATS	Civil Aviation Technical Standards
Chicago Convention	Convention on International Civil Aviation, 1944
CMA	Continuous Monitoring Approach
CNS	Communication, Navigation and Surveillance
CPL	Commercial Pilot Licence
DFE	Designated Flight Examiner
DOA	Design Organisations
EFB	Electronic Flight Bag
ELP	English Language Proficiency
FIC	Flight Information Centre
FIR	Flight Information Region
FOP	Foreign Operator's Permit
HPP2	Harambee Prosperity Plan II
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
IFR	Instrument Flight Rules

IGP	Information Governance Programme
IIRC	International Integrated Reporting Council
ILS	Instrument Landing System
MWT	Ministry of Works and Transport
NAC	Namibia Airport Company
NAirC	National Airspace Committee
NAMCARs	Namibia Civil Aviation Regulations
NAMCATS	Namibia Civil Aviation Technical Standards
NCAA	Namibia Civil Aviation Authority
NCASP	National Civil Aviation Security Programme
NCASTP	National Civil Aviation Security Training Programme
NOTAM	Notice to Airmen
NQCP	National Quality Control Programme
OEM	Original Equipment Manufacturer
OJT	On-the-job training
PBN	Performance-Based Navigation
PEL	Personnel Licensing
PPL	Privat Pilot Licence
QMS	Quality Management Systems
RNP	Required Navigation Performance
RPAS	Remote Pilot Aircraft System
RPKs	Revenue Passenger Kilometres
RVSM	Reduced Vertical Separation Minima
SAATM	Single African Air Transport Market
SARPs	Standards and Recommended Practices
SASO	SADC Aviation Safety Organisation
SIDs	Standard Instrument Departures
SLA	Service Level Agreement
SMS	Safety Management Systems
SSIs	Station Standing Instructions
SSP	State Safety Programme
STARs	Standard Instrument Arrivals
TCB	Technical Cooperation Bureau
The Act	The Civil Aviation Act (Act 6 of 2016)
UAVs	Unmanned Aerial Vehicles
USAP	Universal Security Audit Programme
USOAP	Universal Safety Oversight Approach Programme
VCS	Voice Communication Switching
VFR	Visual Flight Rules
VHF	Very High Frequency Radio Network
VRS	Voice Recording System



INTRODUCTION



ABOUT THIS REPORT

REPORTING PRINCIPLES

The Namibia Civil Aviation Authority (NCAA) has applied the principles contained in the International Financial Reporting Standards (IFRS), good corporate governance, and the Public Enterprises Governance Act, 2019 (Act 2 of 2019 as amended). This integrated report has been developed in accordance with the International Integrated Reporting (<IR>) Framework of the International Integrated Reporting Council (IIRC).

SCOPE, BOUNDARY, AND REPORTING CYCLE

The NCAA's 2020/21 Integrated Report provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects, and governance, covering the financial year ended 31 March 2021. We endeavour to illustrate a comprehensive view of the business by analysing our performance against the Authority's strategic objectives, highlighting successes and challenges experienced this year.

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

TARGET AUDIENCE

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

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

THIS REPORT FOCUSES ON THE MAIN OPERATIONS AND ACTIVITIES THAT CONTRIBUTE TO THE AUTHORITY'S PERFORMANCE.

UNLESS OTHERWISE STATED, ALL PERFORMANCE DATA IS FOR THE 12-MONTH PERIOD ENDED 31 MARCH 2021.



Hon. John Mutorwa, MP
Minister of Works and Transport

FOREWORD BY THE MINISTER

A vibrant and growing aviation sector brings significant opportunities for all stakeholders in Namibia. Aviation is an important part of this country's transport sector, as clearly articulated in the Transport Policy (December 2018) of the Government of Namibia.

The Government established the Namibia Civil Aviation Authority as a regulator and air navigation services entity playing a strategic role in further enhancing the integrated development of the country's economic potential. This transport sub-sector requires maintenance of the highest possible safety and security standards. The NCAA, as per the objectives of its constituted Act, must control and regulate civil aviation safety and security within the spirit of national transportation policy development.

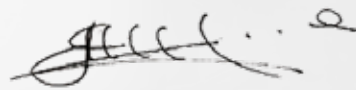
As a nascent entity in our national governance space, the NCAA has put in place clear requirements for entering and operating in the civil aviation system. The NCAA has shown its growing ability to work with participants to keep pace with the advances in aviation safety, security technology services, and regulations, and has aided in keeping aviation incidents and accidents to the minimum. One such highlight has been the promulgation of new and improved Prevention of Incidents and Accidents Regulations (2020).

This Annual Report indicates that international best practices are being pursued with vigour. NCAA has instituted a risk-based safety management framework, and there is a "pipeline" for onboarding capacity and skills into the aviation ecosystem of Namibia. I commend the NCAA for adopting a bursary programme continually empowering Namibians in the areas of air navigation services. It is hoped that this initiative will soon be expanded to include other areas of safety and security training for young, aspiring Namibians. The industry is continually being engaged across an array of specialist areas to improve our aviation opportunities, including the niche areas of adventure aviation, such as free ballooning, remotely piloted aircraft, and non-type (specialist) aircraft certifications. Efforts remain on course to improve the management of overflight and landing clearance procedures as well as facilitation of non-scheduled flights.

Despite downturns in revenue during the past year, NCAA has managed to uphold its status as a going concern. This should remain the status quo since its strategy is to be a financially sustainable public enterprise.

I have noted that maintaining world-class safety and security management means meeting international obligations and upholding trading partner capability. This is evident within NCAA by way of Cabinet decisions on Namibia's commitments regarding the Single African Air Transport Market (SAATM) and the SADC Aviation Safety Organisation (SASO). Initiatives to amend outdated civil aviation statutes, such as the Air Transport Act of 1946, have begun. These actions enhance our global reputation for aviation safety and security and we believe that post-COVID-19, this will bring opportunities for greater aviation connectivity. This in turn will undoubtedly lead to increased trade, tourism, and national and regional travel, as well as enhance social networks and bring about other such national and regional benefits, all in an environmentally friendly manner.

I would like to take this opportunity to thank the previous and current Board of Directors, all of whom have effectively and efficiently steered the NCAA over the past year. As the line Minister for transport in Namibia, I remain committed to providing the necessary support and creating an enabling environment for the Authority to fulfil its very important mandate of aviation and security oversight of the Namibian civil aviation system.



Hon. John Mutorwa, MP
Minister of Works and Transport

OUR MANDATE

OUR OPERATING CONTEXT

Aviation by its very nature is an international phenomenon. In terms of Article 54(l) 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 and for convenience designate them as Annexes to the Convention on International Civil Aviation and notify the contracting States to the Convention of the action 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 after being issued or such longer period as may be determined by the Council. Effectively, the Council is making laws for contracting States and States must comply or file differences as maybe become necessary. In this way there is uniformity in regulating aviation safety and security in the world.

There are 193 countries which have either ratified or acceded to the Convention on International Civil Aviation, making it one of the Conventions most supported by States. 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 by and large also inform the domestic civil aviation regulations of each contracting State. In order to determine whether States are adhering to the international technical standards as issued, ICAO conducts safety and security audits on contracting States from time to time. Where there are deficiencies ICAO issues findings to States and such findings must be corrected within a period determined by ICAO. In some instances, ICAO may issue what is called Significant Safety Concern and such a finding must be corrected in the shortest possible time,

otherwise ICAO would inform other contracting States about the said finding.

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

In conclusion, it is critical that inspectors must be fully aware of aviation threats globally so as to devise ways and means to counter such threats. Further, it is imperative to be aware of legal instruments governing aviation internationally as well as locally.



WHO WE ARE

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

WHAT WE DO

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

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

OUR VISION

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

STRATEGIC ALIGNMENT

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

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

OUR MISSION

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

OUR VALUES

We live by our values:

INTEGRITY

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

FAIRNESS

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

ACCOUNTABILITY

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

EXCELLENCE

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

OUR OBJECTIVES

The objectives of the NCAA are to:

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

OUR CORPORATE STRUCTURE

Ministry of Works
and Transport

NCAA
Board of Directors

Namibia Civil
Aviation Authority

Office of the
Executive Director

Communication, Navigation,
Surveillance and ICTP

Air
Navigation Services

Support Functions (Legal, Finance
and Administration, Internal Audit,
Compliance and Regulatory Risk)

Air
Traffic Services

Aeronautical
Information
Management



OUR VALUE CREATION PROCESS

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

CAPITAL INPUTS

CAPITAL INPUTS

The resources and relationships we rely on to create value:

- 1. Financial capital**
 - Government subsidies/grants for 'public good' services
 - Passenger service charges to industry
 - Application fees for services provided
- 2. Human capital**
 - Skilled, motivated employees
 - Strong leadership team
 - Service providers
 - Technically-qualified inspectors
- 3. Intellectual capital**
 - Specialist/technical skills
 - Company culture
 - Brand and reputation
- 4. Manufactured capital**
 - Air navigation infrastructure
 - Head office and Supporting Facilities
 - Modern CNS infrastructure
- 5. Social and relationship capital**
 - Positive employee relations
 - Constructive engagement with Government and industry
 - Collaborative partnerships with industry and other CAAs
 - Outreach programmes
- 6. Natural capital**
 - Energy, fuel and water

GOVERNING THE VALUE CREATION PROCESS

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

NCAA’S two major Regulatory functions:

1. Regulator of Namibia’s CIVIL AVIATION SYSTEM

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

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

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

OVERALL VALUE WE CREATE FOR STAKEHOLDERS

Safe skies for those that want to fly and those that don't.

KEY FACTORS THAT IMPACT ON OUR ABILITY TO DELIVER SHARED VALUE

WITHIN OUR CONTROL

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

BEYOND OUR CONTROL

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

KEY STRATEGIES

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

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

KEY RELATIONSHIPS

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

KEY RISKS

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

2. Provider of air navigation services

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

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

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

CAPITAL OUTCOMES

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

CAPITAL OUTCOMES

OVERALL IMPACT WE MAKE

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

ENGAGING OUR STAKEHOLDERS

Understanding and being responsive to the interests of our stakeholders through effective dialogue and engagement is critical to delivering on our core purpose. This is particularly important for us, given that aviation is a challenging industry, with strong interests from multiple sectors and stakeholders.

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

The table below provides a brief review of our key stakeholder groups, their contribution to our value creation, and how we engage with them to address their interests. We recognise that

there is significant diversity within each group, with individual stakeholders often having vastly different interests. The priority interests listed in the table are a broadly indicative reflection of each stakeholder group's priorities as assessed by the management team based on our ongoing engagements.

STAKEHOLDERS	CONTRIBUTION TO VALUE CREATION	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 meetings and stakeholder engagement sessions
BOARD OF DIRECTORS	They provide strategic oversight and policy direction	Board meetings as per the Civil Aviation Act No 6 of 2016 and Public Enterprises Governance Act (PEGA), ad-hoc engagements through the Corporate Secretariat office	Strategy and policy implementation
EMPLOYEES, SECONDED AND CONTRACTED STAFF	Engaged employees add value by providing excellent customer service and complying with the values of the NCAA	To attract and retain our employees we engage them through departmental and mass meetings, constant email and WhatsApp communications. An Employee Value Proposition (EVP) committee was established with employee/employer representatives for effective engagement and employee satisfaction	Through meetings and stakeholder engagement sessions
INDUSTRY ORGANISATIONS	Adding value through stakeholder engagement sessions, dialogue and proposals received from the industry	Through providing services and products	Implementation of proposed changes
CUSTOMERS	Through customer experience and satisfaction, and providing us with feedback	Through providing services and products	We meet their expectations through providing excellent customer service
SUPPLIERS	Suppliers add value by providing resources and required services on time	Procurement of services in line with the Procurement Act	We meet their expectations by complying with contractual agreements
MEDIA	Assist with maintaining the reputation of the NCAA	Engage them whenever we have a need to communicate with our stakeholders	By communicating our expectations in time

COMMUNITY ENGAGEMENT

During the period of reporting, the NCAA invited senior citizens randomly and shared a memorable moment with them. The day started with a presentation at the NCAA headquarters on understanding the Mandate of the NCAA, Regulatory and provisioning of air navigation services,

Vision, Mission and the Values. The event proceeded to the Eros Airport and the senior citizens had an opportunity to get in a helicopter and fly around Windhoek. The customer experience and satisfaction was overwhelming.



The team of senior citizens accompanied by Christine Eiman: Manager Air Traffic Services and Hilda Basson Namundjebo: External Stakeholders and Public Relations consultant.



The former Interim Executive Director, Reinhard Gärtner presenting to the senior citizens.

FACTS ABOUT NAMIBIA'S CIVIL AVIATION SYSTEM

PASSENGER VOLUMES



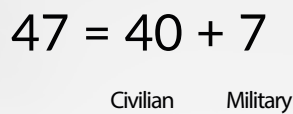
AIRCRAFT OPERATORS



ACTIVE PILOTS



AIR TRAFFIC CONTROLLERS



AIRCRAFT MAINTENANCE ENGINEERS



133

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

AIRCRAFT MAINTENANCE ORGANISATIONS



Aircraft Maintenance Organisations (AMOs)

27 = 11 + 16

Local AMOs

Foreign AMOs

REGISTERED AIRCRAFT



268

Microlights



69

Rotocraft



343

Small Aeroplanes <5,700 kgs



55

Large Aeroplanes >5,700 kgs

AERODROMES



2 Interim Certificates

6 Interim Licenses

113 Registered aerodromes

180 Active Air Fields

AVIATION SECURITY QUALITY CONTROL ACTIVITIES



0 Audits

61 Inspections

54 Risk Assessments

0 System Tests

OUR CORPORATE GOVERNANCE

OUR LEADERSHIP - BOARD OF DIRECTORS



Bethuel T Mujetenga
Chairperson



Kadiva Hamutumwa
Deputy Chairperson



Melkizedek Uupindi
Board Member



Fernando Somaeb
Board Member



Martha Hitenanye
Board Member



Gordon D Elliott
Ex officio Board Member



Josephine Amukwa
Board Member

Effective and efficient governance is one of the core pillars of the risk management framework and is firmly aligned with the statutory requirements of the Civil Aviation Act, (Act 6 of 2016). The NCAA subscribes to The Corporate Governance Code for Namibia (NamCode). We also adhere to our Code of Ethics and ongoing national COVID-19 compliance efforts

1. Directors:

(a) Change in Board membership during the period under review

The following board members term ended the 30th of October 2020

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

The following board members took over from the 04th of November 2020

- Mr Bethuel T Mujetenga : Chairperson
- Ms Kadiva Hamutumwa : Deputy Chairperson
- Mr Melkizedek Uupindi : Board Member
- Mr Fernando Somaeb : Board Member
- Ms Martha Hitenanye : Board Member
- Ms Josephine Amukwa : Board Member
- Mr Gordon D Elliott : Interim Executive Director and Ex Officio Board Member

Corporate Secretariat:

The Board Corporate Secretariat function for the period under review was performed on an interim basis by the following staff members:

Mr Christoph Seimelo 1 April 2020 to December 2020

Ms Nerago Ndoroma 1 January 2021 to 31 March 2021

(b) Number of Board meetings and attendance

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

Important activity during the period under review

- Ongoing efforts to recruit a substantive Executive Director (ED)
- COVID-19 recovery measures

(c) NCAA Board Committees**(i) Audit and Risk Committee**

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

The former Committee comprised of Ms Uanjengua Katjuanjo, Mr Kosmas Egumbo and Mr Reinhard Gärtner.

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

(ii) HR Committee

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

The former Committee comprised of Ms Matilda Jankie, Mr Ignatuis Thudinyane, and Mr Reinhard Gärtner.

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

(iii) Safety, Security, Regulatory and Legal Committee

The Committee must ensure that the NCAA carries out its core mandate, which is civil aviation safety, security, and regulatory compliance. Aspects of aviation safety and security are discussed at this Committee and recommended to the Board, including regulation-making.

The former Committee comprised of Ms Unomuino Katjipuka Sibolile, Ms Matilda Jankie, and Mr Reinhard Gärtner.

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

(d) Remuneration of Board Members

Remuneration of Board members is determined by the Minister of Public Enterprises in terms of a Directive, in this case, Government Gazette No 6572, Notice No 69 issued on 16 April 2018. The sitting allowance and retention fee depend on the tier a Public Enterprise is placed at. NCAA is a tier 2 (two) Public Enterprise.

(e) Disclosure of Interests

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

2. Key Stakeholders:

- (a) Ministry of Works and Transport
- (b) Ministry of Public Enterprises
- (c) Central Procurement Board of Namibia
- (d) International Civil Aviation Organisation
- (e) African Civil Aviation Commission

BOARD MEETINGS

Meeting Date:	In Attendance
29 April 2020 – Ordinary Board Meeting	<ul style="list-style-type: none"> • Mr Kosmas H Egumbo • Ms Uanjengua Katjiuanjo • Mr Ignatuis Thudinyane • Mr Reinhard Gärtner
30 June 2020 – Special Board Meeting	<ul style="list-style-type: none"> • Mr Kosmas H Egumbo • Ms Matilda Jankie • Ms Uanjengua Katjiuanjo • Mr Ignatuis Thudinyane • Ms Unomuino Katjipuka Sibolile • Mr Reinhard Gärtner
16 July 2020 – Special Board Meeting	<ul style="list-style-type: none"> • Mr Kosmas H Egumbo • Ms Matilda Jankie • Ms Uanjengua Katjiuanjo • Mr Ignatuis Thudinyane • Ms Unomuino Katjipuka Sibolile • Mr Reinhard Gärtner
27 August 2020 – Special Board Meeting	<ul style="list-style-type: none"> • Mr Kosmas H Egumbo • Ms Matilda Jankie • Ms Uanjengua Katjiuanjo • Mr Ignatuis Thudinyane • Ms Unomuino Katjipuka Sibolile • Mr Reinhard Gärtner
10 September 2020 – Ordinary Board Meeting	<ul style="list-style-type: none"> • Mr Kosmas H Egumbo • Ms Matilda Jankie • Ms Uanjengua Katjiuanjo • Mr Ignatuis Thudinyane • Mr Reinhard Gärtner

Meeting Date:	In Attendance
26 November 2020 – Special Board Meeting	<ul style="list-style-type: none">• Mr Bethuel Mujetenga• Ms Kadiva Hamutumwa• Mr Melkizedek Uupindi• Mr Fernando Somaeb• Ms Martha Hitenanye• Ms Josephine Amukwa• Mr Gordon D Elliott
22 December 2020 – Special Board Meeting	<ul style="list-style-type: none">• Mr Bethuel Mujetenga• Ms Kadiva Hamutumwa• Mr Melkizedek Uupindi• Mr Fernando Somaeb• Ms Martha Hitenanye• Ms Josephine Amukwa• Mr Gordon D Elliott
9 March 2021 – Ordinary Board Meeting	<ul style="list-style-type: none">• Mr Bethuel Mujetenga• Ms Kadiva Hamutumwa• Mr Melkizedek Uupindi• Mr Fernando Somaeb• Ms Martha Hitenanye• Ms Josephine Amukwa• Mr Gordon D Elliott

ENTERPRISE RISK MANAGEMENT

RANK		RISK		RISK RESPONSE	TIMELINE	PROGRESS AS AT MARCH 2021
APRIL 2020	MARCH 2021	APRIL 2020	MARCH 2021			
1	1	Financial sustainability		<ul style="list-style-type: none"> Continue to limit costs to the minimum required for international compliance while maintaining the ability to scale services back as dictated by industry demand Wait for the outcome of the liquidation process of Air Namibia, South African Airways and COMAIR Request MWT for payment of GRN budget amount as a surveillance charge for the surveillance activities being performed on their behalf Lobby MWT for appropriate budgetary allocation for capital project over the next 3 financial years 	Ongoing	<ul style="list-style-type: none"> Submitted NCAA claims against Air Namibia, South African Airways and waiting for response from COMAIR Limited before they start operations into Namibia again Approved critical staff list Approved training priorities for the Safety Division limiting expenses for training GRN lobbying for support, N\$20m received to date, N\$20m at MoF for payment
2	4	Skills shortage in some key positions		<ul style="list-style-type: none"> Appointment of recruitment agency to head-hunt scarce and critical positions, locally and abroad Recruit and retain aptly skilled personnel Continuously implement On the Job Training and Professional Development Plans 	01-Sep-21	<ul style="list-style-type: none"> EXCO to be updated on internal equity findings on job grades by July 2021 Remuneration and Retention Policy finalised in 2020 Job grading Performance Agreements of EXCO and Senior Managers to be in place by 31 December 2021
		Retention of skilled staff		<ul style="list-style-type: none"> Remuneration and Retention policy developed Review of Grades, Job descriptions and Salary scales planned Induction training of staff and continued staff engagement Finalise talent management framework & performance management system 	01-Sep-21	<ul style="list-style-type: none"> Needs analysis and review of current priorities by EXCO. Identification and filling of critical positions by 31 December 2021 Recruitment of ED underway Training activities ongoing
3	5	Cyber security and disaster recovery & business continuity		<ul style="list-style-type: none"> Update and implement ICT policies and Standards Benchmarking against industry standards - ISO9001 Implement off-site backup protocols Appointment of a suitably qualified and experienced Senior Manager: ICT Configure firewall and password protocols Appoint a cyber security expert on fixed term contract to advise and implement improvement procedures 	01-Sep-21	<ul style="list-style-type: none"> The matter has been taken up with IT as well as the Microsoft Supplier. All data is currently in the cloud. A method to backup the cloud must still be implemented

RANK APRIL 2020		RANK MARCH 2021		RISK RESPONSE	TIMELINE	PROGRESS AS AT MARCH 2021
4	6	<p>Universal Safety Oversight Audit Programme (USOAP) Audit with significant findings in categories: Serious & Significant Safety Concerns</p>	<ul style="list-style-type: none"> Regular EXCO involvement in audit preparation project Periodic readiness assessments by the upgraded CRR Dept Secondment of staff from other CAAs where possible Appointment of inspectors in critical skills (contracting of retirees who are fit and proper) Short term use of ICAO experts on skills shortage where possible Dedicated project team, champion and feedback mechanisms to EXCO Training on civil aviation registry process required Recruitment of Communication Navigation Surveillance (CNS), Resource for both the Air Navigation Services (ANS) and Regulator through resources at TCB-ICAO 	Sep-21	<ul style="list-style-type: none"> Regular oversight by EXCO in place Monthly assessments carried out Recruitment in Flight Ops for Wide-body inspector & OJT inspector Dedicated team in place to monitor Communication Navigation Surveillance (CNS) inspectors recruited and technical training to begin 10 May 2021 	
		<p>Delay in the promulgation of the Flight Operation regulations and impact on implementation</p>	<ul style="list-style-type: none"> Improved oversight on implementation of regulations by General Manager: Safety Finalisation of regulations within set timelines Monitoring role by the Regulations making Technical Panel enhanced 	4 th quarter 2022	<ul style="list-style-type: none"> OPS regulations Committee established, and good progress recorded 	
5	5	<p>Governance</p>	<ul style="list-style-type: none"> Continuing induction and training of directors Implement performance management agreements at all levels Understand requirements of Public Enterprises Governance Act (PEGA) and other applicable legislations. Awareness campaign via HR of policies and procedures via induction and formal communication Delegations of authority policy implementation Appointment of the Corporate Secretary Managerial training for Senior Managers 	Ongoing	Ongoing	
6	2	<p>Non compliance with Regulations</p>	<ul style="list-style-type: none"> Enforcement of compliance with the regulations. Industry to submit mitigating factors to the Regulator, concerning non compliance with the regulations NOTAMs to be issued where potential serious safety concerns exist 	Ongoing	Ongoing discussion between BoD and MWT	

LEGAL



Christoph Seimelo (Chief Legal Counsel)

The Department works closely with the office of the Chief Legislative Drafter in the Ministry of Justice to ensure that clear and concise regulations are promulgated

The Legal Department has two components, legal advisory, and corporate governance services. Under the legal advisory services component, inspectors and managers are advised about the provisions of the Civil Aviation Act 2016, (Act 6 of 2016) Civil Aviation Regulations and Technical Standards, and other relevant laws, particularly in respect of enforcement and surveillance activities. The advisory services ensure that air operators comply with the law for purposes of aviation safety and security.

The Department works closely with the office of the Chief Legislative Drafter in the Ministry of Justice to ensure that clear and concise regulations are promulgated. In the world, the aviation industry is one of the industries which is highly regulated. Mindful of the local environment, regulations released for implementation must be suitable for the aviation industry, to avoid over-regulating or under-regulating the industry. In light of this fact, the consultation process under Part 3 of the regulations is a prerequisite in the regulations-making process.

Regulations still to be updated to comply with ICAO Annexures are: (1) Flights Operations Department Regulations under Part 90, General Rules of the Air; Part 96, Commercial Operations of Non-type Certified Aircraft; Part 121, Large Aircraft Commercial Operations; Part 135, Small Aircraft Commercial Operations; Part 127, Helicopter Commercial Operations, and (2) Airworthiness Department Regulations under Part 145, Aircraft Maintenance Organisation; Part 147, Aviation Design Organisation and Part 148, Aviation Manufacturing Organisation.

During the initial COVID-19 outbreak, the Department assisted Safety Departments to issue various directives to ensure adequate

compliance with safety and security standards, while there was relaxation in the regulations due to COVID-19 restrictions. However, now that there is a slow return to normal aviation operations, full compliance with the regulations is to be expected.

The Department, through the Ministry of Works and Transport and the Ministry of International Relations and Cooperation, is responsible for ratification and/or accession to international air law Conventions and Treaties. To this end, the Department has prepared accession administrative packages to the Protocol to Amend the Convention on Offences and Certain Other Acts Committed on Board of Aircraft, Montreal 4/4/14; Convention on the Suppression of Unlawful Acts Relating to International Civil Aviation, Beijing 10/9/10; and the Protocol Supplementary to the Convention for the Suppression of Unlawful Seize of Aircraft, Beijing 10/9/10. These air law instruments will assist Namibia in her international obligations to combat terrorism and unruly passengers on board aircraft in-flight.

Lastly, the Department is committed to conducting internal training/workshops on legal education such as Administrative Law, Labour Law, and Legal Compliance to the Safety and Security Departments. During the preceding financial year, the Department conducted training on Administrative Law Principles applicable to the safety and security inspectors and management in their capacity as administrative officials. The Department is also responsible for keeping abreast with developments of Air Law instruments and, in doing so, the Department participates in international, continental, and regional Air Law conferences/seminars/courses where we represent Namibia's interests in aviation matters.

WHO LEADS US



GORDON D ELLIOTT
Interim Executive Director

Predecessor:
Reinhard Gärtner



**JEREMIA
KAMATI**
Acting Head;
Air Navigation Services

Predecessor:
Peter Marais



**ERICSSON M
NENGOLA**
General Manager:
Safety



**CHRISTOPH
SEIMELO**
Chief Legal
Counsel

Predecessor:
Gordon D Elliott



**FESTUS
SHILUNGA**
Acting Manager: Finance



**TOBIAS
GÜNZEL**
Acting General Manager:
Communications,
Navigations, Surveillance
and ICT Projects



**NERAGO
NDOROMA**
Acting
Corporate Secretary
Predecessor:
Christoph Seimelo



**BEVERLEY S
SKRYWER**
Manager: Human
Resources



**GOLDEN
SITEKETA**

Senior Manager:
Aerodromes and Ground
Aids



**GORDON
NANUB**

Senior Manager:
Personnel Licensing



**NERAGO
NDOROMA**

Manager: Projects



**JULIAN
GOUWS**

Senior Manager:
Aviation Security



**THAMSANQA
MOYO**

Head Civil
Aviation Registry



**GEORGE
MATROOS**

Senior Manager: Safety
Promotion and Quality



**PETERSON
TJITEMISA**

Acting Senior Manager:
Compliance and
Regulatory Risk

*Predecessor:
Jacqueline Stiemert*



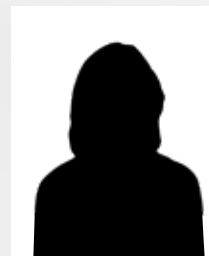
**ROBERT
MATHE**

Senior Manager:
Airworthiness



**SARAFINA
MAXWANU**

Senior Manager: Air
Navigation Services
Safety Oversight



VACANT

Senior Manager:
ICT



**VICTORIA T
MOMBOLA**

Acting
Senior Manager: Flight
Operations

*Predecessor:
Willem Van Zyl*



**JEREMIA
KAMATI**

Senior Manager: Air
Traffic Services - ANS



**THABEA
SHILONGO**

Acting Senior Manager
Aeronautical Information
Management - ANS



**ABIATAR
NTINDA**

Senior Manager:
Communications,
Navigations and
Surveillance - ANS



**ERIK
BRUYS**

Acting Senior Manager:
Safety and Quality
- ANS

OUR STRATEGIC PILLARS

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

1

PEOPLE AND CULTURE

In an industry where regulatory compliance is paramount, we must have the right people with the right skills in the right positions. The NCAA introduced a new organisational structure, making provision for 314 positions that are based on the ideal number of personnel to implement and maintain international standards and recommended practices. A phased

approach will be followed to get to the required levels and for the next five years, we targeted a staffing level of 222 staff. A culture-change management programme will be formulated to ensure our staff is committed to our commercial business model, which needs to be adopted to produce efficient and effective outcomes for our stakeholders.

2

FINANCIAL SUSTAINABILITY

The Authority's ability to execute its mandate hinges on financial sustainability. The establishment of the NCAA as a separate juristic person and entity-not-for-gain on 1 November 2016 led to the ongoing support by the Government of Namibia through subsidisation of the aviation industry in air navigation and safety oversight activities. This resulted in the need to amend outdated charges to the aviation industry for

the first time since 2006 to cover operational and expected capital costs. The new charges and fees are cost-based, non-discriminatory, and based on 'user pay' principles. The cost of developing and supporting the regulatory framework should be borne by the industry using 'user pays' and the 'capacity to pay' as the driving principles (as well as normal international practice).

3

OPERATIONAL SERVICES, SYSTEMS, AND PRODUCTIVITY

The NCAA's operational services, systems, and productivity will receive dedicated attention in the next five-year period. Currently, many divisions are understaffed. The Air Navigation Services (ANS) experienced a high staff turnover and the Air Traffic Services (ATS) area, in particular, has experienced a chronic shortage of staff. Recruitment in priority areas will commence as soon as the job profiling and valuation process is completed. Currently, Aeronautical Information Services (AIS) is using

multiple parties with multiple data entry points and paper-based processes. These largely manual processes are subject to vulnerability to loss of data integrity, broken audit trails and disabled traceability, and delays in processing, therefore automation is the main priority. Investment in a modern Communications, Navigations, and Surveillance (CNS) infrastructure has been a priority for the NCAA; however, insufficient resources in both operations and manpower have led to reduced system reliability, which will be addressed.

4

RISK, SAFETY MANAGEMENT, AND STATE SAFETY

Before the NCAA's establishment, limited risk management was undertaken. In the Air Traffic Services operational environment, safety management usually encompasses controlled change management with safety assessments routinely undertaken and documented. This has been identified as a weakness within the Air Traffic Services and Communications, Navigations, and Surveillance environments and will receive urgent attention.

ICAO requires that Member States implement a State Safety Programme that requires key aviation industry participants to become partners in sharing safety-critical information. The NCAA will take a lead role in establishing the new programme and maintaining a single high-integrity database containing the required information. This programme will be integral to the aviation safety and security promotion roles prescribed in Sections 9 and 10 of the Civil Aviation Act of 2016, (Act 6 of 2016).

5

MEETING INTERNATIONAL SAFETY AND SECURITY OVERSIGHT STANDARDS

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

The Aviation Safety and Security strategies cover the following regulatory functions: Flight Operations, Airworthiness, Aerodromes and Ground Aids, Personnel Licensing, Security, and Air Navigation Safety.

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



MESSAGE FROM THE CHAIRPERSON

BETHUEL T MUJETENGA
Chairperson

On behalf of the Board of Directors it is my privilege and honour to present the 4th Annual Report for the year 2020/21 of the Namibia Civil Aviation Authority (NCAA). This Report to the Honourable Minister of Works and Transport is the first since I took on the responsibility as Chairperson, from the previous board on 04 November 2020 that was led by Mr Kosmas Egumbo in compliance with the provisions of Section 29 of the Civil Aviation Act of 2016.

This report gives a comprehensive account of the NCAA's affairs (be it corporate, technical, regulatory, and service provision) over the reporting period and is a statutory requirement as per the provisions of Section 29 of the Civil Aviation Act (Act 6 of 2016). The role of the Board is to set and monitor the strategic functioning of the Authority as well as mobilising and allocating resources of the NCAA. In addition, the Board must effectively represent, promote, protect, and nurture the best interests of the public while recognising the interests of the State with a view of maintaining and adding long-term value to the Authority in enabling it to achieve its core objectives.

The Board must be responsible for ensuring the existence and implementation of sound and effective internal control systems, risk management, and ensuring true and fair presentation of the Authority's affairs in the financial statements. Furthermore, the Board must direct and supervise the management of the Authority's activities, assets and affairs including the establishment of the Authority's Policies to ensure that management is proactively seeking to build and promote the Authority's customer provisions, innovations, initiatives, technological advancements, new services/ activities and its human capital. These actions in return will ensure that the Authority's goals are established and that strategies are in place for achieving them.

As I write this report, the world faces an unprecedented challenge due to the tragic impact of COVID-19. As we are all aware, on 11 March 2020, the World Health Organisation (WHO) declared the outbreak of the COVID-19 as a pandemic. On 13 March 2020 Namibia reported the first confirmed COVID-19 cases and on 14 March 2020 declared the COVID-19 outbreak. In response, on 27 March 2020, His Excellency, Dr Hage G Geingob, President of the Republic of Namibia, announced the initial country-wide lockdown, with additional lockdown measures announced on numerous occasions to curtail the spread of this disease.



The resulting closures of the airports serving international air travel coupled with the demise of Air Namibia, and the challenges confronting Namibia Airports Company (NAC), small aircraft operators, Aviation Training Organisations (ATOs), Aircraft Maintenance Organisation (AMOs), and the Tourism sector, given downturns in revenue and the overall declining GDP indicators, adversely effected the income streams of the NCAA to oversee the activities of civil aviation. However, the NCAA acted swiftly to maintain safety, security, financial, and consumer protection although some of these challenges remain. Responding to the COVID-19 outbreak is at the forefront of our priorities and will continue to be so for the foreseeable future.

It is regrettable that the NCAA could not finalise the recruitment and selection process of the Executive Director. The Board acknowledges the nature of the industry we operate in and are geared towards recruiting a suitably qualified and well experienced professional that will assist the Board in carrying out its duties as mandated.

Finally, on behalf of the Board of Directors, I wish to recognise and appreciate the companionship and commitment demonstrated by my fellow Board Members, and the unwavering support that the NCAA continues to enjoy from the Minister of Works and Transport, and officials across the entire ministry.

All the achievements summarised in this Report would not have been possible had it not been for the resolute commitment of the NCAA's Executive Management and dedication of our employees under the strong leadership of the Interim Executive Director of Civil Aviation, without whom our mandate would not have been accomplished.

Bethuel T Mujetenga
Chairperson

INTERIM EXECUTIVE DIRECTOR'S REPORT

GORDON D ELLIOTT
(Interim Executive Director)



The 2020/21 reporting year was a daunting year for the NCAA in many respects. Despite this unprecedented year this 4th Annual Report (since its establishment in 2016), is testimony that the Authority remains on course to ensure Namibia's aviation safety and security profile, and air navigation services provisioning, stays reliable and stable. As a signatory to the Chicago Convention, Namibia has, among others, undertaken to adopt measures to ensure that every aircraft flying over or manoeuvring within our territory complies with the rules and regulations relating to the flight and manoeuvre of aircraft therein. This requires that Namibia provides, within our territory, aerodromes, radio services, search and rescue services, meteorological services, and other air navigation services to facilitate air navigation. This report shows our progress across a range of activities in this regard.

However, the year was dominated by the impact of the pandemic on the universal civil aviation activity of humankind. To provide context on this the following brief quotation from the ICAO Council Aviation Recovery Task Force (CART) is appropriate for this report:

"The impact of the coronavirus disease (COVID-19) pandemic on global air transport is without precedent. Airports have seen a 28.4% decline in global passenger traffic volumes for the first quarter of 2020, equivalent to a reduction of 612 million passengers in absolute terms. For airlines, the revenue passenger kilometres flown (RPKs) worldwide were down by 94% on the previous year. International RPKs were down 98%, as the passenger side of the industry was virtually grounded. With second (and third) waves of the virus impacting various countries and leading to renewed travel restrictions, international air travel remains minimal at 88% down on last year in August. These volumes (domestic and international traffic) are expected to decrease by 50.4% for 2020 as compared

to 2019 figures. ICAO estimates that, by the end of 2020, the COVID-19 impact on scheduled international passenger traffic could reach reductions of up to 71 per cent of seat capacity and up to 1.5 billion passengers globally. Airlines and airports face a potential loss of revenue of up to 314 billion USD and 100 billion USD, respectively, for 2020."

The custodians of Namibia's civil aviation can clearly identify with this damaging description also of its aviation (and related industries) which is just on a smaller scale, the past year.

However, the year was dominated by the impact of the pandemic on the universal civil aviation activity of humankind

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

In addition, however, the qualified opinion on the financial statements accompanying this report, clearly shows that the underlying issues related to such are due to the timing of the third party-linked transactions and the unforeseen circumstances consequent upon COVID-19. Thus, in relation to the transfer of property, plant and equipment by the MWT, a corrective and mitigation action over the next reporting period have already been undertaken by the NCAA.



Standing From Left to Right: Betty Amunyela, Gwendoline M Kali, Christoph Seimelo, Nerago T Ndoroma
Seated: Gordon D Elliott (Interim Executive Director) and Ericsson M Nengola

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

With this report now wrapped up for the stakeholders and its Parliamentary tabling, I use this section to also reflect on the reported activities and events more broadly (but set out in detail in the various Chapters), which the Authority has been engaged in and look ahead to the challenges 2021/22 will bring.

Effective governance and staff management:

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

The Executive Director as the chief executive of the NCAA, and his team, retained high levels of accountability to the Board for the Authority's performance in achieving the strategic priorities and operating intentions as set out in the CAA's business and financial plan and performance statement. The outcomes set out in the

financials of the NCAA (see annexed) confirmed its going concern status as reflected in its strong balance sheet and healthy income statement.

The Authority was challenged with staffing needs especially for some of the key operational positions which were scarce skilled and hard to fill. To this end, specialised technical experts were employed on a consultancy basis to enable the Authority to meet its safety oversight and regulatory obligations; thus much resource was invested to ensure staff were kept upskilled and current in their various areas. This involved participation in international, regional and national meetings, seminars, workshops and trainings as per approved plans. Over the reporting year such activities were conducted by virtual means. This has led to significant reduction of subsistence and travel outlays with a clear pointer for future ways and means for conducting of Authority business without loss in efficacy.

Safety and security:

The Act gives the Executive Director a range of functions and powers to independently carry out civil aviation oversight functions, including the ability to:

- control entry into, and operation within, the Namibia civil aviation system, through granting, suspending, revoking, or imposing conditions on aviation documents
- take any action that may be in the public interest to enforce the provisions of the Act
- and the Rules made under the Act, including inspections and monitoring.

(i) Aviation Security:

There were ongoing recorded actions to develop and maintain a competent team of inspectors and support staff alike, whose task is to promote and improve appropriate levels of security culture and while raising the profile of aviation security through collaboration and appropriate security training such as the National Aviation Security Committee and security service providers. Within the context of the Year of Aviation Security Culture and GASeP, the absence of ICAO Annex 9 technical expertise to provide tutelage and guidance for the inspectors and help improve Namibia's compliance with the facilitation standards and recommended practices was felt. The endeavour to strengthen networks and engage directly with other facilitation stakeholders such as the Ministries of Health/Home Affairs, Immigration, Customs, and NAMRA, to enhance Annex 9 compliance must continue to be pursued.

(ii) Aviation Safety:

Much work was put into the revision of current standards documents to ensure that all Annex amendments were incorporated and published for Annexes that had not yet been captured in Namibia's aviation regulations. Therefore, it falls to the Authority to develop equivalent regulations containing sufficient details to ensure that satisfactory compliance will result in the desired level of safety. The serious gap was underway to be addressed.

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

The Authority's enforcement philosophy recognises that voluntary compliance with the legislation is a better method of achieving safety and security than by prosecuting the offenders after the fact. Thus, preventative actions are the preferred method of achieving compliance but there are still some cases of intentional deviations by a few who continue to disregard the aviation laws resulting in the enforcement of punitive actions for deterrence purposes. Investigations of mandatory occurrence reports were completed and closed within the 90-day window. This enabled the operators to take timely corrective action to seal the gaps in their internal processes and strengthen their compliance levels. There remains a constant challenge especially when there is an apparent absence in some quarters of management commitment and support and competing priorities for scarce resources.

The year saw good progress in the ongoing introduction and application of the new procedures and rules of Unmanned Aerial Vehicles (UAVs). In the complexities of the UAV area, we have the

challenge of very significant advanced air operations, but having to balance it with adequate safety risk management.

The beginning of the 2020 reporting period saw the ongoing impact of the grounding of the Boeing 737 Max aircraft worldwide still being felt, and in Namibia as well. This followed two fatal international accidents (with one in East Africa) involving that aircraft type. This required of the Authority to monitor all large operators to maintain a higher proactive approach to safety and led to measures to review and issue safety directives. The directives of the US Federal Aviation Authority, other aviation regulators and the local operator Air Namibia emboldened us to ensure the aircraft type was not allowed to operate in Namibia airspace.

(iii) ICVM (audit) Actions:

The EI Graphs showing more than 80% compliance level highlights the evolution and improvements made from the original off-site audit of previous years. Completion of several protocol questions (PQs) show ongoing improvements to most Audit Areas were achieved. Better compliance to ICAO standards ensures that the NCAA is effectively able to carry out its oversight responsibilities so that our airport operators, air navigation service providers and airline operators maintain a high level of aviation safety and security. One of the areas with major shortcomings remains the gaps for OPS regulations which are outdated or insufficient.

(iv) As reported elsewhere the Aeronautical Information Services retained its ISO certification status. This achievement will allow us to use multiple parties with multiple data entry points and paper-based processes. This will minimise greatly vulnerability to loss of data integrity, broken audit trails and disabled traceability and delays in processing.

The future challenges:

This Annual Report proves again that the size of Namibia's aviation industry vis-a-vis the level of aviation activity, and the broad mandate of this entity, makes acquiring the full range of technical expertise and requiring of staff to stay up to date with fast-moving technological needs, to oversee the industry, a very challenging endeavour. A pro-active modern approach to steer the Authority forward is already obvious. In this regard, what lies ahead is a clear strategic business plan to guide an exciting future for civil aviation developments in Namibia. At the time of the completion of this report the leadership of the Authority had already taken the reins to complete the performance policy and business and financial planning with its key performance indicators for next reporting.

ICAO require Member States to implement a State Safety Programme which seeks for key aviation industry participants to become partners in sharing safety-critical information such as

aircraft incidents and accidents, breakdowns of separation, runway incursions, airspace boundary issues, pilot incident reporting, equipment failures in the air and on the ground and regulatory concessions to operators. This is another operational challenge we face, namely, the setting up of the institutional mechanism for State Safety Programme implementation which will undoubtedly point to review in regulation frameworks, stronger alignment with the international aviation oversight system and the imperatives for heightened monitoring and compliance levels by users and participants in the NCAS.

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

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

Conclusion

My final wishes cannot be recorded without again pointing out the challenges confronting us at the end of the "the pandemic year" of 2020/21.

I wish to acknowledge and thank the Authority's staff for their dedication and hard work which has enabled our service delivery requirement to continue unabated and foremost enabling our key responsibilities to be discharged. Surely this will pave the way for years ahead. This same acknowledgment is due to my predecessor, Mr Reinhard Gärtner, whose term of contract ended on 30 November 2020. Furthermore, I would like to thank the former executive committee which consisted of the following: Mr Reinhard Gärtner, Interim Executive Director; Gordon Elliott, Chief Legal Counsel; Johannes H. Wiehahn, Legal Advisor to Interim Executive Director; Bryn Stafford-Evans, Chief Financial Officer; Peter Marais, General Manager and Head of Air Navigation Services; Louise Stols, Safety Advisor to IED; Tobias Günzel, Acting General Manager: Communications, Navigations Services and Information

Communication Technology Projects; Christoph Seimelo, Senior Legal Counsel and Acting Corporate Secretary, and Beverley S Skrywer, Human Resources Manager.

I also express my gratitude and appreciation to the former Board (with its term-end in October 2020), and the support provided by the new Board (as from 1 November 2020). I also extend appreciation to the Minister and his executive team, responsible for Civil Aviation, for their strong leadership, consistent guidance, and support to the Authority during the year.



Gordon D Elliott
Interim Executive Director

PERFORMANCE FOR 2020/2021

KEY HIGHLIGHTS OF THE YEAR

CHALLENGES AND ACHIEVEMENTS DURING THE REPORTING PERIOD

Despite the havoc caused by COVID-19, and the resultant challenges that characterized the 2020/21 financial year, the NCAA still managed to deliver on its mandate and ensured compliance with aviation safety and security standards on various spheres of the industry.

Throughout the COVID-19 pandemic, our regulatory function has continued to maintain the safety of the civil aviation system. This has included understanding the risks emerging from the COVID-19 environment and adjusting how we work to protect the ongoing safety of participants and sectors. Safety has, always, been paramount. Notably, some sectors have been more severely affected by the COVID-19 pandemic than others. For example, at the height of the pandemic in the second quarter of 2020, the commercial passenger transport sector experienced a severe drop that affected airport operations as well the financial sustainability

of the tourism sector. The Authority played a key role in enabling aviation operators to stay in business by supporting those wishing to continue operating with extensions in certificates. The Authority engaged with participants of the civil aviation system throughout the pandemic and used learnings from this engagement to develop a stakeholder engagement strategy.

While most of the staff members were directly or indirectly affected with the loss of a loved one, the authority was hard hit with the untimely death of one of its senior managers. Our sincere condolences to his bereaved family.

Following are a few of the most important operational achievements, amongst others, that the NCAA recorded during the reporting period. *Note: Comprehensive departmental reports reflected elsewhere in this report.*

1.1. Regulations:

- 1.1.1. PEL regulations (Parts 60, 61, 62, 63, 64, 65, 66, 67 and 141) signed off
- 1.1.2. Safety regulations (Part 140), AGA regulations (part 139), ANSSO regulations (Parts 70, 170, 171, 172, 173, 174, 175, 179) and AIR regulations (Parts 21, 24, 34, 36, 43, 44, 47) promulgated

1.2. Inspector Training:

- 1.2.1. Basic CNS (Communication, Navigation and Surveillance) inspector training completed
- 1.2.2. SMS (Safety Management Systems), QMS (Quality Management Systems) and Managing the Safety Oversight Function training presented in-house in partnership with IATA. NCAA and industry staff trained
- 1.2.3. Government Safety Inspector (GSI-OPS) Training: In total 8 inspectors trained from OPS and Air

1.3. Aerodromes:

- 1.3.1. Phase 2 of the Five Phase Certification of and Licensing of eight (8) airports operated by Namibia Airports Company (NAC) completed
- 1.3.2. Interim certificates issued effective 04 November 2020 and valid for 18 months

1.4. Technical Standards:

- 1.4.1. Technical standards for SMS issued effective 01 February 2021
- 1.4.2. The submission for publication of the Technical Standards for the NAMCATS Part 34, 36, 43 and 44 completed

1.5. ANSP (Air Navigation Service Provider) Certification:

- 1.5.1. ANSP certification ongoing

1.6. Directives, Notices Information Circulars issued:

- 1.6.1. COVID-19 provisions
- 1.6.2. Various operational directives

1.7. Technical Guidance material finalized:

- 1.7.1. NCAA Governance Document Management Framework
- 1.7.2. Delegation of Authority

1.8. NCAA Website:

- 1.8.1. NCAA website up and running that softens the conventional face to face interaction approach.

1.9. EMPIC:

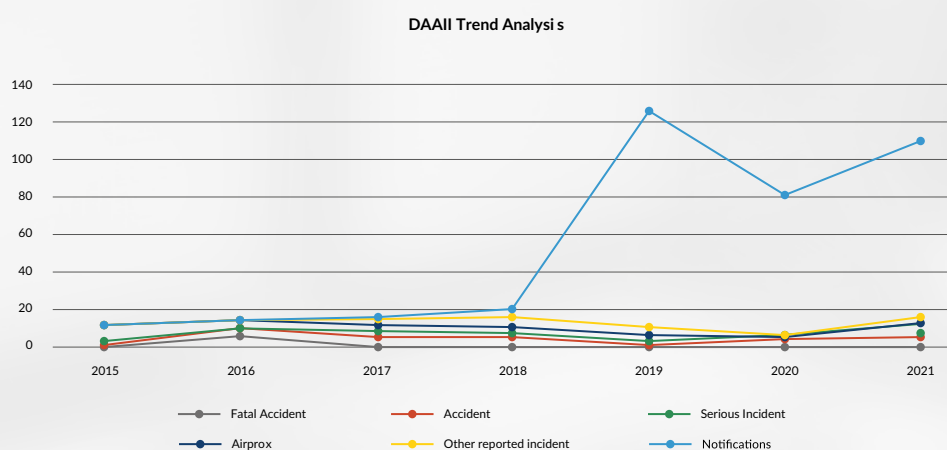
- 1.9.1. The following airworthiness aviation documents templates has been submitted to EMPIC application Administrator for digitalisation and integration in the software application.
 - 1.9.1.1. Certificate of Airworthiness
 - 1.9.1.2. Certificate of Registration
 - 1.9.1.3. Special Flight Permit – Ferry Permit
 - 1.9.1.4. Special Flight Permit – Flight Test Permit
 - 1.9.1.5. Special Flight Permit – Microlight
 - 1.9.1.6. Experimental Certificate – Non-Type Certificate Aircraft / Microlight

1.10. RPAS:

- 1.10.1. A total of eight (8) Remote Piloted Aircraft Certificates of Registration intended for Private and Commercial use have been issued.

1.11. The Incident Accident Rate:

The table below (as provided by the Directorate of Aircraft Accident and Incident Investigation) indicate the trend analysis of collected reported accident and incident rate since 2015. The statistics clearly show a marked decrease in the number of recorded incidents and accidents. However, and very encouraging, the number of reports has increased hence the increase in notifications of events.

**1.12. In Conclusion**

If one evaluated the NCAA's performance during this reporting period, it would be justifiable to refer to the Authority as a resilient entity, backed by a very determined Team, from the most junior through to Board level, that does not associate with the phrase 'giving up'. So, thank you to our team at the Authority for rising to the year's challenges and for the resilience you have shown along the way.

AIR NAVIGATION SERVICE PROVIDER KEY HIGHLIGHTS OF THE YEAR

1. **English Language Proficiency (ELP):**

As of May 2020, Namibian civil aviation regulations require every holder of an Air Traffic Services (ATS) License to be the holder of at least a level 4 English Language Proficiency (ELP) certificate. All ATS operational personnel underwent successful ELP examination and testing, leading to all operational ATS personnel obtaining ELP grades required for operational personnel, in accordance with ICAO and domestic legislation requirements.

2. **ANS Bursary:**

The first intake of the ANS Bursary Programme which consisted of 6 Air Traffic Safety Electronics Personnel (ATSEP), 5 Aeronautical Information Officers (AIOs), 10 Air Traffic Control Officers (ATCPOs) was successfully undertaken, as all bursary recipients (except 1 who withdrew from the ATCO group) successfully completed both the theoretical and practical training, and hence received permanent employment in the NCAA.

3. **Retention of AIM ISO 9001:2015 Certificate:**

In spite of serious staffing challenges which the AIM department in particular and ANSP in general faced during this period, the department managed to retain its ISO 9001:2015 Certificate after passing the ISO audits which took place during August 2020 (Internal) and February 2021 (External). The QMS is continually improved and reviewed with another surveillance audit planned for September 2021.

4. **ATS Incident Investigations:**

Almost 99% of the ATS related incidents were successfully investigated during this period, and corrective actions which include, but not limited to remedial training were successfully undertaken. This resulted in the general reduction in ATS related incidents and improved ATS operations. The improvement on ATS incident investigations is because of growing understanding and compliance of safety requirements and standards by the ATS personnel.

5. **LOP/As, SLAs AND MOUs: :**

Letters of Procedure/Agreement (LoP/As) have been developed and/or reviewed and signed with other ANS providers from other States, as well as relevant international stakeholders. Additionally, LoPs between all domestic ATS units, Service Level Agreements (SLAs) between ANSP's departments, and LoAs between ANSP and the airport operator (NAC) at various airports were developed or reviewed and signed.

6. **ATS Interfacility Data Communication (AIDC) Testing:**

AIDC is a function in the TOPSKY Radar system which enables coordination messages e.g. EST, ABI, etc. to be sent electronically to the adjacent Flight Information Region (FIR). After several delays due to the negative impact of COVID-19 pandemic, the FYWF/FAJA AIDC was finally implemented successfully on 24 March 2021, after having undergone various test and trial phases which started as far back as the year 2014.

7. **Implementation of Approaches:**

Required Navigation Performance (RNP) approaches have been implemented at various airports such as Walvis Bay, Lüderitz, Katima Mulilo and Ondangwa during this period. These approaches are currently in use and have added safety enhancement to the operations of scheduled flights into these airports. As a regulatory requirement, all ANS personnel at all affected units have undergone RNP approaches training.

8. Implementation of SIDS and STARS at FYWH:

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

9. Civil/Military Cooperation:

A breakthrough has been made in respect of cooperation between the ANSP and the Ministry of Defence and Veterans Affairs (MODVA). A draft Memorandum of Understanding has been developed and shared with the MODVA for their input. A Civil/Military Cooperation Committee is expected to be formed during June 2021.

10. Implementation of RNAV Route UQ83:

The ICAO AFI Region PBN Route Network Development Workshop in Accra, from 16 – 20 December 2019, agreed on the implementation of User Preferred Routes within the AFI Region as proposed by IATA. The direct route from Kinshasa FIR to Windhoek FIR traversing LUSAKA and LUANDA FIRs were part of the routes accepted by the workshop. In Namibia this RNAV Route UQ83 was implemented on 24 March 2021.

The implementation of UQ83 within Windhoek FIR is aimed to offer airspace users the following benefits:

- Reduction in Flight time
- Reduction in Fuel Consumption
- Reduction in CO2 emissions
- Reduction in ATC/Pilot workload, etc.

11. Sustainability of Essential Equipment:

Despite the challenges encountered which include COVID-19 pandemic and staffing constraints amongst others, ANSP managed to sustain the performance and reliability of essential equipment by achieving mostly the minimum requirement of 91% statistical availability for all ANS systems.

12. Implementation of ATS VRS, VHF Radio Network and VCS Systems:

Continuous parallel implementation of Air Traffic Services Voice Recording System (ATS VRS), Very High Frequency (VHF) radio network and Voice Communication Switching (VCS) system at Eros Air Traffic Control Centre, Hosea Kutako International Airport and Walvis Bay International Airport has commenced. The parallel implementation is earmarked for replacing the performance failing older equipment.

13. Mode of Flight Plans Filed:

Statistics show that 80% of FPLs filed during the period under review were submitted via IBS (Internet Briefing Service and 20% Filed via other mode of filing such as telephone, in person and fax/email. This is an indication that IBS has successfully been implemented and the Aviation industry has become accustomed to the system.

14. Air Traffic Movements:

The movements of air traffic operating in the airspace under the jurisdiction of the ANS have decreased significantly due to effects of the COVID-19 pandemic. Total movements for the 2020/21 year are 27 446 compared to 78 018 for the 2019/20 year which represent a decrease of 60%. Furthermore, international arrivals, departures and overflights have decreased by 75% during the period, from 23 826 to 5 794 movements as a result of schedule changes and reductions by operators to and from Namibia and South Africa as well as the impact of the COVID-19 travel restrictions.



“The obligation to ensure aviation safety and security rests with the NCAA”

SAFETY

The Safety Division of the NCAA forms part of the Regulatory Function of the NCAA and is responsible to ensure the effective safety oversight of the Civil Aviation System in Namibia. This obligation is derived from the Chicago Convention, of which the State of Namibia is a signatory. The obligation to ensure aviation safety and security rests with the NCAA.

Included in the safety oversight obligation of the Division is:

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

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

Safety Division certifies/licences and oversees the following participants in the Civil Aviation System:

- Air Operators, including airlines, charter companies, and general aviation operators, and their activities

- Air Navigation Service Providers, including Air Traffic Services, Aeronautical Information Services, Communication, Surveillance, and Navigation Services, Meteorological Services, Search and Rescue Services and Procedure Design Services
- Aircraft Maintenance Organisations
- Aviation Training Organisations for pilots, aircraft maintenance engineers, air traffic service personnel and cabin crew
- Aerodromes and Ground Aids, including registration of landing strips
- Aviation professionals such as pilots, cabin crew, air traffic service personnel, and aircraft maintenance engineers, including instructors and examiners for these professionals.

The Safety Division continued its mandatory oversight activities as reported departmentally and increased the efforts to finalise the updating of regulations within the respective technical areas, with some having been published, and others being at advanced stages at the end of the reporting period. Big strides have been made with the implementation of the new enforcement regime, which allows for a multi-faceted approach to dealing with safety concerns.

AERODROMES AND GROUND AIDS



“The primary responsibility of the AGA section is to ensure that the aerodromes under the jurisdiction of the State of Namibia offer a safe operational environment in accordance with the Convention on International Civil Aviation; and the State’s obligation under Article 38 of the convention”

Standing: Marx Shikongo, Theoline Kauraisa, Selma N Mulokoshi, Dennis Gaingob, Seated: Golden Siteketa (Senior Manager)

Absent: Silo Shino, Johaness Haimbili, Rauna Mungonena, Ruben Mokhatu

What we do:

The primary responsibility of the AGA department is to ensure that the aerodromes under the jurisdiction of the State of Namibia offer a safe operational environment in accordance with the Convention on International Civil Aviation; and the State’s obligation under

Article 38 of the Convention to notify ICAO of differences between its national regulations and practices and the International Standards contained in Annex 14, Volume I and II, are met.

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Consultation with stakeholders on workable and implementable regulations (Civil Aviation Regulations related to Category D and E)

The Senior Manager was appointed as the chairperson of the African and Indian Ocean (AFI) Aerodrome Certification Project by the ICAO ESAF and WACAF regional offices

56% of AGA personnel have been enrolled for postgraduate studies to acquire skills that will enhance their competencies and increase quality delivery within the AGA department

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Interim Certificates were issued to Namibia Airports Company in accordance with Namibia Civil Aviation Regulations (i.e. NAMCARs Part 139.03.16) for Hosea Kutako International Airport (FYWH) and Walvis Bay International Airport (FYWB)

Interim Licenses were issued to Namibia Airports Company in accordance with Namibia Civil Aviation Regulations (i.e. NAMCARs Part 139.04.16) for Andimba Toivo ya Toivo Airport (FYOA), Eros Airport (FYWE), Keetmanshoop Airport (FYKT), Lüderitz Airport (FYLZ), Rundu Airport (FYRU), and Katima Mulilo Airport (FYKM)

Due to the COVID-19 pandemic, a combination of desktop and on-site audits were carried out to complete the approved departmental Annual Surveillance Programme

Created an Aerodrome Register in terms of Section 52 of the Act (Civil Aviation (Act 6, 2016))

Resolved 75% of aerodrome-related safety incidents reported to the NCAA

Looking ahead: planned activities for next financial year

Promulgate workable and implementable regulations (Civil Aviation Regulations related to Category D and E)

Increase the number of AGA personnel enrolled and obtained their postgraduate qualification to 86% to enhance competencies and increase quality delivery within the department

Sign-off of AGA Inspectors in all areas

Complete evidence gathering for USOAP CMA

Complete the Five Phase Certification and Licensing process for aerodromes that were issued with Interim Certificates and Licenses

Have all active aerodromes operating in Namibia added onto the Aerodrome Register in terms of Section 52 of the Act (Civil Aviation Act 6 of 2016)

ACTIVITIES CARRIED OUT DURING THE REPORTING YEAR:

CRITICAL ELEMENT CE-2: OPERATING REGULATIONS/TECHNICAL STANDARDS

- Consultation with stakeholders on drafting workable and implementable regulations (Civil Aviation Regulations related to Category D and E)
- A draft of the Category D regulations is being circulated for comments from the industry
- An Aviation Directive on the implementation of regulations related to Category A, B and C aerodromes was issued
- An Aviation Notice on the determination of Category D and E aerodromes was issued
- A review on NAMCATS – AH was carried out.

CRITICAL ELEMENT CE-3: ORGANISATION SAFETY OVERSIGHT

- Senior Inspectors, Inspector and Administration Officer completed their probation and are now confirmed in their positions.

CRITICAL ELEMENT CE-4: STAFF DEVELOPMENT TRAINING (Capacity Building/Training)

- An Inspector was attached to the French CAA to attend training on Sustainable Air Transport
- Inspectors attended training on ICARD, USOAP CMA, and EMPIC
- Inspectors attended webinars on ICAO global campaign on NOTAM improvement, runway safety, best practice in airport inspection during the COVID-19 pandemic.

CRITICAL ELEMENT CE-5: GUIDANCE PROCEDURES INFORMATION (Procedures, Pamphlets, Workshops)

- Conducted certification and licensing processes consultative workshops with airport operators
- A compliance checklist to ensure that aerodrome operators continue to comply with aviation standards during the five phases of aerodrome certification and licensing phases was developed as part of the certification and licensing procedures.

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

- The five phases of aerodrome certification processes for Hosea Kutako International Airport and Walvis Bay International Airport have commenced in accordance with the standards prescribed in the NAMCARs of 2018
- Subsequently, the five phases of aerodromes licensing processes for Katima Mulilo Airport, Rundu Airport, Andimba Toivo ya Toivo Airport, Eros Airport, Keetmanshoop Airport and Lüderitz Airport have commenced in accordance with the standards prescribed in the NAMCARs of 2018
- The above-mentioned airports have been issued interim certificates and licenses
- An Aerodrome Register was published on the NCAA's website
- Eleven obstacle assessment applications were received and processed.

CE-6	TARGET	ACTUAL	VARIANCE	Comments
Certified and Licensed Aerodromes	10	0	N/A	Under the certification and licensing process (Phase 2 of the prescribed Five Phases)
Registration of Unlicensed Aerodromes	N/A	26	26	Demand-driven
Obstacle Approvals	N/A	11	11	

CRITICAL ELEMENT CE-7: SURVEILLANCE OBLIGATIONS (Surveillance Audits and Inspections; Risk Analysis)

- A level-1 finding was raised following safety reports on the runway conditions at Eros Airport, short-term measures were put in place to address an immediate threat to aviation safety and the process to rehabilitate the runway has started.

CE-7	TARGET	ACTUAL	VARIANCE	Comments
Periodic Audits	3	0	0	The remainder of these will be done in the new year due to the audit cycle overlapping with the FY
Surveillance Audits (Planned)	8	3	5	COVID-19 total lockdown of the country due to the State of Emergency resulted in restricted movement of inspectors and most aerodromes were closed for most of the year
Surveillance Audit (Safety Concerns)	0	0	2	Depending on safety/incident reports

CRITICAL ELEMENT CE-8: RESOLUTION OF SAFETY CONCERNS

- The apron, runway and taxiway at Eros Airport, was rehabilitated following hazard reports
- The department is working with aerodrome operators to resolve safety concerns
- Consultative workshops were held with aerodrome operators to sensitise them on regulatory provisions.

CE-7	TARGET	ACTUAL	VARIANCE	Comments
On-site and in-house regulatory requirement workshops	0	2	2	Depends on a request from the aerodrome operator
Information sharing sessions on best practices	0	3	3	Depends on a request from the aerodrome operator
Consultations on open Corrective Action Plans	8	8	0	Virtual Sessions were held with Aerodrome operators
Occurrence Reports	0	36	0	Operators have submitted Corrective Action Plans

FLIGHT OPERATIONS



NCAA contracted three Senior Flight Operations Inspectors. The filling of the remaining vacancies will be prioritised during the next reporting period

Standing: Zackery Vemuii Kangootui, Nico Scholtz, Anne E Williams, Hambeleleni Shafa, Hildegard Olivier, Helena Mutikisha, Paul K H Hamutengela
Seated: Fares S Shikongo, Victoria Mombola (Acting Senior Manager), Danielle Bruckert

What we do:

Flight Operations is an important division within the Safety Department and is responsible to ensure the implementation of the Standards and Recommended Practices (SARPS) of Annexes 2: Rules of the Air, 6: Operation of aircraft, 18: The safe transport of dangerous goods by air, and 19: Safety Management. The division is overall responsible for the following: supporting the preparation and update of the flight operations, certifying air operators to carry out commercial air services, carrying out surveillance to ensure that Air Operator Certificate Holders continue to meet the regulatory requirements and maintain safe operations as per their certificates and investigate and follow up on incidents reported. The Division also approves Foreign Operators by issuing Foreign Operator Permits (FOPs) to airlines/operators for scheduled and non-scheduled commercial operations into Namibian airspace. The Division also issues all specific approvals for operations such as Reduced Vertical Separation Minima (RVSM), Low Visibility (Cat II and III) operations, Offshore and external load operations, Emergency medical service operations, Aerial work, and special flight approvals such as the Carriage of Dangerous Goods by Air. In addition, the division is also responsible for approvals of Remote Pilot Aircraft System (RPAS), Aviation Recreational Organisations (ARO), and hot air balloon operations within Namibia.



CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Renewed Air Operator Certificates:

Air Operators – 11
Hot Air Balloons – 2

COVID-19 Special Operational Permits approved:

Foreign Operators – 46
Namibian Operators – 26

Aviation Recreational Organisation Approvals (ARO) issued:

Namibian – 3
Foreign – 1

Remote Piloted Aircraft (RPAs) approvals issued:

Commercial operations – 16
Private operations – 67

Operational Directives issued:

Remote Piloted Aircraft (RPAS)
Commercial Operation of Free Balloons
Electronic Flight Bag Approval
Return to Full Compliance with ICAO SARPS
Contents of an Operations Manual Additional Requirements

Inspector qualification training for specific approvals: Performance-Based Navigation (PBN), Electronic Flight Bag (EFB), and Reduced Vertical Separation minima (RVSM)

32 Total number of occurrences or incidence reported:

3 Incidences closed and 2 enforcement cases closed

Industry consultation on Flight Operations draft regulations

Education of industry on Safety Occurrence reporting

MAIN CHALLENGES AND MITIGATION MEASURES EMPLOYED	
Challenge	Resolution
Outdated Ops-specific Regulations, (unable to meet the amended Annexes requirements)	<ul style="list-style-type: none"> The consultant recommended to update the Flight Operations regulations and have them promulgated by January 2022 As a gap stop measure, Flight Operations has issued several Operational directives, pending the promulgation of the Ops regulations
Lack of qualified and adequate number of Inspectors	<ul style="list-style-type: none"> Two positions for Senior Flight Operations Inspectors to be filled Support qualified Senior Flight Operations Inspector recommended for appointment After the completion of the GSI course, OJT has commenced and is ongoing Two more Flight Operations Inspectors are to be appointed Remote piloted aircraft pilot to be appointed
Retaining fully qualified Inspectors, not aviation market-related remuneration packages offered	<ul style="list-style-type: none"> Retention allowance Policy was approved and implemented Regrading exercise planned within the next financial year
Establishment of a comprehensive USOAP Internal audit Activity Plan	<ul style="list-style-type: none"> Consulting company to review the remuneration packages Retention allowance offered to Pilots
Lack of cooperation from our industry partners in terms of compliance	<ul style="list-style-type: none"> Educational meetings held and awareness programmes planned
Inadequate Specific Approvals certification procedures	<ul style="list-style-type: none"> Offshore Operations Aviation Directive issued, and several other directives issued and TGM amended to enhance the procedures
Lack of Surveillance plan implementation	<ul style="list-style-type: none"> The Surveillance catch-up plan was completed at end of July 2021 The Surveillance plan 2021 and catch-up Surveillance are being implemented; however, this has been challenging because 4 Senior Flight Operations Inspectors are under OJT and insufficient qualified Inspectors (only two Inspectors in the section)

MAIN CHALLENGES AND MITIGATION MEASURES EMPLOYED

Challenge	Resolution
The recertification process has not been implemented	<ul style="list-style-type: none"> The recertification process is to be finished in the 2021/2022-year circle
10 Operators were issued with a provisional approval letter, authorising them to operate under the provisions of NAMCARs 121.06.7 and 135.06.7 after their AOC expired	<ul style="list-style-type: none"> A catch-up Surveillance plan was approved and implemented by the end of July 2021 to address this

ACTIVITIES CARRIED OUT DURING THE REPORTING YEAR:

CRITICAL ELEMENT CE-2: REGULATIONS

The Department performed a complete review of the Draft Operations Parts of the NAMCARs and NAMCATS as developed by an expert appointed through the ICAO capacity building project. A consultant is to be appointed to finish the draft regulations, and Flight Operation is expecting the Operations regulations to be promulgated in the next financial year.

CRITICAL ELEMENT CE-3: ORGANISATION

The contract of the Senior Manager Flight Operations ended in January 2021. NCAA contracted three Senior Flight Operations Inspectors. The filling of the remaining vacancies will be prioritised during the next reporting period.

CRITICAL ELEMENT CE-4: TECHNICAL PERSONNEL QUALIFICATIONS AND TRAINING

The GSI course has been completed and several other core courses have been completed. The focus will now be placed on the completion of specific qualifications of inspectors, and the completion of the on-the-job training.

CRITICAL ELEMENT CE-5: TECHNICAL GUIDANCE, TOOLS, AND THE PROVISION OF SAFETY INFORMATION

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

CRITICAL ELEMENT CE-6: LICENSING, CERTIFICATION, AUTHORISATION AND/OR APPROVAL OBLIGATIONS

Certification of operators is ongoing. A renewed effort has been placed on the completion of the certification of seven outstanding operators. Three prospective operators have applied and commenced their certification process.

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

CE-6	ACTUAL	TARGET	COMMENTS
AOC Certification Related Activities - (Initial certification)	0	3	Industry demand dependent
Fit and Proper Persons Tests	5	n/a	Industry demand dependent
Special Approvals	5	n/a	Industry demand dependent
Flight Synthetic Training Device (FSTD)	2	n/a	Industry demand dependent
ARO Approvals	4	n/a	Industry demand dependent
RPA Approvals: Commercial	16	n/a	Industry demand dependent
RPA Approvals: Private	67	n/a	Industry demand dependent
Application for Exemptions	2	n/a	Industry demand dependent

CRITICAL ELEMENT CE-7: SURVEILLANCE OBLIGATIONS

The Flight Operations department did not fully achieve the planned continued surveillance programme and did not manage to renew the Air Operator Certificates of five commercial operators due to staff turnover.

For the next reporting period, focus will be placed on ramping up inspections and surveillance of foreign operators as well as aerial work operations.

CE-7	ACTUAL	TARGET	COMMENTS
AOC Renewals	10	23	COVID 19 related challenges
FOP Renewals	8	10	
Ramp Inspections	12	33	Staff turnover affected capacity
Special Approvals Renewals	3	n/a	
ARO Approvals Renewals	3	5	Industry demand dependent
Dangerous Goods Approvals	3	2	

CRITICAL ELEMENT CE-8: RESOLUTION OF SAFETY CONCERNS

All operators who underwent surveillance have been provided with surveillance reports, including findings. Corrective action plans have been submitted and accepted for all findings. As the corrective actions are implemented, the Flight Operations department continues to verify the closure of the findings.

Investigations related to safety concerns are ongoing.

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

CE-8	ACTUAL	TARGET
Occurrence Reports received for investigation	32	n/a
Investigation concluded	4	n/a
Enforcement closed	1	n/a

LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

Promulgation of the Operations draft regulations

The TGM is to be fully amended in line with the new regulations

Completion of the On-The-Job Training (OJT) and signing out of three (3) inspectors



AIRWORTHINESS



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

Standing: Timothy Runji, Ananias Shiweda, Jonas Herman, Isak Hamunyela
 Seated: Lina Namundjebo, Robert Mathe (Senior Manager), Emilian N Kayone

Absent: Mateus Shaningwa, Brenda Innocentious, Tangeni Ndakalako, Ndilimeke Nangolo, Paulina Tjongarero, Laudika John and Selina Job

What we do:

Airworthiness is responsible for ensuring that the Standards and Recommended Practices (SARPs) contained in the Annexes 2, 6, 7, 8, and 16 are incorporated in the Namibian regulatory framework. The department's main responsibility is therefore to make sure that the obligation of carrying out the airworthiness function within Namibia is discharged with the highest level of effective implementation. The airworthiness safety oversight function involves amongst others the issuance of aircraft certificates of registration and certificates of airworthiness following a process of

review against the applicable regulatory requirements. It accepts new aircraft in Namibia upon import and approves modifications to aircraft when so requested by aircraft owners.

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

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Two new regional Aircraft Maintenance Organisations (AMO) based in Johannesburg and Cape Town; South Africa were issued NCAA approvals after compliance to applicable regulatory requirements was established

Two new applicants have expressed intent to seek an AMO approval in Otjiwarongo and Swakopmund. The five phases certification process will be initiated for both applicants in the first week of September 2021

A total of seventeen new fixed wings aircraft were entered on the Namibian aircraft register comprising 12 Type Certified Aircraft and 5 Microlights

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

A total of fifteen aircraft were issued with Export Certificates of Airworthiness and deregistered from the National Aircraft Register

Eight aircraft that were operating on a Special Certificate of Airworthiness were successfully amended to a private category Certificate of Airworthiness following more than three years of condition monitoring that revealed no performance degradation

ACTIVITIES CARRIED OUT DURING THE REPORTING YEAR:

CRITICAL ELEMENT CE-2: OPERATING REGULATIONS

The following NAMCARs Parts 21, 24, 34, 36, 43, 44 and 47 parts were successfully promulgated by the Ministry of Works and Transport.

CRITICAL ELEMENT: CE-3: ORGANISATION

Airworthiness staff has recruited an aeronautical engineering graduate to be trained as Airworthiness Inspector in the field of Aircraft Instrumentation, Control, and Avionics.

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

Airworthiness staff training has been limited during the reporting period, but mandatory Government Safety Inspector (GSI) courses in-flight operation and Airworthiness for a newly appointed Airworthiness Inspector were executed as planned.

CRITICAL ELEMENT: CE-5: TECHNICAL GUIDANCE AND TOOLS

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

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

A total of 45 applications for issuance of aviation documents related to Aircraft Registration were reviewed and issued.

A total of 15 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.

Two South African-based Design Organisations with Namibian approval were renewed to enable the development of Design Data in support of minor modifications on Namibian registered aircraft.

Critical	Audits		Inspections		Ramp Inspections	
	Target	Actual	Target	Actual	Target	Actual
Certification of Registration						
New Registrations	Demand driven	17	17	17	N/A	N/A
Change of Ownership	Demand driven	10	10	10	N/A	N/A
Amendment	Demand driven	0	0	0	N/A	N/A
Deregistration	Demand driven	15	15	15	N/A	N/A
Certification of Airworthiness						
Initial Issuance	12	12	12	12	0	0
Amendment	Demand driven	8	8	8	N/A	N/A
Export C of A	Demand driven	11	11	11	N/A	N/A
Special C of A	2	2	2	2	2	2
Aircraft Type Acceptance	0	0	N/A	N/A	N/A	N/A

Critical	Initial Approval Audit		Surveillance		Unannounced Audits	
	Target	Actual	Target	Actual	Target	Actual
Aircraft Maintenance Organisation Scope Extension (local)	2	2	2	2	N/A	N/A
Design Organisation Renewals (foreign)	3	2	2	2	N/A	N/A

CRITICAL ELEMENT : CE-7: SURVEILLANCE OBLIGATIONS

A total of 552 Certificates of Airworthiness were successfully renewed after the determination of their conformance to applicable airworthiness and serviceability requirements from the 600 targeted Certificates of Airworthiness renewals. The remaining 48 represent deregistered and inactive aircraft.

Only 50% of the targeted 60 Aircraft Ramp inspections could not be conducted due to a lack of resources, including personnel.

Eight Namibian AMOs were audited, and their aviation documents were renewed after resolution of the identified deficiencies. All targeted 29 foreign AMOs could be renewed this year through the utilisation of self-assessment conducted by the Quality Assurance Manager of the AMO on the behalf of the NCAA. This was necessary since COVID-19 travelling restrictions did not allow for the mandatory annual physical inspections to take place. Follow up audits will be carried to verify self-assessment in cases where the safety risk is assumed to be under targeted safety level.

Critical	Audits		Inspections		Ramp inspections	
	target	Actual	Target	Actual	Target	Actual

Certificate of Airworthiness

Renewal	600	548	600	548	60	30
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Issued Approvals	Renewal audits		Surveillance		Unannounced Audits	
	Target	Actual	Target	Actual	Target	Actual

Aircraft Maintenance Organisation (AMO)

Local AMOs	10	7	10	7	N/A	N/A
International AMOs	29	19	29	19	N/A	N/A
Design Organisation (DO)	3	2	3	2		
Local DO	0	N/A	N/A	N/A	N/A	N/A
International DOs	0	0	N/A	N/A	N/A	N/A

CRITICAL ELEMENT: CE-8 RESOLUTION OF SAFETY CONCERNS

Only 3 of the 5 Incident and Accident Reports received were followed up due to capacity constraints. The Airworthiness Department prioritises the follow-ups undertaken to accidents and major incidences that could affect the aviation documents issued, in particular the Certificate of Airworthiness.

Issued Approvals	Investigated occurrences reports		Closed occurrences reports		Ramp inspections	
	target	Actual	Target	Actual	Target	Actual

Certificate of Airworthiness

Incidents and Accidents	5	3	5	3	Event driven	0
Service Difficulty Reports	0	0	0	0	Event driven	0

Issued Approvals	Identified deficiencies At audits		Surveillance		Unannounced audits	
	Target	Actual	Target	Actual	Target	Actual

Aircraft Maintenance Organisation (AMO)

Local AMOs	30	30	72	50	N/A	N/A
International AMOs	10	10	Risk driven	0	0	0

LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

The corresponding Namibian Civil Aviation Technical Standards (NAMCATS) for the Namibian Civil Aviation Regulations (NAMCARs) - Parts 21, 24, 34, 36, 43, 44 and 47 that were promulgated last year will be issued before the end of the year 2021

PERSONNEL LICENSING



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

Standing: Andrew Rodney Theron, Uendjiziri Commodo, Tangeni A Amakali, Bastiaan H Koster, Gordon Nanub (Senior Manager), Hildegard Olivier (OPS), Christophine Meroro, Enos Mutyavaviri
Seated: Plentine Kavandara, Humphrey Magwa, Megan Mutwa

What we do:

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

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

- a. Licensing for all aviation personnel
- b. Administration of theoretical examinations for flight crew, aircraft maintenance personnel, and Cabin Crew
- c. Certification and Oversight of training organisations for aviation personnel
- d. Enforcement of regulatory compliance
- e. Review of Technical Guidance Material (TGM), Civil Aviation Regulations, and Technical Standards in line with ICAO Standards and Recommended Practices (SARPS).

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

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Implementation of the state-of-the-art LPLUS examination software system administering aviation theoretical knowledge examinations

PEL regulations and technical standards were updated, with industry consultation 50% complete before recommendation for promulgation

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

The EMPIC Systems were successfully implemented for Aviation Medical Exams and ATC Licence processing

English Language Proficiency (ELP) testing for pilots, cabin crew, and ATC officers is more than 50% complete

Four PEL inspectors underwent the basic GSI course and several other audit-related courses provided online

ACTIVITIES CARRIED OUT DURING THE REPORTING YEAR:

CRITICAL ELEMENT CE-2: REGULATIONS

All PEL regulations have been updated to include the latest international standards and recommended practices. Successful workshops were held with the industry after which the regulations were reviewed, and final industry consultation is on the cards before recommendations are made to Legal Drafters for final editing before promulgation.

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

CE-3: Technical staff numbers have improved during the period of report 9 out of 11 positions in the department were filled. The PEL department reviewed all protocol questions in its area and uploaded 90% of its evidence in support of the questions.

CE-4: The induction training for recruited staff is ongoing and the core GSI PEL course was attended by all inspectors on current employment. Training on NAMCARs and NAMCATS is ongoing. On-the-job training commenced for new staff and continued for other staff during the reporting period.

CRITICAL ELEMENT CE-5: TECHNICAL GUIDANCE AND TOOLS

A state-of-the-art LPLUS examination system was implemented at the NCAA headquarters in Windhoek and PEL is in the process of establishing an outstation in the Erongo region to decentralise the service and make it easy for many more candidates to sit for licensing exams. EMPIC rollout continues, with ATS and Maintenance Engineer licensing modules and Medical certification modules were implemented. The pilot licence module which includes cabin crew is in the process of being implemented. On the other hand, Flight Examiner and Medical Examiner Manuals have been reviewed and updated to reflect the new procedures that were introduced for examiners.

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

The training and designation of Flight Examiners in accordance with NAMCARs and NAMCATS Part 61 are ongoing and with the promulgation of the new regulations, all skills tests for pilots will be conducted only by Designated Flight Examiners (DFEs) and not by Flight Instructors as allowed for in the current regulations. The designation of Cabin Crew and ATS examiners commenced and is anticipated to be completed in the next financial year.

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

CERTIFICATION	NEW APPLICATIONS	NO. IN PROCESSING	NO. CERTIFIED	COMMENTS
Part 141 ATOs Local	0	0	1	6 already certified
Part 141 ATOs Foreign	1	0	0	1 already certified
Aeromedical Examiners and Practices	0	0	0	10 already certified
Designated Flight Examiners	1	17	17	Disruptions to scheduled courses for DEs were suffered due to COVID-19 restrictions to travel and gathering

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

LICENCE/RATING TYPE	No. of Initial Issues	No. Of Renewals	No. Rejected	No. Validated	No. Converted
Student Pilots	105	43	0	0	0
Private Pilots	10	98	0	8	12
Microlight Pilots	5	36	0	0	0
Free Balloons	0	8	0	0	0
Commercial Pilots	87	179	0	15	7

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

One DFE's appointment was suspended for a period of one year following the examiner's continued use of instructional privileges when their instructor rating had expired.

Another DFE appointment was temporarily suspended following errors in the administration of a skills test.

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD			
Level	Number of finding raised	Number of finding resolved	Number Pending
1	1	1	0
2	26	20	6
3	5	0	5

LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

Promulgation of PEL regulations
Review and updating of some PEL Manuals and Handbooks
Electronic ticketing systems for licensing applications
Implementation of software system for pilot licensing and the certification and surveillance of ATOs
Recertification of cabin crew and ATS examiners
Implementation of software system for Cabin Crew licensing
Certify cabin crew and foreign aviation training organisations

SAFETY PROMOTIONS AND QUALITY



George Matroos (Senior Manager)

“ SPQ is responsible for the establishment, implementation, and improvement of the quality management system of the NCAA ”

What we do:

The Safety Promotion and Quality department is responsible for ensuring the State's obligations in relation to aircraft accident and incident investigations and implementation of State safety programmes (SSPs) in conformity with the International Standards and Recommended Practices contained in ICAO Annex 13 and Annex 19, respectively. This is achieved through the following coordinated activities:

- Policy and Standardisation
- Monitoring of key safety trends and indicators.
- Safety Analysis
- Implementing programmes to address safety issues.

Further to this, SPQ is responsible for the establishment, implementation, and improvement of the quality management system of the NCAA. This entails the setting up and management of standards for the consistent quality service delivery, in line

with the NCAA Service Charter, to the industry. NCAA strives to be an industry leader in quality service provision and customer satisfaction.

In addition, SPQ is delegated as the custodian department of the Civil Aviation Registry (CAR) until the restructuring process of the NCAA is completed and a suitable candidate identified to head and manage the department. The CAR department is in accordance with Section 52 of the Act and other various parts of the Act and NAMCARs, responsible for directing NCAA's Information Governance Programme (IGP). The IGP is a holistic, organisation-wide harmonised approach of managing corporate information by implementing processes, roles, policies, standards, controls, and metrics that ensure appropriate creation, storage, use and disposition of records and information towards the achievement of pragmatic business goals.

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Technical Standards for NAMCARs Part 140 published

Terms of References developed for the High-level SSP Steering Committee and approved

Various documents developed and approved: amongst others the NCAA Documentation System, Delegation of Authority, AIC DAAII (Directorate of Aircraft Accident and Incident Investigation) issued on changes and new reporting form, Guidance on the development of an SMS manual completed, Checklist for the evaluation of safety management system manual completed, Policy Development Framework etc

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Training presented in collaboration with the International Air Transport Association (IATA) to NCAA and industry staff members on Safety Management Systems, Quality Management Systems and Managing the Safety Oversight Function

Departmental Service Standards completed

LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

Publishing Quality Management and SSP manuals

Developing procedures for the management of Master copies

Conducting internal quality audits

Establishing of the Safety Working Group and State Safety Programme Steering Committee

Appointment of a Safety and Quality Specialist and a Data analyst

Implementation of ECCAIRS (European Co-ordination Centre for Accident and Incident Reporting Systems)

Completion of the ICAO SIMS (Safety Information Monitoring System) training

CRITICAL ELEMENT CE-2: OPERATING REGULATIONS

NAMCARs Part 140 Safety Management Systems published in 2018. Draft NAMCATS 140 published.

CRITICAL ELEMENT CE-3: ORGANISATION

Safety Promotion and Quality department still understaffed. Vacancies to be filled during the new reporting period.

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

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

CRITICAL ELEMENT CE-5: TECHNICAL GUIDANCE AND TOOLS

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

CRITICAL ELEMENT CE-6: CERTIFICATION, LICENSING, AND APPROVAL OBLIGATION AND CRITICAL ELEMENT CE-7: SURVEILLANCE AND INVESTIGATIONS

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

CRITICAL ELEMENT CE-8: RESOLUTION OF SAFETY CONCERNS

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

SPQ SUMMARY SSP IMPLEMENTATION

The implementation of the State Safety Programme (SSP) by Namibia, as set out in ICAO Doc 10004 the GLOBAL Safety Plan (GASP), is currently at level 3 of implementation. The level is related to the implementation strategies that is linked to the global aviation safety roadmap that addresses the procedures and methods to achieve the Global Aviation safety Plan (GASP) objectives and priorities at both local and regional levels.

STATE SAFETY PROGRAMME (SSP) IMPLEMENTATION

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

ICAO measures SSP implementation in levels as follows:

- Level 0: States not having started a gap analysis

- Level 1: States having started a gap analysis

- Level 2: States having reviewed all the gap analysis questions

- Level 3: States having defined an action plan for all non-implemented questions

- Level 4: States having closed all actions and fully implemented their SSPs

✔ Namibia is at level 3.



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

INCIDENTS REPORTED AND INVESTIGATED

The objective of the investigation of incidents is the prevention of a recurrence, and not to apportion blame or cause legal liability. The DAAII is the accountable authority within Namibia in terms of ICAO Annex 13 for the investigation of serious accidents and incidents. The NCAA, on the other hand, is responsible for the investigation of ALL aviation safety related occurrences and incidents that are not investigated by DAAI.

AIR NAVIGATION SERVICES SAFETY OVERSIGHT (ANSSO)



ANSSO department provides secretariat services to the National Airspace Committee and process approval for the use of airspace

Standing: Abiatar Hauwanga, Micha Stiemert, Victor Kaurimuje, Markus Haoseb, Paulus Mapumba
Seated: Abraham Kahenge, Sarafina Maxwanu (Senior Manager) Susana Katimba, Victor Sitapata

What we do:

The Air Navigation Services Safety Oversight (ANSSO) department is responsible for overseeing Air Navigation services provision in Namibia which are required in terms of Annexes to the Chicago Convention, i.e., 2, 3, 4, 5, 10, 11, 12,15, and 19 as domesticated into the Namibia Civil Aviation Regulations and associated Technical Standards Part 2,71,170-175 and 179.

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

provides secretariat services to the National Airspace Committee and process approval for the use of airspace.

Since the establishment of this department, recruiting and training of inspectors have been a paramount objective to ensure that adequately trained inspectors are competent to perform the safety oversight functions and to ensure that any deficiencies identified during surveillance inspections and audits are resolved per ICAO safety oversight Critical Element CE-8. Additionally, the department worked tirelessly for the past financial year to ensure that all nine (9) Namibia Civil Aviation Regulations (NAMCARs) and their associated Technical Standards (NAMCATS) and Guidance materials for the inspectors as well as for the Air Navigation Providers had been issued and are being implemented.

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Promulgations of the ANS Technical Standards

Commenced with the first phase of ANS certification, letters of intent submitted by NCAA-ANSP and Oranjemund A-MET Services Provider

Issuance of ANS-related NAMCATS and their respective Appendices on the 16th of July 2020

A total of 17 Advisory Pamphlets (AP) and 7 ICAO documents were domesticated and published as guidance material for the industry

Several workshops regarding certification and safety information sharing were held with the service providers i.e., NCAA-ANS, Oranjemund A-MET provider, and NMS-MWT

Increased participation of ANSSO staff in ICAO regional activities and workshops via webinars

Facilitated the drafting and signing of the MOU between NCAA and the Communications Regulatory Authority of Namibia (CRAN)

CNS Trainee Inspectors completed basic ATEL Training and commenced Equipment Training at ATNS Johannesburg, South Africa

ATM inspectors completed seven (7) required initial Inspector's Training courses

Implementation of bi-directional Area Navigation (RNAV 5) ATS route in the upper airspace of Namibia, between Lubumbashi and Windhoek

LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

Recruitment of AIS, ATM, PANS-OPS, and A-MET inspectors

Ensure implementation of ANS-related APIRG/RASG - AFI conclusions and decisions

Certification of all ANS service providers

Completion of the on-the-job training for the CNS and ATM and SAR inspectors

Participation of the ANS into the ICAO Universal Safety Oversight Audit Programme (USOAP) Audit post promulgation of regulations

ACTIVITIES CARRIED OUT DURING THE REPORTING YEAR:

CRITICAL ELEMENT CE-2: OPERATING REGULATIONS

Issued ANS-related NAMCATS and their respective Appendices on 16 July 2020.

CRITICAL ELEMENT CE-3: ORGANISATION

The ANSSO department staff complement as per the structure is at 60%.

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

The training of inspectors in the ANS safety oversight areas for Air Traffic Management (ATM) and Aeronautical Communications (CNS) has been intensified and includes basic, initial, and on-the-job training. Currently, there are three ANS inspectors at varying levels of their inspector-maturity growth curve. All three completed most of the initial training and have commenced with the on-the-job training on surveillance inspections and audits and the resolution of safety concerns as well as certification. The training of two trainee CNS Inspectors is planned to be completed in the next reporting period.

CRITICAL ELEMENT CE-5: TECHNICAL GUIDANCE AND TOOLS

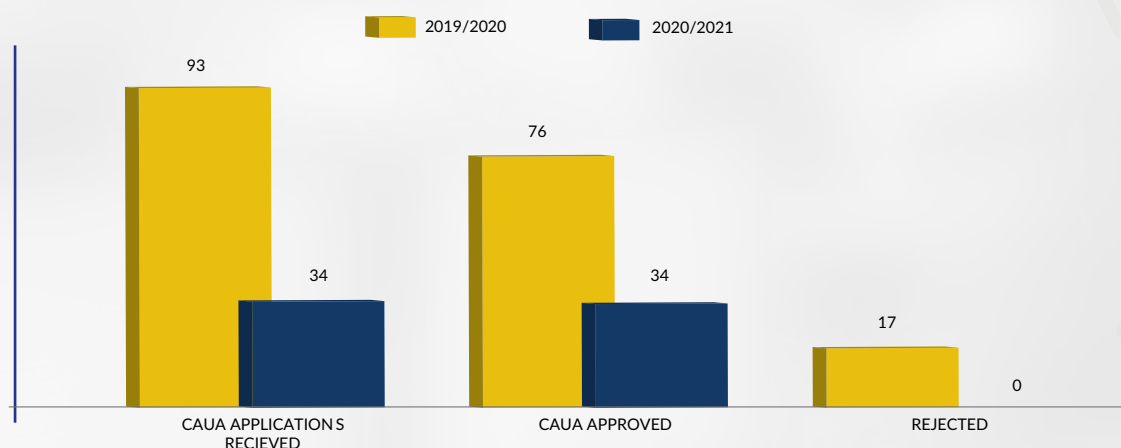
The Technical Guidance material for the ANSSO department, as developed through the ICAO capacity-building project, has been reviewed to align with the newly promulgated regulations, and their associated technical standards have been finalised and are being utilised in carrying out safety oversight activities. In addition, several advisory pamphlets were developed and published for the industry to ensure the implementation of the newly promulgated regulations.

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

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

The Department noted a sharp decrease in applications for the temporary and permanent civil use of airspace for special operations such as drones, parachutes, balloons, etc due to the adverse effect of COVID-19 on the aviation industry.

The graph below provides a comparison of Civil Activity Use Airspace (CAUA) applications processed between the previous and current financial years.



CRITICAL ELEMENT CE-7: SURVEILLANCE OBLIGATIONS

A Remote/desktop audit approach was adopted as per ICAO doc 10044 for the year in review to ensure implementation of the annual surveillance plan and activities. Unfortunately, due to COVID-19 restrictions surveillance activities of other ANSP were affected. Notwithstanding COVID-19 restrictions, 37 incidents were reported and 17 were investigated.

CRITICAL ELEMENT CE-8: RESOLUTION OF SAFETY CONCERNS

ANSSO has established the necessary mechanisms to resolve identified deficiencies impacting ANS safety, which have been detected by the ANS inspectors. Safety deficiencies are analysed, and recommendations are forwarded to the ANS providers for their attention. Follow-up of their resolution is carried out based on corrective action plans submitted by the respective ANS provider. During the year under review, the resolution of safety concerns was resolved under the transitional phase (transitional directive) through workshops and consultations.

ANSSO ACTIVITIES SUMMARY

The table below provides a summary of audits and inspections which were conducted between the period 1 April 2020 and 31 March 2021, and the number of identified and resolved safety concerns.

ANSSO AUDIT AREA	Audits/Inspections	
	Planned	Actual
Periodic inspections/audits of ATS Facilities	8	8
Ad-hoc surveillance of ANS facilities	0	3
CNS – Facilities and Infrastructure	0	0
MET – Facilities and Infrastructure*	8	0
AIS – Facilities and infrastructure	1	1
Neighbouring Flight Info. Regions (delegated Air spaces)	0	0

* MET Facilities could not be audited due to COVID-19 restrictions

ANSSO resolution of concerns*	Findings	
	Raised	Resolved
Resolution of safety concerns (2019) – Findings	180	17
Resolution of safety concerns (2020) – Findings	43	9
Resolution of safety Concerns (2019-2020) – Total	223	26

Note:

1. Resolution of safety deficiencies in the ANS area showed degradation of -1.34% from the previous year.
2. COVID-19 has highlighted the challenges faced by the ANSSO to do on-site surveillance during the pandemic. Service Providers experienced challenges to resolve safety deficiencies due to the pandemic, lack of resources and inadequate staff numbers.

NATIONAL AIRSPACE COMMITTEE (NAIRC)

Per the objectives set out in Section 56 of the Act on navigable airspace, the National Airspace Committee (NAIRC) considers proposals made by users and service providers and provides guidelines and recommendations to the Executive Director. ANSSO is the Secretariat to this Committee, which is chaired by a representative of the Namibia Defence Force and convened three (3) meetings during the period 1 April 2020 to 31 March 2021. Highlights of the year include:

1. Change in the leadership of the Chairman, Air Marshall M K Phineas replaced by Air Vice Marshall T Shaende
2. Endorsement of four (4) airspace proposals.

AVIATION SECURITY SERVICES



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

Standing: Festus Mpuka, David Nanyemba, Reginald Mouton, Alexander Gairiseb
Seated: Boy Filemon Ngwedha, Julian Gouws (Senior Manager), Toivo Shongolo

Absent: Elfrieda Kandume

Background

The primary objective of Aviation Security is to safeguard Civil Aviation against Acts of Unlawful Interferences. This is the 2nd post-USAP-CMA Audit annual report and it also covers the corrective actions under the review period. The effect of the change in methodology in Namibia is that the Compliance Indicator of 76.75% that was achieved during the November 2018 USAP-CMA audit, has been revised downwards to 59.20%.

This was a year in which the department was consolidating the gains achieved in the USAP-CMA Audit through the development and implementation of Corrective Action Plans. Evidence of the Corrective Action Plan was sent to the ICAO Regional Office in Kenya. The outcome of the assessment is not yet available.

What we do

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

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

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

- Developing regulatory requirements, and technical aviation security standards
- Developing effective enforcement strategies to ensure compliance with aviation security standards
- Conducting comprehensive surveillance on the civil aviation security sector, including the assessment of security-related decisions taken by industry management at all levels for their impact on aviation security
- Implementing, monitoring and enforcing the NCASP
- Develop national standards relating to the specifications of security equipment, systems, and airport design
- Coordinate security measures and procedures with appropriate organisations, agencies, and relevant departments.

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Developed a revised Corrective Action Plan that was sent to the ICAO Regional Office in Nairobi, Kenya

National AVSEC documents were revised, incorporating amendment 17 to Annex 17 – Security, and approved by the Honourable Minister and the IED respectively

AVSEC Structure was approved by the NCAA Board and all positions, have been filled with the appointment of two personnel, namely, 1 x Senior National Inspector: AVSEC Policies, Standards and Regulations, 1 x Inspector for Quality Control

Trained AVSEC Inspectorate Staff and carried out oversight on the training of AVSEC staff within the industry

Carried out AVSEC oversight on operations

Adopted Amendment 17 to Annex 17 - Security

MAIN CHALLENGES

The main challenge is the prevailing COVID-19 pandemic were at times where regions were locked down due to the spike of the virus in certain regions. This has hampered the Annual Quality Control Schedule due to low or no traffic. Most of the audits had to be scaled down to inspections as activities were very limited and does not justify a full audit.

LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

Adopting the new format of CAP Implementation as recommended by ICAO and populate all previous information into this new template

Amend National documents to include provisions of Amendment 18 to Annex 17

Continuous review of operators' documents to ensure they contain provisions of Amendment 17 to Annex 17

Conduct a national Risks Assessment on all security designated airports

Continue implementing AVSEC oversight activities

Resolve security concerns relating to screener certification and ensure credential cards distributions

ACTIVITIES CARRIED OUT DURING THE REPORTING YEAR:

CRITICAL ELEMENT 2: OPERATING REGULATIONS

The NCASP was amended to include all corrections recommended by ICAO. It was approved by the Honourable Minister of Works and Transport in June 2020. The NCASTP, NQCP, and NATFP were approved by the Interim Executive Director in June 2020.

CRITICAL ELEMENT 3: ORGANISATION

The NCAA Board approved the AVSEC Structure/Organogram with an establishment of nine staff members. One Senior National Inspector position and one National Inspector position were filled during the year 2021.

CRITICAL ELEMENT 4: QUALIFIED STAFF

Two Senior Inspectors also completed the Professional AVSEC Managers Course. The Senior Manager AVSEC and Senior National Inspector Planning and Regulations completed the National Instructors Course in November 2020. Three Inspectors also completed the National Inspectors Course in November 2020 and January 2021.

CRITICAL ELEMENT 5: TECHNICAL GUIDANCE AND TOOLS

- The Authority provided guidance and helped implement the Vulnerability Assessment at all airports
- Cargo consignment security declaration guidance and forms were distributed to the industry and they are now in use
- Provided guidance on Contingency Planning
- Guided Risk Assessment
- Guided security screening equipment tests. Guided security tests
- Guided security of Merchandise and supplies. Guided handling of MANPADS
- Guided conducting of background checks.

CRITICAL ELEMENT 6: CERTIFICATION AND APPROVAL OBLIGATIONS

Approved the NCASP, NCASTP, NQCP, and NATFP to include Amendment 17 of Annex 17, as well as Airport Operator Security Programmes as well as Airline Operator Security Programmes.

- Oversight on Namibia Institute of Public Administration and Management (NIPAM) Training Venue was conducted and found to be fit as our letter dated 19 October 2020. The training was conducted from 19 – 23 October 2020
- Performance oversight assessment and monitoring NAC theoretical training for the Computer Based Training (CBT) at Walvis Bay Airport fire station training venue from 25 – 28 October 2020
- Oversight at Eros Airport training venue for Computer Based Training (CBT) on 05 November 2021
- Conducted Training venue validation at Ondangwa Airport Lodge's Training Hall for Computer Based Training on 15 March 2021
- Oversight of the Computer Based Training (CBT) at Ondangwa Airport Lodge conducted from 6 – 7 April 2021
- Aviation Security Awareness Training at Flamingo Inflight Catering Services on 21 May 2021
- Performed Oversight Validation on De Beers Marine conference hall on 6 June 2021. Welwitschia Aviation conduct Basic ASTP 123 training
- Performed oversight on Welwitschia Aviation Basic ASTP 123 Training and Assess Instructor's performance conducted in the Town of Oranjemund from 7 – 8 June 2021.

NATIONAL DOCUMENTS APPROVED:

Type of Document	Actual Target
National Civil Aviation Security Programme	6 June 2020
National Civil Aviation Security Training Programme	30 June 2020
National Quality Control Programme	30 June 2020

APPROVED OPERATOR PROGRAMMES:

Name of Entity	Programme type	Date
COURT HELICOPTERS	Air Operator Security Programme	13 March 2020
NAMIBIA AIRPORTS COMPANY	Airport Operator Security Programme-HKIA	12 August 2020
NAMIBIA AIRPORTS COMPANY	Airport Operator Security Programme- Eros	12 August 2020
MENZIES AVIATION	Cargo Operator Security Programme	30 March 2021
SCENIC	Air Operator Security Programme	2 July 2021
NAMIBIA AIRPORTS COMPANY	Airport Operator Security Programme-WBIA	1 July 2021
NAMIBIA AIRPORTS COMPANY	Airport Operator Security Programme-ATYAT	1 July 2021
WEST AIR AVIATION	Air Operator Security Programme	13 August 2021
AIR NAMIBIA	Air Operator Security Programme	7 October 2021

CERTIFIED ENTITIES:

Category	Total Certified
Screeners	Re-certification in Progress
K9 Dogs	Re-certification in Progress

CRITICAL ELEMENT 7**QUALITY CONTROL OBLIGATIONS.**

Carried out the following Quality Control Obligations:

Summary of activities

Inspections	17
Audits	0
Tests	0
TOTAL	17

CRITICAL ELEMENT 8**RESOLUTION OF SECURITY CONCERNS.**

Resolved security concerns relating to the AVSEC structure (regrading of some positions), Training, Access Control at airports, and reduced airports exposure to vulnerabilities.

Type of Activity	Date	Location
Security surveillance at cargo warehouse	16 July 2020	Hosea Kutako International Airport
Security inspection at the cargo warehouse	25 Sept 2020	Hosea Kutako International Airport
Security inspection	08-10 November 2020	Rundu
Security inspection	12-13 November 2020	Katima Mulilo
Security inspection	16-18 November 2020	Andimba Toivo ya Toivo Airport
Security inspection	20-21 November 2020	Walvis Bay International Airport
Security inspection	22-23 November 2020	Keetmanshoop
Security inspection	25-26 November 2020	Lüderitz
Security inspection	28 Nov-02 December 2020	Oranjemund
Security inspection	09 December 2020	Hosea Kutako International Airport
Security inspection	07 January 2021	Hosea Kutako International Airport
Security inspection	11 September 2021	Hosea Kutako International Airport
Follow up inspection	17 September 2021	Eros Airport
Inspection, security culture, and review security programme	22-23 February 2021	Andimba Toivo ya Toivo Airport
Inspection, security culture, and review security programme	25-26 February 2021	Walvis Bay International Airport
Security inspection	03 May 2021	Eros Airport
Security inspection	18-19 August 2021	Eros Airport

Aviation Security Directives Issued:

- COVID-19 Protection measures issued in March 2020
- Amendment of consignment security declaration for cargo (CSD) issued in February 2021

Aeronautical Information Circulars (AIC):

- 17 Aug 2020
- Use of Inspector Credentials to access aircraft, aerodromes, buildings, and places

Facilitation, Annex 9:

- API/PNR- training was done, UN Counterterrorism to complete a Gap Analysis on the country
- PKD- MIRCO delegated its functions to MHAISS to sign the MOU for PKD

COMPLIANCE AND REGULATORY RISK (CRR)



“ The success of adequately managing its risks means the NCAA needs to remain risk aware on a proactive basis and possess the required capacities and capabilities to manage these

Standing: Angala Angala, Salufu Patrick Simasiku, Elizabeth Matheus, Iumue Nguvauva, Tulimevava Shinyala, Yurovandu Ndjavera
Seated: Peterson Tjitemisa (Acting Senior Manager)

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

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

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

As with any organisation, the NCAA is not averse to risk and it fully realises that there is no such phenomenon as a completely risk-free environment. Added to this is the fact that the NCAA finds itself in a very dynamic and highly-specialised environment where the only constant is change. Concomitantly, the risk profile of the Authority will also be subjected to change. The success of adequately managing its risks means the NCAA needs to remain risk aware on a proactive basis and possess the required capacities and capabilities to manage these.

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

The following risk areas within the NCAA have been identified:

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

Although delegated to the Executive Director, the Board of Directors remains responsible for the development and implementation of risk management plans within the Authority and must regularly assess their effectiveness via the Board Audit and Risk Committee. However, risk management cannot only be the responsibility of the Board of Directors and Management.

To effectively manage risk, a culture of risk awareness must be instilled at all levels of the NCAA, and to this end, interventions are being developed.

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

The Role of Compliance and Regulatory Risk (CRR):

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

With a direct reporting line to the Executive Director, the role of CRR is to advise the State on measures ensuring that the Obligations to the Chicago Conventions are met, through the development and management of an effective Safety and Security Oversight system. The responsibility of the department's compliance expectations spans the two audit programmes, namely the Universal Safety Oversight Audit Programme (USOAP) and the Universal Security Audit Programme (USAP). CRR serves as part of the catalyst in ensuring that the agenda behind the Namibian National Development Plan Targets, as set out by The Fifth National Development Plan (NDP5), become realistic. CRR forms part of the Organisation's independent monitoring system by conducting internal audits of the Eight (8) audit areas in line with the ICAO USOAP/USAP CMA's Eight (8) critical elements of a Safety and Security oversight System. These are Legislation, Organisation, Personnel Licensing, Flight Operations, Airworthiness, Air Navigation Services, Aircraft Incidents and Accidents Investigations, and Aerodromes and Ground Aids. The USAP CMA is assessed on the full implementation of ICAO Annex 17 provisions.

The department, though not yet fully equipped, is comprised of Compliance Specialists, each assigned one or two audit areas to closely monitor compliance to the International, Regional, and National Standards, the development of the National Aviation Safety and Security Regulations, potential risks emanating from these processes, and International Civil Aviation emerging threats.

The CRR staff complement is six (6), with three (3) positions currently vacant.



The scope of USOAP CMA includes the ICAO SARPs contained in all safety-related Annexes to the Convention, the Procedures for Air Navigation Services (PANS), various guidance materials, and related procedures and practices. The factors determining compliance are the Protocol Questions (PQ), which are standardised for all member States to ensure universality, transparency, and disclosure. There are approximately 790 protocol questions. They serve as the primary tool for assessing the level of Effective Implementation (EI) of a State's safety oversight system, and each PQ is sufficiently flexible to allow the appropriate evaluation of the scope and complexity of the aviation activity in each State. It is a measure of the State's safety oversight capability and it is calculated by the number of satisfactory PQ's over the total number of applicable PQ's. A higher EI indicates that a State's safety oversight system has a greater degree of compliance with ICAO provisions.

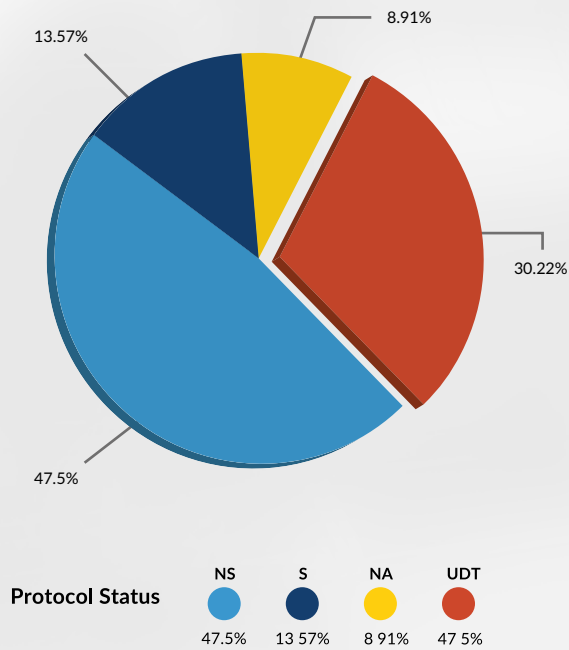
Below are the NDP5 Targets.

Indicator	Baseline	Targets over the NDP5 Period				
		2017/18	2017/18	2017/18	2017/18	2017/18
% Compliance relating to ICAO Standards and Recommended Practices	68% (2016)	69%	70%	71%	73%	75%

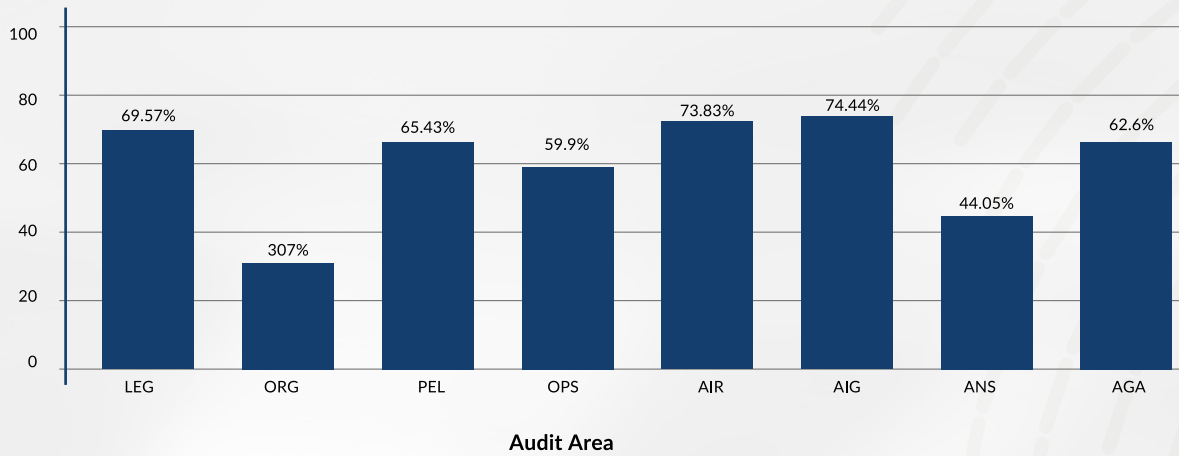
The NDP5, together with Regional, Continental, and International targets, are among the baselines guiding the CRR in achieving the National goal on the setting and maintenance of an effective Safety and Security Oversight System:

- Not Satisfactory (NS) signifies protocol findings whereby Namibia has shown not to be Compliant, as per the last Activity in 2016
- Satisfactory signifies the PQs found to be Compliant
- Not applicable (N/A) are the PQs found not to be applicable, based on the scope of activity in Namibia
- Undetermined PQs are developed after a periodic review of the USOAP system and are to be determined at the next review.

Total Protocol Status in Namibia to date.

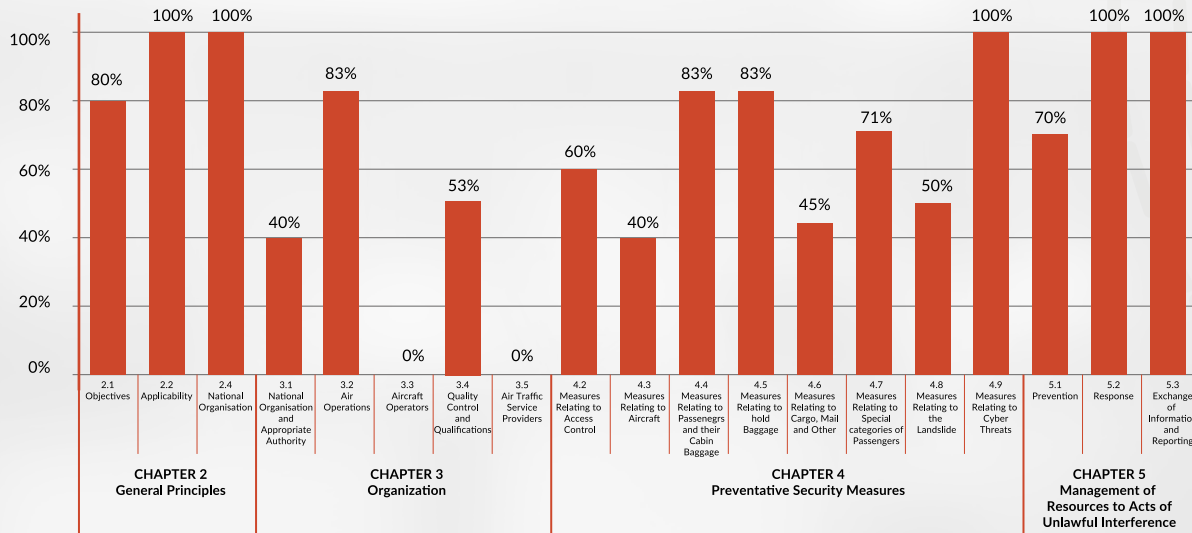


Namibia's Implementation status as of last ICAO USOAP CMA activity 2016 with EI 61.1%



Namibian EI as of ICAO USOAP CMA activity 2016

Indicative Compliance with Annex 17 Standards: 59.20%



Expectations of Compliance and Regulatory Risk

- i. The NCAA must ensure compliance to international, continental, regional, and local civil aviation regulations
- ii. To review, update, and communicate the regulatory applicable amendments as well as new SARP's issued by ICAO
- iii. To prepare the State of Namibia for all ICAO Audit activities through regulatory monitoring, stakeholder preparation, and internal analysis of the Namibian Regulatory Compliance Mechanism
- iv. Filing and publication of regulatory differences between the Namibian Civil Aviation Regulations and ICAO SARP's
- v. To facilitate and action all communication between internal and external stakeholders of the Namibian Aviation System
- vi. Effective Management of State Letters received from ICAO and any other international body. This includes processing, distribution, and replying to all State Letters.

CE-1. Primary aviation legislation

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

CE-2. Specific operating regulations

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

ICAO COMPLIANCE AND THE 8 CRITICAL ELEMENTS OF SAFETY

ICAO has established 8 critical elements, as well as the 8 audit areas, to oversee state compliance with ICAO requirements.

The 8 Audit Areas in USOAP

ORG	LEG	PEL	AIR	OPS	ANS	AGA	AIG
Organisation	Legislation	Personnel Licensing	Airworthiness	Flight Operations	Air Navigation Services	Aerodromes and Ground Aids	Aircraft Accident Investigation

The 8 Critical Elements of the USOAP Programme

CE 1	CE 2	CE 3	CE 4	CE 5	CE 6	CE 7	CE 8
Primary Aviation Legislation	Specific Operating Regulations	State Civil Aviation System and Safety Oversight Functions	Technical personnel qualification and training	Technical guidance, tools and the provision of safety-critical information	Licensing, certification, authorisation and approval obligations	Surveillance obligations	Resolutions of Safety Concerns

CE-3. State civil aviation system and safety oversight functions

The establishment of a Civil Aviation Authority (CAA) and/or other relevant authorities or government agencies, headed by a Chief Executive Officer, supported by the appropriate and adequate technical and non-technical staff, and provided with adequate financial resources. The State authority must have stated safety regulatory functions, objectives, and safety policies. Note that the term "State civil aviation system" is used in a generic sense to include all authorities with aviation safety oversight responsibility, which may be established by the State as separate entities, such as CAA, Airport Authorities, Air Traffic Service Authorities, Accident Investigation Authority, and Meteorological Authority.

CE-4. Technical personnel qualification and training

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

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

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

CE-6. Licensing, certification, authorisation, and approval obligations

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

CE-7. Surveillance obligations

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

CE-8. Resolution of safety concerns

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

What is a Compliance Checklist (CC)?

Compliance Checklists (CC) were developed for each Annex within the scope of the USOAP CMA. They provide ICAO with information about the state's level of implementation of the ICAO SARPs. Completed CCs allow ICAO to maintain a database on the State's Level of Compliance with the ICAO SARPs. All states, including Namibia, are required by the signed MOU, to maintain the CCs through the online system. There are 28 Compliance Checklists to be updated which, collectively, reflects our level of compliance with the ICAO SARPs. Any differences will be notified to ICAO and published in the Namibian AIP.

The Establishment Phases from CE 1 to CE 5. This forms the foundation of the NCAA regulatory division and encompasses all of our safety technical areas.

The Implementation Phases from CE 6 to CE 8 form the foundation of the Namibian State Aviation System by which industry stakeholders reflect the effective implementation of, and compliance to, NAMCARs and NAMCATS.



Achievements of the past financial year

Effective review of the 2020 edition PQs April 2021

Enhance engagement with the Audit Areas

Amendment of the Departmental Organogram February 2021

Establishment of a comprehensive USOAP Internal audit Activity Plan

Effective reply to ICAO and AFCAC State Letters

Employment of permanent Senior Manager and the Security Specialist

Looking ahead: planned activities for next financial year

Comprehensive updating of the ICAO USOAP Online Framework inclusive of all 8 Audit Areas and all Protocol questions, State Aviation Activity Questionnaire, and Compliance Checklists

Preparation of all Namibian State Aviation Stakeholders for the full ICAO USOAP audit if planned. This will include regulatory as well as service provider stakeholders within the Namibian State aviation system

Recruitment of additional Compliance and Regulatory Risk Aviation Safety Specialist. Recruitment of Compliance Officers to support the department

Establishment of a comprehensive USOAP Internal Audit Activity Plan



“ The NCAA Air Navigation Services (ANS) provides air navigation services to air traffic during all phases of operations to ensure their safe and efficient movement ”

AIR NAVIGATION SERVICES (A UNIT OF THE NCAA)

ABOUT ANS AND THE SERVICES PROVIDED

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

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

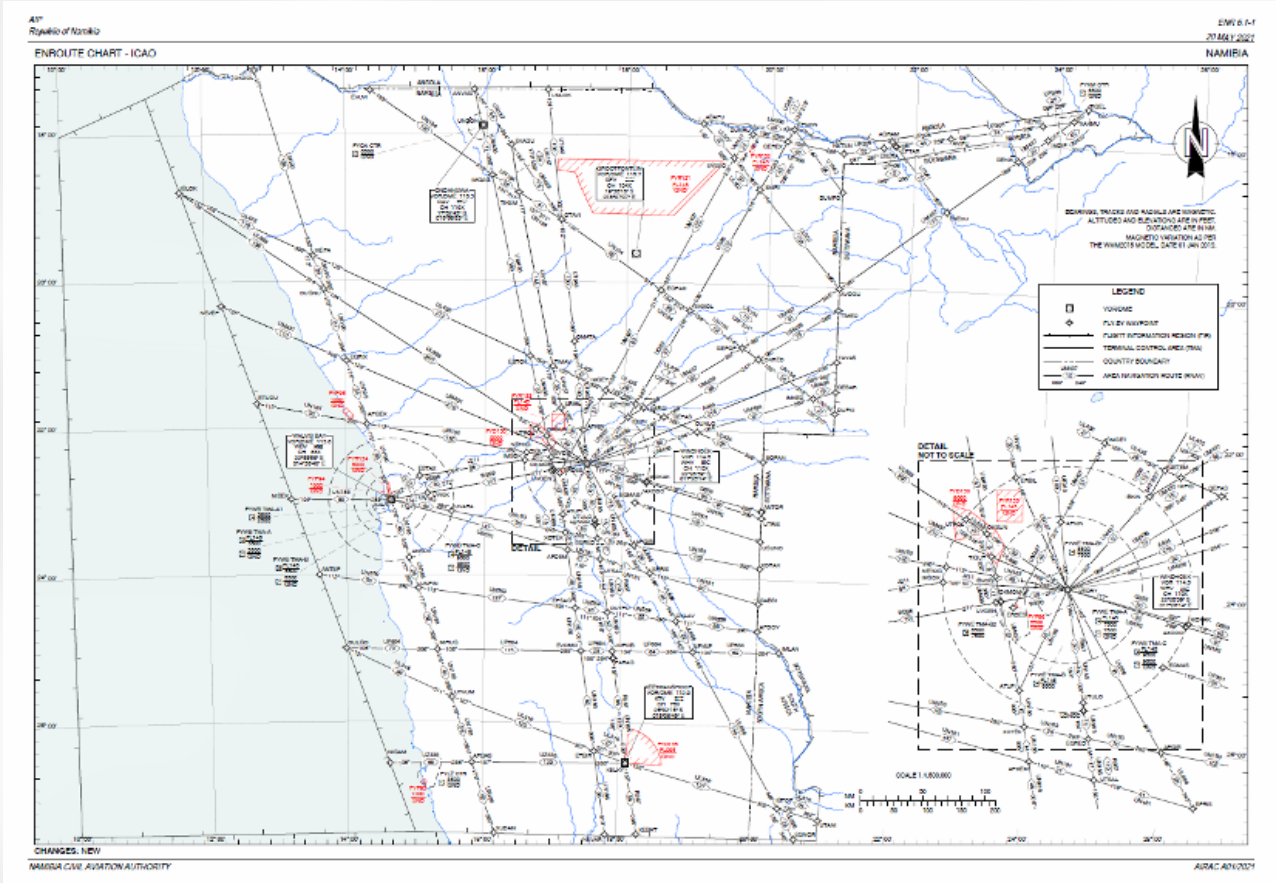
The ANS maintains its records, bank accounts and is audited independently from the NCAA as a whole to maximise the functional separation of the provision of air navigation services from the other functions of the NCAA.

The airspace, being the Windhoek Flight Information Region (FIR) in which the ANS provides services, is shown on the next page.



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

The Flight Information Region (FIR)



SERVICES PROVIDED

The NCAA Air Navigation Services (ANS) provides air navigation services to air traffic during all phases of operations to ensure their safe and efficient movement, which services include the following:

AIR TRAFFIC SERVICES (ATS)

Services provided to:

- Prevent collisions between aircraft
- Prevent collisions between aircraft on the manoeuvring area and obstructions on that area
- Expedite and maintain an orderly flow of air traffic
- Provide advice and information useful for the safe and efficient conduct of flights
- Notify appropriate authorities/organisations regarding aircraft in need of search and rescue under the control of an air traffic control unit.

ATS consists of:

- **Air Traffic Control (ATC)** which includes air traffic control services for arriving and departing controlled flights, for controlled flights in controlled areas or traffic within any manoeuvring area and other aerodrome traffic
- **Air Traffic Advisory Services** which are provided within advisory airspace to ensure separation, as far as is practical, between aircraft which are operating on flight plans per Instrument Flight Rules
- **Flight Information Services** which include providing information and advice which is useful for the safe and efficient conduct of flights
- **Alerting Services** provided to notify appropriate organisations regarding aircraft in need of search and rescue aid, and to assist such organisations as may be required.

AERONAUTICAL INFORMATION MANAGEMENT

The Aeronautical Information Management (AIM) is a service established in support of international civil aviation, whose objective is to ensure the flow of information necessary for the safety, regularity, and efficiency of international air navigation.

COMMUNICATIONS, NAVIGATION, AND SURVEILLANCE (CNS) SERVICES

Communications, navigation, and surveillance are essential technological systems, procedures, and programmes for pilots in the air and air traffic controllers on the ground. These are some of the main functions that form the infrastructure for air traffic management and ensure that air traffic is safe and efficient, by facilitating the process of establishing where the aircraft is and when and how it plans to arrive at its destination.

AVIATION METEOROLOGY SERVICES

Meteorological information required for air navigation is provided by the Namibia Meteorological Service (NMS – a Division of the Ministry of Works and Transport) to the ANS for dissemination to airspace users.

SEARCH AND RESCUE (SAR) ALERTING COORDINATION SERVICES

This service is provided for in accordance with NAMCARs Part 179, the National SAR Plan, and the Windhoek RSC Standard Operating Procedures Manual.

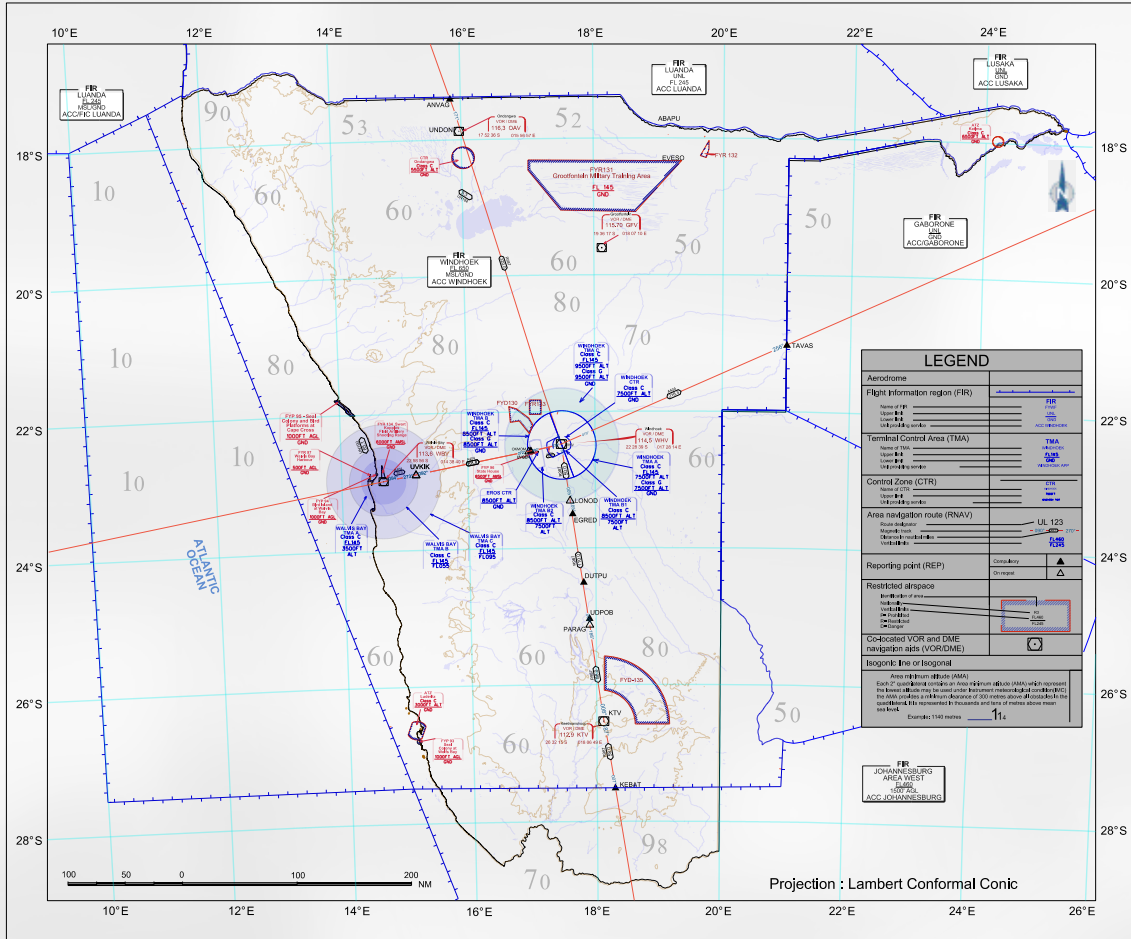


WINDHOEK FIR - AIRSPACE CLASS SPECIFICATION

AIP
Republic of Namibia

**NAMIBIA EN-ROUTE - CHART
ATS ROUTES**

ENR 6.1-3
08 OCT 2020



NAMIBIA CIVIL AVIATION AUTHORITY

AIRAC A03/2020

The airspace within the Namibia FIR is classified as follows:

Class A: All controlled airspace above FL145 up to FL460.

It is noteworthy that Namibia is a world-class gliding destination that attracts the worldwide gliding community to Namibia during the annual gliding season. To support this community, a portion of Class A airspace is downgraded to Class E annually for the period 01 November to 31 January to support glider operations in controlled airspace and this is shown in the chart above.

Class C: All controlled airspace FL145 and below (regulated airspace only)

Class G: Between ground and FL145 (except for regulated airspace) and between FL460 and FL650.

Class	Type of flight	Separation provided	Service provided	VMC visibility and distance from cloud minima	Speed limitation	Radio communication requirement	ATC Clearance
A	IFR ONLY	All aircraft	Air traffic control service	Not applicable	Not applicable	Continuous two-way	Yes
B	IFR	All aircraft	Air traffic control service	Not applicable	Not applicable	Continuous two-way	Yes
	VFR	All aircraft	Air traffic control service	See ENR 1.2	Not applicable	Continuous two-way	Yes
C	IFR	IFR from IFR	Air traffic control service	Not applicable	Not applicable	Continuous two-way	Yes
	VFR	Air traffic control service	1) Air traffic control service for separation from IFR 2) VFR/VFR traffic information (and traffic avoidance on request)	See ENR 1.2	Not 250kt IAS below 10000ft AMSL	Continuous two-way	Yes
D	IFR	IFR from IFR	Air traffic control service including traffic information about VFR flights (and traffic avoidance on request)	Not applicable	250kt IAS below 10000ft AMSL	Continuous two-way	Yes
	VFR	Zero	Traffic information between VFR and IFR flights (and traffic avoidance advice on request)	See ENR 1.2	250kt IAS below 10000ft AMSL	Continuous two-way	Yes
E	IFR	IFR from IFR	Air traffic control service and traffic information about VFR flights as far as practical	Not applicable	250kt IAS below 10000ft AMSL	Continuous two-way	Yes
	VFR	Zero	Traffic information as far as practical	See ENR 1.2	250kt IAS below 10000ft AMSL	No	No



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

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

Air traffic movements within the airspace are the main determinant for the development and deployment of air navigation services and infrastructure in Namibia. The air navigation services and infrastructure deployed takes account of the requirements set out in the ICAO Global Air Navigation Plan and associated Aviation System Block Upgrade scheme agreed by the African and Indian Ocean Planning and Implementation Group. The requirements of the Namibian State are also factored into the air navigation infrastructure plan.

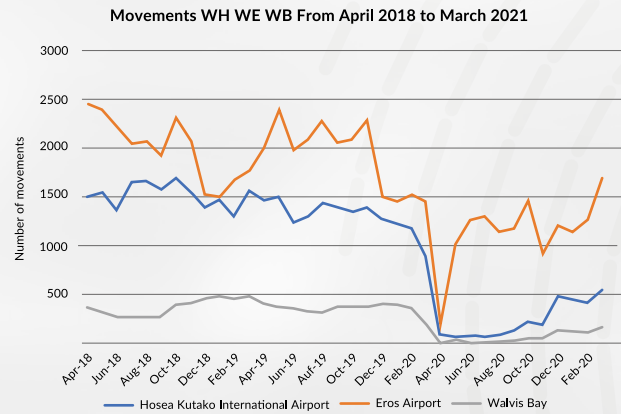
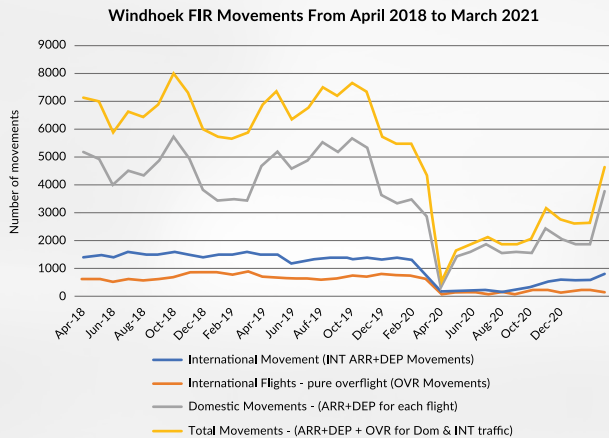
AIR TRAFFIC MOVEMENTS

The air traffic movements operating in the airspace under the jurisdiction of the ANS are shown in the following figure. Total movements for the 2020/2021 year are 27,446 compared to 78,018 for the 2019/2020 year which represents a decrease of 60%. However, international arrivals, departures, and overflights decreased by 75% during the period from 23,826 to 5,794 movements as a result of schedule changes and reductions by operators to and from Namibia and South Africa as well as the impact of the COVID-19 travel restrictions.

The air traffic movements in Namibia used to be a mix of domestic departures and arrivals (approximately 70 percent), international arrivals, departures, and overflights (approximately 30%), however, during the first year of COVID-19 it turned out to be a mix of domestic departures and arrivals (approximately 79%), international arrivals, departures and overflights (approximately 21%).

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

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



Our facilities, systems, and technology

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

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

Navigation services including VOR/DME at Hosea Kutako, Walvis Bay, Keetmanshoop, Grootfontein and Ondangwa and a new facility for Lüderitz, ILS at Hosea Kutako and Walvis Bay and ancillary equipment. Further GNSS is approved as a primary navigation aid for VFR flights and as a secondary navigation aid for IFR flights.

Surveillance services including a primary and secondary surveillance system for Hosea Kutako, Wide Area Multilateration surveillance systems (WAM) configured for an approach-surveillance service for Hosea Kutako and Walvis Bay, a WAM surveillance system configured for the national area surveillance service, and ancillary equipment. The WAM surveillance system also includes ADS-B capability.



All flight plan and surveillance data are integrated with the Air Traffic Management (ATM) system, which is installed in the Windhoek ATCC located at Eros airport.

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

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

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

NAMCARs

NAMCARs Part 2: Units of Measurement

NAMCARs Part 65: ATS Personnel Licensing

NAMCARs Part 67: Personnel Medical Certification

NAMCARs Part 71: Airspace and Air Routes

NAMCARs Part 141: Aviation Training Organisations

NAMCARs Part 170: Air Navigation Services General

NAMCARs Part 171: Aeronautical Telecom services

NAMCARs Part 172: Airspace and Air Traffic Services

NAMCARs Part 173: Flight Procedures Designs

NAMCARs Part 175: Aeronautical Information Services and Aeronautical Charts

NAMCARs Part 179: Search and Rescue Services

ICAO SARPs

Annex 1: Personnel Licensing

Annex 2: Rules of the Air

Annex 4: Aeronautical Charts

Annex 5: Units of Measurement

Annex 10: Aeronautical Telecommunications

Annex 11: Air Traffic Services

Annex 12: Search and Rescue

Annex 15: Aeronautical Information Services

Annex 19: Safety Management

Air Navigation Services Bursary Programme

The Air Navigation Services (ANS) Bursary Programme is a programme that has been designed, developed, and implemented to recruit, select and train Namibian nationals to become Air Traffic Controllers (ATCO), Air Traffic Service Assistants (ATSA), Aeronautical Information Officers (AIO) and Air Traffic Safety Electronics Personnel (ATSEP) in fulfilment of the skilled human resource requirements of the ANS. Once having completed their academic and on-the-job training, the bursary holders will be considered for employment by the ANS to fill vacancies in the approved ANS structure. The programme commenced in the third quarter of 2018 and will run over a period of at least three years. The aim is to recruit, select and train:

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

During the reporting year:

- 9 ATC, 5 AIO, and 6 ATSEP bursary holders completed their theoretical training programmes in Johannesburg, South Africa. They all completed their respective on-the-job training programmes, were offered, and accepted employment with the ANS,
- 7 Air Traffic Service Assistants also completed their theoretical training as well as on-the-job training programmes, were offered and accepted employment with the ANS,

- Additional 10 Air Traffic Control and 6 Air Traffic Safety Electronics Personnel bursary holders are still busy completing the theoretical part of their programmes, planned for completion during June 2021, after being suspended due to the COVID-19 pandemic that resulted in the closure of training institutions and travel.

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

AERONAUTICAL INFORMATION SERVICES



Provision of aeronautical data and information necessary for the safety, regularity, and efficiency of both international and national air navigation in Namibian airspace

Standing: Sherley Muukua, Filemon Philemon, Selma Kaundu, Fransiskus N E Eelu
Seated: Gertrude N James, Thabea Shilongo (Acting Senior Manager) and Veronica Kandjabanga

What we do

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

1. Aeronautical MAP/Chart
2. Aeronautical Publication
3. International NOTAM Office (NOF)
4. Aerodrome Briefing Office (ABO)
5. Overflight and Landing Authorisation.

MAP/charts

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

Publication

The section is responsible for the publication and distribution of aeronautical information. It provides all elements of the Integrated Aeronautical Information Package (IAIP) AIP Amendment (AIP AMDT), AIP Supplement (SUP), Aeronautical Information Circular (AIC), Notice to Airmen (NOTAM), and Pre-flight Information Bulletin (PIB), a list of valid NOTAMs and checklists) and additional publications such as Visual Flight Rules (VFR) Manuals and VFR Chart with recommended VFR routes.

International NOTAM Office (NOF)

The section is responsible for the creation, format, edit, and distribution of aeronautical information NOTAM.

Aerodrome Briefing Office (ABO)

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

Overflight and Landing Authorisation

The section is responsible for facilitating the process of approval to foreign registered aircraft which intend to overfly or land in Namibia including diplomatic permits.

AN AFI CENTRAL AERONAUTICAL DATABASE

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

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

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

AIS OFFERS

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

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

QUALITY MANAGEMENT SYSTEM (QMS)

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

AIS has established the QMS in compliance with ISO 9001:2015. The scope of activities covered by ISO 9001 Certification includes the provision of:

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

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

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

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

During the reporting year, AIS obtained ISO 9001:2015 certification. The QMS is continually improved and reviewed with a surveillance audit planned for September 2021.

ON-GOING PROJECTS

Transitioning to Aeronautical Information Management (AIM)

To satisfy new requirements arising from the Global Air Traffic Management Operational Concept, aeronautical information services must transition to a broader concept of aeronautical information management, with a different method of information provision and management given its data-centric nature as opposed to the product-centric nature of AIS. An automated system was purchased to facilitate the transition from telex-based Aeronautical Information Services (AIS) to satellite-based Aeronautical Information Management(AIM) system. The roadmap for the transition from AIS to AIM and the ASBU methodology for air navigation plan implementation requires some major bases to develop for AIM activities in Namibia. The implementation of the A-CAD enabled AIS to fully implement 12 of the 21 steps of the roadmap, while the implementation of the remaining 8 steps are in progress.

Implementation of Electronic Aeronautical Information Publication (eAIP)

The production of electronic AIP for Namibia is another project that is underway, the production is slow because of staff shortage, however, and this project is planned to be completed and the eAIP to be available in the next reporting year.

ISO 9001:2015 CERTIFICATION

AIS has established the QMS in compliance with ISO 9001:2015. The Stage 3 audit will be performed on Aeronautical Information Management in the second quarter of this financial year. Its objective is to review the management system and verify its conformance to ISO 9001:2015 requirements and determine the state of readiness of AIS for Stage 3. The surveillance audit will take place end of September 2021, which will determine compliance with the requirements of the scheme.

FLIGHT PLANS, NOTAM, OVERFLIGHT, AND LANDING PERMITS

A comparative analysis in terms of Flight Plans filed shows a fluctuating trend in the number of flight plans filed. December 2020 recorded the highest total number of flight plans filed, totalling 1094. A decline in the flight plans filed between April 2020 and May 2020, which was due to the impact of COVID-19.

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

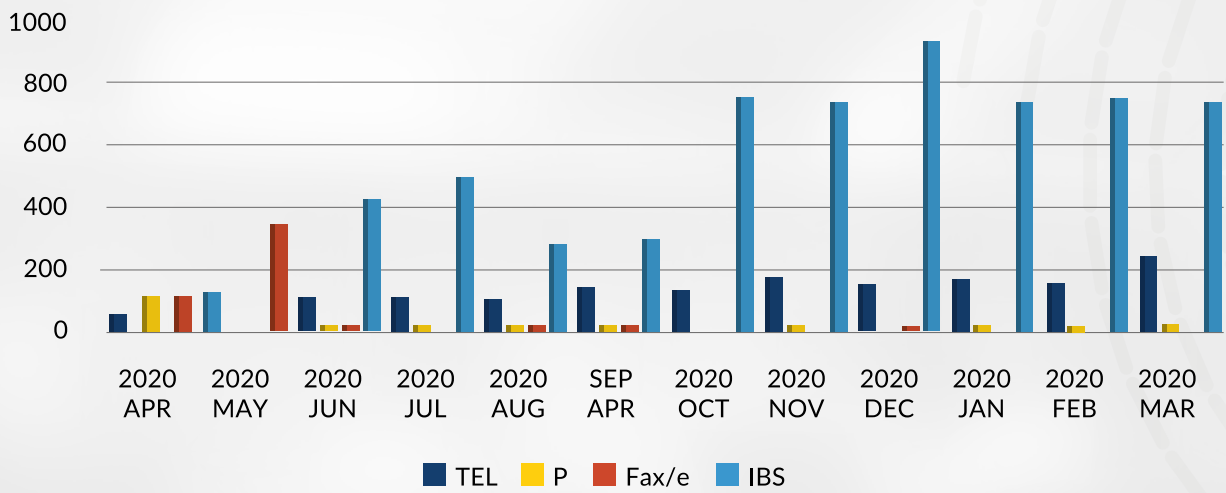
The Notices to Airmen (NOTAM) have been fluctuating up and down during the reporting year.



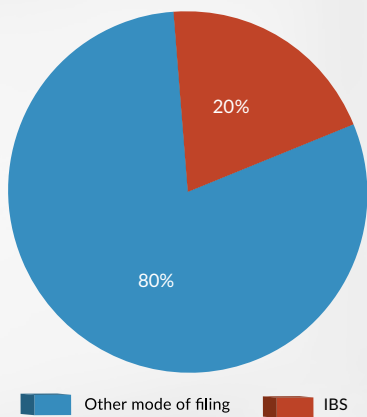
MODE OF FLIGHT PLANS FILED

	APR 2020	MAY 2020	JUN 2020	APR 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	JAN 2021	FEB 2021	MAR 2021
TEL	50	120	111	112	103	135	131	176	149	165	150	243
P			5	7	4	2		2		2	1	3
Fax/e			7		1	2			1			
IBS	110	346	428	499	284	293	755	742	944	780	755	742

FPLs filed APR 2020/MAR 2021



FPLs filed Apr20-Mar2021



AIR TRAFFIC SERVICES

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



From left to Right: Moses Amadhila, Tuhafeni Amon, Hamutenya Hidipo Katewa, Hendrik Barens, Ethan Van Wyk, Adolf Martin, Joao M Luzendu, John Ishukeni Kapapero, Jacob Pienaar, Treasure Munali, Ndapewa C Namgongo, Abiud L Buchane, Alexander Tjahikika, Erik Bruys, Nicodemus Narib, Natasha M Mbangula
Seated: Philippine Lundama, Jacolene Steenkamp, Christine Eiman, Jeremia I Kamati (Senior Manager)

What we do

The main purpose of ATS is to provide appropriate service to air traffic within that airspace for which a respective ATS unit is responsible. Air Traffic Services (ATS) consist of:

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

AIR TRAFFIC CONTROL (ATC) SERVICE

The service is provided to prevent collision between aircraft, and on the manoeuvring area between aircraft and obstructions on that area, and expediting and maintaining a safe and orderly flow of air traffic. ATC may be provided by:

Aerodrome Controller: Responsible for controlling air traffic within that airspace he/she is responsible for (Control Zone (CTR) or Aerodrome Traffic Zone (ATZ) and maintaining as far as practicable,

a continuous watch on all visible operations on and in the vicinity of an aerodrome, including vehicles and personnel on the manoeuvring area and carrying out airfield and facility inspections as required.

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

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

FLIGHT INFORMATION SERVICES (FIS)

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

ALERTING SERVICE

A service provided to notify appropriate organisations regarding aircraft in need of search and rescue aid and assist such organisations as required. Alerting service is provided to all aircraft provided with air traffic service, as far as practicable, to all other aircraft having filed a flight plan or otherwise known to the Air Traffic Services, and to any aircraft known or believed to be the subject of unlawful interference.



Christine Eiman (Manager Air Traffic Services) and Sarafina Maxwanu (Senior Manager ANSSO)

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

TRAINING INTERVENTIONS

English Language Proficiency (ELP): All ATS operational personnel (including all ATS Bursars who completed ATS theoretical training in South Africa) underwent successful ELP examination and testing, leading to all operational ATS personnel obtaining ELP grades required for operational personnel, per ICAO requirements.

State Safety Programme (SSP) and Safety Management System (SMS) Implementation: One Area Controller completed SSP and SMS Implementation training during March 2021. This is important for the ANSP, as it will assist in ensuring that ANS-ATS implements the SMS as regulatory required, thereby improving the safe provision of air traffic services within the FIR.

On-the-Job Training Instructors: All ten ATS officers who completed On-the-Job Training Instructors (OJTI) training, which was conducted by ATNS Aviation Training Academy, during October 2019 have successfully validated their OJTI ratings, thereby easing pressure placed on the ATS department caused by insufficiency of ATS Instructors. Validation was delayed by the COVID-19 pandemic and consequent national lockdown experienced during the first half of the year 2020, but successful completion was achieved by August 2020.

1st ATS Bursary Intake: The first ATS Bursary intake who completed ATM Core Content, Flight Information, and Aerodrome Control training at ATNS in Johannesburg, South Africa on 21 February 2020 have all been successfully validated as Aerodrome Controllers and subsequently employed by the NCAA permanently. Although the validation processes were negatively impacted by the effects of the COVID-19 pandemic, the validation was completed with only a minimal delay experienced.

2nd ATS Bursary Intake (ATSA Group): The second intake of the ATS Bursary Programme - the ATSA Group consisting of seven Air Traffic Services Assistants (ATSAs) completed theoretical training at the ATNS Aviation Training Academy in Johannesburg, South Africa on 11th December 2020, and have all successfully been validated and permanently employed by the NCAA.

2nd ATS Bursary Intake (ATCO Group): The second intake of the ATS Bursary Programme - the ATCO Group consisting of nine Air Traffic Control Officer (ATCO) candidates resumed theoretical training at ATNS Aviation Training Academy in Johannesburg, South Africa during December 2020 and are expected to complete the training and return to Namibia on 16 April and 16 June 2021 respectively. Upon their return to Namibia, they will undergo a validation process with on-the-job training (OJT) planned to start immediately upon their arrival.

Other Training Interventions: Several ATS staff members underwent successful training in various respective fields, namely, Flight Information Services, Human Factors in ATS, RNP Approaches Implementation, Change of airspace classes, Civil/Military Cooperation Implementation, and Aeronautical Search and Rescue (SAR).

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

ATS INCIDENT INVESTIGATIONS

Almost 99% of the ATS-related incidents were successfully investigated during this period, and corrective actions, which include but are not limited to remedial training, were successfully undertaken. This resulted in a general reduction in ATS-related incidents and improved ATS operations. The improvement in ATS incident investigations is a result of growing understanding and compliance of safety requirements and standards by the ATS personnel.

REGULATORY INSPECTION FINDINGS

The inspection findings that were issued by the regulator have been successfully addressed, some were completely closed while for others, short-term solutions or alternative forms of compliance were provided to the regulator. Due to the impact of COVID-19, surveillance inspections that were carried out during the reporting period were done remotely to combat the spread of the virus amongst the ATS operations workforce.

LOP/As, SLAs AND MOUs

Letters of Procedure/Agreement (LoP/As) have been reviewed and signed with all ATS providers from neighbouring states. Additionally, LoPs have been reviewed and signed between all domestic ATS units. Service Level Agreements (SLAs) between ATS and the airport operator (NAC) at various airports were reviewed and signed.

FYKM, FBKE, FLLI, AND FVFA ATS PROCEDURES

Despite challenges caused by the effects of the COVID-19 pandemic, representatives from Namibia, Botswana, Zambia, and Zimbabwe ATS providers managed to organise and meet virtually to review ATS procedures between Katima Mulilo (FYKM), Kasane (FBKE), Livingstone (FLLI), and Victoria Falls (FVFA), in attempts to ensure the improved safe provision of ATS at the four airspaces which are closely situated. The next annual formal coordination meeting for improving the safe provision of air traffic services within the four airspaces is to be hosted by Namibia ANSP (as it is hosted on a rotational basis which was initially planned for September 2020).

RPAS APPLICATIONS AND OPERATIONS

Remotely Piloted Aircraft Systems (RPAS) operations have continued to be carried out within the controlled airspaces of Eros (FYWE), Hosea Kutako (FYWH), Walvis Bay (FYWB), and Lüderitz (FYLS). The ATS team had studied all the applications which were forwarded by the regulator and provided input to ensure that RPAS operations do not become a hazard to air traffic operations.

GLIDER ACTIVITIES

The gliding activities take place between 01 November and 31 January each year. Unlike during the previous reporting period, incidents of glider operators violating airspace rules and regulations have decreased significantly. However, a few incident reports were still filed against some of the glider operators for not adhering to basic safety requirements, and corrective actions were taken against the transgressors.

ATS INTERFACILITY DATA COMMUNICATION (AIDC) TESTING

AIDC is a function in the TOPSKY Radar system that enables coordination messages e.g. EST, ABI, etc. to be sent electronically to the adjacent FIR, (FAJA). After several delays due to the negative impact of the COVID-19 pandemic, the FYWF/FAJA AIDC was finally implemented successfully on 24th March 2021, after having undergone various test and trial phases which started as far back as the year 2014.

IMPLEMENTATION OF APPROACHES

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

IMPLEMENTATION OF SIDs AND STARs AT FYWH

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

PROVISION OF SERVICE

Despite staffing challenges facing the ATS department, provision of air traffic service (ATS) has continued uninterrupted at all ATS units, except in cases of short-notice absences due to illnesses or other reasons (which only happened at single-manned regional units such as Ondangwa, Lüderitz and Katima Mulilo).

STATION STANDING INSTRUCTIONS (SSIs)

SSIs for all ATS units have been reviewed and updated, hence all units are in possession of their respective updated SSI versions.

SERVICE LEVEL AGREEMENTS WITH ATEL AND AIM

Service Level Agreements (SLA) have been developed and signed between the Aeronautical Telecommunications (ATEL) services and the Aeronautical Information Management (AIM) for the purpose of improving service delivery to our customers, thereby enhancing air navigation services safety.

CIVIL/MILITARY COOPERATION

A breakthrough has been made in respect of cooperation between the ANSP and the Ministry of Defence and Veterans Affairs (MODVA). A draft Memorandum of Understanding has been developed and shared with the MODVA for their input. A Civil/Military Cooperation Committee is expected to be formed during June 2021.

IMPLEMENTATION OF RNAV ROUTE UQ83

The ICAO AFI Region PBN Route Network Development Workshop in Accra, from 16 – 20 December 2019, agreed on the implementation of User Preferred Routes within the AFI Region as proposed by IATA. The direct route from Kinshasa FIR to Windhoek FIR traversing LUSAKA and LUANDA FIRs was part of the routes accepted by the workshop. In Namibia, this RNAV Route UQ83 was implemented on 24 March 2021.

The implementation of UQ83 within Windhoek FIR is aimed to offer airspace users the following benefits:

- Reduction in Flight time
 - Reduction in Fuel Consumption
 - Reduction in CO2 emission
 - Reduction in ATC/Pilot workload, etc.
-

LOOKING AHEAD: ATS PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

ATS BURSARY HOLDERS VALIDATION

All ATS bursary holders (2nd intake) are expected to undergo validation training upon successful completion of theoretical training and be validated by December 2021 (according to the training plan and programme). This validation training may be negatively affected by the travel restrictions due to the COVID-19 pandemic, and completion thereof may be delayed to a certain extent.

AREA CONTROL TRAINING

Six Approach Controllers are expected to undergo Area Procedural and Radar Control training at ATNS Aviation Training Academy in Johannesburg, South Africa. Successful completion of this training will address the current acute shortage of Area Controllers, to avoid partial downgrading of the upper airspace.

ATS UNITS CERTIFICATION

Together with other ANSP units, departments, stations, etc., the Certification process for ATS units has commenced and is currently ongoing. It is planned to continue until the year 2024 when certification of all ANSP units will be realised.

MOU WITH MILITARY

The draft Memorandum of Understanding or Cooperation Agreement between NCAA-ANSP and the MODVA which has been shared with the MODVA is planned to be signed before the end of the year 2021. A meeting is planned to take place at the Namibian Air Force Headquarters in Karibib (was delayed because of the COVID-19 pandemic) as soon as the situation permits the gathering of people in large numbers.

ATS INTERNAL SAFETY/STANDARDS AUDITS

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

TRAINING PLANS/PROGRAMMES

Completion of the review of ATS training plans and programmes is expected to be completed by December 2021. The shortage of Area Controllers has interrupted this process, as responsible personnel have been mostly occupied with operational duties.

REDUCTION IN ATS RELATED INCIDENTS

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

IMPLEMENTATION OF SMS AND QMS IN ATS

The process of implementing Safety Management Systems (SMS) and Quality Management Systems (QMS) in air traffic services has kicked off and is expected to continue until mid-2022.

STAFFING AT REGIONAL ATS UNITS

With the Bursary Programme producing several Aerodrome Controllers, some of the new Aerodrome Controllers will be stationed at Regional Units permanently after successful completion of their validation programmes.

RELOCATION OF ATS AT ONDANGWA

It is planned that provision of air traffic services at Andimba Toivo Ya Toivo (Ondangwa) Airport will be moved from the old air traffic control (ATC) tower to the newly constructed ATC tower. The relocation has in the past been delayed by the absence of safety-critical equipment which is required to be installed in the ATC tower (the airport operator is responsible for this installation) before the assumption of service provision from the facility.



SEARCH AND RESCUE

The purpose of SAR is operating a rescue coordination centre or rescue sub-centre, using available personnel and facilities to locate persons in distress

What we do

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

Search and Rescue Service

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

The ARCC (Aeronautical Rescue Coordination Centre) is situated at the ATCC at Eros Airport. The unit is responsible for promoting efficient organisation of search and rescue services and for coordinating the conduct of search and rescue operations within a search and rescue region. Note: The term ARCC will be used, and this applies to aeronautical search and rescue. Namibia is a Rescue sub-centre (RSC) to the ARCC Johannesburg, RSA. A Rescue Sub-centre is a unit subordinate to a rescue coordination centre established to complement the latter according to particular provisions of the responsible authorities. All ATS units in Namibia serves as alerting posts. Alerting posts will alert the SMC when there is a need for SAR and the SMC will activate the Rescue Coordination centre.



CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

ANSSO AUDIT FINDINGS:

Continuous parallel Implementation of Air Traffic Services Voice Recording System, Very High-Frequency radio network, and Voice Communication Switching system at Eros Air Traffic Control Centre, Hosea Kutako International Airport, and Walvis Bay International Airport. The parallel implementation is earmarked of replacing the performance failing older equipment

LOAs, SLAs AND MOUs

Letters of Agreement (LoA) exist with neighbouring states Republic of South Africa and the Republic of Botswana. The agreement with Angola is still under development and due to be signed in the next 18 months. SLA and MOU still need to be developed for SAR facilities both National and international. Currently assistance is provided on an ADHOC basis by the Police and Military

GLIDER ACTIVITIES

The gliding activities take place between 01 November and 31 January each year. Many gliders operate in the designated area and ELTs are active when they sometimes perform hard lands or get lost due to difficult navigation. The RCC does communication with the ground bases at relevant glider airfields to resolve the distress and to provide assistance

STATION STANDING INSTRUCTIONS (SSIs)

The RCC has a draft copy of MOP, this is a draft because the RCC is not fully developed at this stage. The SSIs for all ATS units have been developed and contains an appendix for SAR procedures

CHALLENGES FACED BY SEARCH AND RESCUE DURING THE REPORTING YEAR

Have 24-hour availability of trained persons - currently making use of ATS personnel to serve as an alerting post, ATC will call the SMC to activate the RCC. No trained staff because of overdue ATS training taking preference

Persons with a working knowledge of the English language - currently making use of ATS personnel will be adequate and best practice because all are holders of ATS licenses in compliance with NAMCARs part 65

Charts which apply to the SRR (aeronautical, nautical, topographic, and hydrographic)- the RCC is established jointly in the ATCC and use the available charts in the center, full operational RCC is still in planning stage

Means of plotting- currently for means of plotting, the SMC makes use of the Topsy Radar system in the ATCC

Ability to receive distress alerts, e.g., from MCCs, CESs, etc. - currently the SPOC information is currently shared using WhatsApp on a mobile phone, AFTN is used at the ATCC until the RCC can be equipped with AFTN and 24 hours operational staff

Immediate communications with: associated ATS units and associated RSCs - currently communication is established by use of the current VCCS in the ATCC. Awaiting full functional RCC

ACTIVITIES CARRIED OUT DURING THE REPORTING YEAR:

There were SAR activities assisted by COSPAS SARSAT ELT activation.

FALSE ELT REPORTS FOR THE PERIOD:

- V5 ANH E135 at Eros Airport activation - testing beacon
- V5 WAN B350: at General Mitchell International AIRPORT, Milwaukee, Illinois, USA activation-maintenance.
- V5 WEB E145 position - BAMAKO, MALI Activation- environmental condition (water)
- V5 WWA Senegal, West Africa, activation - beacon mishandling.

LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

SMC TRAINING

Plan is to train ATS personnel to act as SMC when the RCC is fully functional. Training plans and programmes are under construction

STAFFING

All crucial positions within SAR will be filled once training is completed. This will result in increased efficiency in provision of SAR services



COMMUNICATION, NAVIGATION AND SURVEILLANCE

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



From left to Right: Lazarus Uusiku, Mathew Amunkete, Benedictus Ashipala, Tuuliki Mekke Shikuma, Johannes Amakali, Hawakeshe T Kamwangha, Domingos David, James T Kapolo, Benestus Toromba, Julia Ndjene
Seated: Petrus K Heita, Abiatar Ntinda (Senior Manager), Hendrick Theophilus, Daniel Claasen

What we do

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

This is achieved by utilising specific management and testing apparatus combined with specialised knowledge to ensure the

serviceability of systems at airports and various remote sites throughout the country, in compliance with NAMACARs and NAMCATS.

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

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Sustained the performance and reliability of essential equipment by achieving mostly minimum of 91% statistical availability for all ANS systems

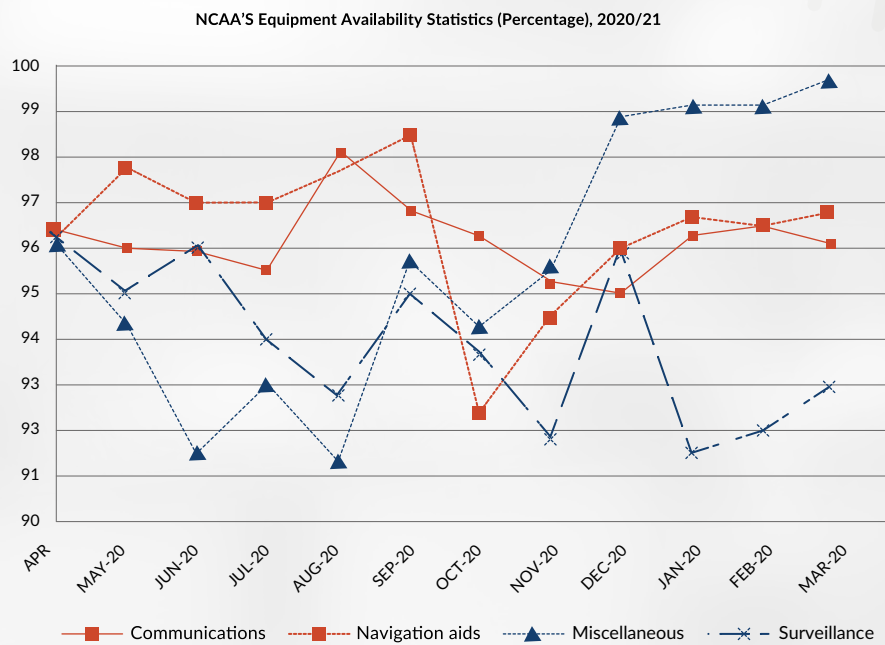
Continue to utilise modern technology to centralise monitoring, maintenance, and support

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

Human resources capacity increased with four (4) permanent additional ATSEPs in the last quarter of the financial year

Successfully implemented phase 1 of AIDC between Windhoek and Johannesburg Flight Information Region which will enhance Air Traffic Service delivery

Continuous parallel Implementation of Air Traffic Services Voice Recording System, Very High-Frequency radio network, and Voice Communication Switching system at Eros Air Traffic Control Centre, Hosea Kutako International Airport, and Walvis Bay International Airport. The parallel implementation is earmarked of replacing the performance failing older equipment



CHALLENGES FACED BY CNS DURING THE REPORTING YEAR

The CNS department faced various challenges during the reporting year.

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

Positions	Target	Approved Structure	Actual	+/- to Target
SM CNS	1	1	1	0
Comms SUP	1	1	1	0
NAV SUP	1	1	1	0
Surv SUP	1	1	1	0
Syst Data Mon SUP	1	1	0	-1
Elect Power SUP	1	1	0	-1
ATSEP WH	4	4	4	-2
ATSEP Out Station	1	1	0	-1
Sys Data Mon Spec	1	1	0	-1
Electr Power Spec	1	1	0	-1
Stores Officer	1	1	0	-1
ATSEP Asst WH	6	6	0	-6
CNS Support Staff	4	2	2	0
ATSEP Asst Out St	2	2	0	-2
Elect Power Asst	1	1	0	-1
Total	27	27	10	17

LOOKING AHEAD: CNS PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

Various plans have been initiated to address the constraints or challenges that are currently affecting the CNS department, to mention a few: Perform routine and continuous corrective maintenance trips once staff capacity has increased (eight more ATSEPs expected)

Service Level Agreement (SLA) with Telecom Namibia: Completion and implementation of the SLA with Telecom Namibia to enhance the time of response and delivery of network services required for ATS operations

Completion of OJT (On-Job-Training) for the second bursary ATSEP group

To further enhance the Air Traffic Service delivery, the new VOR/DME installed at Lüderitz will be put into service; implementing Phase 2 AIDC with South Africa, ATNS, and full commissioning of VRS, VHF, and VCS system in next financial year

Decommissioning of all the old VCS, VRS, and VHF at Hosea Kutako International Airport, Walvisbay International, and Eros ACC, tower as well as commissioning of Ondangwa ATC tower

Commissioning of ATS in the new ATC tower at Ondangwa (all documentation has been submitted and evaluated)

Completion and implementation of the Hosea Kutako International Airport new optic fibre ring

ON-GOING PROJECTS IN THE ANS

Voice Communication Switch (VCS) System Upgrade

During the previous year the NCAA completed the final installation of the operator panels as per the transition plan that was developed and agreed with stakeholders, which could only take place after the system had been commissioned. The system is now awaiting an upgrade which must be completed once the SLA with Telecom Namibia has been signed.

Voice Recording System (VRS)

The process is ongoing to repair the Voice Recording System at Walvis Bay International Airport, which is currently unserviceable. There had been a delay which is attributed to the repair work that needs to be performed by the Original Equipment Manufacturer (OEM) upon approval by the Procurement Committee. This unavailability of the services has been noted.

Relocation of ANS at Ondangwa Airport

The Relocation of ANS services at Andimba Toivo ya Toivo from the control old tower to the new control Tower is waiting for the repair of the link between the two towers by Telecom Namibia.

Instrument Landing System (ILS)

At Walvis Bay, the ILS is also operational and the ANSP had implemented all the requirements. Unfortunately, there are still some outstanding matters on the airport side and once these have been attended by the Namibia Airports Company the ILS at Walvis Bay can also be taken into operation.

Performance-Based Navigation (PBN)

The PBN project is a continuous process, as the need to improve the route structures within FIR continues, to ensure a safe, expedient, and economical air navigation route network through the airspace.

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

The NCAA has started the process. The tender has been awarded and the contracts with the consultancy are going to be signed shortly. It seems, however, that due to budgetary cuts this project may be delayed to some extent.

Installation of a fibre Network at the Hosea Kutako International Airport

The new subcontractor has completed the installation and, currently, the ANSP is busy obtaining the required approval before the transition can take place.

AIDC

The testing phase has been completed and the first phase of the project has been implemented successfully. Phase 1 has focused on the southbound traffic between Johannesburg FIR and Windhoek FIR. Phase 2 will focus on oceanic traffic entering and exiting the Windhoek FIR.

SAFETY AND QUALITY



Erik Bruys (Acting Senior Manager)

What we do

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

While still in its infancy, the Safety and Quality Office, is in the throes of developing and implementing the ANS Safety Management System, as well as the Quality Management system, with success being achieved, in the Aeronautical Information Management department acquiring ISO 9000:2015 certification following the certification audits which were carried out. The internal audit took place during August 2020, while the external audit took place during February 2021. The AIM ISO certificate was successfully retained.

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

Looking towards the next year, the office will be interacting with all ANS departments, to develop the required Quality Procedures for the ANS

Looking towards the next year, the office will be interacting with all ANS departments, to develop the required Quality Procedures for the ANS, supporting another step in obtaining full ISO certification for the NCAA ANS. While this could take longer than the next twelve months, the objective is to complete as much of the work as possible to achieve the goal of certification for the ATM department within the next two years.

While it is not acceptable for Air Traffic Controllers or other staff members to make mistakes, the NCAA ANS recognises the fact that errors will occur and apply a policy of a Just Environment, in that errors will be identified and corrected without prejudicing the person concerned. However, the transgression of policies and procedures is not acceptable within this environment and disciplinary action may be taken.

A number of ANS related incidents were reported during the reporting period. These incidents included runway incursions, coordination failures, unauthorized entry into Namibian airspace, flight crew's non-compliance with ATC clearances, and aircraft technical failures. ANS conducted internal investigations and discovered that some of the root causes were human error, system error, and technical failures. Corrective actions taken included, but not limited to remedial training to ANS personnel involved, safety meetings/sessions with operators affected, review of existing operational procedures, and development of new operational procedures have been taken to ensure re-occurrence of such incidents is prevented.

AIR NAVIGATION SERVICE TRAINING

English Language Proficiency

As of May 2020, Namibian regulations require the holder of an Air Traffic Services (ATS) Licence to be a holder of at least a level 4 English Language Proficiency (ELP). To comply with said regulation, selected staff attended training as Designated Examiners in ELP, thus making it possible for the service provider to conduct ELP assessments internally instead of outsourcing the function. Valuable time and capital were saved by this decision and allowed the service provider to conduct ELP assessments on all ATS staff, thus complying with the Civil Aviation Authority requirement. All ATS staff reached level 5 upon their assessments.

On-The-Job-Training (OJT) Instructors

Instruction in Air Navigation Services (ANS) plays a crucial role in the employment of new staff, continuation training, and the maintenance of ATS licences. Obtaining an OJT Instructors rating requires a staff member to attend and pass an OJT Instructors course, presented by an approved Aviation Training Organisation (ATO) and in compliance with Namibian regulations. Such an ATO is not available within the borders of Namibia and, traditionally, staff would have to be sent on a course spanning over 2 weeks. The shortage of staff makes such a venture problematic as only a small number of staff can attend such training at any given time. The need for OJT Instructors was further highlighted with the bursary programmes being initiated as all of the bursary holders would require training within the timeframe stipulated by NAMCARs Part 65, to be operationally applied. It was planned that 10 ATCOs will attend an OJT course during January/February 2021, but that had to be delayed due to the COVID-19 pandemic. Considerations are underway to schedule the course during August 2021 in Windhoek. This undertaking will result in savings in time and money and places all ANS departments in a position to continue scheduled training programmes.

Safety Event Investigators

To enhance safety in aviation, to learn from past mistakes, and to improve upon future applications and decisions, every event in which safety could have been jeopardised is investigated. Investigating safety events requires the services of a trained individual who has experience and expertise in applying different investigation models and techniques to determine and prevent repeated events. With the establishment of standard procedures and documentation in the investigation of ATS-related safety events, an OJTI programme could be commenced, training Namibian ANS personnel on the various techniques and recommended practices in the investigation of safety events. A total number of five ANS staff

members have been receiving OJTI and mentorship in conducting these investigations with the result that events are investigated with minimum delay and with results that can be applied (in most instances) immediately. These actions provide not only for safer skies but also serve as continuous improvement in the delivery of service.

Competency-Based Training

The international standard in ANS has become competency-based training based. Unlike traditional training methods, competency-based training consists of smaller learning units and is focused on a specific key skill, critical in an ANS domain. A learner must first master/complete a single skill/objective before continuing to the next learning objective. The benefits of competency-based training have been proven, in especially ANS. It allows for better time management and subsequently reduced costs; learners have better retention since they are focused on one key aspect at a time; and the goals/objectives are clearly defined. The Namibian ANS has migrated to competency-based training, with the first success being observed within the AIM section with the validation of their bursary programme. This process requires that training plans, curriculums, training material, assessment formats, and criteria be created to serve the needs of the organisation. There is no off-the-shelf product that can be implemented with the same level of accomplishment. The process one of improvements made as experience is gained and programmes and plans adapted to the needs of each section or unit.

COMMUNICATION, NAVIGATION AND SURVEILLANCE TRAINING

Bursary Programme

A total of 12 Air Traffic Services Electronic Personnel (ATSEP) bursary holders have been selected to attend training programmes in South Africa. The complete programme consists of Communication Systems, Navigations Systems, Surveillance Systems, and Equipment Specific Training. Of the 12 bursary holders, 6 have completed the programme and six have just completed their practical training in South Africa. The training was halted due to the outbreak of COVID-19 and practical training resumed in January 2021. The practical training will be completed by end of June 2021.

Validation Training

Practical training also referred to as validation of academic skills, requires a pre-planned programme that includes lesson plans, lesson manuals, examinations (both theory and practical) to comply with international standards. In addition, such programmes allow for efficient application of personnel and training that focuses on both quality and cost-effectiveness. A training programme was created to fit the requirements of Namibia taking into consideration the unique challenge of a multitude of equipment spread over vast terrain: currency of personnel, availability of key (read instructors) personnel and the application of resources. As the training programme is a first for the service provider it shall be subjected to continuous improvement, in the end providing a final training programme that achieves all the set goals.

AERONAUTICAL INFORMATION MANAGEMENT TRAINING

Bursary Programme Validation Training

AIM is not a licensed discipline in respect of regulations, but the unit chose to conduct their training per the highest standards as prescribed by international bodies for Air Traffic Services. This decision had the advantage that training was conducted to a specified standard, that it was conducted per the latest training techniques, and in essence provided a platform for the 100% pass rate. Training programmes, materials, evaluation methods, and instructional checklists were created to cater to the unique requirements of Namibia and the various services that the section provides to both local and international stakeholders. The programme was completed by all of the learners (5), thereby complementing the section with much-needed staff. This was also the first of its kind in respect of utilising competency-based training in a non-licensed environment, thereby exceeding regulated requirements. All 5 AIM bursary holders completed the OJT and were offered, and accepted, permanent job offers in the NCAA.

Quality Management

In compliance with regulations and international standards, the Aeronautical Information Management (AIM) section had to be certified by the International Organisation for Standards (ISO). Said certification (amongst others) required that all personnel of the AIM section undergo and complete ISO Training. The training was conducted on-site in Namibia to save costs and minimise the impact on operational requirements for all new AIM staff members which took place during November 2020 for a period of 4-weeks. All new AIM personnel attended this ISO training and achieved a 100% pass rate. The knowledge gained from the completion of the training did not only allow for the retainment of an ISO certification for the section but also empowered staff to take ownership of quality in the section, a key component of a successful quality management system. The first refresher training is planned to take place in the second quarter of 2021.

AIR TRAFFIC SERVICES TRAINING

Validation Training for Bursary Programme

A group of 9 bursary holders from the first intake completed a series of courses at ATNS Aviation Training Academy, South Africa, to obtain the required academic ratings to become Air Traffic Controllers. The first of these courses was the ATS Core Content course, which they completed with distinction. The group continued their training with the completion of an Aerodrome Control Course. An intensive 3-month training course which consists of both academic and simulated (practical) training. This course was followed by completing a Flight Information Services course providing the bursary holders with ATS ratings in both Aerodrome and Flight Information Services. The bursary holders completed all the required rating training before returning to Namibia. The course report again reflects the commitment and discipline of the candidates by a comment such a *"willing to learn"* and *"go the extra mile to complete required tasks in limited time"*.

Since an Air Traffic Services Rating must be validated using a set number of hours with an instructor per local regulations, all nine ATS bursary beneficiaries underwent an OJT (validation training) on ATSA, Aerodrome Control, and Flight Information Services, which they completed during the reporting period.

To efficiently apply available human resources, several staff have been crossed-validated at both Eros and Hosea Kutako Air Traffic Services Units. This cross-validation process required that experienced Air Traffic Controllers receive OJT in those units for which they do not hold validations. Regulation requires each Air Traffic Controller to validate his/her ratings for and every unit the staff member is expected to perform operational duty. The success of this process enabled the Air Navigation Service Provider (ANSP) to further apply personnel in a multitude of positions, thus making the most effective use of available resources. This validation training programme was also used by staff who had recently completed the OJT Instructors course to validate their ratings and gain valuable experience.

Standard Instrument Departures and Arrivals

Standard Instrument Arrivals (STAR) and Standard Instrument Departures (SID) are procedures implemented across the world at airports that benefit from standard procedures. With these additions to some Namibian airports, the need for training of ATS personnel arose to understand and be able to manage said procedures. All ATS staff at those units that introduced SID and STAR procedures underwent comprehensive training focused on the efficiency of use as well as the critical safety element involved. Monitoring of the implemented procedures is continuous as well as the performance of staff allowing the ANS provider to conduct additional training should the need arise/be identified.

FUTURE TRAINING REQUIREMENTS

Safety Management System

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

Quality Management System

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

Fatigue Risk Management

It is an international and local requirement that ANS providers educate their staff on the identification of fatigue in themselves and others, to understand the consequences and safety risks associated with fatigue and how to prevent fatigue. Through various training programmes and self-awareness programmes, the management of fatigue will be effectively conducted at all levels within the organisation.

ATS and AIM Supervisors

The introduction of operational supervisors has been in process internationally over at least the past decade. Namibia has taken the step to implement operational supervisors to increase safety and efficiency. Training programmes for these individuals are planned to take place in 2021/22 to further their skills.

Management Training

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

SUPPORT FUNCTIONS

INFORMATION COMMUNICATION TECHNOLOGY (ICT)



Standing: Melvin Dewanie April, Sofia Namupala, Simon L Valombola
Seated: Tobias Gunzel (Acting General Manager: ICTP)

The CNS and ICTP Division has two components, where the Communication, Navigation, and Surveillance (CNS) component is discussed under ANS since it is an integrated part of the Air Navigation Services. The ICTP component stands for Information and Communication Technology and Projects. ICTP is a service provider within the NCAA and provides the required ICT infrastructure required for the NCAA to be efficient and effective through a safe and secure IT network. The Project section is developing, managing, and overseeing various projects within the NCAA. These projects have included the construction of the

ICTP is a service provider within the NCAA and provides the required ICT infrastructure required for the NCAA to be efficient and effective through a safe and secure IT network. The Project section is developing, managing, and overseeing various projects within the NCAA

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

THE PROJECTS OFFICE



Nerago Ndoroma (Manager)

The Project Office also aims to provide project management services, guidance, and support to the various departments in implementing ad-hoc intra-departmental initiatives

The Projects Office was established to define and maintain the standards and processes related to the management of NCAA's projects. The section's core objective is to provide a stable project management framework that supports the Authority in realigning and consolidating all strategic activities into projects to improve the probability of successful delivery of all its services and compliance obligations. The Project Office also aims to re-align and consolidate ad hoc organisational initiatives whilst ensuring focus within the different functions. This realignment will enable NCAA to continue providing first-rate regulatory services to the aviation industry whilst the reform processes are ongoing. The Project Office also aims to provide project management services, guidance, and support to the various departments in implementing strategic and ad-hoc intra-departmental initiatives, running them according to project management best practices. An additional function performed by the Project Office is Facilities Management Support for the NCAA Headquarters.

The Office is expected to function as follows:

- Prioritisation centre for urgent ad-hoc projects
- The linkage between the different divisions within the organisation and outside service providers
- Determining the needs of the various divisions and evaluating these needs

- Participating in decision making regarding the procurement (outsourcing or insourcing) of projects
- In the case of outsourcing, sourcing, and managing adequate service providers to provide solutions to the organisational needs, and evaluating the implementation and effectiveness of the solutions provided.

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

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

The Department is run by a Manager: Projects, who is to be assisted by a Project Administrator and seconded staff as required. The Office reports to the General Manager CNS and ICTP (Communication Navigation Services; Information Communications Technology and Projects).

CRITICAL ACHIEVEMENTS DURING THE REPORTING PERIOD

EMPIC rollout Project. EMPIC being a standard software solution that assists Civil or Military Aviation Regulators in the implementation of national and international regulations from, for example, ICAO

Flight Operations Regulations and Standards Project and ICAO Audit Preparation

Change Management support to HR Department

2021 Annual Report Project

LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

Various Strategic and Ad-hoc organisational initiatives as allocated



HUMAN RESOURCES



Standing: Maria M Tibinyane, David U Uushona
Seated: Beverley S Skrywer

Absent: Tuyeimo Paavo

The NCAA regards its employees as its biggest assets, and human capital remains the most critical part of the NCAA and its operations. To effectively fulfil its responsibilities, the NCAA needs to be properly organised and staffed with qualified personnel capable of accomplishing the required wide range of technical duties in safety oversight and service provisioning. To ensure that qualified personnel performing safety oversight functions and service provisioning are recruited and retained. Retention of staff is key for the NCAA. To achieve that objective, the Employee Value Proposition (EVP) is very important and the NCAA established an EVP committee for employee engagement and satisfaction.

The EVP logo for staff communication and engagement is depicted in the diagram below:



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

The Human Resources Section is well established to support the core function of the NCAA. It is tasked with appointing employees to assist the NCAA in fulfilling its mandate in terms of the Civil Aviation Act of 2016, (Act 6 of 2016).

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

The NCAA has an approved staff structure of 222 positions for the 5-year Business and Financial Plan period 2017/2018-2021/2022. The staffing objective of the previous financial period was achieved, and the additional permanent staff was recruited. Due to the financial impact of the COVID-19 pandemic, the NCAA had to revise its recruitment strategy and focus on filling critical positions and defer planned positions to the next financial year.

The recruitment and continuous training of personnel, including licensed Air Traffic Controllers, is a significant area of focus for the NCAA.

Employee Demographics as at end of March 2021

DESCRIPTION	MARCH 2021
Staff Training (tuition costs only)	N\$2,676,284.00
ANS Bursaries	N\$6,479,275.00
Disability	1
Total	148
Comparison between Male and Female	
Males	96
Females	52
Total	148

Training cost incurred during the financial year 2020/2021

CATEGORY	AMOUNT
Staff Training (tuition costs only)	N\$2,676,284.00
ANS Bursaries	N\$6,479,275.00

Occupational Health and Safety

In compliance with Section 6 of the Labour General Regulations: Labour Act, 2007 (Act 11 of 2007), the NCAA staff nominated, elected and appointed two Health and Safety Representatives in March 2021. They are Mr Victor Kaurimuje for the Regulator and Ms Tuuliki Mekke Autoni for Air Navigation Services Provider.

The Health and Safety Officers and the Human Resources staff members attended the Health and Safety Training from 26-28 May 2021 in line with the Labour Act.



The NCAA received its first Affirmative Action Compliance certificate on 11 February 2021. The committee members celebrated the achievement as depicted in the pictures above.

CIVIL AVIATION REGISTRY



Thamsanqa Moyo (Head)

“The CAR is required to maintain, records and keep copies or appropriate proof of documents and information based on the list required under Section 52(2) of the Act”

In terms of Section 52 of the Civil Aviation Act (Act 6 of 2016) the Executive Director must establish the Civil Aviation Registry (CAR) for NCAA. The CAR is required to maintain, records and keep copies or appropriate proof of documents and information based on the list required under Section 52(2) of the Act.

The CAR division has its duties, and responsibilities established in compliance with the National Archives of Namibia requirements. The records taxonomy (File Plan) and the Records Center, commonly known as the Archives is established under the division. The Development of Digi-Guide online Document Repository and the Electronic Records Management System (ERMS) specifications/requirements were completed.

LOOKING AHEAD: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR

Development of digital register of opened cases/volumes

Development of library automated system

Overseeing the configuration of MS365 i.e. inputs from the information governance perspective

Development of proposed technical library space

FINANCIAL PERFORMANCE OVERVIEW



The operating expenditures are reduced by 33% when compared to the prior year due to the cost control measures implemented as a result of COVID-19

Standing: Barbara Hishono, Unouzeu Mazeingo, Pendukeni E T Nauyoma, Ester Amupolo
Seated: Robert Namaseb

Absent: Festus Shilunga, Foibe Johannes, Aron Narib

The NCAA has completed its fourth financial year end, being 31 March 2021. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and as required by the Civil Aviation Act of 2016.

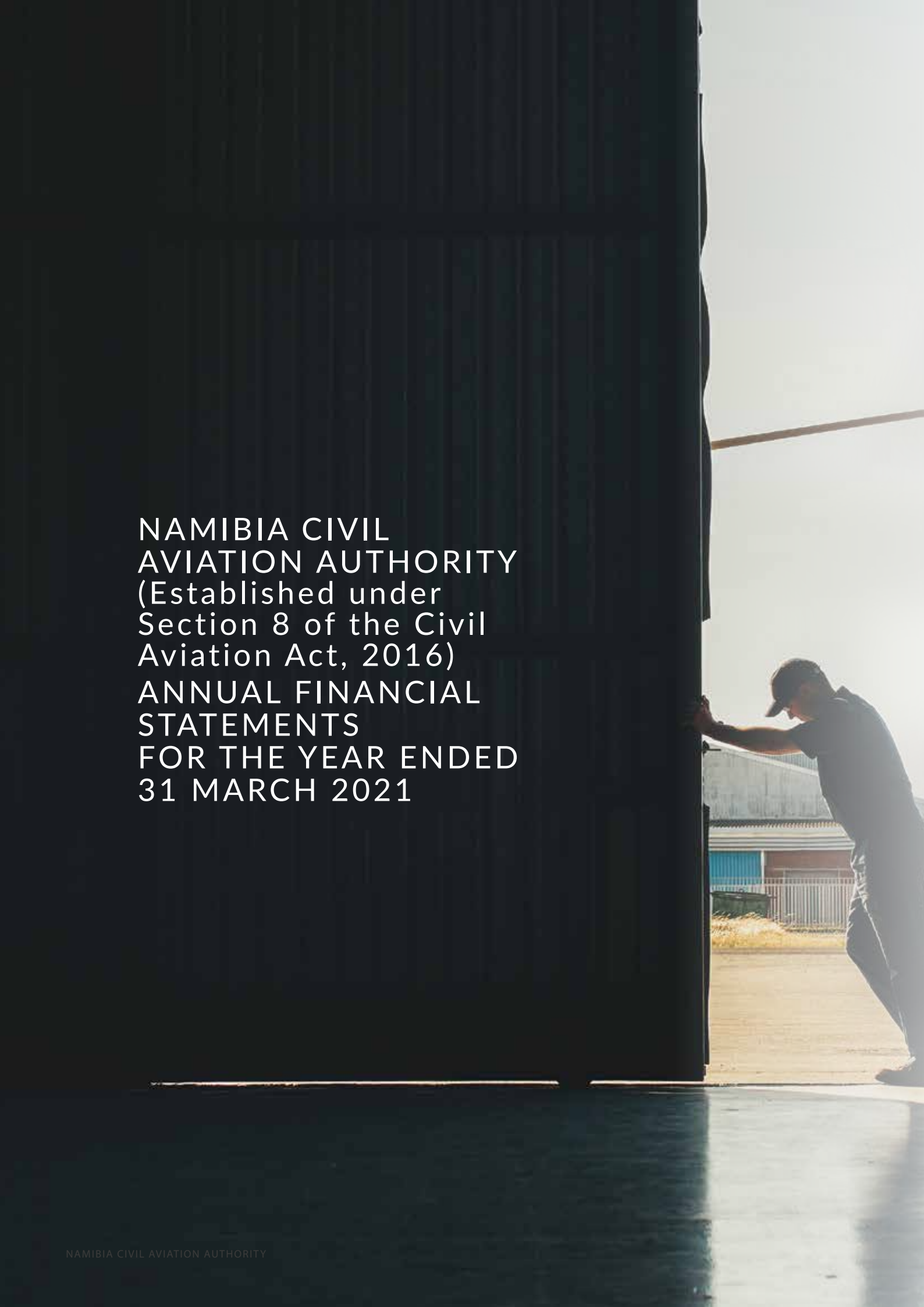
The Pandemic continues affecting the aviation activity and the Authority has incurred an accounting loss of N\$101m for the year ended 31 March 2021. This is partially offset by N\$74m Government financial support. Revenue from industry remains minimal with overall revenue recorded during the period ended

March 2021 reduced by 83% when compared to the previous year. The operating expenditures are reduced by 33% when compared to the prior year due to the cost control measures implemented as a result of COVID-19.

The Statement of Financial Position shows a growth in gross assets of 94% from N\$296m to N\$575m, mainly due to the transfer of assets from GRN to the NCAA worth N\$292m. There were no changes to the fees and charges during the year ended March 2021.



ANNUAL FINANCIAL STATEMENTS



NAMIBIA CIVIL
AVIATION AUTHORITY
(Established under
Section 8 of the Civil
Aviation Act, 2016)
ANNUAL FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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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 2021

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors of the Authority are responsible for the maintenance of adequate accounting records and the preparation and integrity of the 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.

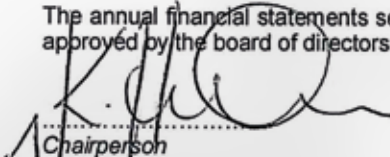
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Authority and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards 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.

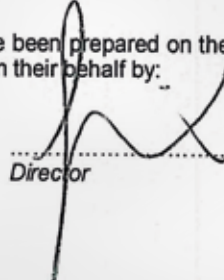
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2022 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.

The annual financial statements set out on pages 6 to 42, which have been prepared on the going concern basis, were approved by the board of directors on 29.11.2021 and are signed on their behalf by:


.....
Chairperson


.....
Director



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 Namibia

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Namibia Civil Aviation Authority

Qualified Opinion

We have audited the annual financial statements of Namibia Civil Aviation Authority set out on pages 9 to 41, which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Namibia Civil Aviation Authority as at 31 March 2021, 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 Qualified Opinion

On 1 February 2021 the Ministry of Works and Transport of Namibia gazetted the transfer of property, plant and equipment statutorily valued at N\$ 292,455,000 to Namibia Civil Aviation Authority. Namibia Civil Aviation Authority recorded the transferred property, plant and equipment in its books of accounts at the recognition date at the statutory value instead of fair value as required by IAS 16 - Property, plant and equipment. We were unable to perform any alternative procedures to verify the fair value of the transferred property, plant and equipment as the Authority had not yet done the fair valuation of the transferred property, plant and equipment as disclosed in Note 11 - Property, plant and equipment of the annual financial statements.

In terms of IAS 36 - Impairment of Assets, an impairment test is required to be carried out for non-financial assets when there is objective evidence of impairment indicator(s) at reporting date. The management disclosed in Note 23 - Going concern of the annual financial statement, that the Authority is operating at a loss as the aviation industry continues experiencing a material decline in operating activity, due to the declaration of a global pandemic in early 2020 and the subsequent lockdown of borders implemented in various countries across the globe. In addition, management also disclosed that it has been forecasted that the adverse conditions will remain and the return to normality or pre Covid-19 time is only expected in 2024. The above mentioned matters provide objective evidence of indicators of impairment of non-financial assets. However, the management disclosed in Note 11 - Property, plant and equipment of the annual financial statements that the Authority had not yet done the fair valuation of the transferred property, plant and equipment as required in terms of IAS 16 and that no impairment testing was done at reporting date as required in terms of IAS 36. Consequently, we were unable to obtain sufficient appropriate audit evidence about the recoverable amount of the Authority's property, plant and equipment as at 31 March 2021.

As a result of the above-mentioned matters, we were unable to determine whether any adjustments might have been found necessary in respect of the Authority's property, plant and equipment that is stated in the statement of financial position at N\$ 314,902,000 as at 31 March 2021 and the elements making up the



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statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows.

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 qualified opinion.

Other information

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

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

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

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

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.



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 WINDHOEK
 Namibia

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.
- 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
05 November 2021

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
REPORT OF THE DIRECTORS
for the year ended 31 March 2021

The directors have pleasure in presenting their report on the annual financial statements of Namibia Civil Aviation Authority for the year ended 31 March 2021.

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 over the financial year in the form of transfer of property, plant and equipment, and cash paid directly to suppliers of the Authority amounted to N\$316,068,709 (2020: N\$69,404,767), whereas the cash equity contributions received related to budgetary supports amounted to N\$74,736,157 (2020: N\$ nil). 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

As of 31 March 2021, the Authority's investment in property, plant and equipment (excluding right of use of assets recognised in terms of IFRS 16 Leases) amounted to N\$289, 696,000 (2020: N\$6,294,000) of which N\$ 71,000 (2020: N\$6,305,000) were acquired during the year.

Assets worth N\$300,468,294 have been statutorily transferred from the Ministry of Works and Transport as per the Gazette No. 7446 dated 1 February 2021 to the Authority under Section 23 of the Civil Aviation Act, 2016. Transferred assets have been recorded at statutory value of N\$292,453,555 as verified by the Authority and adjusted useful lives as determined by the Ministry in accordance with the State Finance Act. The conditions of the GRN transferred assets were assessed during the verification process held in the third quarter of the financial period 2021 and no further impairment testing was done, with fair valuation of assets planned later in the next financial period.

SIGNIFICANT LEASE ARRANGEMENTS

Sites and Tower rentals

The NCAA since establishment has been renting tower & sites for it is communication, navigation, and surveillance (CNS) purposes and have entered into contractual agreement with its suppliers. An amount of N\$3,818,000 has been spent on sites & tower rentals during the period (2020: N\$3,257,000). 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 in current year as disclosed on Notes 2 and 25 to the annual financial statements.

Telecommunication lines rentals and charges

Over the financial year, the NCAA paid N\$5,581,000 (2020: N\$7,428,000) service charge incurred in the use of landlines and data lines for it is communication, navigation, and surveillance purposes. The Authority's including the ANS division IFRS 16 assessment concluded that some of these arrangements are leases and incorporated in the annual financial statements. The right-of use assets as well as the lease liability were recognised in current year as disclosed on Notes 2 and 25 to the annual financial statements.

TAXATION

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
REPORT OF THE DIRECTORS (continued)
for the year ended 31 March 2021

DIVIDEND

In accordance with Section 24 of the Civil Aviation Act of 2016, no dividend has been declared and paid during the year (2020: N\$nil).

DIRECTORS AND SECRETARY

The following persons acted as directors of the Authority, including Air Navigation Services, as from 1 November 2016 to October 2020:

KH Egumbo (Chairperson)
RO Gärtner (Interim Executive Director from 1 June 2019 to 30 November 2020)
MK Jankie (Deputy Chairperson)
IK Thudinyane (Director)
U Katjuanjo (Director)
U Katjipuka-Sibolile (Alternate)
G D Elliott (Interim Corporate Secretary) (1 November 2016 to 31 October 2020)

The following persons act as directors of the Authority, including Air Navigation Services, as from 4 November 2020:

Bethuel T Mujetenga (Chairperson)
Kadiva Hamutumwa (Deputy Chairperson)
Melkizedek Uupindi (Director)
Josephine Amukwa (Director)
Fernando Somaeb (Director)
Martha Hitenyane (Director)
Christoph Seimelo (Interim Corporate Secretary) 1 November 2020 to 31 December 2020
Nerago Ndoroma (Acting Corporate Secretary) from 01 January 2021
G D Elliott (Acting Interim Executive Director) (1 December 2020 to 31 August 2021)
Ericksson M. Nengola (Acting Interim Executive Director) 01 September 2021 till present)

The business and postal address of the Authority and Secretary are set out below:

Business address:

NCAA Building
Rudolph Hertzog Street
WINDHOEK

Postal address:

Private Bag 12003
WINDHOEK
NAMIBIA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
REPORT OF THE DIRECTORS (continued)
for the year ended 31 March 2021

GOING CONCERN

The Authority incurred a net loss of N\$101,668,000 (2020: surplus N\$24,032,000) for the year ended 31 March 2021 and utilized cash from operating activities amounting to N\$47,725,000 (2020: generated N\$105,147,000). The aviation industry continues experiencing a material decline in operating activity, due to the declaration of a global pandemic in early 2020 and the subsequent lockdown of borders implemented in various countries across the globe.

As a regulator of the industry and a service provider of the air navigation services in Namibia, the NCAA major revenue streams from the airlines are passenger safety charge, enroute charge, terminal charge, and aerodrome charge. The lockdown in Namibia and internationally during the period has resulted into the NCAA earning very little to no revenue.

It has been forecasted that the conditions will remain and the return to normality or pre Covid-19 time is only expected in 2024. The issue explained above have caused significant strain on the financial resources of the NCAA.

The Authority's is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable us to assess these risks and implement appropriate mitigation measures to respond to the challenge posed by the Covid-19 and the liquidation of one major customer which resulted into loss of revenue.

Given the above, the annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that the Authority, and therefore ANS, will be able to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of the business.

SUBSEQUENT EVENTS

The Authority considers known events and expected eventualities identified as at 31 March 2021 as adjusting events. However, any new information/change in circumstance will be considered as non-adjusting events which will be disclosed if considered material.

Therefore, new information and changes in circumstances that arise in the post balance sheet period, that relate to assets and liabilities in existence at 31 March 2021, should be considered adjusting events. New events and circumstances which occur after 31 March 2021 related to Covid-19 is disclosed if material.

The Authority is satisfied that the appropriate considerations have been considered with regards to the impact of Covid-19 to the annual financial statements for the year ended 31 March 2021 with regards to subsequent events.

One major customer's account of the Authority with a gross carrying amount of N\$ 83,051,114 has been liquidated resulting into debts being claimed through the liquidation legal process.

There were no other 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.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
STATEMENT OF FINANCIAL POSITION
as at 31 March 2021

	<u>Notes</u>	<u>2021</u> <u>NS'000</u>	<u>Restated</u> <u>2020</u> <u>NS'000</u>
ASSETS			
NON-CURRENT ASSETS			
		315 458	37 148
Property, plant and equipment	11	314 902	36 248
Intangible assets	12	556	900
CURRENT ASSETS			
		285 249	288 866
Trade and other receivables	13	19 387	48 535
Short-term investments	14, 17.2	260 570	234 753
Bank balances and cash	17.2	5 292	5 578
TOTAL ASSETS		<u><u>600 707</u></u>	<u><u>326 014</u></u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
		557 091	267 955
Government contributions	15	805 016	414 212
Accumulated loss		(247 925)	(146 257)
NON-CURRENT LIABILITIES			
		25 421	30 454
Lease liability	18	25 421	30 454
CURRENT LIABILITIES			
		18 195	27 605
Trade and other payables	16	13 316	23 305
Lease liability	18	4 879	4 300
TOTAL EQUITY AND LIABILITIES		<u><u>600 707</u></u>	<u><u>326 014</u></u>

NAMIBIA CIVIL AVIATION AUTHORITY
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	<u>Notes</u>	<u>2021</u> <u>N\$'000</u>	<u>Restated</u> <u>2020</u> <u>N\$'000</u>
REVENUE	5	44 858	249 914
OPERATING COSTS	7	(156 440)	(232 472)
Operating (loss)/profit		(111 582)	17 442
Finance income	8	13 439	10 680
Other Income/(expenses)		47	(100)
Finance cost	9	(3 572)	(3 990)
(LOSS)/PROFIT before taxation		(101 668)	24 032
Taxation	10	-	-
(LOSS)/PROFIT for the year before other comprehensive income		(101 668)	24 032
Other comprehensive income		-	-
COMPREHENSIVE (LOSS)/INCOME for the year		(101 668)	24 032

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2021

	Note	Government contributions NS'000	Restated Accumulated loss NS'000	Total NS'000
AUTHORITY				
Restated balance as at 01 April 2019		344 807	(170 289)	174 518
Previously disclosed		344 807	(166 301)	178 506
IFRS 16 adoption		-	(3 988)	(3 988)
Restated Comprehensive income for the year		-	24 032	24 032
Previously disclosed		-	24 844	24 844
Correction of prior error		-	(812)	(812)
Government contributions	15	69 405	-	69 405
Restated balance as at 31 March 2020		414 212	146 257	267 955
Previously disclosed		414 212	(141 457)	272 755
Correction of prior error		-	(4 800)	(4 800)
Government contributions	15	390 804	-	390 804
Comprehensive loss for the year		-	(101 668)	(101 668)
Balance at 31 March 2021		805 016	(247 925)	557 091

NAMIBIA CIVIL AVIATION AUTHORITY
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

		<u>2021</u> NS'000	<u>Restated</u> <u>2020</u> NS'000
CASH FLOWS FROM OPERATING ACTIVITIES			
		(41 188)	115 827
Cash receipts from customers		62 462	247 496
Cash paid to suppliers and employees		(110 187)	(142 349)
Cash (utilized)/generated by operations	17.1	(47 725)	105 147
Finance income	8	6 537	10 680
CASH FLOWS FROM INVESTING ACTIVITIES			
		(145)	(7 033)
Acquisition of property, plant and equipment	11	(71)	(6 305)
Proceeds on disposal of property, plant and equipment		-	14
Acquisition of intangible assets	12	(74)	(742)
CASH FLOWS FROM FINANCING ACTIVITIES			
		66 864	(7 772)
GRN contributions	15	74 736	-
Lease payments	18	(7 872)	(7 772)
Cash and cash equivalents for the year		25 531	101 022
Cash and cash equivalents at beginning of year		240 331	139 309
CASH AND CASH EQUIVALENTS AT END OF YEAR	17.2	265 862	240 331

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

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 other than IFRS16 as disclosed in note 2.

2. ADOPTION OF NEW AND REVISED STANDARDS

It is important to note that the financial information has been prepared in accordance with IFRS that are effective at 31 March 2021. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Note 21.

Amendments to the following standards have been adopted as at 1 April 2020:

- Conceptual framework: amendments to references to the conceptual framework in AFRS standards
- IAS 1: amendment to presentation of annual financial statements' and IAS 8, accounting policies, changes in accounting estimates and errors on the definition of materiality
- IFRS 3: amendment to business combinations /definition of a business
- IFRS 9, IAS 39 & IFRS 7: amendments, interest rate benchmark reform

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 above standards have no material impact on current or comparative presentations.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the IFRS 16 Leases.

This note explains the impact of the adoption of IFRS 16 Leases on the annual financial statements.

The NCAA has adopted IFRS 16 retrospectively from 1 April 2019 with certain simplifications and exemptions, and has not restated comparatives for the 2019 reporting period, as permitted under transitional provisions of IFRS 16. The reclassifications and the adjustments arising from the new leasing requirements are therefore recognised as an adjustment to the opening balance of retained earnings as of 1 April 2019.

On adoption of IFRS 16, the company recognise lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17, leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate

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of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 10,738%.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

2. ADOPTION OF NEW AND REVISED STANDARDS(continued)

In applying IFRS 16 for the first time, the company has used the following practical expedients permitted by the standard:

Impact of IFRS 16 adoption

Statement of Financial Position

	31 March 2019 <u>N\$'000</u>	IFRS 16 transition adjustment at 1 April 2019 <u>N\$'000</u>	Restated balance at 1 April 2019 <u>N\$'000</u>
AUTHORITY			
Assets			
Right-of-use-asset	-	34 681	34 681
Equity and Liabilities			
Accumulated loss	(166 301)	(3 988)	(170 289)
Lease liabilities	-	38 669	38 669
	(166 301)	34 681	(131 620)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

3. ACCOUNTING POLICIES

Revenue recognition

Revenue represents the gross inflow of economic benefits during the year arising in the course of the ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Included in revenue are net invoiced sales to customers for services.

The Authority has rights and obligations between itself and its customers. The services provided by the Authority to these customers however, in the case of air navigation services, occur at a particular point in time and are fulfilled at that point. Regulatory services are provided continually and are charged to industry on a basis that is relevant to the customers who use such services. The basis, which is formulated on passenger seats on international departing flights, is regular and repetitive and is seen to accurately reflect the rights and obligations creation and the consumption thereof, in that the service is over a period of time, and the invoicing is broken down into sufficiently small components to match the costing of such services and not to materially misstate revenue.

A receivable asset is recognised when the service is provided, as this is point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The accounting policies for the Authority's revenue from contracts with customers are further explained in note 5.

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

Employee benefit costs

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees. The cost of short-term employee benefits is recognized in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognized as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of profit-sharing and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Provisions

Provisions represent liabilities of uncertain timing or amount. Provisions are recognized when the Authority has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

Provisions are measured at the expenditure required to settle the present obligation. Where the effect of discounting is material, provisions are measured at their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks for which future cash flow estimates have not been adjusted.

Leasing

The Authority leases sites and towers for air navigation equipment usage. The Authority assesses whether a contract is or contains a lease, at inception of the contract. The Authority recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office furniture). For these leases, the Authority recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)

Leasing (continued)

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

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Authority did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Authority incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Authority applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)

Taxation

Income tax expenses represent the sum of the tax currently payable and the movement in deferred tax.

Deferred taxation is recognized using the liability method for all temporary differences arising between the tax basis of assets and liabilities and their carrying amounts, unless specifically exempt, at the tax rates that have been enacted or substantially enacted at the reporting date.

A deferred taxation asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences and the carry-forward of unused tax losses. Deferred taxation assets are only recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

A deferred taxation liability represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognized for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and it is the intention to settle on a net basis.

Property, plant and equipment

Property, plant and equipment are accounted for at cost to the Authority less accumulated depreciation and less impairment losses and are depreciated on the straight-line basis over their expected useful lives to residual values at the following annual rates:

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

Freehold land is not depreciated as it is deemed to have an indefinite life.

Subsequent costs are included in the asset's carrying amount, or recognized as separate assets, only when it is probable that future economic benefits associated with the item will flow to the Authority, and the cost of the item can be measured reliably.

The carrying value of any replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Assets in the course of construction and installation are not depreciated.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit and loss.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

Property, plant and equipment (continued)

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

3. ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets are recognized at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Historical cost includes expenditure that is directly attributable to the generation of items. Subsequent costs are included in the asset's carrying amount, or recognized as separate assets, only when it is probable that future economic benefits associated with the item will flow to the Authority, and the cost of the item can be measured reliably.

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, the effect of any changes in estimate being accounted for on a prospective basis.

Subsequent to initial recognition, intangible assets are recognized at cost less accumulated amortization and accumulated impairment losses.

Amortization is calculated using the straight-line method to allocate their cost to their residual value over the estimated useful lives, typically over a 3 year period.

Assets in the course of construction are not amortized.

Impairment of assets

At each reporting date, the directors of the Authority review the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized in profit and loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized in profit and loss.

Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Management must be committed to the sale, and there must be an expectation that the sale will be completed in one year.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)

Government contributions and grants

Contributions from government for the establishment of the Authority are recorded as equity contributions.

Government grants are not recognized until there is reasonable assurance that the Authority will comply with the conditions attached to them and grants will be received.

A government grant of which the primary condition is that the Authority should purchase, construct or otherwise acquire non-current assets is recognized as deferred income in the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognized as income. 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.

Foreign currency

Assets and liabilities in foreign currencies are translated to Namibian currency at rates of exchange approximating those ruling at the reporting date. Profits and losses arising on translation are dealt with in the statement of comprehensive income.

In order to hedge its exposure to certain foreign exchange risks, the Authority enters into forward contracts and options (see below for details of the Authority's accounting policies in respect of such derivative financial instruments).

Financial instruments

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

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

Financial assets which are debt instruments:

- Amortised cost;

Financial liabilities:

- Amortised cost;

Financial instruments and risk management presents the financial instruments held by the Authority based on their specific classifications. The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Authority are presented below:

The Authority regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable and prepayments are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Authority's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Authority becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

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

Trade and other payables

Classification

Trade and other payables and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Trade and other payables are recognised when the Authority becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in interest paid.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

Financial assets

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

Financial liabilities

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

Reclassification

Financial assets

The Authority only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated. The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

Income from investments

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

Restatement of comparatives

The comparative figures have been restated as disclosed on Note 25.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions concerning the future are made by the Authority and the resulting accounting estimates will, by definition, seldom equal the related actual results.

Accounting policies that have been identified as involving particularly complex or subjective judgments or assessments are as follows:

Deferred taxation assets

Deferred taxation assets are recognized to the extent that it is probable that taxable income will be available in future against which they can be utilized. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates and competitive forces. Management also exercise judgement in assessing the likelihood that business plans will be achieved and that the deferred taxation assets are recoverable.

Impairment of assets

Property, plant and equipment, investment property and intangible assets are considered for impairment if there is a reason to believe that an impairment test may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself. Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, i.e. market values, is compared to the current net asset value. If lower, the assets are impaired to the present value.

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

The Authority determines the estimated useful lives and related depreciation charges for property, plant and equipment and intangible assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. In estimating the useful lives of the assets, management assesses the present status of the assets and the expected future benefits associated with the continued use of the assets. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual values, based on their expected sales values at end of useful life.

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Loans and receivables

The Authority assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Authority makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Management has applied judgement in estimating the extent of any impairment deemed necessary on the gross carrying value of loans and receivables and has impaired all doubtful accounts that are expected to have defaults. The impairment loss is recognized in profit or loss when there is objective evidence that it is impaired. See note 12 for more details on Trade Receivable impairments.

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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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

	<u>2021</u> N\$'000	<u>2020</u> N\$'000
5. REVENUE		
The following table provides an analysis of the disaggregated disclosure of major service lines and timing of recognition:		
<i>Regulatory Services (transferred continually)</i>		
Passenger Safety Charge	8 699	47 546
<i>Regulatory Services (transferred at a point in time)</i>		
Safety Regulation Fees	2 064	2 586
<i>Air Navigation Services (transferred at a point in time)</i>		
En-route Navigation Charges	22 588	136 314
Terminal Charges	6 194	36 067
Aerodrome Charges	5 313	26 994
Sundry Charges	-	407
	<u>34 095</u>	<u>199 782</u>
Total Revenue	<u>44 858</u>	<u>249 914</u>

The disaggregations are explained as:

- Passenger Safety Charges are based on passenger seats and are charged to airlines on all departures from Namibian aerodromes to fund the overhead operations of the regulatory division of the Authority. These are recognised monthly as the safety oversight regulatory service is provided continually.
- Safety regulation fees are charged by the regulatory division for specific safety oversight services and are recognised when the service is provided.
- En-route Navigation Charges are area control, flight information and related services provided to aircraft flying in the airspace of Namibia. These are recognised when the service is provided.
- Terminal Charges are procedural and/ or radar approach control and related services provided for aircraft flying in the Windhoek and Walvis Bay terminal maneuvering areas. These are recognised when the service is provided.
- Aerodrome Charges are air traffic, aerodrome control and related services provided at aerodromes. These are recognised when the service is provided.

The fees and charges of the Authority are published by Government Gazette periodically and form the basis of amounts invoiced to customers, based on the services provided.

The Authority disaggregates revenue from contracts with customers by contract type and considers this to accurately reflect the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors and does not disaggregate information into geographical segments.

The Authority discloses contracts with customers separately as Trade Receivables, included in note 12, which includes additional information on the uncertainty of revenue and cash flows arising from these contracts. These are seen as unconditional and there are no related contract liabilities.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

	2021 NS'000	2020 NS'000
6. BOARD MEMBER EMOLUMENTS		
Emoluments including allowances:		
Salaries and fees	2 346	2 837
	<hr/>	<hr/>
Key management personnel emoluments		
Emoluments of executive management:		
Salaries	4 031	4 038
Benefits	2 602	2 283
	<hr/>	<hr/>
	6 633	6 321
	<hr/>	<hr/>
7. OPERATING COSTS		
Operating costs comprise:		
Audit fees – current year	(418)	(336)
- prior year	(23)	-
Bad debts (see note 12)	(3 178)	(59 270)
Board expenses	(46)	(332)
Commission paid	(1 961)	(2 848)
Consulting fees - ICAO project	(5 771)	(12 858)
- other	(1 677)	(1 031)
Depreciation and amortization	(14 136)	(5 077)
Directors fees	(868)	(740)
Employment costs	(100 940)	(108 945)
Insurance	(3 392)	(2 775)
Legal fees	(1 389)	-
Membership fees	(728)	(574)
Operating lease charges:		
- Properties	(52)	(50)
- Telecommunication service costs	(2 441)	(3 923)
- Motor vehicle expenses	(5 174)	(5 176)
Repairs & Maintenance	(762)	(535)
Travel & Accommodation	(1 494)	(6 218)
Other expenses	(11 990)	(21 784)
	<hr/>	<hr/>
	(156 440)	(232 472)
	<hr/>	<hr/>

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

	<u>2021</u> <u>N\$'000</u>	<u>2020</u> <u>N\$'000</u>
8. FINANCE INCOME		
Financial instruments measured at amortised cost:		
- Trade debtors	6 902	-
- Bank interest	6 537	10 680
	<u>13 439</u>	<u>10 680</u>
9. FINANCE COST		
Financial instruments measured at amortised cost:		
- Leases	<u>3 572</u>	<u>3 990</u>

10. TAXATION

The Authority did not earn any taxable income during the financial year nor prior financial reporting year. It is Management's assessment that the Authority is not subject to income taxation as it is an entity not for gain per the Civil Aviation Act of 2016. A formal request for confirmation as such has been submitted to the Ministry of Finance.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

11. PROPERTY, PLANT AND EQUIPMENT

	<u>Right of Use Asset N\$'000</u>	<u>Vehicles N\$'000</u>	<u>Network & Computer Equipment N\$'000</u>	<u>Furniture, fixtures and fittings N\$'000</u>	<u>Total N\$'000</u>
Cost					
Balance at 1 April 2019	-	-	90	110	200
Additions during the year	-	-	2 459	3 846	6 305
Adoption of IFRS 16 - Leases	34 681	-	-	-	34 681
Other adjustments – Lease re-measurement	(133)	-	-	-	(133)
Disposals during the year	-	-	(22)	-	(22)
Balance at 31 March 2020	34 548	-	2 527	3 956	41 031
Additions GRN transfer during the year	-	3 242	278 714	10 499	292 455
Other additions during the year	-	-	-	71	71
Other adjustments – Lease re-measurement	(154)	-	-	-	(154)
Balance at 31 March 2021	34 394	3 242	281 241	14 526	333 403
Accumulated depreciation					
Balance at 1 April 2019	-	-	(12)	(4)	(16)
Depreciation charge for the year	(4 594)	-	(146)	(35)	(4 775)
Disposal during the year	-	-	8	-	8
Balance at 31 March 2020	(4 594)	-	(150)	(39)	(4 783)
Depreciation charge for the year	(4 594)	(97)	(8 294)	(733)	(13 718)
Balance at 31 March 2021	(9 188)	(97)	(8 444)	(772)	(18 501)
Book value					
At 31 March 2020	29 954	-	2 377	3 917	36 248
At 31 March 2021	25 206	3 145	272 797	13 754	314 902

Assets worth N\$300,468,294 have been statutorily transferred from the Ministry of Works and Transport as per the Gazette No. 7446 dated 1 February 2021 to the Authority under Section 23 of the Civil Aviation Act, 2016. Transferred assets have been recorded at statutory value of N\$292,453,555 as verified by the Authority and adjusted useful lives as determined by the Ministry in accordance with the State Finance Act. The conditions of the GRN transferred assets were assessed during the verification process held in the third quarter of the financial period 2021 and no further impairment testing was done, with fair valuation of assets planned later in the next financial period.

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.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

	<u>2021</u> N\$'000	<u>2020</u> N\$'000	
12. INTANGIBLE ASSETS			
Computer Software - Work-In-Progress			
Opening balance	-	62	
Additions	-	-	
Transfer to available-for-use	-	(62)	
	<u>-</u>	<u>-</u>	
Computer Software - Available-For-Use			
<i>Cost</i>			
Opening balance	1 252	448	
Transfer from work-in-progress	-	62	
Additions	74	742	
	<u>1 326</u>	<u>1 252</u>	
<i>Amortization</i>			
Opening amortization	(352)	(50)	
Amortization	(418)	(302)	
	<u>(770)</u>	<u>(352)</u>	
Balance at end of year - available-for-use	<u>556</u>	<u>900</u>	
Total Net Intangible Assets	<u>556</u>	<u>900</u>	
13. TRADE AND OTHER RECEIVABLES			
<i>Financial Instruments</i>			
Trade receivables	105 404	121 022	
Provision for doubtful debts	(97 041)	(94 488)	
	<u>8 363</u>	<u>26 534</u>	
<i>Non-Financial Instruments</i>			
Prepayments - ICAO project	5 076	12 008	
Prepayments - other	5 948	9 993	
	<u>19 387</u>	<u>48 535</u>	
Balance at end of year	<u>19 387</u>	<u>48 535</u>	
Movement in provision for doubtful debts	<u>Collectively</u> assessed N\$'000	<u>Individually</u> assessed N\$'000	<u>Total</u> N\$'000
Balance at beginning of year	(3 935)	(31 283)	(35 218)
Transfer from credit impaired	3 935	-	3 935
Transfer to credit impaired	(4 815)	(58 390)	(63 205)
	<u>(4 815)</u>	<u>(58 390)</u>	<u>(63 205)</u>
Balance at beginning of year	(4 815)	(89 673)	(94 488)
Transfer from credit impaired	4 815	-	4 815
Transfer to credit impaired	(5 726)	(1 642)	(7 368)
	<u>(5 726)</u>	<u>(1 642)</u>	<u>(7 368)</u>
Balance at end of year	<u>(5 726)</u>	<u>(91 315)</u>	<u>(97 041)</u>

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Authority applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Authority has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles over a period of 24 months, as well as the adverse economic impact of the global pandemic on customers, being a significant increase in credit risk to the Authority. The historical loss rates have accordingly been adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 March 2021 was determined as follows for trade receivables:

Trade debtors - days past due

	<u><30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>>90</u>	<u>Total</u>
31 March 2020	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
Trade debtors	12 751	15 564	13 313	79 394	121 022
Expected credit loss	46%	31%	65%	95%	78%
Estimated impairment carrying value	<u>(5 865)</u>	<u>(4 825)</u>	<u>(8 653)</u>	<u>(75 424)</u>	<u>(94 397)</u>
31 March 2021					
Trade debtors	6 233	5 907	2 685	90 427	108 252
Expected credit loss	37%	65%	75%	98%	92%
Estimated impairment carrying value	<u>(2 306)</u>	<u>(3 840)</u>	<u>(2 014)</u>	<u>(88 618)</u>	<u>(96 972)</u>

The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance

	2021		2020	
	<u>Credit not impaired N\$'000</u>	<u>Credit impaired N\$'000</u>	<u>Credit not impaired N\$'000</u>	<u>Credit impaired N\$'000</u>
One customer's account with a gross carrying amount of N\$83,051,114 (2020: N\$85,551,872) has gone from recoverable at 31 March 2018 to credit impaired, due to the liquidation process currently underway.	-	(83 051)	-	(75 617)
Seven large air service operators have been provided due to the economic impact of the global pandemic. Actions taken by the operators that create doubt include business rescue and liquidation.	1 203	(8 264)	2 456	(12 998)

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

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for the year ended 31 March 2021

	<u>2021</u> <u>N\$'000</u>	<u>2020</u> <u>N\$'000</u>
14. SHORT-TERM INVESTMENTS		
Current assets		
Funds on call	260 570	234 753
<p>The funds are on deposit with Standard Bank Namibia (credit rating BBB-), with no fixed terms and earn interest at 2.25% (2020: 4.35%) p.a, compounded monthly. No loss or expected credit losses have been recognised and the carrying amounts of deposits approximate their fair value. See note 17.2</p>		
15. GOVERNMENT CONTRIBUTIONS		
Start-up Government contributions:		
Balance at beginning of year	414 212	344 807
Contributions in the form of:		
• Assets transferred to the Authority under Section 23 of the Civil Aviation Act, 2016	292 455	-
• Expenses paid on behalf	23 613	69 405
• Cash received for budgetary support	74 736	-
Balance at end of year	805 016	414 212
16. TRADE AND OTHER PAYABLES		
<i>Financial Instruments</i>		
Trade payables	8 651	19 854
<i>Non-Financial Instruments</i>		
Payroll accruals	4 665	3 451
	13 316	23 305

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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

	2021 NS'000	2020 NS'000
17. NOTES TO THE STATEMENTS OF CASH FLOWS		
17.1 Cash (utilized)/generated by operations		
(Loss)/profit before taxation	(101 668)	24 032
Adjusted for:		
Depreciation and amortization	14 136	5 077
Movement on provision for doubtful debts	2 553	59 270
Non-cash Government contributions	23 613	69 405
Finance income	(13 439)	(10 680)
Finance cost	3 572	3 990
	<u>(71 233)</u>	<u>151 094</u>
Working capital changes	23 508	(45 947)
Decrease/(increase) in trade and other receivables	33 497	(53 146)
(Decrease)/increase in trade and other payables	(9 989)	7 199
	<u>(47 725)</u>	<u>105 147</u>
17.2 Cash and cash equivalents		
Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:		
Short-term investments	260 570	234 753
Bank balances and cash	5 292	5 578
Total cash and cash equivalents	<u>265 862</u>	<u>240 331</u>

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. The carrying amount of these assets is approximately equal to their fair value. The directors of the Authority consider that the carrying amount of cash and cash equivalents approximate fair values.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

	2021 N\$'000	2020 N\$'000
18. LEASES		
Lease Liability	30 300	34 754
Short term portion	4 879	4 300
Long term portion	25 421	30 454
	Sites and Tower rentals	Telecommu- nication liners rentals and charges
Initial recognition - 01/04/2019	18 953	19 716
Finance cost	1 967	2 023
Lease payments	(3,801)	(3,971)
Lease measurement	(133)	-
Balance as at 31/03/2020	16 986	17 768
Finance cost	1 769	1 803
Lease payments	(3 901)	(3 971)
Lease measurement	(154)	-
Balance as at 31/03/2021	14 700	15 600
	38 669	34 754

**Maturity analysis of lease liabilities
2021**

	Due within 1 year N\$'000	Due between 1 and 5 years N\$'000	Beyond 5 years N\$'000	Total N\$'000
Minimum lease payments at 31 March 2021	7 970	33 381	5 082	46 433
Less future finance charges	(3 091)	(11 319)	(1 723)	(16 133)
	4 879	22 062	3 359	30 300

2020

	Due within 1 year N\$'000	Due between 1 and 5 years N\$'000	Beyond 5 years N\$'000	Total N\$'000
Minimum lease payments at 31 March 2020	7 872	32 755	13 678	54 305
Less future finance charges	(3 572)	(11 272)	(4 707)	(19 551)
	4 300	21 483	8 971	34 754

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for the year ended 31 March 2021

	<u>2021</u> NS'000	<u>2020</u> NS'000
19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT		
19.1 Categories of financial instruments		
<i>Financial assets at amortized cost</i>		
<u>Current assets</u>		
Trade and other receivables	8 363	26 534
Short-term investments	260 570	234 753
Bank balance and cash	5 292	5 578
Total	<u>274 225</u>	<u>266 865</u>
<i>Financial liabilities at amortized cost</i>		
<u>Current liabilities</u>		
Trade and other payables	8 651	19 854
Total	<u>8 651</u>	<u>19 854</u>

Capital risk management

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

19.2 Credit risk management

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

The Authority only deposits cash surpluses with major banks of high quality credit standing.

Trade account receivables comprise a wide spread customer base. Ongoing credit evaluation of the financial position of customers is performed. This is done when prompt payment is not received on a recurring basis. In such instances customers are contacted and the situation is investigated. Remedial action in the form of financial assessments and negotiations are taken, based on individual circumstances.

The granting of credit is made on application and is approved by the directors. At period-end the Authority did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

The credit quality of cash and cash equivalents and short-term investments that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

19.2 Credit risk management (continued)

Financial assets exposed to credit risk at year end were as follows:

	<u>2021</u> <u>N\$'000</u>	<u>2020</u> <u>N\$'000</u>
Financial instruments - at amortized cost		
Trade and other receivables	8 363	26 534
Short-term investments	260 570	234 753
Bank balances and cash	<u>5 292</u>	<u>5 578</u>
Total	<u>274 225</u>	<u>266 865</u>

19.3 Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management is satisfied that the Authority will be able to settle its financial liabilities (payables and provisions) in the normal course of business.

The Authority's risk to liquidity is a result of the funds available to cover future commitments. The Authority manages liquidity risk through an ongoing review of future commitments.

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

19.4 Interest rate management

The highest possible rate is negotiated with the banks to earn good interest returns.

The Authority is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates of interest on its investments. The cash resources are managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimizing risks. The Authority places its funds in fluctuating interest earning call deposits and fixed term deposits which are adjusted on a short-term basis based on changes in the prevailing market related interest rates.

Further, these call deposits are due on demand. The call account/short term deposits amounting to N\$260,569,806 (2020: N\$234,753,487) are exposed to cash flow interest rate risk, however considering the short-term maturity of these deposits, these risks are minimized.

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

19.5 Foreign currency risk management

The Authority undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Authority's foreign currency denominated monetary liabilities at the reporting date are as follows:

	<u>2021</u> N\$'000	<u>2020</u> N\$'000
Currency		
<i>Trade creditors</i>		
United States Dollar (USD)	(312)	(508)
Canadian Dollar (CAD)	(438)	(113)
	<hr/>	<hr/>

Foreign currency sensitivity analysis

The Authority is exposed to the currency fluctuations of USD.

The following table details the Authority's sensitivity to a 10% increase and decrease in currency units against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

	<u>2021</u> N\$'000	<u>2020</u> N\$'000
<u>Impact - 10% fluctuation</u>		
United States Dollar (USD)	31	51
Canadian Dollar (CAD)	43	11
	<hr/>	<hr/>

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

19.6 Maturity profile (continued)

Maturity profiles of financial instruments (continued)

	1 – 3 months N\$'000	3 months – 1 year N\$'000	1 – 5 years N\$'000	Total N\$'000
2020				
Financial assets				
Trade and other receivables- net	22 380	2 734	1 420	26 534
Short-term investments	234 753	-	-	234 753
Cash and cash equivalents	5 578	-	-	5 578
	<u>262 711</u>	<u>2 734</u>	<u>1 420</u>	<u>266 865</u>
Financial liabilities				
Trade and other payables	6 290	13 564	-	19 854
	<u>6 290</u>	<u>13 564</u>	<u>-</u>	<u>19 854</u>

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.

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

	<u>2021</u> N\$'000	<u>2020</u> N\$'000
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.		
Government of Namibia - as Shareholder		
ICAO project	-	17 306
Payroll costs	906	33 535
Other expenses	22 707	14 820
	<hr/>	<hr/>
Government equity contributions during the year	23 613	65 661
Government equity assets transferred during the year	292 454	
	<hr/>	<hr/>
Government equity contributions at year end	730 280	410 468
Contribution in the form of: Cash-retained earnings	74 736	-
	<hr/>	<hr/>
Entities transacting with the Authority who are under the influence of the Ministry of Works and Transport:		
Air Namibia (Pty) Ltd		
- Fees and Charges	9 779	70 319
- Expenses	(33)	(51)
- Finance charge/penalties	6 903	-
- Reversal of impairment trade receivables	2 501	-
- Trade receivables	83 051	85 552
- Provision for doubtful debts	(83 051)	(85 552)
	<hr/>	<hr/>
Namibia Airports Company		
- Fees and Charges	78	438
- Expenses	(16)	(5)
	<hr/>	<hr/>
21. NUMBER OF EMPLOYEES		
The number of employees employed (including Executive Members) by the Authority as at the end of the period was as follows:		
Seconded staff - Government	1	2
Contract employees - ICAO Consultants	2	7
- other	18	15
Permanent employees	135	119
	<hr/>	<hr/>
Total	156	143
	<hr/>	<hr/>
Bursars	25	40
	<hr/>	<hr/>

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

22. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Authority's accounting periods beginning on or after 1 April 2021 or later periods but which the Authority has not early adopted, as follows:

New/Revised International Financial Reporting Standards		Effective Date
IFRS 3	Updating a reference to the Conceptual Framework	Annual periods beginning on or after 1 January 2022
IAS 16	Covid-19 related rent concessions	Annual periods beginning on or after 1 April 2021
IAS 16	Amendments regarding proceeds before intended use	Annual periods on or after 1 January 2022
IAS 37	Amendments regarding onerous contracts	Annual periods on or after 1 January 2023
IFRS 17	Insurance contracts	Annual periods beginning on or after 1 January 2023
IAS 8	Amendments on disclosure of accounting policies	Annual periods on or after 1 January 2023
IAS 8	Amendments on accounting estimates	Annual periods on or after 1 January 2023
IAS 1	Amendments on classification of liabilities	Annual periods on or after 1 January 2023
IAS 37	Annual improvements cycle	Annual periods on or after 1 January 2022
IFRS 9, IAS39, IFRS 7, IFRS 4 & IFRS 16	Interest Rate Benchmark Reform (amendments-phase 2)	Annual periods on or after 1 January 2021

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

23. GOING CONCERN

The Authority incurred a net loss of N\$101,668,000 (2020: surplus N\$24,032,000) for the year ended 31 March 2021 and utilized cash from operating activities amounting to N\$47,725,000 (2020: generated N\$105,147,000). The aviation industry continues experiencing a material decline in operating activity, due to the declaration of a global pandemic in March 2020 and the subsequent lockdown of borders implemented in various countries across the globe.

As a regulator of the industry and a service provider of the air navigation services in Namibia, the NCAA major revenue streams from the airlines are passenger safety charge, enroute charge, terminal charge and aerodrome charge. The lockdown in Namibia and internationally during the period has resulted into the NCAA earning very little to no revenue.

It has been forecasted that the conditions will remain and the return to normality or pre Covid-19 time is only expected in 2024. The issue explained above have caused significant strain on the financial resources of the NCAA.

The Authority's cash reserves together with National Budget allocations are sufficient resources to maintain operations for the foreseeable future. The management will constantly monitor and seek the best possible information to enable us to assess these risks and implement appropriate mitigation measures to respond to the challenge posed by the Covid-19.

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.

24. SUBSEQUENT EVENTS

The Authority considers known events and expected eventualities identified as at 31 March 2021 as adjusting events. However, any new information/change in circumstance will be considered as non-adjusting events which will be disclosed if considered material.

Therefore, new information and changes in circumstances that arise in the post balance sheet period, that relate to assets and liabilities in existence at 31 March 2021, should be considered adjusting events. New events and circumstances which occur after 31 March 2021 related to Covid-19 is disclosed if material.

The Authority is satisfied that the appropriate considerations have been taken into account with regards to the impact of Covid-19 to the annual financial statements for the year ended 31 March 2021 with regards to subsequent events.

One major customer's account of the Authority with a gross carrying amount of N\$ 83,051,114 has been liquidated resulting into debts being claimed through the liquidation legal process.

There were no other 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.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

25. CORRECTION OF PRIOR YEAR ERRORS ARISING FROM THE DELAY IN ADOPTING IFRS 16

The management completed the full IFRS 16 adoption assessment in the current reporting period and fully adopted IFRS 16 retrospectively from 1 April 2019 with certain simplifications and exemptions, and has not restated comparatives for the 2019 reporting period, as permitted under transitional provisions of IFRS 16.

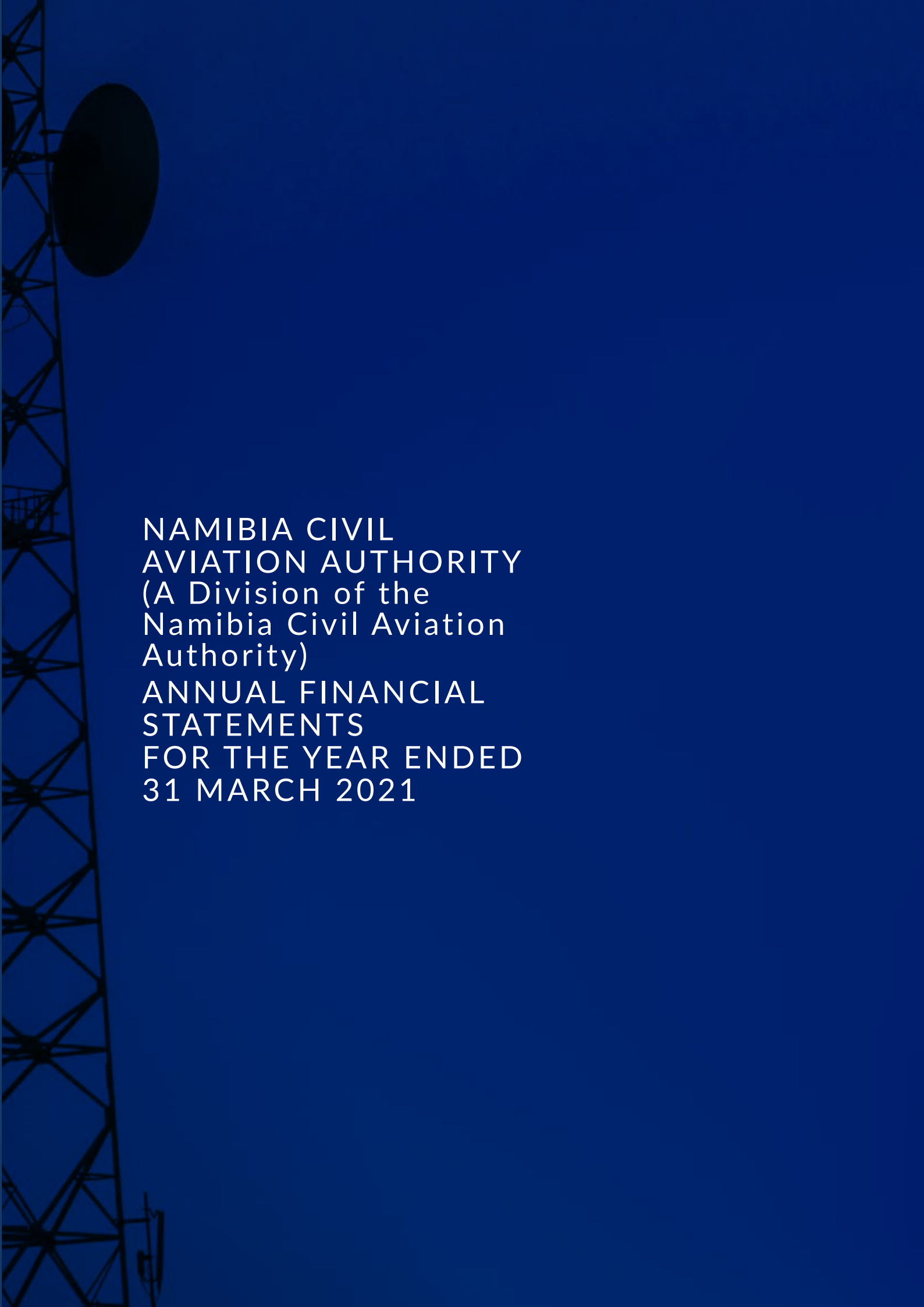
However, as the prior year annual financial statements were issued before the completion of the IFRS 16 adoption assessment, the comparatives for the 2020 reporting period had to be restated to fully comply with requirements of IFRS 16. The corrections of the comparatives for the 2020 reporting period arising from the delay in fully adopting IFRS 16 are as follows:

Statement of Financial Position	<u>2020</u> <u>(as previously</u> <u>reported)</u> <u>NS'000</u>	<u>IFRS 16</u> <u>adjustments</u> <u>NS'000</u>	<u>2020</u> <u>(as restated)</u> <u>NS'000</u>
Property, plant and equipment	6 294	29 954	36 248
Accumulated loss	141 457	4 800	146 257
Lease liability – Long term portion	-	(30 454)	(30 454)
Lease liability – Short term portion	-	(4 300)	(4 300)
	<hr/>	<hr/>	<hr/>
Statement of Profit or Loss and other comprehensive income			
Depreciation and amortization	(483)	(4 594)	(5 077)
Finance cost	-	(3 990)	(3 990)
Operating lease charges			
– Site and towers rentals	(3 257)	3 257	-
– Telecommunication lines rentals and usage	(8 438)	4 515	(3 923)
	<hr/>	<hr/>	<hr/>

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
DIVISIONAL INCOME STATEMENT
ADDITIONAL INFORMATION PRESENTED
NOT FORMING PART OF THE AUDITED ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

	REGULATORY		AIR NAVIGATION SERVICES	
	2021 N\$'000	2020 N\$'000	2021 N\$'000	2020 N\$'000
Revenue	10 764	50 132	34 094	199 782
Audit fees – current year	(209)	(168)	(209)	(168)
- prior year	(11)	-	(12)	-
Bad debts	(1 649)	(14 474)	(1 529)	(44 796)
Board expenses	(29)	(166)	(17)	(166)
Commission paid	(464)	(540)	(1 497)	(2 308)
Consulting fees - ICAO project	(5 771)	(11 658)	-	(1 200)
- other	(1 662)	(1 028)	(15)	(3)
Depreciation and amortization	(1 734)	(411)	(12 401)	(4 666)
Directors fees	(434)	(370)	(434)	(370)
Employment costs	(59 510)	(57 358)	(41 430)	(51 144)
Inter-divisional management and other fees	13 733	8 890	(13 733)	(8 890)
Insurance	(58)	(49)	(3 334)	(2 726)
Legal fees	(1 389)	-	-	-
Membership fees	(728)	(574)	-	-
Operating lease charges:				
- Properties	-	-	(52)	(50)
- Telecommunication service costs	(914)	(1 010)	(1 527)	(2 913)
- Motor vehicle expenses	(2 587)	(2 588)	(2 587)	(2 588)
Repairs & Maintenance	(30)	(70)	(732)	(465)
Travel & Accommodation	(991)	(4 891)	(503)	(1 327)
Other expenses	(8 234)	(15 994)	(3 756)	(6 158)
Operating costs	(61 907)	(52 327)	(49 674)	69 844
Finance income	2 159	529	11 280	10 151
Other (expense)/ income	47	(100)	-	-
Finance cost	-	-	(3 572)	(3 990)
Net result	(59 701)	(51 898)	(41 966)	76 005



NAMIBIA CIVIL
AVIATION AUTHORITY
(A Division of the
Namibia Civil Aviation
Authority)
ANNUAL FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

AIR NAVIGATION SERVICES "ANS"
(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 2021

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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 2021

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

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

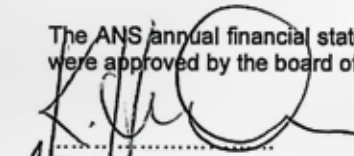
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the ANS division and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets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

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

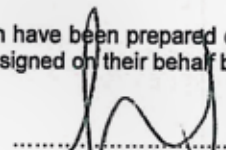
The directors have reviewed the ANS cash flow forecast for the year to 31 March 2022 and, in light of this review and the current financial position, they are satisfied that ANS has access to adequate resources to continue in operational existence for the foreseeable future. The ANS annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that ANS will not remain a going concern for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented on pages 2 to 4.

The ANS annual financial statements set out on pages 5 to 39, which have been prepared on the going concern basis, were approved by the board of directors on 05/11/2021 and are signed on their behalf by:



.....
Chairperson



.....
Director



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Air Navigation Services

Qualified Opinion

We have audited the annual financial statements of Air Navigation Services set out on pages 8 to 39, which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Air Navigation Services as at 31 March 2021, 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 Qualified Opinion

On 1 February 2021 the Ministry of Works and Transport of Namibia gazetted the transfer of property, plant and equipment statutorily valued at N\$ 289,211,340 to Air Navigation Services. Air Navigation Services recorded the transferred property, plant and equipment in its books of accounts at the recognition date at the statutory value instead of fair value as required by IAS 16 - Property, plant and equipment. We were unable to perform any alternative procedures to verify the fair value of the transferred property, plant and equipment as the Authority had not yet done the fair valuation of the transferred property, plant and equipment as disclosed in Note 11 - Property, plant and equipment of the annual financial statements.

In terms of IAS 36 - Impairment of Assets, an impairment test is required to be carried out for non-financial assets when there is objective evidence of impairment indicator(s) at reporting date. The management disclosed in Note 23 - Going concern of the annual financial statement, that the Authority is operating at a loss as the aviation industry continues experiencing a material decline in operating activity, due to the declaration of a global pandemic in early 2020 and the subsequent lockdown of borders implemented in various countries across the globe. In addition, management also disclosed that it has been forecasted that the adverse conditions will remain and the return to normality or pre Covid-19 time is only expected in 2024. The above-mentioned matters provide objective evidence of indicators of impairment of non-financial assets. However, the management disclosed in Note 11 - Property, plant and equipment of the annual financial statements that the Authority had not yet done the fair valuation of the transferred property, plant and equipment as required in terms of IAS 16 and that no impairment testing was done at reporting date as required in terms of IAS 36. Consequently, we were unable to obtain sufficient appropriate audit evidence about the recoverable amount of the Authority's property, plant and equipment as at 31 March 2021.

As a result of the above-mentioned matters, we were unable to determine whether any adjustments might have been found necessary in respect of the Authority's property, plant and equipment that is stated in the statement of financial position at N\$ 307,825,000 as at 31 March 2021 and the elements making up the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows.

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.



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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 qualified 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.

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.

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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.
- 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
05 November 2021

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.

AIR NAVIGATION SERVICES

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

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 REPORT OF THE DIRECTORS for the year ended 31 March 2021

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

NATURE OF BUSINESS

Air Navigation Services division "ANS" was established on 1 November 2016 by the Civil Aviation Act of 2016, and is tasked to conduct oversight of all aspects of safety and security of civil aviation in Namibia.

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

In terms of Section 49 (5) (e) of the Civil Aviation Act of 2016, ANS is required to prepare a separate set of audited annual financial statements.

GOVERNMENT EQUITY CONTRIBUTIONS

Government equity contributions over the financial year in the form of transfer of property, plant and equipment, and cash paid directly to suppliers of the Air Navigation Services division amounted to N\$301,226,032(2020: N\$32,904,011). ANS is established as a functionally separate division of the Authority in terms of Section 49 of the Civil Aviation Act of 2016 and has as its line-Ministry, the Ministry of Works & Transport.

PROPERTY, PLANT AND EQUIPMENT

As of 31 March 2021, the ANS division's investment in property, plant and equipment (excluding right of use of assets recognised in terms of IFRS 16 Leases) amounted to N\$282, 619,000 (2020: N\$1,209,000) of which N\$ 7,000 (2020: N\$1,241,000) were acquired during the year.

Property, plant and equipment worth N\$289,211,340 have been allocated to the ANS division after statutorily transferred from the Ministry of Works and Transport as per the Gazette No.7446 dated 1 February 2021 to the Authority under Section 23 of the Civil Aviation Act, 2016. Transferred assets have been recorded at statutory values and adjusted useful lives as determined by the Ministry in accordance with the State Finance Act. The conditions of the GRN transferred assets were assessed during the verification process held in the third quarter of the financial period 2021 and no further impairment testing was done, with fair valuation of assets planned later in the next financial period.

SIGNIFICANT LEASE ARRANGEMENTS

Sites and Tower rentals

The ANS division since establishment has been renting tower & sites for it is communication, navigation, and surveillance (CNS) purposes and have entered into contractual agreement with it is suppliers. An amount of N\$3,818,000 has been spent on sites & tower rentals during the period (2020: N\$3,257,000). The impact of IFRS 16 on sites and tower rentals was assessed and incorporated in the financial statements. The right-of use asset as well as the lease liability was recognised in the current year as disclosed on Notes 2 and 25 to the annual financial statements.

Telecommunication lines rentals and charges

Over the financial year, the ANS division paid N\$5,581,000 (2020: N\$7,428,000) service charge incurred in the use of landlines and data lines for it is communication, navigation, and surveillance purposes. The Authority's including the ANS division IFRS 16 assessment concluded that some of these arrangements are leases and incorporated in the financial statements. The right-of use asset as well as the lease liability was recognised in the current year as disclosed on Notes 2 and 25 to the annual financial statements.

TAXATION

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

AIR NAVIGATION SERVICES

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**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
REPORT OF THE DIRECTORS (continued)
for the year ended 31 March 2021****DIVIDEND**

In accordance with Section 24 of the Civil Aviation Act of 2016, no dividend has been declared and paid during the year (2020: N\$nil).

DIRECTORS AND SECRETARY

The following persons acted as directors of the Authority, including Air Navigation Services, as from 1 November 2016 to October 2020:

KH Egumbo (Chairperson)
 RO Gärtner (Interim Executive Director from 1 June 2019 to 30 November 2020)
 MK Jankie (Deputy Chairperson)
 IK Thudinyane (Director)
 U Katjuanjo (Director)
 U Katjipuka-Sibolile (Alternate)
 G D Elliott (Interim Corporate Secretary) (1 November 2016 to 31 October 2020)

The following persons act as directors of the Authority, including Air Navigation Services, as from 4 November 2020:

Bethuel T Mujetenga (Chairperson)
 Kadiva Hamutumwa (Deputy Chairperson)
 Melkizedek Uupindi (Director)
 Josephine Amukwa (Director)
 Fernando Somaeb (Director)
 Martha Hitenyane (Director)
 Christoph Seimelo (Interim Corporate Secretary) 1 November 2020 to 31 December 2020
 Nerago Ndoroma (Acting Corporate Secretary) from 01 January 2021
 G D Elliott (Acting Interim Executive Director) (1 December 2020 to 31 August 2021)
 Ericksson M. Nengola (Acting Interim Executive Director) 01 September 2021 till present)

The business and postal address of the ANS division and Secretary are set out below:

Business address:

NCAA Building
 Rudolph Hertzog Street
 WINDHOEK, NAMIBIA

Postal address:

Private Bag 12003
 WINDHOEK
 NAMIBIA

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 REPORT OF THE DIRECTORS (continued) for the year ended 31 March 2021

GOING CONCERN

The Air Navigation Service incurred a net loss of N\$41,966,000 (2020: surplus N\$76,005,000) for the year ended 31 March 2021 and utilized cash from operating activities amounting to N\$8,830,000 (2020: generated N\$102,342,000). The aviation industry continues experiencing a material decline in operating activity, due to the declaration of a global pandemic in March 2020 and the subsequent lockdown of borders implemented in various countries across the globe.

As a service provider of the air navigation services in Namibia, the ANS major revenue streams from the airlines are, enroute charge, terminal charge, and aerodrome charge. The lockdown in Namibia and internationally during the period has resulted into the ANS earning very little to no revenue.

It has been forecasted that the conditions will remain and the return to normality or pre Covid-19 time is only expected in 2024. The issue explained above have caused significant strain on the financial resources of the ANS.

The Authority's and ANS cash reserves together with National Budget allocations are sufficient resources to maintain operations for the foreseeable future. The management will constantly monitor and seek the best possible information to enable us to assess these risks and implement appropriate mitigation measures to respond to the challenge posed by the Covid-19.

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 and ANS considers known events and expected eventualities identified as at 31 March 2021 as adjusting events. However, any new information/change in circumstance will be considered as non-adjusting events which will be disclosed if considered material.

Therefore, new information and changes in circumstances that arise in the post balance sheet period, that relate to assets and liabilities in existence at 31 March 2021, should be considered adjusting events. New events and circumstances which occur after 31 March 2021 related to Covid-19 is disclosed if material.

The Authority and ANS is satisfied that the appropriate considerations have been taken into account with regards to the impact of Covid-19 to the annual financial statements for the year ended 31 March 2021 with regards to subsequent events.

One major customer's account of the ANS with a gross carrying amount of N\$60,489,973 has been liquidated resulting into debts being claimed through the liquidation legal process.

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

AIR NAVIGATION SERVICES

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
STATEMENT OF FINANCIAL POSITION
as at 31 March 2021

	<u>Notes</u>	<u>2021</u> <u>N\$'000</u>	<u>Restated</u> <u>2020</u> <u>N\$'000</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	307 825	31 163
CURRENT ASSETS			
Trade and other receivables	12	12 226	31 426
Short-term investments	13, 17.2	237 056	228 845
Loan account	14	-	1 957
Bank balances and cash	17.2	3 660	4 646
TOTAL ASSETS		560 767	298 037
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Government contributions	15	463 093	161 867
Retained income		50 898	92 864
NON-CURRENT LIABILITIES			
Lease liability	18	25 421	30 454
CURRENT LIABILITIES			
Trade and other payables	16	8 875	8 552
Loan account	14	7 601	-
Lease liability	18	4 879	4 300
TOTAL EQUITY AND LIABILITIES		560 767	298 037

AIR NAVIGATION SERVICES

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	<u>Notes</u>	<u>2021</u> <u>NS'000</u>	<u>Restated</u> <u>R2020</u> <u>NS'000</u>
REVENUE	5	34 094	199 782
OPERATING COSTS	7	<u>(83 768)</u>	<u>(129 938)</u>
Operating (loss)/profit		(49 674)	69 844
Finance income	8	11 280	10 151
Finance cost	9	<u>(3 572)</u>	<u>(3 990)</u>
(LOSS)/PROFIT before taxation		<u>(41 966)</u>	<u>76 005</u>
Taxation	10	<u>-</u>	<u>-</u>
(LOSS)/PROFIT for the year before other comprehensive income		(41 966)	76 005
Other comprehensive income		<u>-</u>	<u>-</u>
COMPREHENSIVE (LOSS)/ INCOME for the year		<u>(41 966)</u>	<u>76 005</u>

AIR NAVIGATION SERVICES

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	<u>Note</u>	Government contributions <u>N\$'000</u>	Retained income <u>N\$'000</u>	Total <u>N\$'000</u>
AIR NAVIGATION SERVICES				
Restated balance as at 01 April 2019		128 963	16 859	145 822
Previously disclosed IFRS 16 adoption		128 963 -	20 847 (3 988)	149 810 (3 988)
Restated Comprehensive income for the year		-	76 005	76 005
Previously disclosed Correction of prior error		- -	76 817 (812)	76 817 (812)
Government contributions	15	32 904	-	32 904
Restated balance as at 31 March 2020		161 867	92 864	254 731
Previously disclosed Correction of prior error		161 867 -	97 664 (4 800)	259 531 (4 800)
Government contributions	15	301 226	-	301 226
Comprehensive loss for the year		-	(41 966)	(41 966)
Balance at 31 March 2021		463 093	50 898	513 991

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF CASH FLOWS

for the year ended 31 March 2021

		<u>2021</u> N\$'000	<u>Restated</u> <u>2020</u> N\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
		15 104	112 493
Cash receipts from customers		47 457	197 552
Cash paid to suppliers and employees		(38 627)	(95 210)
Cash generated by operations	17.1	8 830	102 342
Finance income	8	6 274	10 151
CASH FLOWS FROM INVESTING ACTIVITIES			
		(7)	(1 241)
Acquisition of property, plant and equipment	11	(7)	(1 241)
CASH FLOWS FROM FINANCING ACTIVITIES			
		(7 872)	(7 772)
Lease payments		(7 872)	(7 772)
Cash and cash equivalents for the year		<u>7 225</u>	<u>103 480</u>
Cash and cash equivalents at beginning of year		<u>233 491</u>	<u>130 011</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	17.2	<u>240 716</u>	<u>233 491</u>

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2021

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 other than IFRS16 as disclosed in note 2.

2. ADOPTION OF NEW AND REVISED STANDARDS

It is important to note that the financial information has been prepared in accordance with IFRS that are effective at 31 March 2021. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Note 21.

Amendments to the following standards have been adopted as at 1 April 2020:

- Conceptual framework: amendments to references to the conceptual framework in AFRS standards
- IAS 1: amendment to presentation of annual financial statements' and IAS 8, accounting policies, changes in accounting estimates and errors on the definition of materiality
- IFRS 3: amendment to business combinations /definition of a business
- IFRS 9, IAS 39 & IFRS 7: amendments, interest rate benchmark reform

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 above standards have no material impact on current or comparative presentations.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the IFRS 16 Leases.

This note explains the impact of the adoption of IFRS 16 Leases on the annual financial statements.

The NCAA has adopted IFRS 16 retrospectively from 1 April 2019 with certain simplifications and exemptions, and has not restated comparatives for the 2019 reporting period, as permitted under transitional provisions of IFRS 16. The reclassifications and the adjustments arising from the new leasing requirements are therefore recognised as an adjustment to the opening balance of retained earnings as of 1 April 2019.

On adoption of IFRS 16, the company recognise lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17, leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 1

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April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 10,738%.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 2021

2. ADOPTION OF NEW AND REVISED STANDARDS (continued)

In applying IFRS 16 for the first time, the company has used the following practical expedients permitted by the standard:

Impact of IFRS 16 adoption**Statement of Financial Position**

	31 March 2019 <u>N\$'000</u>	IFRS 16 transition adjustment at 1 April 2019 <u>N\$'000</u>	Restated balance at 1 April 2019 <u>N\$'000</u>
AIR NAVIGATION SERVICES			
Assets			
Right-of-use-asset	-	34 681	34 681
Equity and Liabilities			
Retained income	20 847	(3 988)	16 859
Lease liabilities	-	38 669	38 669
	20 847	34 681	55 528

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 2021

3. ACCOUNTING POLICIES**Revenue recognition**

Revenue represents the gross inflow of economic benefits during the year arising in the course of the ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Included in revenue are net invoiced sales to customers for services.

The ANS division has rights and obligations between itself and its customers. The services provided by the ANS division to these customers however, in the case of air navigation services, occur at a particular point in time and are fulfilled at that point.

A receivable asset is recognised when the service is provided, as this is point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The accounting policies for the ANS division's revenue from contracts with customers are further explained in Note 5.

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

Employee benefit costs

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees. The cost of short-term employee benefits is recognized in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognized as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of profit-sharing and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Provisions

Provisions represent liabilities of uncertain timing or amount. Provisions are recognized when the ANS division has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

Provisions are measured at the expenditure required to settle the present obligation. Where the effect of discounting is material, provisions are measured at their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks for which future cash flow estimates have not been adjusted.

3. ACCOUNTING POLICIES (continued)**Leasing**

The ANS division leases sites and towers for air navigation equipment usage. The ANS division assesses whether a contract is or contains a lease, at inception of the contract. The ANS division recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office furniture). For these leases, the ANS division recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The ANS division did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the ANS division incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)**Leasing (continued)**

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The ANS division applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Taxation

Income tax expenses represent the sum of the tax currently payable and the movement in deferred tax.

Deferred taxation is recognized using the liability method for all temporary differences arising between the tax basis of assets and liabilities and their carrying amounts, unless specifically exempt, at the tax rates that have been enacted or substantially enacted at the reporting date.

A deferred taxation asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences and the carry-forward of unused tax losses. Deferred taxation assets are only recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

A deferred taxation liability represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognized for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and it is the intention to settle on a net basis.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)**Property, plant and equipment**

Property, plant and equipment are accounted for at cost to the ANS division less accumulated depreciation and less impairment losses and are depreciated on the straight-line basis over their expected useful lives to residual values at the following annual rates:

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

Freehold land is not depreciated as it is deemed to have an indefinite life.

Subsequent costs are included in the asset's carrying amount, or recognized as separate assets, only when it is probable that future economic benefits associated with the item will flow to the Authority, and the cost of the item can be measured reliably.

The carrying value of any replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Assets in the course of construction and installation are not depreciated.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit and loss.

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

Intangible assets

Intangible assets are recognized at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Historical cost includes expenditure that is directly attributable to the generation of items. Subsequent costs are included in the asset's carrying amount, or recognized as separate assets, only when it is probable that future economic benefits associated with the item will flow to the ANS division, and the cost of the item can be measured reliably.

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, the effect of any changes in estimate being accounted for on a prospective basis.

Subsequent to initial recognition, intangible assets are recognized at cost less accumulated amortization and accumulated impairment losses.

Amortization is calculated using the straight-line method to allocate their cost to their residual value over the estimated useful lives, typically over a 3-year period. Assets in the course of construction are not amortized.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)**Impairment of assets**

At each reporting date, the directors of the Authority and ANS division review the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized in profit and loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized in profit and loss.

Financial instruments are regularly reviewed for objective evidence of impairment. Both provisioned and non-provisioned bad debts are written-off when recovery actions have been unsuccessful and when the likelihood of recovery is considered remote.

Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Management must be committed to the sale, and there must be an expectation that the sale will be completed in one year.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Foreign currency

Assets and liabilities in foreign currencies are translated to Namibian currency at rates of exchange approximating those ruling at the reporting date. Profits and losses arising on translation are dealt with in the statement of comprehensive income.

In order to hedge its exposure to certain foreign exchange risks, the ANS division enters into forward contracts and options (see below for details of the ANS division's accounting policies in respect of such derivative financial instruments).

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)

Financial instruments

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

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

Financial assets which are debt instruments:

- Amortised cost;

Financial liabilities:

- Amortised cost;

Financial instruments and risk management presents the financial instruments held by the ANS division based on their specific classifications. The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the ANS division are presented below:

The ANS division regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable and prepayments are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the ANS division's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the ANS division becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The ANS division recognises a loss allowance for expected credit losses on trade and other receivables and prepayments. The amount of expected credit losses is updated at each reporting date. The ANS division measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

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for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)**Financial instruments (continued)*****Trade and other payables***Classification

Trade and other payables and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Trade and other payables are recognised when the ANS division becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in interest paid.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

DerecognitionFinancial assets

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

Financial liabilities

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Reclassification

Financial assets

The ANS division only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated. The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

Income from investments

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

Government contributions

Contributions from government for the establishment of the Authority and ANS division are recorded as equity contributions.

Government grants

Government grants are not recognized until there is reasonable assurance that the ANS division will comply with the conditions attached to them and grants will be received.

A government grant of which the primary condition is that the ANS division should purchase, construct or otherwise acquire non-current assets is recognized as deferred income in the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognized as income over the periods necessary to match them with the cost for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the ANS division with no future related costs are recognized in surplus or deficit in the period in which the grant becomes receivable.

Income from investments

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

Restatement of comparatives

The comparative figures have been restated as disclosed on Note 25.

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for the year ended 31 March 2021

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions concerning the future are made by the ANS division and the resulting accounting estimates will, by definition, seldom equal the related actual results.

Accounting policies that have been identified as involving particularly complex or subjective judgments or assessments are as follows:

Deferred taxation assets

Deferred taxation assets are recognized to the extent that it is probable that taxable income will be available in future against which they can be utilized. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates and competitive forces. Management also exercise judgement in assessing the likelihood that business plans will be achieved and that the deferred taxation assets are recoverable.

Impairment of assets

Property, plant and equipment, investment property and intangible assets are considered for impairment if there is a reason to believe that an impairment test may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself. Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows determined using an appropriate discount rate, i.e. market values, is compared to the current net asset value. If lower, the assets are impaired to the present value.

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

The Authority determines the estimated useful lives and related depreciation charges for property, plant and equipment and intangible assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. In estimating the useful lives of the assets, management assesses the present status of the assets and the expected future benefits associated with the continued use of the assets. Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual values, based on their expected sales values at end of useful life.

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

Loans and receivables

The ANS division assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the ANS division makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Management has applied judgement in estimating the extent of any impairment deemed necessary on the gross carrying value of loans and receivables and has impaired all doubtful accounts that are expected to have defaults. The impairment loss is recognized in profit or loss when there is objective evidence that it is impaired. See note 11 for more details on Trade Receivable impairments.

IFRS 16 assessment of leases assets

The Authority including the ANS division 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).

5. REVENUE

The following table provides an analysis of the disaggregated disclosure of major service lines and timing of recognition:

<i>Transferred at a point in time</i>		
En-route Navigation Charges	22 588	136 314
Terminal Charges	6 193	36 067
Aerodrome Charges	5 313	26 994
Sundry Charges		407
Total Revenue	<u>34 094</u>	<u>199 782</u>

The disaggregation's are explained as:

- En-route Navigation Charges are area control, flight information and related services provided to aircraft flying in the airspace of Namibia. These are recognised when the service is provided.
- Terminal Charges are procedural and/ or radar approach control and related services provided to aircraft flying in the Windhoek and Walvis Bay terminal maneuvering areas. These are recognised when the service is provided.
- Aerodrome Charges are air traffic, aerodrome control and related services provided at aerodromes. These are recognised when the service is provided.

The fees and charges of the ANS division are published by Government Gazette periodically and form the basis of amounts invoiced to customers, based on the services provided.

The ANS division disaggregates revenue from contracts with customers by contract type and considers this to accurately reflect the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors and does not disaggregate information into geographical segments.

The ANS division discloses contracts with customers separately as Trade Receivables, included in note 11, which includes additional information on the uncertainty of revenue and cash flows arising from these contracts. These are seen as unconditional and there are no related contract liabilities.

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for the year ended 31 March 2021

	<u>2021</u> <u>N\$'000</u>	<u>2020</u> <u>N\$'000</u>
6. BOARD MEMBER EMOLUMENTS		
Emoluments including allowances:		
Salaries and fees	1 025	1 209
	<hr/>	<hr/>
Key management personnel emoluments		
Emoluments of executive management (excluding the Executive Director):		
Salaries	2 578	2 681
Benefits	1 465	1 438
	<hr/>	<hr/>
	4 043	4 119
	<hr/>	<hr/>
7. OPERATING COSTS		
Operating costs comprise:		
Audit fees – current year	(209)	(168)
– prior year	(12)	-
Bad debts	(1 529)	(44 796)
Board expenses	(17)	(166)
Commission paid	(1 497)	(2 308)
Consulting fees - ICAO project	-	(1 200)
- other	(15)	(3)
Depreciation	(12 401)	(4 666)
Directors fees	(434)	(370)
Employment costs	(41 430)	(51 144)
Inter-departmental management and other fees	(13 733)	(8 890)
Insurance	(3 334)	(2 726)
Operating lease charges:		
- Properties	(52)	(50)
- Telecommunication service cost	(1 527)	(2 913)
- Motor vehicle expenses	(2 587)	(2 588)
Repairs & Maintenance	(732)	(465)
Travel & Accommodation	(503)	(1 327)
Other expenses	(3 756)	(6 158)
	<hr/>	<hr/>
	(83 768)	(129 938)
	<hr/>	<hr/>

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 2021

8. FINANCE INCOME

Financial instruments measured at amortised cost:

- Trade debtors earned	5 006	-
- Bank interest earned and received	6 274	10 151
	<u>11 280</u>	<u>10 151</u>

9. FINANCE COST

Financial instruments measured at amortised cost:

- Leases	<u>3 572</u>	<u>3 990</u>
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10. TAXATION

The ANS division did not earn any taxable income during the financial year nor prior financial reporting year. It is Management's assessment that the ANS division is not subject to income taxation as it is an entity not for gain per the Civil Aviation Act of 2016. A formal request for confirmation as such has been submitted to the Ministry of Finance.

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 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 for the year ended 31 March 2021

11. PROPERTY, PLANT AND EQUIPMENT

	<u>Right of Use Asset N\$'000</u>	<u>Network & Computer Equipment N\$'000</u>	<u>Furniture, fixtures and fittings N\$'000</u>	<u>Total N\$'000</u>
Cost				
Balance at 1 April 2019		7	34	41
Additions during the year	-	1 229	12	1 241
Adoption of IFRS 16 - Leases	34 681	-	-	34 681
Other adjustments – Lease measurement	(133)	-	-	(133)
Balance at 31 March 2020	<u>34 548</u>	<u>1 236</u>	<u>46</u>	<u>35 830</u>
Additions-GRN transfer		278 712	10 498	289 210
Additions during the year	-	-	7	7
Other adjustments – Lease measurement	(154)	-	-	(154)
Balance at 31 March 2021	<u>34 394</u>	<u>279 948</u>	<u>10 551</u>	<u>324 893</u>
Accumulated depreciation				
Balance at 1 April 2019		-	(1)	(1)
Depreciation charge for the year	(4 594)	(70)	(2)	(4 666)
Balance at 31 March 2020	<u>(4 594)</u>	<u>(70)</u>	<u>(3)</u>	<u>(4 667)</u>
Depreciation charge for the year	(4 594)	(7 456)	(351)	(12 401)
Balance at 31 March 2021	<u>(9 188)</u>	<u>(7 526)</u>	<u>(354)</u>	<u>(17 068)</u>
Book value				
At 31 March 2021	<u>29 954</u>	<u>1 166</u>	<u>43</u>	<u>31 163</u>
At 31 March 2021	<u>25 206</u>	<u>272 422</u>	<u>10 197</u>	<u>307 825</u>

Assets worth N\$289 211 340 have been statutorily transferred from the Ministry of Works and Transport as per the Gazette No. 7446 dated 1 February 2021 to the ANS under Section 23 of the Civil Aviation Act, 2016. Transferred assets have been recorded at statutory values and adjusted useful lives as determined by the Ministry in accordance with the State Finance Act. The conditions of the GRN transferred assets were assessed during the verification process held in the third quarter of the financial period 2021 and no further impairment testing was done, with fair valuation of assets planned later in the next financial period.

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

	<u>2021</u> <u>N\$'000</u>	<u>2020</u> <u>N\$'000</u>	
12. TRADE AND OTHER RECEIVABLES			
<i>Financial Instruments</i>			
Trade receivables	76 864	89 484	
Provision for doubtful debts - specific	(70 156)	(69 004)	
	<u>6 708</u>	<u>20 480</u>	
<i>Non-Financial Instruments:</i>			
Prepayments - ICAO project	-	1 265	
Prepayments - other (including Bursary programme)	5 518	9 681	
	<u>12 226</u>	<u>31 426</u>	
Balance at end of year			
Movement in provision for doubtful debts	<u>Collectively</u> <u>assessed</u> <u>N\$'000</u>	<u>Individually</u> <u>assessed</u> <u>N\$'000</u>	<u>Total</u> <u>N\$'000</u>
Balance at beginning of year	(1 876)	(22 333)	(24 209)
Transfer from credit impaired	1 876	-	1 876
Transfer to credit impaired	(4 652)	(42 019)	(46 671)
Balance at beginning of year	<u>(4 652)</u>	<u>(64 352)</u>	<u>(69 004)</u>
Transfer from credit impaired	3 784	-	3 784
Transfer to credit impaired	(3 933)	(1 003)	(4 936)
Balance at end of year	<u>(4 801)</u>	<u>(65 355)</u>	<u>(70 156)</u>

The ANS division applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The ANS division has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles over a period of 24 months, as well as the adverse economic impact of the global pandemic on customers, being a significant increase in credit risk to the ANS division. The historical loss rates have accordingly been adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

On that basis, the loss allowance as at 31 March 2020 was determined as follows for trade receivables:

Trade debtors - days past due

31 March 2020 - IFRS9	<30	31 - 60	61 - 90	>90	Total
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
Trade debtors	10 085	12 093	10 680	56 626	89 484
Expected credit loss	39%	31%	79%	93%	77%
Estimated impairment carrying value	(3 933)	(3 749)	(8 437)	(52 662)	(68 903)
31 March 2021 - IFRS9					
Trade debtors	4 708	4 575	1 977	65 604	76 864
Expected credit loss	39%	65%	79%	97%	91%
Estimated impairment carrying value	(1 836)	(2 974)	(1 562)	(63 736)	(69 946)

The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance	2021		2020	
	Credit not impaired N\$'000	Credit impaired N\$'000	Credit not impaired N\$'000	Credit impaired N\$'000
One customer's account with a gross carrying amount of N\$60,489,973 (2020: N\$85,551,872) has gone from recoverable at 31 March 2018 to credit impaired, due to the liquidation process currently underway.	-	(60 490)	-	(54 120)
Seven large air service operators have been provided due to the economic impact of the global pandemic. Actions taken by the operators that create doubt include business rescue and liquidation.	123	(4 865)	-	(10 232)

The directors of the Authority and ANS division consider that the carrying amount of trade receivables approximate fair values

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

	<u>2021</u> <u>N\$'000</u>	<u>2020</u> <u>N\$'000</u>
13. SHORT-TERM INVESTMENTS		
Current assets		
Funds on call	237 056	228 845
<p>The funds are on deposit with Standard Bank Namibia (credit rating BBB-), with no fixed terms and earn interest at 2.25% (2020: 4.35%) p.a, compounded monthly. See note 16.2. No loss or expected credit losses have been recognised and the carrying amounts of deposits approximate their fair value.</p>		
14. OPERATIONAL LOAN ACCOUNT		
Inter-divisional operational account (payable)	(7 601)	1 957
<p>The operational loan account is used for management fees and to fund expense payments as and when necessary. The loan account has no terms of repayment as does not bear interest. The directors of the Authority consider that the carrying amount of the loan approximate fair values</p>		
15. GOVERNMENT CONTRIBUTIONS		
Balance at beginning of year	161 867	128 963
Contributions in the form of:		
- Assets transferred to the Authority under Section 23 of the Civil Aviation Act, 2016	289 211	-
- Expenses paid	12 015	32 904
Balance at end of year	463 093	161 867
16. TRADE AND OTHER PAYABLES		
<i>Financial Instruments</i>		
Trade payables	7 284	7 294
<i>Non-Financial Instruments</i>		
Payroll accruals	1 591	1 258
	8 875	8 552

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

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

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for the year ended 31 March 2021

	<u>2021</u> <u>N\$'000</u>	<u>2020</u> <u>N\$'000</u>
17. NOTES TO THE STATEMENTS OF CASH FLOWS		
17.1 Cash generated by operations		
(Loss)/Profit before taxation	(41 966)	76 005
Adjusted for:		
Depreciation and amortization	12 401	4 666
Movement on provision for doubtful debts	1 152	59 270
Non-cash Government contributions	12 015	32 904
Finance income	(11 280)	(10 151)
Finance cost	3 572	3 990
	<u>(24 106)</u>	<u>166 684</u>
Working capital changes	32 936	(64 342)
Decrease/(Increase) in trade and other receivables	22 645	(64 473)
Increase/(Decrease) in trade and other payables	8 334	(322)
Movement in inter-divisional operational account	1 957	453
	<u>8 830</u>	<u>102 342</u>
Cash generated by operations	<u>8 830</u>	<u>102 342</u>
17.2 Cash and cash equivalents		
Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:		
Short-term investments	237 056	228 845
Bank balances and cash	3 660	4 646
Total cash and cash equivalents	<u>240 716</u>	<u>233 491</u>

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

	<u>2021</u> <u>N\$'000</u>	<u>2020</u> <u>N\$'000</u>	
18. LEASES			
Lease Liability	30 300	34 754	
Short term portion	4 879	4 300	
Long term portion	25 421	30 454	
	Sites and Tower rentals	Telecommu- nication liners rentals and charges	Total
Initial recognition - 01/04/2019	18 953	19 716	38 669
Finance cost	1 967	2 023	3 990
Lease payments	(3,801)	(3,971)	(7 772)
Lease measurement	(133)	-	(133)
Balance as at 31/03/2020	16 986	17 768	34 754
Finance cost	1 769	1 803	3 572
Lease payments	(3 901)	(3 971)	(7 872)
Lease measurement	(154)	-	(154)
Balance as at 31/03/2021	14 700	15 600	30 300

**Maturity analysis of lease liabilities
2021**

	Due within 1 year <u>N\$'000</u>	Due between 1 and 5 years <u>N\$'000</u>	Beyond 5 years <u>N\$'000</u>	Total <u>N\$'000</u>
Minimum lease payments at 31 March 2021	7 970	33 381	5 082	46 433
Less future finance charges	(3 091)	(11 319)	(1 723)	(16 133)
	4 879	22 062	3 359	30 300

2020

	Due within 1 year <u>N\$'000</u>	Due between 1 and 5 years <u>N\$'000</u>	Beyond 5 years <u>N\$'000</u>	Total <u>N\$'000</u>
Minimum lease payments at 31 March 2020	7 872	32 755	13 678	54 305
Less future finance charges	(3 572)	(11 272)	(4 707)	(19 551)
	4 300	21 483	8 971	34 754

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**19.1 Categories of financial instruments***Financial assets at amortized cost*Current assets

Trade and other receivables	6 708	18 523
Loan receivable	-	1 957
Short-term investments	237 056	228 845
Bank balance and cash	3 660	4 646
Total	247 424	253 971

*Financial liabilities at amortized cost*Current liabilities

Trade and other payables	7 284	7 294
Trade and other payables-loan payable	7 601	-

Non-Financial Instruments

Payroll accruals	1 591	1 258
Total	16 476	8 552

Capital risk management

Currently ANS does not have debt except for normal trade payables and none interest divisional loan.

Deposits with banks are kept in a one-day-call to maximize return for stakeholders.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 for the year ended 31 March 2021

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

19.2 Credit risk management

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

ANS only deposits cash surpluses with major banks of high quality credit standing.

Trade account receivables comprise a wide spread customer base. Ongoing credit evaluation of the financial position of customers is performed. This is done when prompt payment is not received on a recurring basis. In such instances customers are contacted and the situation is investigated. Remedial action in the form of financial assessments and negotiations are taken, based on individual circumstances.

The granting of credit is made on application and is approved by the directors. At year end ANS did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

The credit quality of cash and cash equivalents and short-term investments that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Financial assets exposed to credit risk at year end were as follows:

	<u>2021</u> N\$'000	<u>2020</u> N\$'000
Financial instruments - at amortized cost		
Trade and other receivables	6 708	18 523
Loan receivable	-	1 957
Short-term investments	237 056	228 845
Bank balances and cash	<u>3 660</u>	<u>4 646</u>
Total	<u>247 424</u>	<u>253 971</u>

19.3 Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management is satisfied that ANS will be able to settle its financial liabilities (payables and provisions) in the normal course of business.

ANS's risk to liquidity is a result of the funds available to cover future commitments. ANS manages liquidity risk through an ongoing review of future commitments.

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

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2021**19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)****19.4 Interest rate management**

The highest possible rate is negotiated with the banks to earn good interest returns.

ANS is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates of interest on its investments. The cash resources are managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimizing risks. ANS places its funds in fluctuating interest earning call deposits and fixed term deposits which are adjusted on a short-term basis based on changes in the prevailing market related interest rates.

Further, these call deposits are due on demand. The call account/short term deposits amounting to N\$237,056,285 (2020: N\$228,845,057) are exposed to cash flow interest rate risk, however considering the short-term maturity of these deposits, these risks are minimized.

The ANS division is not exposed to fair value interest rate risk.

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 N\$'000	3 months – 1 year N\$'000	1 – 5 years N\$'000	Total N\$'000
<u>2021</u>				
Financial assets				
Trade and other receivables (net)	4 745	1 963	-	6 708
Loan receivable	-	-	-	-
Short-term investments	237 056	-	-	237 056
Cash and cash equivalents	3 660	-	-	3 660
	<u>245 461</u>	<u>1 963</u>	<u>-</u>	<u>247 424</u>
Financial liabilities				
Trade and other payables	8 875	-	-	8 875
Trade and other payables-loan payable	-	7 601	-	7 601
	<u>8 875</u>	<u>7 601</u>	<u>-</u>	<u>16 476</u>

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for the year ended 31 March 2021

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**19.5 Maturity profile (continued)****Maturity profiles of financial instruments (continued)**

2020

	1 – 3 months NS'000	3 months – 1 year NS'000	1 – 5 years NS'000	Total NS'000
Financial assets				
Trade and other receivables (net)	15 553	2 034	936	18 523
Loan receivable	1 957	-	-	1 957
Short-term investments	228 845	-	-	228 845
Cash and cash equivalents	4 646	-	-	4 646
	<u>251 001</u>	<u>2 034</u>	<u>936</u>	<u>253 971</u>
Financial liabilities				
Trade and other payables	3 256	4 038	-	7 294
Trade and other payables-loan payable	-	-	-	-
	<u>3 256</u>	<u>4 038</u>	<u>-</u>	<u>7 294</u>

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.

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**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
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for the year ended 31 March 2021****20. RELATED PARTIES**

Balances and transactions between ANS and its related party, the Government of the Republic of Namibia, through the Ministry of Works & Transport are disclosed below. A related party is a person or an entity that is related to the reporting entity. A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.

	<u>2021</u> <u>NS'000</u>	<u>2020</u> <u>NS'000</u>
Government of Namibia - as Shareholder		
ICAO project	-	1 722
Payroll costs	906	24 648
Other expenses	11 108	6 534
	<hr/>	<hr/>
Government equity contributions during the year	12 014	32 904
Government equity contributions-assets transferred	278 712	-
Government equity contributions at year end	463 093	161 867
	<hr/>	<hr/>
Entities transacting with the ANS division who are under the influence of the Ministry of Works and Transport:		
Air Namibia (Pty) Ltd		
- Fees and Charges	7 620	50 256
- Finance charge/penalties	5 006	-
- Expenses	-	(1)
- Trade receivables (fully provided for)	61 172	60 423
	<hr/>	<hr/>
Namibia Airports Company		
- Expenses	(16)	(3)
	<hr/>	<hr/>

21. NUMBER OF EMPLOYEES

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

Seconded staff - Government	1	1
Contract employees - ICAO Consultants	0	1
- ICAO Nationals	0	0
- other	2	2
Permanent employees	60	45
	<hr/>	<hr/>
Total	63	49
	<hr/>	<hr/>

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 for the year ended 31 March 2021

22. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the ANS division's accounting periods beginning on or after 1 April 2019 or later periods but which the ANS division has not early adopted, as follows:

New/Revised International Financial Reporting Standards		Effective Date
IFRS 3	Updating a reference to the Conceptual Framework	Annual periods beginning on or after 1 January 2022
IAS 16	Covid-19 related rent concessions	Annual periods beginning on or after 1 April 2021
IAS 16	Amendments regarding proceeds before intended use	Annual periods on or after 1 January 2022
IAS 37	Amendments regarding onerous contracts	Annual periods on or after 1 January 2023
IFRS 17	Insurance contracts	Annual periods beginning on or after 1 January 2023
IAS 8	Amendments on disclosure of accounting policies	Annual periods on or after 1 January 2023
IAS 8	Amendments on accounting estimates	Annual periods on or after 1 January 2023
IAS 1	Amendments on classification of liabilities	Annual periods on or after 1 January 2023
IAS 37	Annual improvements cycle	Annual periods on or after 1 January 2022
IFRS 9, IAS39, IFRS 7, IFRS 4 & IFRS 16	Interest Rate Benchmark Reform (amendments-phase 2)	Annual periods on or after 1 January 2021

The directors are in the process of determining the impact of the adoption of these statements and interpretations, they do not however, anticipate the above to have a material effect on the ANS division's annual financial statements presentation.

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for the year ended 31 March 2021

23. GOING CONCERN

The Air Navigation Service incurred a net loss of N\$41,966,000 (2020: surplus N\$76,005,000) for the year ended 31 March 2021 and utilized cash from operating activities amounting to N\$8,830,000 (2020: generated N\$102,342,000). The aviation industry continues experiencing a material decline in operating activity, due to the declaration of a global pandemic in March 2020 and the subsequent lockdown of borders implemented in various countries across the globe.

As a service provider of the air navigation services in Namibia, the ANS major revenue streams from the airlines are, enroute charge, terminal charge, and aerodrome charge. The lockdown in Namibia and internationally during the period has resulted into the ANS earning very little to no revenue.

It has been forecasted that the conditions will remain and the return to normality or pre Covid-19 time is only expected in 2024. The issue explained above have caused significant strain on the financial resources of the ANS.

The Authority's and ANS cash reserves together with National Budget allocations are sufficient resources to maintain operations for the foreseeable future. The management will constantly monitor and seek the best possible information to enable us to assess these risks and implement appropriate mitigation measures to respond to the challenge posed by the Covid-19.

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.

24. SUBSEQUENT EVENTS

The Authority and ANS considers known events and expected eventualities identified as at 31 March 2021 as adjusting events. However, any new information/change in circumstance will be considered as non-adjusting events which will be disclosed if considered material.

Therefore, new information and changes in circumstances that arise in the post balance sheet period, that relate to assets and liabilities in existence at 31 March 2021, should be considered adjusting events. New events and circumstances which occur after 31 March 2021 related to Covid-19 is disclosed if material.

The Authority and ANS is satisfied that the appropriate considerations have been taken into account with regards to the impact of Covid-19 to the annual financial statements for the year ended 31 March 2021 with regards to subsequent events.

One major customer's account of the ANS with a gross carrying amount of N\$60,489,973 has been liquidated resulting into debts being claimed through the liquidation legal process.

There were no other 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.

25. CORRECTION OF PRIOR YEAR ERRORS ARISING FROM THE DELAY IN ADOPTING IFRS 16

The management completed the full IFRS 16 adoption assessment in the current reporting period and fully adopted IFRS 16 retrospectively from 1 April 2019 with certain simplifications and exemptions, and has not restated comparatives for the 2019 reporting period, as permitted under transitional provisions of IFRS 16.

However, as the prior year annual financial statements were issued before the completion of the IFRS 16 adoption assessment, the comparatives for the 2020 reporting period had to be restated to fully comply with requirements of IFRS 16. The corrections of the comparatives for the 2020 reporting period arising from the delay in fully adopting IFRS 16 are as follows:

Statement of Financial Position	<u>2020</u> <u>(as previously</u> <u>reported)</u> <u>NS'000</u>	<u>IFRS 16</u> <u>adjustments</u> <u>NS'000</u>	<u>2020</u> <u>(as restated)</u> <u>NS'000</u>
Property, plant and equipment	1 209	29 954	31 163
Retained income	97 664	4 800	92 864
Lease liability – Long term portion	-	(30 454)	30 454
Lease liability – Short term portion	-	(4 300)	4 300
	<hr/>	<hr/>	<hr/>
Statement of Profit or Loss and other comprehensive income			
Depreciation and amortization	(72)	(4 594)	(4 666)
Finance cost	-	(3 990)	(3 990)
Operating lease charges			
– Site and towers rentals	(3 257)	3 257	-
– Telecommunication lines rentals and usage	(7 428)	4 515	(2 913)
	<hr/>	<hr/>	<hr/>

**NCAA 2020/2021
ANNUAL REPORT COORDINATORS**



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